#### FRANCHISE DISCLOSURE DOCUMENT

Choice Hotels International, Inc. a Delaware corporation 915 Meeting Street, Suite 600 North Bethesda, Maryland 20852 (301) 592-5000

e-mail: <u>development@choicehotels.com</u> https://choicehotelsdevelopment.com

The franchise offered is for the right to construct and operate a hotel under our name and primary business trademark "Country Inn & Suites® by Radisson" ("Hotel").

The total investment necessary to begin the operation of a conversion Hotel containing 83 guestrooms is \$\frac{678,136808,145}{678,136808,145}\$ to \$\frac{2,225,0443,380,685}{2,225,0443,380,685}\$, and the total investment necessary to begin the operation of a new construction Hotel is \$12,738,765 to \$15,919,895, based on a standard Hotel containing \$\frac{83101}{2}\$ guestrooms (with 25% of them being suites) but excludes the cost of real estate is \$11,974,145 to \$17,623,395, based on a standard Hotel. This includes approximately \$63,945 to \$\frac{119,895}{129,895}\$ that must be paid to the franchisor or its affiliates before the Hotel opens. These sums do not include the cost of any real estate or real estate taxes.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, us or an affiliate in connection with the proposed franchise sale. Note, however, that no government 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 Franchise Development at 915 Meeting Street, Suite 600, North Bethesda, Maryland 20852, or by telephone, at (301) 592-5000.

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 contracts carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission ("FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue NW, Washington, D.C. 20580. You can also visit the FTC's home page at <a href="www.ftc.gov">www.ftc.gov</a> for additional information on franchising.

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

Issuance Date: April 1, 20242025

# **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 Exhibits ML and NM.
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 C 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 Country Inn & Suites® by Radisson 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 a Country Inn & Suites® by Radisson franchisee?	Item 20 or Exhibits ML and NM list 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

<u>Continuing responsibility to pay fees</u>. 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.

<u>Supplier restrictions</u>. 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.

<u>Operating restrictions</u>. 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.

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

<u>Renewal</u>. 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 B.

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 Risk(s) to Consider About *This* Franchise

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

Out-of-State Dispute Resolution. The Franchise Agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Maryland. 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 Maryland than in your own state.

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 of the right of a franchisee to join an association of franchisees.
- b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchise to comply with any lawful provisions 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 values 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 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 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 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 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
Office of the Attorney
General
CONSUMER PROTECTION DIVISION
Attention: Antitrust and Franchise Unit
525 West Ottawa Street
G. Mennen Williams Building, 1st
Floor Lansing, Michigan 48913
Telephone Number: (517) 373-7117

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

#### **TABLE OF CONTENTS**

<u>ITEM</u>
ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND

ITEM 2 AFFILIATES
BUSINESS EXPERIENCE

<u></u>

(

ITEM 3 LITIGATION	<u>12</u>
ITEM 4 BANKRUPTCY	22
ITEM 5 INITIAL FEES	<u>22</u>
ITEM 6 OTHER FEES	<u>24</u>
ITEM 7 ESTIMATED INITIAL INVESTMENT	40
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	<u>47</u>
ITEM 9 FRANCHISEE'S OBLIGATIONS	<u>50</u>
ITEM 10 FINANCING	51 ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS	
AND TRAINING	<u>56</u>
ITEM 12 TERRITORY	<u>69</u>
ITEM 13 TRADEMARKS	<u>70</u>
ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATIONError! Boo	<del>okmark</del>
not INFORMATION	<u>71</u>
<del>defined.</del>	
<del>defined.</del>	
STATE ADDENDA	
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE	
FRANCHISE BUSINESS	
<u>72</u>	
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	<u>72</u>
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	73
ITEM 18 PUBLIC FIGURES	76
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS	77
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION	80
ITEM 21 FINANCIAL STATEMENTS	88
ITEM 22 CONTRACTS	88
ITEM 23 RECEIPTS	88
EXHIBITS	
EXHIBIT A - STATE-SPECIFIC ADDENDA PAGES	
EXHIBIT B - REGULATORY AUTHORITIES; REGISTERED AGENTS FOR SERVICE	CE OF
PROCESS	
EXHIBIT C - FINANCIAL STATEMENTS	
EXHIBIT D - FRANCHISE AGREEMENT, PERSONAL GUARANTY AND STATE	
ADDENDA EXHIBIT E - choiceADVANTAGE® SOFTWARE TERMS OF USE	
EXHIBIT F - CALL	
FORWARDING RESCONNECT TERMS OF	
USE EXHIBIT G - GIFT CARD	
ENROLLMENT FORM EXHIBIT H-	
PROMISSORY NOTE	
EXHIBIT #H - INCENTIVE PROMISSORY NOTE	
Exhibit H.A. – Capital Support Incentive Promissory Note	
Exhibit H.B. — Diversity Incentive Promissory Note	
EXHIBIT I - LENDER DOCUMENTS	
EXHIBIT KJ - RULES AND REGULATIONS TABLE OF	
CONTENTS EXHIBIT LK - FAIR FRANCHISING POLICY	
EXHIBIT L - LIST OF FRANCHISEES EXHIBIT M - LIST OF FORMER FRANCHISEES	
EARIDII WLIST OF FUKWEK FKANCHISEES	

# EXHIBIT N - LIST OF FORMER FRANCHISEES

EXHIBIT O—COMFORT LETTER

EXHIBIT PO - FRANCHISE DISCLOSURE ACKNOWLEDGMENT FORM

EXHIBIT OF - STATE EFFECTIVE DATES AND RECEIPT

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

To simplify the language in this Disclosure Document, "we," "us," "our," "Choice" or "Choice Hotels" means Choice Hotels International, Inc., the franchisor. "We," "us," "our," "Choice" or "Choice Hotels" does not include the employees, officers, directors or shareholders of Choice. "You" means the person who buys the franchise. "You" may be an individual, corporation, partnership, limited liability company or other legal entity, or may include the principal owners of such entity or entities if an owner of you is required to sign a personal guarantee and be personally bound by your obligations under the Franchise Agreement.

This Disclosure Document is for the right to own and/or operate a COUNTRY INN & SUITES® BY RADISSON branded Hotel ("COUNTRY").

We do business under the following primary Choice Hotels trademarks among others: ASCEND HOTEL COLLECTION®, CAMBRIA®, CLARION HOTEL®, CLARION INN®, CLARION INN & SUITES®, CLARION SUITES®, CLARION RESORT®, CLARION COLLECTION®, CLARION POINTE®, COMFORT INN®, COMFORT INN & SUITES®, COMFORT SUITES®, COMFORT HOTEL®, COMFORT HOTEL & SUITES®, COMFORT RESORT®, COUNTRY INN & SUITES® BY RADISSON, ECONOLODGE ECONO LODGE®, ECONO LODGE INN & SUITES®, EVERHOME SUITES®, MAINSTAY SUITES®, PARK INN® BY RADISSON, PARK PLAZA®, QUALITY INN®, QUALITY INN & SUITES®, QUALITY SUITES®, QUALITY HOTEL®, RADISSON®, RADISSON BLU®, RADISSON INDIVIDUALS®, RADISSON INN & SUITES™, RADISSON RED®, RODEWAY INN®, RODEWAY INN & SUITES®, SLEEP INN®, SLEEP INN & SUITES®, SUBURBAN®, SUBURBAN STUDIOS® AND WOODSPRING SUITES®.

# The Franchisor and Our Business.

We are a Delaware corporation formed on January 8, 1963, under the name Quality Courts Motels, Inc. We changed our corporate name to Choice Hotels International, Inc. on July 25, 1990. From November 1, 1996 to October 15, 1997, our corporate name was Choice Hotels Franchising, Inc. Our corporate name has been Choice Hotels International, Inc. since October 15, 1997. Our principal business address (as well as the principal place of business of the Radisson companies listed in this Item 1) is 915 Meeting Street, Suite 600, North Bethesda, Maryland 20852. Our agents for service of process are disclosed in Exhibit B of this Disclosure Document.

Our business began in 1939 when seven independent motel owners in Florida met to discuss how they could better satisfy the needs of their customers. Over the next few years, the group continued to meet and share best practices. In 1941, the group formalized its relationship by creating a membership association called Quality Courts United, thereby creating the nation's first hotel chain. The vision of the members of Quality Courts United was to develop quality and other standards for their customers, as well as to refer guests to each other's motels.

In January 1963, the organization officially became a for-profit corporation operating under the name Quality Courts Motels, Inc. Shortly thereafter, a training school, a central reservations system and hotel directory were added to the organization. Since that time, the company has changed its name to Choice Hotels International, Inc. and has expanded and further developed the-overall Choice franchise system of hotels through the development of additional hotel brands and expansion into new markets.

Our indirect subsidiaries have conducted international franchise operations through a combination of direct franchising and master franchising or master development relationships since

approximately 1958. More currently, Our indirect subsidiary, Choice Hotels Licensing B.V. ("Choice BV"), a private limited liability company formed in the Netherlands on June 8, 2000, has been a franchisor or a master franchisor of our various Choice hotel brands internationally. Since July 2024, we have been the franchisor of our brands in the Caribbean and Latin America region. Our international operations are primarily conducted in the following countries and territories, as organized by region: (1) Asia-Pacific - Australia, China, India, Japan, and New Zealand, and these have been mainly our ASCEND HOTEL COLLECTION, CLARION, COMFORT, ECONO LODGE, and QUALITY INN brands; (2) Europe & Middle East - Austria, Czech Republic, Denmark, Faroe Islands, Finland, France, Germany, Ireland, Italy, Kingdom of Saudi Arabia, Lithuania, Norway, Portugal, Slovakia, Spain, Sweden, Turkey, and the United Kingdom, and these have been mainly our ASCEND HOTEL COLLECTION, CLARION, COMFORT, ECONO LODGE, and QUALITY, and CLARION INN brands; and (3) Latin America & Canada - Aruba, Bahamas, Barbados, Belize, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Honduras, Mexico, Panama, Peru, Puerto Rico, Sint Maarten, Trinidad and Tobago, and Uruguay, and these have been our ASCEND HOTEL COLLECTION, CLARION, COMFORT, COUNTRY INN & SUITES, ECONO LODGE, MAINSTAY SUITES, PARK INN, RADISSON, RADISSON BLU, RADISSON INDIVIDUALS, RADISSON RED, RODEWAY, QUALITY INN, and SLEEP INN brands. Choice BV's wholly owned subsidiary, Choice Hotels France, S.A.S. (a French company incorporated in France on November 23, 2006), conducts franchise operations in France. Choice BV's wholly owned subsidiary, Choice Hotels Asia-Pac Pty. Ltd. (an Australia company incorporated on March 30, 1998), conducts franchise operations in Australia and New Zealand. In Canada, since June 2023, Radisson Hotels Canada, Inc., which is a British Columbia corporation incorporated on May 9, 2011 ("Radisson Canada") and which Choice acquired as a part of the Radisson purchase (as further described below), has conducted franchise operations for our CAMBRIA, EVERHOME, MAINSTAY, SUBURBAN STUDIOS and WOODSPRING brands. Previously, Choice BV conducted franchise operations in Canada for these brands. We have a master franchise agreement with Choice Hotels Canada, Inc. ("CHC"), a corporation incorporated on May 21, 2008 under the laws of the Province of Ontario. CHC has the exclusive right to franchise hotels in Canada under the ASCEND HOTEL COLLECTION, COMFORT, CLARION, ECONO LODGE, QUALITY, RODEWAY INN, and SLEEP INN brands. CHC is equally owned by Choice Hotels International Licensing ULC, a company formed in May 2008 under the laws of the Province of Alberta, Canada, and a wholly owned subsidiary of Choice BV, and by InnVest Management Holdings Limited. Further, Radisson Canada currently offers franchises in Canada for hotels under the RADISSON BLU, RADISSON®, RADISSON INDIVIDUALS, COUNTRY INN & SUITES® BY RADISSON, and PARK INN BY RADISSON brands, and previously offered franchises under the RADISSON RED, RADISSON INDIVIDUALS and RADISSON INN & SUITES brands. Radisson Canada began offering franchises in Canada in 2011. Unless otherwise noted, all of these subsidiaries share our principal business address, and have not operated any hotels or offered franchises in any other line of business. As of December 31, 2023 2024, there were approximately 1,2221,258 Choice franchised hotels operating in these various countries.

In 2013, we established a subsidiary, SkyTouch Solutions, LLC, that develops and markets cloud-based technology products, including inventory management, pricing and connectivity to third party channels, to hoteliers who do not have franchise agreements with us.

Choice Privileges Loyalty Services, LLC—is, a Delaware limited liability company formed on June 12, 2017—("CPLS"). CPLS owns, operates, formerly owned, operated, and administers administered the Choice Privileges® guest rewards program. Its principal business address is 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808We assumed the ownership and operation rights of the program on December 31, 2024.

On August 11, 2022, Choice completed its purchase of Radisson Hospitality, LLC pursuant to a

Share Sale and Purchase Agreement dated June 12, 2022 ("Purchase Agreement"). Under the Purchase Agreement, Choice purchased 100% of Radisson Holdings, Inc.'s equity interest in Radisson Hospitality, LLC (a Minnesota limited liability company originally incorporated as Radisson Hospitality, Inc. on March 3, 1998, and converted to a limited liability company on December 26, 2023) and its subsidiaries (collectively, "Radisson"). Radisson is now a wholly owned subsidiary of Choice.

Radisson was a hospitality franchisor of the following portfolio of brands that were the subject of the Purchase Agreement: Radisson Collection®; Radisson Blu®; Radisson®; Radisson RED®; Radisson Individuals®; Radisson Inn & Suites®; Park Plaza®; Park Inn® by Radisson; and Country Inn & Suites® by Radisson (the "Radisson Brands"). Radisson owned the rights to these brands in the United States, Canada, Latin America, and the Caribbean (the "Americas"). Pursuant to the Purchase Agreement, Choice did not purchase any interest in Radisson Hotel Group, which owns the rights to Radisson Hotels in Europe, the Middle East, Africa, and Asia Pacific. As a part of the purchase, we also acquired Radisson Hotels Management Company, LLC (originally incorporated as Radisson Hotels Management Corporation in 1979 under the laws of New Jersey), which manages several Radisson Brand hotels owned by us or other unrelated parties. (See Item 1 below.)

Country Inn & Suites by Radisson, Inc. ("CIS Radisson"), is a Minnesota corporation incorporated on July 22, 1986, and was formerly a wholly owned subsidiary of Radisson Hospitality, LLC. CIS Radisson conducted business under the corporate name Country Inns & Suites By Carlson, Inc., and granted franchises under the trade names "Country Inns & Suites By Carlson," "Country Inn By Carlson" and "Country Suites By Carlson" from 1987 until September 29, 2017. On September 29, 2017, the corporate name was changed to Country Inn & Suites by Radisson, Inc. and it began conducting business and granting franchises under the trade names "Country Inns & Suites by Radisson" from that date until March 2023. Choice began offering franchises under the COUNTRY marks as of April 2023.

Radisson Procurement, LLC, d/b/a Strategic Sourcing, is a subsidiary of Radisson that purchases goods and services for resale to third parties, including franchisees.

Except as set forth in this Item 1, we do not have any other parents, predecessors or affiliates that must be disclosed.

# **COUNTRY Hotels.**

We offer a Franchise Agreement for each individual COUNTRY Hotel. COUNTRY is an upper midscale brand. Each Hotel location COUNTRY offers inviting design, generous hospitality with touches of home seamlessly woven into its products, and services for both, and experiences - catering to the preferences of business and leisure travelers. This brand has three free signature amenities: Wi-Fi; fitness centers; and a free, hot breakfast served daily. You must sign the form of Franchise Agreement and Personal Guaranty of Franchise Agreement attached to this Disclosure Document as Exhibit D. If you are converting an existing hotel or purchasing an existing COUNTRY Hotel, your Franchise Agreement will include a Property Improvement Plan as an exhibit to your Franchise Agreement.

The information in this Disclosure Document applies to both new construction and conversion of existing hotels, except where otherwise disclosed in this Disclosure Document. The Franchise Agreement authorizes you to use the COUNTRY INN & SUITES® BY RADISSON trade name and service marks to operate and to identify the class of hotel facility, and permits you to use the distinctive identity, trade dress, methods and system for conducting the hotel business at the franchised Hotel.

Our affiliates and subsidiaries have owned, operated and managed hotels since 1987, and currently operate and manage COUNTRY Hotels. See Item 20. Your receipt of this Disclosure Document does not mean that you will be approved as a franchisee or that you may develop or open any of our

franchised hotels. Before you may develop and open any of our franchised hotels, we must approve you as a franchisee, we must approve the location of your proposed hotel, you must attend and successfully complete our training programs, we and you must sign the Franchise Agreement (Exhibit D), and you must pay the affiliation fee. You should not acquire any interest in a site for a hotel franchise until, at the earliest, you are approved by us as a franchisee.

# **General Market and Competition.**

The market for hotel services is generally well developed but will largely depend on your hotel's location, size and type of operation (for example, resort location, hotel for frequent business travelers, etc.). Franchisees typically seek customers and business referrals from the local community and solicit business from tour and travel groups on a regional and national level. Depending on the location of the hotel, sales may increase or decrease significantly on a seasonal basis.

Your competitors will include other chain-affiliated hotels (including our hotel brands) and independent hotels and motels in the area where your hotel is located. You may also face competition from vacation rental properties, such as VRBO and Airbnb.

#### Other Choice Hotels Brands.

We franchise other hotel brands under the Choice Marks as defined in Item 13. We have franchised full service, mid-priced hotels under the trademark QUALITY INN since 1968 and under the trademark CLARION since 1987. QUALITY INN provides an accommodating environment, friendly service and a continental breakfast. All-suites hotels within the QUALITY brand are known as QUALITY SUITES hotels. CLARION branded hotels offer guests a quality of service, amenities and inviting atmosphere associated with finer hotels, but at an affordable price. These hotels offer free high-speed internet access, and most locations offer a full-service restaurant, room service, swimming pool and fitness center. In 2018, we began franchising limited-service hotels under the trademark CLARION POINTE, which offer affordable accommodations with comfortable, contemporary rooms, free high-speed internet access, and a free better-for-you breakfast.

We have franchised limited-service, upper mid-scale and mid-scale hotels under the trademark COMFORT since 1981 and under the trademark SLEEP INN since 1987. We also have franchised limited- service economy and budget hotels under the trademark ECONO LODGE since 1990 and under the trademark RODEWAY INN® since 1990, respectively. COMFORT branded hotels provide a warm atmosphere and personal, helpful service, including breakfast, in-room coffee and free high-speed internet access. All-suites hotels under the COMFORT brand are offered under the COMFORT SUITES trademark. SLEEP INN branded hotels provide exceptional service and value in a familiar atmosphere with carefully maintained facilities. SLEEP INN branded hotels that contain at least 10% suites may operate under the SLEEP INN & SUITES trademark. ECONO LODGE branded hotels provide a comfortable stay at a great value for business and leisure travelers. RODEWAY INN branded hotels are budget segment hotels for value-oriented travelers that offer a welcoming and efficient environment at an economy price.

We have franchised extended stay, limited-service hotels under the trademark MAINSTAY SUITES since 1996 and under the trademark SUBURBAN since 2005 orand SUBURBAN STUDIOS® since 2022. MAINSTAY SUITES offers residential style amenities and affordable rates. Each MAINSTAY SUITES hotel room offers ample space for an extended stay, with areas for dressing, relaxing, sleeping and eating, and includes a well-equipped kitchen. SUBURBAN or SUBURBAN STUDIOS offers competitive rates for stays of one week or more. Rooms at a SUBURBAN property are spacious and feature a well- equipped kitchen and free high-speed internet access.

We acquired the WOODSPRING SUITES brand from WoodSpring Hotels Franchise Services LLC, a Kansas limited liability company ("WHFS") in 2018. From 2004 to April 2015, WHFS offered extended-stay franchises under the name "VALUE PLACE," and in 2015 WHFS changed the brand to "WOODSPRING SUITES." We began offering franchises under the trademark WOODSPRING SUITES in February 2018. WOODSPRING SUITES hotels are extended stay, limited services hotels that offer customers the value of a furnished room with kitchen facilities, together with terms and conditions, services and amenities associated with extended-stay hotels, including easy check-in, one-week stays, and periodic housekeeping.

We began offering EVERHOME SUITES franchises in November 2019. EVERHOME SUITES offers in the mid-scale space studio and larger one-bedroom options, all of which include a fully equipped, modern kitchen complete with a full-sized refrigerator, dishwasher, stovetop, microwave, and ample counter space. Dishes, utensils, glassware, and cookware will be provided in room for free to enable guests to cook their own meals. Small appliances, such as blenders, crockpots, and electric indoor grills, will be available to rent at the front desk.

We have franchised hotels under the trademark CAMBRIA since 2004. CAMBRIA is an upscale, select-service hotel brand designed for guests who want to take their lifestyle with them when traveling. CAMBRIA branded hotels feature a stylish design that creates a unique sense of place, within our design framework—optimized for operational excellence, financial performance and guest appeal.

We also offer hotels under the trademark ASCEND, which is a special group of boutique, unique or corresort, historic and boutique hotels that have a strong local identity and share a common commitment to outstanding guest service. ASCEND member hotels range from historic to themed to contemporary and offer amenities, including operation of an onsite, upscale dining restaurant or are located within one city block of an upscale dining restaurant. From April 1, 2005 through April 30, 2008, we offered franchises for a similar concept under the trademark CLARION COLLECTION. As of December 31, 20222024, there were three CLARION COLLECTION franchises open in the United States. ASCEND member hotels typically will be conversions of existing hotels that retain their existing name followed by the words, "ASCEND HOTEL COLLECTION" or "ASCEND RESORT COLLECTION" for local marketing and signage purposes.

We began offering RADISSON franchises through our subsidiary in August 2022 and directly since April 2023. From 1983 to 2023, Radisson Hotels International, Inc. ("Radisson International"), a Delaware corporation incorporated on August 15, 1983, and a wholly owned subsidiary of Radisson Hospitality, LLC (formerly, Radisson Hospitality, Inc.), franchised hotels under the RADISSON brand. RADISSON is a full- service hotel brand that offers bright welcoming spaces functional guestrooms, upscale on-site services such as modern fitness facilities, restaurants and amenities, including breakfast options bars, and free Wi-Fi. RADISSON franchises are offered for three different classes, each aimed at a slightly different segment of travelers: resort class; suite class; and hotel class. Some of the differences between these classes are the location and size of the RADISSON hotel and the size and type of the guest rooms guestrooms in the hotel.

We began offering RADISSON BLU franchises through our subsidiary in August 2022 and directly since April 2023. From 2015 to 2023, Radisson International franchised hotels under the RADISSON BLU brand. RADISSON BLU is anhotels offer upper upscale hotel that has a full range of first-class hotel services but maintain its individuality reflecting the uniqueness of the market in which it is located. RADISSON BLU hotels appeal to both leisure and business travelers and customers looking for meeting and/or event spaceaccommodations with minimalist design, prioritizing comfort and distinctiveness in the guestrooms, unique dining concepts, multipurpose workspaces with complimentary Wi-Fi, smart TVs, and wellness facilities. RADISSON BLU transcends the ordinary and offers a stay that

combines style with substance, innovation with comfort and a sense of belonging in an elevated environment.

We began offering RADISSON INDIVIDUALS in April 2024. From June 2020 to August 2022, Radisson International franchised hotels under the RADISSON INDIVIDUALS brand. RADISSON INDIVIDUALS is an upper upscale collection brand brings together independent and boutique hotels that gives park our guests' innate curiosity for the charm of a one of a kind travel experience while providing high quality services, amenities, including food and beverage, and unparalleled service untold stories our hotels, and their destinations have to offer. RADISSON INDIVIDUALS offers upper upscale on-site services such as restaurants and bars, wellness facilities and free Wi-Fi, ensuring guests feel inspired and welcomed as they embark on their journey.

We began offering franchises under the name PARK INN and PARK INN BY RADISSON through our subsidiary in August 2022 and directly since April 2023. From 2000 to 2023, Park Hospitality LLC ("Park"), a Delaware limited liability company organized on June 13, 2000, and which was formerly a wholly-owned indirect subsidiary of Radisson Hospitality, LLC, operated and franchised hotels under the name PARK INN or PARK INN BY RADISSON.

Our predecessor CIS Radisson previously offered or sold franchises for the Radisson Inn & Suites brand. As of the date of this disclosure document, we are not actively offering or selling franchises for these brands, although this may change in the future.

As of December 31, 2023 2024, the following Choice Brands were open and operating in the United States: 177182 ASCEND hotel franchiseshotels; 67 CAMBRIA hotel franchiseshotels; 111110 CLARION hotel franchiseshotels; 3 CLARION COLLECTION hotel franchiseshotels; 6471 CLARION POINTE hotel franchises; 1,664 hotels; 1,663 COMFORT INN, COMFORT INN & SUITES, and COMFORT SUITES hotel franchiseshotels; 421419 COUNTRY hotel franchiseshotels; 677643 ECONO LODGE hotel franchiseshotels; 43 EVERHOME SUITES hotel franchisehotels; 126139 MAINSTAY SUITES hotel franchiseshotels; 427 PARK INN hotel franchiseshotels; 0 PARK PLAZA hotel franchises; 1,617hotels; 1,621 QUALITY hotel franchiseshotels; 52 RADISSON hotel franchiseshotels; 12 RADISSON BLU hotel franchise hotels; 1 RADISSON INDIVIDUALS hotel franchise; 0 RADISSON INN & SUITES hotel franchiseshotels; 10 RADISSON RED hotel franchisehotels; 472447 RODEWAY INN hotel franchiseshotels; 427410 SLEEP INN and SLEEP INN & SUITES hotel franchiseshotels; 104109 SUBURBAN franchiseshotels; and 235256 WOODSPRING SUITES hotel franchiseshotels. The above includes the following hotels that Choice operates, but does not own: 6 RADISSON hotels located in Phoenix, Arizona; Sunnyvale, California; Nashville, Tennessee; Salt Lake City, Utah; Seattle, Washington; and La Crosse, Wisconsin; 1 RADISSON BLU hotel located in Chicago, Illinois; and 32 COUNTRY INN & SUITES BY RADISSON hotels located in San Diego, California; Brooklyn Center, Minnesota; and Bothell, Washington. Not included in this list are seventhirteen CAMBRIA hotels and four EVERHOME SUITES hotels owned by Choice, which are operated by third party management companies. Choice intends to franchise all company-owned CAMBRIA hotels in the near future. Also not included are the following hotels that Choice owns and operates: a RADISSON BLU hotel located in Bloomington, Minnesota; a CAMBRIA hotel located in Bloomington, Minnesota; a dual brand COUNTRY INN & SUITES BY RADISSON and PARK PLAZA hotel located in Bloomington, Minnesota; and a RADISSON RED hotel located in Minneapolis, Minnesota.

# **Industry Specific Laws and Regulations.**

Your franchised Hotel will be subject to significant federal, state and local laws and regulations applicable to businesses generally and those specific to the hotel industry, including regulations regarding zoning and building, occupational health and safety, labor, licensing and bonding, food, insurance, advertising, liquor licenses, sales, income and other taxes, the Americans with Disabilities Act, privacy

and data collection, and posting of hotel room rates and registration and identification of guests. There may be other laws and regulations applicable to the hotel industry or businesses generally, with which you must comply. You should consult with your attorney concerning these laws and regulations.

Except as described in this Item 1, we have not offered franchises in any other line of business, and we do not engage in any franchise business not related to those described in this Item 1.

# ITEM 2 BUSINESS EXPERIENCE

#### **OFFICERS**

#### Director, President and Chief Executive Officer: Patrick S. Pacious

Mr. Pacious has been a Director, President and Chief Executive Officer since September 2017. He is based in our North Bethesda, Maryland corporate office.

# Chief Human Resources Officer: Patrick J. Cimerola

Mr. Cimerola has been Chief Human Resources Officer since 2015. He is based in our North Bethesda, Maryland corporate office.

# Chief Development Officer: David A. Pepper

Mr. Pepper has been Senior Vice President, Chief Development Officer since May 2015. He is based in our North Bethesda, Maryland corporate office.

# Executive Vice President, Operations and Chief Global Brand Officer: Dominic E. Dragisich

Mr. Dragisich has been Executive Vice President Operations and Chief Global Brand Officer since August 2023. Previously, he was Chief Financial Officer from March 2017 to August 2023. He is based in our North Bethesda, Maryland corporate office.

# Senior Vice President, General Counsel, Corporate Secretary and External Affairs: Simone Wu

Ms. Wu has been Senior Vice President, General Counsel, Corporate Secretary and External Affairs since 2015. She is based in our North Bethesda, Maryland corporate office.

# Chief Financial Officer: Scott E. Oaksmith

Mr. Oaksmith has been Chief Financial Officer since September 2023. Previously, he was Senior Vice President, Real Estate and Finance from March 2020 to September 2023. He is based in our North Bethesda, Maryland corporate office.

#### **Chief Commercial Officer: Robert McDowell**

Mr. McDowell has been Chief Commercial Officer since February 2016. He is based in our North Bethesda, Maryland corporate office.

# **Chief Segment and International Operations Officer: Raul Ramirez Sanchez**

Mr. Ramirez Sanchez has been Chief Segment and International Operations Officer since August 2023. Previously, he was Chief Strategy and International Operations Officer from October 2021 to August 2023. He was Senior Vice President, Head of International, Corporate Strategic and Financial Planning for Choice from June 2020 to October 2021. He was Senior Vice President, International Strategic Planning and Global Head of Financial Planning and Analysis from August 2019 to June 2020 and was Vice President, Strategic Finance and Financial Planning and Analysis from August 2017 to August 2019. He is based in our North Bethesda, Maryland corporate office. Previously, he was Head of Finance, XO Business Unit for Verizon Communications in Herndon, Virginia from February 2019 to August 2019 and was employed at XO Communications as Vice President, Financial Planning and Analysis and Corporate Development from September 2015 until January 2019.

# Chief Marketing Officer: Noha Abdalla

Ms. Abdalla has been Chief Marketing Officer since August 2022. Previously, she was Chief Marketing Officer of MyEye Dr., a company based in Vienna, Virginia, from November 2020 to August 2022. She was Global Vice President, Digital and Content Marketing of Hilton Hotels & Resorts, a company based in McLean, Virginia, from July 2020 to November 2020, and Global Vice President, Social Media of Hilton from July 2018 to July 2020.

# Chief Strategy Officer and Senior Vice President, Technology: Anna Scozzafava

Ms. Scozzafava has been Chief Strategy Officer and Senior Vice President, Technology since August 2023. Previously, she was Vice President and GM of Extended Stay from June 2019 to August 2023. She is based in our North Bethesda, Maryland corporate office.

# Deputy General Counsel and Assistant Secretary: Jeff Lobb

Mr. Lobb has been Deputy General Counsel since February 2017 and has been Assistant Secretary since September 2015. He is based in our North Bethesda, Maryland corporate office.

# OTHER EXECUTIVES WITH MANAGEMENT RESPONSIBILITY RELATING TO THE SALE OR OPERATION OF OUR FRANCHISES

#### Chief Information Officer: Brian Kirkland

Mr. Kirkland has been Chief Information Officer since July 2021. Previously, he was Chief Technology Officer from January 2018 to July 2021. He is based in our Scottsdale, Arizona corporate office.

# Senior Vice President & General Manager, Upscale Brands Division: Indy Adenaw

Mr. Adenaw has been Senior Vice President & General Manager, Upscale Brands Division, of Choice since June 2023. Previously, he was Managing Director of Kayak Hotels from March 2022 to April 2023. From June 2010 to June 2020, he was with Marriott International, a company based in Bethesda, Maryland, in various roles in the company with the last position serving as Vice President and Global Brand Leader, Sheraton Hotels and Resorts, which is owned by Marriott International. He is based in our North Bethesda, Maryland corporate office.

# Senior Vice President Shared Services and Owner Relations: Timothy R. Shuy General Manager, Core Brands: Judd Wadholm

Mr. Shuy Wadholm has been Senior Vice President Shared Services and Owner Relations General Manager Core Brands since September 2023 April 2024. Previously, he was Vice President and General

Manager Signature and Foundation Brands from September 2022 to September 2023. He was a Vice President, Owner and Portfolio Strategy for Choice Managed Hotels from September 2015 to August 2022 February 2020 to March 2024. He is based in our North Bethesda, Maryland corporate office.

#### Chief Strategy Officer and Senior Vice President, Technology: Anna Scozzafava

Ms. Scozzafava has been Chief Strategy Officer and Senior Vice President, Technology since August 2023. Previously, she was Vice President and GM of Extended Stay from June 2019 to August 2023. She was Vice President of Strategy and Planning for Choice from November 2017 to June 2019. She is based in our North Bethesda, Maryland corporate office.

#### Vice President, Upscale Brands and Chief Sustainability Officer: Megan Brumagim

Ms. Brumagim has been Vice President, <u>Upscale Brands and Chief</u> Sustainability <u>Officer</u> since <u>April 2022October 2024</u>. Previously, she was Vice President, <u>Sustainability from March 2022 to October 2024</u>. She was <u>Vice President</u>, Brand Management, Design and Compliance from June 2019 to March 2022. <u>She was Senior Director</u>, <u>Signature Brands for Choice Hotels from September 2017 to June 2019</u>. She is based in our North Bethesda, Maryland corporate office.

# Senior Vice President, Upscale Development: Mark Shalala

Mr. Shalala has been Senior Vice President, Upscale Development since January 2020. He was Vice President, Upscale Brands Development from January 2017 to December 2019. He is based in his home office in North Bethesda, Maryland.

# Senior Vice President, Foundation Development: Tom Nee

Mr. Nee has been Senior Vice President, Foundation Development since January 2017. He is based in his home office in Fort Lauderdale, Florida.

# Senior Vice President, Extended Stay Development: Ron Burgett

Mr. Burgett has been Senior Vice President, Extended Stay Development since January 2020. Previously, Mr. Burgett was Vice President, Franchise Development, WoodSpring from February 2018 to January 2020. He is based in our North Bethesda, Maryland corporate office.

# Senior Vice President, Signature Development: Jason Cowan

Mr. Cowan has been Senior Vice President, Signature Development since January 2020. Previously, he was Regional Vice President, Franchise Development from May 2018 to January 2020. He was Regional Vice President, Franchise Sales from January 2012 to April 2018. He is based in his home office located in Atlanta Kennesaw, Georgia.

#### Head of Development, Radisson Blu: Marissa Ballan

Ms. Ballan has been Head of Development since August 2023. Previously, she was Vice President, Global Investment Management of citizenM Hotels, a company with its United States headquarters in New York, New York, from January 2022 to August 2023, and Vice President, Development and Investments from January 2018 to January 2022. She is based in her home office located in New York, New York.

# Vice President, Franchise Sales Development: Brian Parker

Mr. Parker has been Vice President, Franchise Sales Development since January 2020. He was Regional Vice President, Franchise Sales from January 2012 to December 2019. He is based in his home office located in Plainfield, New Jersey.

# Vice President, Franchise Sales Development: Nick DePaolo

Mr. DePaolo has been Vice President, Franchise Sales Development since January 2017. He was Regional Vice President, Franchise Development from April 2008 to January 2017. He is based in his home office located in Chicago, Illinois.

# **Vice President, Franchise Sales Development: Anthony Goldstein**

Mr. Goldstein has been Vice President, Franchise Sales Development since January 2020. Previously, he was Regional Vice President, Franchise Development from May 2018 to January 2020. He was Regional Vice President, Franchise Sales from July 2017 to April 2018. He is based in his home office located in San Diego, California.

# Vice President, Franchise Sales Development: Keith Jones

Mr. Jones has been Vice President, Franchise Sales Development since January 2022. Previously, he was Regional Vice President, Franchise Development from March 2018 to December 2021. He is based in his home office located in Fort Worth, Texas.

# Vice President, Franchise Sales Development: Robert O'Leary

Mr. O'Leary has been Vice President, Franchise Sales Development since January 2022. Previously, Mr. O'Leary was Regional Vice President, Franchise Development from March 2018 to December 2021. He is based in his home office located in Tampa, Florida.

#### Vice President, Franchise Sales Development: Hemant Patel

Mr. Patel has been a Vice President, Franchise Sales Development since January 2023. Previously, he was a Vice President, Franchise Development for Choice from February 2021 to December 2022. He was a Regional Vice President, Franchise Development for Choice from January 2020 to February 2021. He was also Director of Franchise Development from January 2014 to January 2020. He is based in his home office located in Tallahassee, Florida.

#### **Vice President, Franchise Sales Development: Scott Andrews**

Mr. Andrews has been Vice President, Franchise Sales Development since July 2019. He is based in our Scottsdale, Arizona corporate office. Previously, he was a Regional Vice President for Wyndham Hotel Group in Parsippany, New Jersey from July 2015 to June 2019.

#### Vice President, Franchise Sales Development: Jamey Cua

Mr. Cua has been Vice President, Franchise Sales Development since November 2022. Previously, he was Vice President, Business Development for Peachtree Hospitality Management, a company based in Atlanta, Georgia, from November 2020 to December 2022. He was Senior Vice President, Managed Development for Sage Hospitality, based in Denver, Colorado, from January 2018 to November 2020. He is based in his home office located in Colombus, Ohio.

# Vice President, Franchise Sales Development: Chris Stanley

Mr. Stanley has been Vice President, Franchise Sales Development since July 2023. Previously, he was Regional Vice President, Franchise Sales Development from November 2021 to July 2023. He was Vice President, Regional Development for Radisson Hotel Group, located in St. Louis Park, Minnesota, from January 2018 to July 2020. He is based in his home office located in Phoenix, Arizona.

# Vice President, Owner Relations and Emerging Markets Franchise Development Strategic Programs: John Lancaster

Mr. Lancaster has been Vice President, Owner Relations and Emerging Markets Franchise Development Strategic Programs since July 2020. Previously, he was Regional Vice President, Franchise Development from January 2020 to June 2020. He was Director of Franchise Development from January 2018 to December 2019. He is based in his home office located in Phoenix, Arizona.

# Vice President, Foundation Brands Development: Christopher Martinez

Mr. Martinez has been a Vice President, Foundations Brands Development since January 2023. Previously, he was a Regional Vice President Development for Choice from January 2020 to January 2023. He was a Director of Franchise Sales and Development from January 2007 to January 2020. Chris is based in his home office in Tampa, Florida.

# Vice President, Development: Robert Scribner

Mr. Scribner has been Vice President of Development since January 2025. Previously, he was a Regional Vice President Coach from September 2024 to January 2025. He was a Regional Vice President, Franchise Development from January 2020 to January 2025. He is based in his home office located in Miami, Florida.

# Vice President, Development: Ryan Wold

Mr. Wold has been Vice President, Development since January 2025. Previously, he was Regional Vice President of Development from February 2018 to December 2024. He is based in his home office located in Spokane, Washington.

# Vice President, Franchisee Onboarding and Learning: Timothy Tobin

Mr. Tobin has been Vice President, Franchisee Onboarding and Learning since February 2018. He is based in our North Bethesda, Maryland corporate office.

# Vice President, Extended Stay Brand Management: Matt McElhare

Mr. McElhare has been Vice President, Extended Stay Brand Management since January 2024. Previously, he was Senior Director, Extended Stay Brands from September 2021 to January 2024. He was Director, Extended Stay Strategy & Operations from November 2018 to September 2021. He is based in our North Bethesda, Maryland corporate office.

#### **Vice President, Franchise Performance: Curtis Osekowsky**

Mr. Osekowsky has been Vice President, Franchise Performance since July 2022. Previously, he was a Vice President, Franchise Services for Choice from September 2018 to June 2022. He is based in our North Bethesda, Maryland corporate office. He was a Regional Vice President of Radisson Hotel Group in Minnetonka, Minnesota from April 2016 to February 2018.

# Vice President, Franchise Performance, Extended Stay Brands: D. Glenn McFarland Portfolio Management: Patrick Kruse

Mr. McFarland Kruse has been Vice President, Franchise Performance, Extended Stay Brands Portfolio Management since August 2023. Previously, he was Regional Vice President. Franchise Services, Extended Stay Brands Senior Director, Owner & Portfolio Strategy Operations from February 2018 May 2017 to August 2023. He is based in his homeour North Bethesda, Maryland corporate office located in Turlock, California.

# Regional Vice President, Franchise Services Performance: Byron Bean

Mr. Bean has been Regional Vice President, Franchise <u>ServicesPerformance</u> since February 2005. He is based in his home office located in Sacramento, California.

# Regional Vice President, Franchise Services: Jill Burke

Ms. Burke has been Regional Vice President, Franchise Services since January 2019. She was a Regional Area Director from May 2016 to January 2019. She is based in her home office located in Columbus, Ohio.

# Regional Vice President, Core Franchise Performance: Michelle Masters

Ms. Masters has been Regional Vice President, Core Franchise Performance since April 2019. She is based in her home office located in Mayer, Minnesota. She was Regional Vice President, Operations of Radisson Hotel Group in Minnetonka, Minnesota from November 2002 to April 2019.

#### Regional Vice President, Core Franchise Performance: Odette Brown

Ms. Brown has been Regional Vice President, Core Franchise Performance since January 2021. Previously, she was a Regional Area Director from January 2018 to December 2020. She is based in her home office located in Little Rock. Arkansas.

# Senior Director, Retention Sales & Strategy: James RudeauSerol Gurun

Mr. RudeauGurun has been Senior Director, Retention Sales and Strategy since April 2005 September 2024. Previously, he was a Director of Owner Relations & Portfolio Strategy from September 2018 through September 2024. He is based in our North Bethesda, Maryland corporate office.

#### ProjectPortfolio Management, Sales Director, Retention Sales & Strategy: Phil Carandang

Mr. Carandang has been Project Portfolio Management, Sales Director, Retention Sales & Strategy since March 2015. He is based in his home office located in Columbia, South Carolina.

#### Senior Director, Onboarding Services: Colleen Kruse

Ms. Kruse has been Senior Director, Onboarding Services since January 2020. Previously, she was a Director, Franchise Development Operations from January 2015 to January 2020. She is based in our North Bethesda, Maryland corporate office.

# **DIRECTORS**

Chairman of the Board: Stewart W. Bainum, Jr.

Mr. Bainum has been a Director and Chairman of the Board of Choice Hotels since October 1997. He has also been Chairman of the Board of Realty Investment Company, Inc., in Silver Spring, Maryland since December 2005. Mr. Bainum has been Chairman of the Board of Sunburst Hospitality Corporation, in Silver Spring, Maryland since November 1996.

#### Director: Brian B. Bainum

Mr. Bainum has been a Director since April 2019. He has been a Management Consultant and Director of SunBridge Capital Management, LLC, in Chevy Chase, Maryland since January 2017. Previously, Mr. Bainum was a Management Consultant at Deloitte in Rockville, Maryland from September 2017 through October 2018.

# Director: Ervin R. Shames

Mr. Shames has been a Director since April 2002. He has been an independent management advisor to consumer goods and services companies based out of Wilton, Connecticut since January 1995.

# Director: William L. Jews

Mr. Jews has been a Director since March 2006 and was also a Director from 2000 to 2005. Mr. Jews has also been Chairman of the Ryland Group, in Calabasas, California since February 2010. He has been a Director of Fortress International Group, in Columbia, Maryland since August 2007 and a Director of KCI Technologies, Inc., in Sparks, Maryland since December 2009.

# Director: John P. Tague

Mr. Tague has been a Director since February 2012. He has been Chief Executive Officer of Greatwide Logistics Services, Inc., in Dallas, Texas since July 2011.

#### Director: Monte J. M. Koch

Mr. Koch has been a Director since March 2014. He has been Vice Chairman of the Board of Directors of Auction.com, in Irvine, California since July 2012. He has been a Director of the National Business Aviation Association located in Washington, DC since November 2005.

#### Director: Liza K. Landsman

Ms. Landsman has been a Director since October 2014. She has been Chief Customer Officer at Jet.com, Inc. in Montclair, New Jersey since March 2015.

# **Director: Maureen Sullivan**

Ms. Sullivan has been a Director since November 2018. She has been Chief Operating Officer of Rent the Runway, Inc. in New York, New York since September 2015.

#### Director: Donna F. Vieira

Ms. Vieira has been a Director since July 2021. She has been an Executive Vice President and Chief Commercial Officer at Sallie Mae in Newark, Delaware since September 2020. She was previously the Chief Marketing Officer of Consumer Bank & Chase Wealth Management with JP Morgan Chase in New York, New York, from May 2014 to January 2019.

#### Director: Gordan A. Smith

Mr. Smith has been a Director since May 2022 and was a Director of Choice from 2004 to 2017. He is the former Co-President and Chief Operating Officer of JPMorgan Chase & Co. based in New York, New York, from June 2007 until retiring in January 2022. He was previously CEO of Consumer & Community Banking at JP Morgan Chase from 2012 to 2021.

#### **ITEM 3 LITIGATION**

# I. PENDING LITIGATION AND ARBITRATION DEMANDS

(1) Norma Knuth v. Radisson Hotels International, Inc., et al.
Court of Queen's Bench for Saskatchewan, Court File No. QBG No. 2560 of 2014

On December 5, 2014, Norma Knuth filed a complaint under the Class Actions Act against over 25 named defendants, including Country, alleging that the defendants wrongfully collected undisclosed destination marketing fees ("DMF") charged to the plaintiff and other class members by hotels located in Canada that were owned, operated or managed by the defendants. On December 29, 2015, the plaintiff amended and expanded its complaint alleging, among other things, that the class included those who paid the fee to a hotel in Canada branded by one of the defendants and that the defendants that did not directly charge or collect the fee approved of it and encouraged the imposition of the DMF. The plaintiff has alleged that the collection of the DMF violated The Consumer Protection Act, was negligent, unjustly enriched the defendants and constituted a Waiver of Tort. The plaintiff has demanded, on behalf of the class, disgorgement of any fees and revenue received by the defendants generated by imposition of the fee, and an order that the defendants are jointly and severally liable for restitution of \$403,000,000, general and punitive damages, costs of notice, interest and any other relief the court deems appropriate. The class has yet to be certified. We filed a motion for summary judgment on October 3, 2016. On June 2, 2017, Radisson and Country filed a Statement of Claim against 2 current and 3 former franchisees/licensees, that had not entered into tolling agreements, seeking contribution and indemnification. On August 29, 2019, the court denied Radisson's motion for summary judgment, holding that it was premature. Radisson intends to reassert its summary judgment motion arguments at the appropriate time.

(2) <u>Jai Sai Baba, LLC, et al. v. Choice Hotels International, Inc., et al.</u> United States District Court for the Eastern District of Pennsylvania, Case No. 2:20-cv-02823

On June 12, 2020 (amended on July 15, 2020), approximately ninety current and former franchise owners that own and operate one or more Choice branded hotels ("Plaintiffs") filed suit against Choice and Choice Hotels Owner Council ("CHOC") (Choice and CHOC collectively referred to as "Defendants"). In the complaint, the Plaintiffs allege that the Defendants engaged in discriminatory and anti-competitive practices and violated the Racketeer Influenced and Corrupt Organizations Act, the Sherman Act, the Civil Rights Act, and various state franchise laws. Additionally, the Defendants have claimed that Choice is in breach of contract, has breached the implied duty of good faith and fair dealing and committed common law fraud. The Plaintiffs are seeking unspecified actual damages, punitive damages, consequential and/or compensatory damages, attorneys' fees, costs and interest, a declaratory judgment that certain allegedly unconscionable provisions are unenforceable, an accounting of all fees paid by Plaintiffs, an order for restitution and the rescission of Maryland franchise agreements, a declaratory judgment that some or all franchise agreements are terminated, and certain permanent injunctive relief. On July 29, 2020, Choice filed a motion to stay the litigation and compel individual arbitration proceedings. On March 19, 2021, the Court granted motion. This case remains stayed, and the

parties provide the Court with monthly status updates.

The following arbitration is currently pending in conjunction with this case:

<u>Choice Hotels International, Inc. v. DIP Hospitality, LLC, et al.</u> <u>American Arbitration Association, Case #01-21-0003-7036</u>

On April 9, 2021, Choice initiated this arbitration to pursue contractually due franchise fees, a promissory note balance, and lost profit damages from the franchisees in the amount of \$498,495.93. On May 19, 2021, Franchisees filed a counterclaim against Choice in the amount of \$3,000,000. The arbitration hearing concluded in 2023, and the parties are waiting for an arbitration award to be issued in the matter.

(3) <u>T&T Management, Inc. v. Choice Hotels International, Inc., Country Inn & Suites</u>
<u>by Radisson, Inc. and Sunshine Fund Port Orange, LLC</u>
United States District Court for the Middle District of Florida, Case No. 6:23-cv-01187

On June 26, 2023, Plaintiff T&T Management, Inc. ("Licensee") commenced a federal district court action in Florida against, among others, Radisson Hotels International, Inc. ("RHI") and Choice alleging that RHI and Choice (1) breached the applicable License Agreement and the implied covenant of good faith and fair dealing by (a) permitting another Choice branded hotel to be constructed near Licensee's Country Inn & Suites® hotel and (b) disclosing or using guest data associated with Licensee's hotel; and (2)

(2) misappropriated the guest data associated with Licensee's hotel in violation of the Defend Trade Secrets Act of 2016. The complaint was subsequently amended to remove RHI and add Country Inn & Suites by Radisson, Inc. ("Country") as a defendant. In response to the amended complaint, on November 6, 2023, Country and Choice filed a Motion to Dismiss the Licensee's claims and, alternatively, a Motion to Transfer Venue of the case to the United States District Court for the District of Minnesota in accordance with the License Agreement's forum selection clause. The Court has not yet ruled on the Florida Court granted the Motion to Transfer and subsequently transferred the case to the Federal Court in Minnesota in April 2024. After Plaintiff amended its complaint, Country and Choice filed another Motion to Dismiss the Licensee's claims. The Minnesota Court heard the Motion on November 1, 2024, and the parties are waiting for the Court's decision.

(4) CS Anaheim Hotel Investments, LLC v. Choice Hotels International, Inc.
United States District Court for the Central District of California, Case No. 8:24-cv-02131

On October 1, 2024, Plaintiff CS Anaheim Hotel Investments, LLC filed a complaint against Choice alleging a fraudulent rebate scheme with vendors, misuse of system fees, misrepresentation of our system (inadequate for a resort), unenforceable arbitration clause, breach of contract and implied covenant of good faith and fair dealing, violations of the California franchise investment law (CFIL) and California's unfair competition law and a declaratory judgment that Choice is in default of the franchise agreement therefore not entitled to liquidated damages. On November 18, 2024, Choice filed a motion to stay the litigation and compel arbitration. This motion is currently pending Motions before the Court.

# II. ACTIONS INVOLVING THE FRANCHISE RELATIONSHIP IN PRIOR FISCAL YEAR

(1) ACTIONS INITIATED BY CHOICE TO RECOVER ROYALTIES, LIQUIDATED DAMAGES AND OTHER DEBTS OWED TO CHOICE HOTELS

Defendant or Respondent	Venue	Case Number	Filing Date

Patricia Johnson	American	01-24-0000-1072	January 9, 2024
<u>r atricia Johnson</u>	Arbitration	<u>01-24-0000-1072</u>	<u>January 9, 2024</u>
	Association Association		
M-1 1 IZ: :		01 24 0000 2042	I
Mahmoud Karimi	American	<u>01-24-0000-3042</u>	<u>January 23, 2024</u>
	Arbitration		
	Association		
Alec Shtromandel, Daren	<u>American</u>	<u>01-24-0000-4184</u>	<u>January 30, 2024</u>
Herzberg, Rahul Bijlani,	Arbitration		
Kaiyi Yu and 611 Degraw,	Association		
LLC			
Spargo, LLC and Kevin	Circuit Court for Montgomery	C15CV24000518	January 31, 2024
McDowell	County, Maryland		
Nikul Patel and Harshad	United States District Court	8:2024cv00310	January 31, 2024
Patel	for the District of	<u></u>	
<u> </u>	Maryland, Southern		
	Division Southern		
Dhrumit Shah, Karan Shah,	American	01-24-0000-4435	January 31, 2024
	American Arbitration	01-24-0000-4433	<u>January 31, 2024</u>
Nilang Maniar and Sunil			
Mehta Cil. Ali M. Ili	Association	01.04.0000 1111	T 01 0001
Sikander Ali Malik,	American	<u>01-24-0000-4441</u>	<u>January 31, 2024</u>
<u>Chhona Hotels, LLC</u>	<u>Arbitration</u>		
	Association		
PNK I Group Investments,	American	<u>01-24-0000-4483</u>	<u>January 31, 2024</u>
LLC, Sagar Kumar,	<u>Arbitration</u>		
Jayesh Kumar, Madhu	Association		
Kumar and			
Mahendrakumar Patel			
A & R Hospitality, LLC	American	01-24-0000-4401	January 31, 2024
and Zafar Chandhry	Arbitration		
and Zarar Chantanry	Association		
Jagruti Patel and Sahajanand		01-24-0000-5436	February 6, 2024
Hospitality, LLC	Arbitration	<u>01-24-0000-3430</u>	<u>1'Coruary 0, 2024</u>
Hospitality, LLC	Association Association		
TZ 1 D. 1 . A		01.04.0000.5000	T. 1 0. 2024
Kulwant Deol, Amar	American	<u>01-24-0000-5803</u>	<u>February 8, 2024</u>
Thind, Harjinder Deol	Arbitration		
and Thatford Lodging,	<u>Association</u>		
LLC			
Mihir Patel, Pralak Patel,	<u>American</u>	<u>01-24-0000-7098</u>	<u>February 13, 2024</u>
Roshan Patel and Lenexa	<u>Arbitration</u>		
Hospitality, LLC	Association		
Tina & Tina Hospitality,	American	01-24-0000-8182	February 20, 2024
LLC and Kailash Varkal	Arbitration		
	Association		
Trav Cor & Investments,	American	01-24-0002-3308	February 22, 2024
Inc., Satish J. Patel,	Arbitration		
Dharmesh Patel and Rakesh	Association		
S. Mehta	2155001411011		
S and D Hospitality, LLC,	United States District Court	8:2024cv00605	February 28, 2024
		<u>6.2024CV00003</u>	1001 uary 20, 2024
Dharmesh M. Patel and	for the District of Maryland,		
Sonal Patel	Southern Division	01.04.0000.4107	E 1 00 000 (
Danville Hospitality, LLC,	<u>American</u>	01-24-0002-4137	<u>February 28, 2024</u>

Hababant Datal and Horsel.	A alaiteati a a		
Ushakant Patel and Urvashi	Arbitration		
Patel Charles Hatel VI. LLC	Association	01 24 0002 4205	E-1
Charleston Hotel VI, LLC,	American	<u>01-24-0002-4395</u>	<u>February 29, 2024</u>
Charleston Hotel	Arbitration		
Holdings, LLC, CRU	<u>Association</u>		
Investments, LLC and			
Steven Senft			
Arvind Patel, Jaydevkumar	<u>American</u>	<u>01-24-0002-4847</u>	March 1, 2024
B. <u>Patel, Bhavin Patel</u>	<u>Arbitration</u>		
and Bharat Patel	Association		
JRC Investments, Inc.,	American	01-24-0002-9394	March 7, 2024
Chirag P. Patel and Popat	<u>Arbitration</u>		
M. Patel	Association		
NL, LLC, Thanh Nguyen	American	01-24-0003-0622	March 12, 2024
and Thuy Trang Ngoc Vu	Arbitration		
	Association		
American Inn NC, LLC,	American Arbitration	01-24-0003-1251	March 14, 2024
Biju George and Mini Biju	Association		
EVA 2, Inc., Vijay Patel	American	01-24-0003-1964	March 19, 2024
and Dhansukhbhai Patel	Arbitration	<u>01 21 0003 1901</u>	<u> </u>
and Dhansakhonar rater	Association		
US Hotel, LLC, Dayabir	American Arbitration	01-24-0003-3434	March 26, 2024
Bath and Lal Sidhu	Association	01-24-0003-3434	<u>Iviarcii 20, 2024</u>
Dear Management, Inc.,	American	01-24-0003-3441	March 26, 2024
Deep Ghandawala, a/ka	Arbitration	01-24-0003-3441	<u>Iviaicii 20, 2024</u>
	Arouration Association		
Deep Ghadawala, Yogesh	ASSOCIATION		
Ghadawala, Ramesh Patel			
and Panna Patel		01.04.0002.2555	N. 1.00.0004
Skybridge Hospitality,	American	<u>01-24-0003-3777</u>	March 28, 2024
LLC, Pritesh Patel and	Arbitration		
Bhupendra Patel	Association		
G Matss, LLC, Gaurang	American	<u>01-24-0003-3784</u>	March 28, 2024
Jariwala and Abhishek	Arbitration		
<u>Jariwala</u>	Association		
Arora Investments, LLC	<u>United States District Court for</u>	8:2024cv00919	March 28, 2024
and Parmeet Arora	the District of Maryland,		
	Southern Division		
SC Hotel Group, LLC, SC	Circuit Court for Montgomery	C15CV <del>23000171</del>	January 18,
Hotel Partners, LLC,	County, Maryland	<u>24001436</u>	<del>2023</del> March 28,
Lajwanti Gandhi and Rolan			2024
<del>Chowdhury</del> Khodiyar			
Hospitality, LLC and Jayanti			
Patel			
Jai Sai Baba, LLC, Dipesh	United States DistrictCircuit	8:2023ev00146	<del>January 19, 2023</del>
Patel and MDPD13	Court for the District	8:2023ev03360C	August 25,
Investments, LLCShree	of Montgomery County,	15CV24001440	2023 March 28,
Ramkabir, LLC, Shivam	Maryland, Southern Division,	150 127001770	2023 <u>March 28,</u> 2024
Bhakta and Nitinkumar	transferred to United States		<u>2027</u>
Bhakta	District Court for the Eastern		
<u>ынакта</u>	District of		
	<del>District or</del>		

LH15, LLC and Ajmer	Circuit Court for Montgomery	C15CV24001441	March 28, 2024
Singh	County, Maryland	<u>=====================================</u>	<u> </u>
Riya Hazlet Hotel, LLC,	American	01-24-0004-2992	April 4, 2024
Govind Thota and Ramesh	Arbitration		
Thota	Association		
SDP Hospitality, LLC,	American	01-24-0004-3728	April 9, 2024
Suresh Patel, Dhruvi Patel	Arbitration		=
and Prachi Patel	Association		
Ganesh Sonpatki	American	01-24-0004-5196	April 18, 2024
<u> </u>	Arbitration	<u>01 2 : 000 : 019 0</u>	<u>= 1</u>
	Association		
Port Hospitality, LLC,	American	01-24-0004-5315	April 19, 2024
Charles Hayes and James	Arbitration	<u> </u>	<u> </u>
McCauley	Association		
Hyde Park Holdings, LLC,	American	01-24-0004-5837	April 23, 2024
He-Young Park and Yung-	Arbitration	<u>01 21 0001 3037</u>	<u>11pm 23, 2021</u>
Hui Park	Association		
TIMI I WILL	Pennsylvania, Philadelphia		
	Tomograma, Imiacorpina		
Donald R. Dreiske, Lance	American	01-23-0000-4309	<del>January 31,</del>
B. Stuart, James R. Stuart,	Arbitration	01-24-0004-6426	<del>2023</del> April 25,
Harvey W. Lester and	Association		2024
Rebecca KennyAKM			
Railroad, LLC, Ashok R.			
Patel, Kiritkumar Patel and			
Michael Olivas			
	American Arbitration	01-23-0000-4410	<del>January 31, 2023</del>
67585 Hacienda, LLC and		01-23-0000-4410	<del>January 31, 2023</del>
67585 Hacienda, LLC and Calvin Chun	Association	01-23-0000-4410 01-23-0000-4439	
67585 Hacienda, LLC and Calvin Chun Le Cercle Rouge, LLC,	Association American Arbitration	01-23-0000-4439	January 31,
67585 Hacienda, LLC and Calvin Chun Le Cercle Rouge, LLC, David Adehou Abdehou	Association American Arbitration AssociationUnited States		January 31, 2023 April 30,
67585 Hacienda, LLC and Calvin Chun Le Cercle Rouge, LLC,	Association American Arbitration Association United States District Court for the District	01-23-0000-4439	January 31,
67585 Hacienda, LLC and Calvin Chun Le Cercle Rouge, LLC, David Adehou Abdehou	Association American Arbitration AssociationUnited States	01-23-0000-4439	January 31, 2023 April 30,
67585 Hacienda, LLC and Calvin Chun Le Cercle Rouge, LLC, David Adehou Abdehou	Association American Arbitration Association United States District Court for the District of Maryland, Southern	01-23-0000-4439 8:2024cv01263	January 31, 2023 April 30, 2024
67585 Hacienda, LLC and Calvin Chun  Le Cercle Rouge, LLC, David AdehouAbdehou and Milan G. Mody  Nouveau Investments,	Association American Arbitration AssociationUnited States District Court for the District of Maryland, Southern Division United States District Court for	01-23-0000-4439 8:2024cv01263	January 31, 2023 April 30,
67585 Hacienda, LLC and Calvin Chun  Le Cercle Rouge, LLC, David Adehou Abdehou and Milan G. Mody	Association  American Arbitration Association United States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland,	01-23-0000-4439 8:2024cv01263	January 31, 2023 April 30, 2024
67585 Hacienda, LLC and Calvin Chun Le Cercle Rouge, LLC, David Adehou Abdehou and Milan G. Mody  Nouveau Investments, LLC and Edward Ly	Association American Arbitration AssociationUnited States District Court for the District of Maryland, Southern Division United States District Court for	01-23-0000-4439 8:2024cv01263	January 31, 2023 April 30, 2024
67585 Hacienda, LLC and Calvin Chun  Le Cercle Rouge, LLC, David Adehou Abdehou and Milan G. Mody  Nouveau Investments, LLC and Edward Ly  VH 4122 Quincy, Inc.,	Association  American Arbitration AssociationUnited States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  United States District Court	01-23-0000-4439 8:2024cv01263 8:2024cv01266	January 31, 2023 April 30, 2024  April 30, 2024
67585 Hacienda, LLC and Calvin Chun Le Cercle Rouge, LLC, David Adehou Abdehou and Milan G. Mody  Nouveau Investments, LLC and Edward Ly	Association  American Arbitration AssociationUnited States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  United States District Court	01-23-0000-4439 8:2024cv01263 8:2024cv01266	January 31, 2023 April 30, 2024  April 30, 2024
67585 Hacienda, LLC and Calvin Chun  Le Cercle Rouge, LLC, David Adehou Abdehou and Milan G. Mody  Nouveau Investments, LLC and Edward Ly  VH 4122 Quincy, Inc., Neeti Gupta and Anuja	Association  American Arbitration AssociationUnited States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  United States District Court for the District of	01-23-0000-4439 8:2024cv01263 8:2024cv01266	January 31, 2023 April 30, 2024  April 30, 2024
67585 Hacienda, LLC and Calvin Chun  Le Cercle Rouge, LLC, David Adehou Abdehou and Milan G. Mody  Nouveau Investments, LLC and Edward Ly  VH 4122 Quincy, Inc., Neeti Gupta and Anuja	Association  American Arbitration AssociationUnited States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern	01-23-0000-4439 8:2024cv01263 8:2024cv01266	January 31, 2023 April 30, 2024  April 30, 2024  April 30, 2024
67585 Hacienda, LLC and Calvin Chun  Le Cercle Rouge, LLC, David Adehou Abdehou and Milan G. Mody  Nouveau Investments, LLC and Edward Ly  VH 4122 Quincy, Inc., Neeti Gupta and Anuja Sikri	Association  American Arbitration AssociationUnited States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  American	8:2024cv01265  8:2024cv01265	January 31, 2023 April 30, 2024  April 30, 2024
67585 Hacienda, LLC and Calvin Chun  Le Cercle Rouge, LLC, David Adehou Abdehou and Milan G. Mody  Nouveau Investments, LLC and Edward Ly  VH 4122 Quincy, Inc., Neeti Gupta and Anuja Sikri  C.Z. Gabheraj Hospitality,	Association  American Arbitration AssociationUnited States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division	8:2024cv01265  8:2024cv01265	January 31, 2023 April 30, 2024  April 30, 2024  April 30, 2024
C.Z. Gabheraj Hospitality, LLC, Hemlata Jariwala  67585 Hacienda, LLC and Calvin Chun  Le Cercle Rouge, LLC, David Adehou Abdehou and Milan G. Mody  Nouveau Investments, LLC and Edward Ly  VH 4122 Quincy, Inc., Neeti Gupta and Anuja Sikri  C.Z. Gabheraj Hospitality, LLC, Hemlata Jariwala and Rajendra Jariwala	Association  American Arbitration Association United States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  American Arbitration Association	8:2024cv01266  8:2024cv01265  01-24-0004-6940	<u>January 31,</u> <u>2023 April 30,</u> <u>2024</u> <u>April 30, 2024</u> <u>April 30, 2024</u> <u>April 30, 2024</u>
C.Z. Gabheraj Hospitality, LLC, Hemlata Jariwala  LeCarcle Rouge, LLC, David Adehou Abdehou and Milan G. Mody  Nouveau Investments, LLC and Edward Ly  VH 4122 Quincy, Inc., Neeti Gupta and Anuja Sikri  C.Z. Gabheraj Hospitality, LLC, Hemlata Jariwala and Rajendra Jariwala Hemant Investments, LLC,	Association  American Arbitration AssociationUnited States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  American Arbitration Association  American American	8:2024cv01265  8:2024cv01265	January 31, 2023 April 30, 2024  April 30, 2024  April 30, 2024
C.Z. Gabheraj Hospitality, LLC, Hemlata Jariwala  67585 Hacienda, LLC and Calvin Chun  Le Cercle Rouge, LLC, David Adehou Abdehou and Milan G. Mody  Nouveau Investments, LLC and Edward Ly  VH 4122 Quincy, Inc., Neeti Gupta and Anuja Sikri  C.Z. Gabheraj Hospitality, LLC, Hemlata Jariwala and Rajendra Jariwala	Association  American Arbitration Association United States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  American Arbitration Association	8:2024cv01266  8:2024cv01265  01-24-0004-6940	<u>January 31,</u> <u>2023 April 30,</u> <u>2024</u> <u>April 30, 2024</u> <u>April 30, 2024</u> <u>April 30, 2024</u>
67585 Hacienda, LLC and Calvin Chun  Le Cercle Rouge, LLC, David Adehou Abdehou and Milan G. Mody  Nouveau Investments, LLC and Edward Ly  VH 4122 Quincy, Inc., Neeti Gupta and Anuja Sikri  C.Z. Gabheraj Hospitality, LLC, Hemlata Jariwala and Rajendra Jariwala  Hemant Investments, LLC, Vijay Patel and Ramilaben Patel	Association  American Arbitration AssociationUnited States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  American Arbitration Association  American Arbitration Association	8:2024cv01265  8:2024cv01265  01-24-0004-6940  01-24-0005-3381	<u>January 31,</u> <u>2023 April 30,</u> <u>2024</u> <u>April 30, 2024</u> <u>April 30, 2024</u> <u>April 30, 2024</u> <u>May 7, 2024</u>
Calvin Chun  Le Cercle Rouge, LLC, David AdehouAbdehou and Milan G. Mody  Nouveau Investments, LLC and Edward Ly  VH 4122 Quincy, Inc., Neeti Gupta and Anuja Sikri  C.Z. Gabheraj Hospitality, LLC, Hemlata Jariwala and Rajendra Jariwala Hemant Investments, LLC, Vijay Patel and Ramilaben Patel Manoj Sikka, Sonika	Association  American Arbitration Association United States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  American Arbitration Association  American Arbitration Association	8:2024cv01266  8:2024cv01265  01-24-0004-6940	<u>January 31,</u> <u>2023 April 30,</u> <u>2024</u> <u>April 30, 2024</u> <u>April 30, 2024</u> <u>April 30, 2024</u>
67585 Hacienda, LLC and Calvin Chun  Le Cercle Rouge, LLC, David Adehou Abdehou and Milan G. Mody  Nouveau Investments, LLC and Edward Ly  VH 4122 Quincy, Inc., Neeti Gupta and Anuja Sikri  C.Z. Gabheraj Hospitality, LLC, Hemlata Jariwala and Rajendra Jariwala  Hemant Investments, LLC, Vijay Patel and Ramilaben Patel  Manoj Sikka, Sonika Sikka, Savita Chadhha and	Association  American Arbitration Association United States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  American Arbitration Association	8:2024cv01265  8:2024cv01265  01-24-0004-6940  01-24-0005-3381	<u>January 31,</u> <u>2023 April 30,</u> <u>2024</u> <u>April 30, 2024</u> <u>April 30, 2024</u> <u>April 30, 2024</u> <u>May 7, 2024</u>
Calvin Chun  Le Cercle Rouge, LLC, David Adehou Abdehou and Milan G. Mody  Nouveau Investments, LLC and Edward Ly  VH 4122 Quincy, Inc., Neeti Gupta and Anuja Sikri  C.Z. Gabheraj Hospitality, LLC, Hemlata Jariwala and Rajendra Jariwala Hemant Investments, LLC, Vijay Patel and Ramilaben Patel  Manoj Sikka, Sonika Sikka, Savita Chadhha and Rakesh Chaddha	Association  American Arbitration AssociationUnited States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  American Arbitration Association	8:2024cv01265  8:2024cv01265  01-24-0004-6940  01-24-0005-3381  01-24-0005-3306	<u>January 31,</u> <u>2023 April 30,</u> <u>2024</u> <u>April 30, 2024</u> <u>April 30, 2024</u> <u>April 30, 2024</u> <u>May 7, 2024</u> <u>May 7, 2024</u>
67585 Hacienda, LLC and Calvin Chun  Le Cercle Rouge, LLC, David Adehou Abdehou and Milan G. Mody  Nouveau Investments, LLC and Edward Ly  VH 4122 Quincy, Inc., Neeti Gupta and Anuja Sikri  C.Z. Gabheraj Hospitality, LLC, Hemlata Jariwala and Rajendra Jariwala  Hemant Investments, LLC, Vijay Patel and Ramilaben Patel  Manoj Sikka, Sonika Sikka, Savita Chadhha and	Association  American Arbitration Association United States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  United States District Court for the District of Maryland, Southern Division  American Arbitration Association	8:2024cv01265  8:2024cv01265  01-24-0004-6940  01-24-0005-3381	<u>January 31,</u> <u>2023 April 30,</u> <u>2024</u> <u>April 30, 2024</u> <u>April 30, 2024</u> <u>April 30, 2024</u> <u>May 7, 2024</u>

Malthie K. Tewari   Jeet HospitalityPremier   Hotels, Inc., Prem Patel and Indravaden Chandrakant   Patel     Laurel Hotel Associates, LLC and Reginald Winfield and Hansaben Patel	Malthie K. Tewari			
Hotels, Inc., Prem Patel and Indravaden Chandrakant Patel   Laurel Hotel Associates, LLC and Reginald Winfield Association   Arbitration Association   O1-24-0005-7010   May 23, 2024				
Indravaden Chandrakant Patel	Jeet HospitalityPremier	American	<del>01-23-0000-4726</del>	February 2,
Date   Laurel Hotel Associates, LLC and Reginald Winfield	Hotels, Inc., Prem Patel and	Arbitration	01-24-0005-4840	<del>2023</del> May 14, 2024
Laurel Hotel Associates, LLC and Reginald WinfieldAmerican Association01-24-0005-7010May 23, 2024Singh & Kaur Hotels, LLC and Gurpreet KaurAmerican Arbitration Association01-24-0005-6789May 23, 2024Armaan Investments, LLC and Hansaben PatelAmerican Arbitration Association01-24-0005-7246May 28, 2024Laurel Hotel Associates, LLC and Reginald WinfieldAmerican Arbitration Association01-24-0005-7258May 28, 2024NSDK Investments and Dominic KomareddyAmerican Arbitration Association01-24-0005-7277May 28, 2024Summit Hotels, LLC, Keystone Star Management, Inc., Sonny Patel, Chan Patel, PremAmerican Arbitration Association01-24-0005-7789May 30, 2024	<b>Indravaden</b> Chandrakant	Association		
LLC and Reginald Winfield AssociationArbitration Association01-24-0005-6789May 23, 2024Singh & Kaur Hotels, LLC and Gurpreet KaurAmerican Arbitration Association01-24-0005-6789May 23, 2024Armaan Investments, LLC and Hansaben PatelAmerican Arbitration Association01-24-0005-7246May 28, 2024Laurel Hotel Associates, LLC and Reginald WinfieldAmerican Arbitration Association01-24-0005-7258May 28, 2024NSDK Investments and Dominic KomareddyAmerican Arbitration Association01-24-0005-7277May 28, 2024Summit Hotels, LLC, Keystone Star Management, Inc., Sonny Patel, Chan Patel, PremAmerican Arbitration Association01-24-0005-7789May 30, 2024	Patel			
Singh & Kaur Hotels, LLC and Gurpreet Kaur   Arbitration Association	Laurel Hotel Associates,	American	01-24-0005-7010	May 23, 2024
Singh & Kaur Hotels, LLC and Gurpreet KaurAmerican Arbitration Association01-24-0005-6789May 23, 2024Armaan Investments, LLC and Hansaben PatelAmerican Arbitration Association01-24-0005-7246May 28, 2024Laurel Hotel Associates, LLC and Reginald WinfieldAmerican Arbitration Association01-24-0005-7258May 28, 2024NSDK Investments and Dominic KomareddyAmerican Arbitration Association01-24-0005-7277May 28, 2024Summit Hotels, LLC, Keystone Star Management, Inc., Sonny Patel, Chan Patel, PremAmerican Arbitration Association01-24-0005-7789May 30, 2024	LLC and Reginald Winfield	Arbitration		
Arbitration Association  Armaan Investments, LLC and Hansaben Patel  Laurel Hotel Associates, LLC and Reginald Winfield  NSDK Investments and Dominic Komareddy  Summit Hotels, LLC, Keystone Star Management, Inc., Sonny Patel, Chan Patel, Prem  Arbitration Association  Dominic Kour Arbitration Arbitration Association  Dominic Kour Arbitration Arbitratio		Association		
Armaan Investments, LLC and Hansaben Patel  Laurel Hotel Associates, LLC and Reginald Winfield  NSDK Investments and Dominic Komareddy  Summit Hotels, LLC, Keystone Star Management, Inc., Sonny Patel, Chan Patel, Prem  American May 28, 2024  May 30, 2024	Singh & Kaur Hotels, LLC	American	01-24-0005-6789	May 23, 2024
Armaan Investments, LLC and Hansaben Patel  Laurel Hotel Associates, LLC and Reginald Winfield  NSDK Investments and Dominic Komareddy  Summit Hotels, LLC, Keystone Star Management, Inc., Sonny Patel, Chan Patel, Prem  Arbitration Arbitration Arbitration Arbitration Arbitration Arbitration Arbitration Association  O1-24-0005-7258 May 28, 2024  O1-24-0005-7277 May 28, 2024  O1-24-0005-7277 May 28, 2024  O1-24-0005-7789 May 30, 2024	and Gurpreet Kaur	Arbitration		
Arbitration Association  Laurel Hotel Associates, LLC and Reginald Winfield  NSDK Investments and Dominic Komareddy  Summit Hotels, LLC, Keystone Star Management, Inc., Sonny Patel, Chan Patel, Prem  Arbitration Association  O1-24-0005-7258 May 28, 2024  O1-24-0005-7277 May 28, 2024  O1-24-0005-7277 May 30, 2024  May 30, 2024		Association		
Laurel Hotel Associates,   American   Di-24-0005-7258   May 28, 2024	Armaan Investments, LLC	American	01-24-0005-7246	May 28, 2024
Laurel Hotel Associates, LLC and Reginald WinfieldAmerican Arbitration Association01-24-0005-7258May 28, 2024NSDK Investments and Dominic KomareddyAmerican Arbitration Association01-24-0005-7277May 28, 2024Summit Hotels, LLC, Keystone Star Management, Inc., Sonny Patel, Chan Patel, PremAmerican Arbitration Association01-24-0005-7789May 30, 2024	and Hansaben Patel	Arbitration		
LLC and Reginald WinfieldArbitration Association01-24-0005-7277 May 28, 2024NSDK Investments and Dominic KomareddyAmerican Arbitration Association01-24-0005-7277 May 28, 2024Summit Hotels, LLC, Keystone Star Management, Inc., Sonny Patel, Chan Patel, PremArbitration Association01-24-0005-7789 May 30, 2024		Association		
Winfield  NSDK Investments and Dominic Komareddy  Summit Hotels, LLC, Arbitration Management, Inc., Sonny Patel, Chan Patel, Prem  NSDK Investments and American Arbitration Association  O1-24-0005-7277  May 28, 2024  O1-24-0005-7789  May 30, 2024  May 30, 2024	Laurel Hotel Associates,	American	01-24-0005-7258	May 28, 2024
NSDK Investments and Dominic KomareddyAmerican Arbitration Association01-24-0005-7277May 28, 2024Summit Hotels, LLC, Keystone Star Management, Inc., Sonny Patel, Chan Patel, PremAmerican Arbitration Arbitration Association01-24-0005-7789May 30, 2024	LLC and Reginald	Arbitration		
Dominic KomareddyAssociation01-24-0005-7789Summit Hotels, LLC, Keystone Star Management, Inc., Sonny Patel, Chan Patel, PremAmerican Arbitration Association01-24-0005-7789May 30, 2024May 30, 2024		Association		
Dominic KomareddyAssociation01-24-0005-7789Summit Hotels, LLC, Keystone Star Management, Inc., Sonny Patel, Chan Patel, PremAmerican Arbitration Association01-24-0005-7789May 30, 2024May 30, 2024	NSDK Investments and	American Arbitration	01-24-0005-7277	May 28, 2024
Summit Hotels, LLC, Keystone Star Management, Inc., Sonny Patel, Chan Patel, Prem  Merican Arbitration Association  May 30, 2024  May 30, 2024	Dominic Komareddy	Association		
Keystone Star Management, Inc., Sonny Patel, Chan Patel, Prem	Summit Hotels, LLC,	American	01-24-0005-7789	May 30, 2024
Patel, Chan Patel, Prem	Keystone Star	Arbitration		
	Management, Inc., Sonny	Association		
D + 1 A D + 1 1	Patel, Chan Patel, Prem			
Patel, Ansuya Patel and	Patel, Ansuya Patel and			
Ruxmani Patel	Ruxmani Patel			
C Kop Hurp, LLC, Tejash American 01-24-0005-7574 May 30, 2024	C Kop Hurp, LLC, Tejash	American	01-24-0005-7574	May 30, 2024
P. Bhoola, Prakash Arbitration	P. Bhoola, Prakash	Arbitration		
Bhoola and Rajendra Association	Bhoola and Rajendra	Association		
Jariwala	Jariwala			
2009 Investors, LLC and American 01-24-0005-8187 June 4, 2024	2009 Investors, LLC and		01-24-0005-8187	June 4, 2024
Daybir Bath Arbitration	Daybir Bath	Arbitration		
Association		Association		
Kanwalroop Brar and American 01-24-0005-8536 June 6, 2024	Kanwalroop Brar and	American	01-24-0005-8536	June 6, 2024
Gunjan Brar Arbitration	Gunjan Brar	Arbitration		
Association		Association		
ANSH Hospitality, LLC American 01-24-0005-8730 June 6, 2024	ANSH Hospitality, LLC	American	01-24-0005-8730	June 6, 2024
and Ashish Chaudhari Arbitration	and Ashish Chaudhari	Arbitration		
Association		Association		
<u>262 Investors, LLC and American 01-24-0005-9292 June 11, 2024</u>	262 Investors, LLC and		01-24-0005-9292	June 11, 2024
Surjeet Kaur Arbitration	Surjeet Kaur	<u>Arbitration</u>		
Association		Association		
<u>Brown Specially &amp; American 01-24-0006-0835 June 20, 2024</u>	Brown Specially &	American	01-24-0006-0835	<u>June 20, 2024</u>
Sweetness Enterprises, Arbitration		Arbitration		
LLC, Ellen Bryant-Brown Association	LLC, Ellen Bryant-Brown	Association		
and 326-330 East	and 326-330 East			
Whitehorse Pike RE				
Holding, LLC	Holding, LLC			
<u>Garland N.C., LLC, Garland</u> <u>American</u> <u>01-24-0006-1641</u> <u>June 25, 2024</u>	Garland N.C., LLC, Garland		01-24-0006-1641	June 25, 2024
N.P., LLC and Gary A. Arbitration		<u>Arbitration</u>		
Rubel Association	Rubel	Association		

Back Country Inn Blvd.,	Circuit Court for Montgomery	C15CV24003312	June 27, 2024
LLC, Dave Patel and	County, Maryland	<u>C13C V 24003312</u>	<u>June 27, 2024</u>
Bhoomi Patel	County, Maryland		
	A	01 24 000( 2072	I 27 2024
Miracle Inn, LLC and Li	American	<u>01-24-0006-2072</u>	<u>June 27, 2024</u>
<u>Shen</u>	Arbitration		
	Association		
Dilip V. Patel	American	<u>01-24-0006-2074</u>	<u>June 27, 2024</u>
	Arbitration		
	Association		
Krishna Patel and Amit	American	01-24-0006-2159	<u>June 27, 2024</u>
Patel	Arbitration		
<del></del>	Association		
Sidhsiya Investment, LLC,	American	01-24-0006-5750	July 18, 2024
Ketankumar Patel, Asish	Arbitration		= == <u> ================================</u>
Patel Mitesh Pate, Nihali	Association		
Patel and Vimalkumar Patel	<u> 11330CIALIOII</u>		
1 ater and vimarkumar rater			
Kei. V. Inc. and Seyed A.	American Arbitration	01-23-0000-4732	February 2,
MousavizadehPower	Association Association		2 -
	Association	<u>01-24-0006-5753</u>	2023 July 18, 2024
Control Systems of Georgia,			
Inc.		01.01.0006.6766	T 1 00 0004
Paresh Patel	<u>American</u>	<u>01-24-0006-6766</u>	<u>July 23, 2024</u>
	<u>Arbitration</u>		
	Association		
Tacoma Stadium Hotel	American	<del>01-23-0000-8815</del>	March 1, 2023 July
Motel, LLC, Sarbjit	Arbitration	01-24-0006-7083	<u>25, 2024</u>
Dhillon Mihir Patel, Amish	Association		
Patel and			
<del>Manmohan</del> Ashokbhai			
<del>Dhillon</del> Ahir			
Aroma Hotels 195, LLC and	American	01-23-0000-8819	March 1, 2023July
Dipak ThakkerRegency	Arbitration	01-24-0006-9946	25, 2024
Hotels, Inc., Millennium	Association	01-24-0000-7740	<u>25, 2024</u>
Hotels, Inc., Meridian	Association		
Hotels, Inc., Chan Patel and			
Prem Patel	H. '. 1C B' · · · · C	0.2022 005500	M 1 1 2022T 1
Carolina Sun Hospitality,	United States District Court	8:2023cv00558 <u>8:</u>	March 1, 2023 July
LLC, Khalid Durrani and	for the District of Maryland,	<u>2024cv02211</u>	<u>30, 2024</u>
Farrah Khalid My Tran	Southern Division		
Brisam Clinton, LLC,	American	<del>01-23-0001-2985</del>	March 29,
Mahesh Ratanji and Harish	Arbitration	<u>01-24-0007-0454</u>	<del>2023</del> <u>July 30, 2024</u>
SuratiBhupinder Sodhi	Association		
Liberty Oregon 97, LLC,	American	01-23-0001-2992	March 29,
American Royals, LLC and	Arbitration	01-24-0007-0466	<del>2023</del> July 30, 2024
Samit Saoniminde Wonder	Association		
Dream, Inc., Parmbhir Mann			
and Akashbir Mann			
Pax Ocala, LLC, PaxJot	American	01-23-0001-3592	March 31,
Properties, LLC and	Arbitration	01-24-0007-0448	2023 July 30, 2024
Justin Balwinder	Association	<u>01-4</u> T-000/-0770	2023 sury 30, 2027
<del>rustin</del> Darwindel	Association		

<del>Ford</del> Riat			
Kunal Patel, Jagdish Patel	American Arbitration	01-23-0001-3332	March 31, 2023
and Neel Patel	Association	2 2 3 3 3 7 2 2 3 2	
Veeru Dhillon	United States District Court	8:2023ev00887	March 31, 2023
	for the District of Maryland,		
	Southern Division		
	Southern Bivision		
<del>Vantage Parkway</del>	American Arbitration	01-23-0001-5745	April 4, 2023
Hospitality, LLC and	Association	01 20 0001 07 10	1.4111 ., 2020
Rambhai Patel			
Drashti Batavia, Brijal Patel	American Arbitration	01-23-0001-5764	April 4, 2023
and Krunal Sangani	Association	01 20 0001 070.	1.4111 ., 2020
Atul Patel	American Arbitration	01-23-0001-6293	April 6, 2023
Tital Later	Association	01 25 0001 02)5	71pm 0, 2025
Rajesh Patel	American Arbitration	01-23-0001-7990	April 13, 2023
Rajesh i atei	Association	01-23-0001-7770	11pm 13, 2023
Maxwell PDL Lodging,	American Arbitration	01-23-0001-9248	April 27, 2023
LLC and Matthew Matta	Association	01-23-0001-72-10	11pm 27, <del>2023</del>
OB Hotel & Conference	American Arbitration	01-23-0001-9873	May 2, 2023
Center, Viralkumar Patel	Association	01-23-0001-7073	1v1 <del>ay 2, 2023</del>
and Ajay Patel	Association		
Jai Sairam, Inc., Rajesh	American Arbitration	01-23-0002-0349	May 4, 2023
Patel and Parul Patel	Association	01 23 0002 03 17	Way 1, 2023
Reddy Co. 3, LLC and Kami	Circuit Court for	C15CV23001805	May 8, 2023
Reddy Co. 3, ELC and Kann	Montgomery County,	C13C V 23001003	<del>1914y 0, 2023</del>
Reddy	Maryland		
Veeru Dhillon	United States District Court	8:2023cv01205	May 8, 2023
Vectu Diffiton	for the District of Maryland,	0.20236101203	Way 0, 2023
	Southern Division		
	Southern Bivision		
LW Tulsa I, LLC, Charles	Hennepin County District	27-CV-23-7053	May 8, 2023
Everhardt, Edward	Court, State of Minnesota	27 6 7 23 7 663	1114) 0, 2023
Dovner, Karen Herman,	Court, State of Miniesett		
Martin Herskowitz and			
Eddy Nevarez			
L W Reading III, LLC,	Hennepin County District	27-CV-23-7037	May 8, 2023
Charles Everhardt, Edward	Court, State of Minnesota	25 7057	
Dovner, Karen Herman,	,		
Martin Herskowitz and Eddy			
Nevarez			
LW Memphis IV, LLC,	Hennepin County District	<del>27-CV-23-7050</del>	May 8, 2023
Charles Everhardt, Edward	Court, State of Minnesota		, -, -, -, -, -, -, -, -, -, -, -, -, -,
Dovner, Karen Herman,	,		
Martin Herskowitz and Eddy			
Nevarez			
LW Marietta XIII, LLC,	Hennepin County District	23-CV-23-7024	May 8, 2023
Charles Everhardt, Edward	Court, State of Minnesota	25 7021	
Dovner, Karen Herman,			
Martin Herskowitz and Eddy			
Nevarez			
LW Dayton V, LLC,	Hennepin County District	<del>27-CV-23-7030</del>	May 8, 2023
= 2 wj .on +, 220,	District	_,	-720 0, 2020

Charles Everhardt, Edward	Court, State of Minnesota		
	Court, State of lynninesota		
Dovner, Karen Herman, Martin Herskowitz and Eddy			
J			
Nevarez Lockwood Asset	H . C + D. · · ·	27 674 22 7057	M 0 2022
	Hennepin County District	<del>27-CV-23-7057</del>	May 8, 2023
Management, LLC	Court, State of Minnesota		
MOMIL 'd I'd I	A 1 1 4 41	01 22 0002 0000	M 0 2022
M&M Hospitality, Inc. and	American Arbitration	01-23-0002-0899	May 9, 2023
Mayur Patel	Association	01 02 0002 1201	N. 11 2022
H&L Hospitality, LLC,	American Arbitration	01-23-0002-1301	May 11, 2023
Steven Lam and Gary	Association		
Hodgins CANALA C		01.00.000.01.60	7.6 4.6 0000 T.1
SNY Hospitality, LLC <del>, Sima</del>		01-23-0002-2168	May 16, 2023 July
Patel and Girish Patel	Association Circuit Court for	<u>C15CV24004110</u>	<u>31, 2024</u>
	Montgomery County,		
	Maryland		7.5
DJ Lodging, LLC and	American	01-23-0002-4507	May 30,
Rasing R.	Arbitration	<u>01-24-0007-1929</u>	2023 <u>August 8,</u>
KherRoshankumar Patel	Association		2024
HR Penn, LLC and Gaurang	American	01-23-0002-4558	May 31,
<del>Jariwala</del> Shree Ganesh	Arbitration	<u>01-24-0007-2078</u>	2023 <u>August 8,</u>
Hospitality, Inc., Bhavesh	Association		<u>2024</u>
Patel and Hemant Patel			
Seema Will Rogers, LLC,	American Arbitration	01-23-0002-5567	<del>June 7,</del>
Dharam Pal Salwan and	Association	<u>01-24-0007-3958</u>	<del>2023</del> <u>August 20,</u>
Seema Sharma CBURG			<u>2024</u>
Hotels, LLC and Surajsinh			
<u>Kahor</u>			
Smita Corp., Ajay P. Shah	American	01-23-0002-5573	June 7,
and Smita Shah RVH	Arbitration	<u>01-24-0007-4190</u>	2023 <u>August 22,</u>
Investments, Inc. and Ryan	Association		<u>2024</u>
P. Mullen			
Mayfair Hotels, Inc. and	American Arbitration	<u>01-24-0007-5947</u>	<u>August 28, 2024</u>
Prem Patel	Association	04.04.000	
Kantilal Maisuria, Viral	American	<u>01-24-0007-5952</u>	<u>August 28, 2024</u>
Kothari and Manharbhai	Arbitration		
Patel	Association		
Amber Motel, LLC,	United States District Court	8:2024cv02511	<u>August 29, 2024</u>
Yatish Shah and	for the District of		
<u>Chandrika Y. Shah</u>	Maryland, Southern		
	Division		
Bhathi Development, LLC	United States District Court	8:2024cv02514	<u>August 29, 2024</u>
and Tushar Patel	for the District of Maryland,		
	Southern Division		
Eric Shuster	<u>United States District Court</u>	8:2024cv02512	<u>August 29, 2024</u>
	for the District of Maryland,		
	Southern Division		
Alde RC Investments, LLC,	American	01-23-0002-6827	June 13,
Ali Cifci and Deniz	Arbitration	<u>01-24-0007-6250</u>	<del>2023</del> <u>August 29,</u>
Cevik OM Hotel, LLC,	Association		<u>2024</u>
<u>Dhaval Vaishnav and Milan</u>			

Rathod			
Om Sai Hospitality,	American	01-24-0007-6543	September 3, 2024
LLC, Pranav Patel,	Arbitration		
Keyur Patel and	Association		
Chandrakant Patel			
Anirdesh Hospitality, LLC,	American	01-24-0007-6494	September 3, 2024
Bharatkumar M. Patel and	Arbitration	<u> </u>	<u>=====================================</u>
Laxman M. Patel	Association		
Samer Sabbah	American	01-24-0007-6843	September 5, 2024
<u> </u>	Arbitration	<u> </u>	<u> </u>
	Association		
Orange Hotel, LLC,	American	01-24-0007-6845	September 5, 2024
Dharmesh Patel and Gopi	Arbitration	<u> </u>	<u> </u>
Patel	Association		
Prem Centralia, LLC and	American	01-24-0007-8321	September 17, 2024
Sonny Parmar	Arbitration	01 21 0007 0321	<u>Beptemoer 17, 2021</u>
Somy Lumar	Association		
MK Hospitality, LLC and	American	01-24-0007-9298	September 24, 2024
Muhammad Zubair Khan	Arbitration	01-24-0007-7270	<u>Beptemoer 24, 2024</u>
<u>wunanmad Zuoan Khan</u>	Association		
Historic	American	01-24-0007-9823	September 26, 2024
Breckenridge, LLC,	Arbitration	01-24-0007-7623	<u>September 20, 2024</u>
EHS Historic	Association		
Building Group, LLC, John	Association		
J. Mallon Declaration			
of Trust, Frederick E.			
Spellman Trust, Charles C.			
Evans Trust, John J.			
Mallon, Frederick E.			
Spellman, Charles C.			
Evans and Stephen R.			
Haught			
Mount Shasta Hospitality,	American	01-24-0007-9850	September 26, 2024
Inc., Daisy K. Sidhu and	Arbitration	01-24-0007-9830	<u>September 20, 2024</u>
Daliit S. Sidhu	Association		
		01 24 0007 0926	Santambar 26, 2024
Pearls Hospitality, LLC, Rajnikant J. Parekh, Pradip	American Arbitration	<u>01-24-0007-9826</u>	<u>September 26, 2024</u>
Archarya, Shani Magia and	Arouration Association		
Arun H. Magia	Association		
	American Arbitration	01-23-0002-6856	June 15
Flagstaff Motel Partners,			June 15, 2023 September
LLC <del>, Joga</del> S. Mann, and	Association United States District Court for the District	<u>8:2024cv02776</u>	
/			<u>27, 2024</u>
Ranjit S. Gill <del>and Edgar</del> Rizkallah	of Maryland, Southern Division		
	American Arbitration	01-23-0002-7598	June 20, 2023
LPS Hospitality Company		<del>01-23-0002-7398</del>	<del>June 20, 2023</del>
and Pirian Sivakumar	Association	0.2022016050	I 22
Dahya Investments	United States District Court	8:2023ev01685 <u>8:</u>	June 22,
Incorporated and Dinu Potal Surricet Value	for the District of Maryland,	<u>2024cv02778</u>	2023 <u>September</u>
Patel Surject Kaur	Southern Division		<u>27, 2024</u>
Miller Hiller in the Line	Huite 1 Ctates District Const	0.000400777	Contourles 27, 2024
Midland Hospitality, LLC,	United States District Court	8:2024cv02777	<u>September 27, 2024</u>

Urjita P. Bhoola and	for the District of Maryland,		
Hemlata Jariwala	Southern Division		
Charles Morais	American Arbitration	01-23-0002-8106	June 22, 2023
Charles Worths	Association	01 23 0002 0100	June 22, 2023
Elk's Inn, Inc., Mehran	American Arbitration	01-23-0002-9322	June 29, 2023
Verdi, Shahram Golbari,	Association	<del>01-23-0002-7322</del>	June 27, 2023
Faramarz Lavaei, Jacob	<del>ASSOCIATION</del>		
Talasazan, Mavash Eradat,			
Masoud Kahrobaei, Yusef			
Joseph Kahrobaei, Maria			
Valenzuela, Albert Afrah,			
Ebrahim Kahrobai, David			
Gadoshian and Yedidia			
Shofet			
	American Arbitration	01 22 0002 0560	I 20 2022
Controlled Chaos, Inc., Blue	American Arbitration Association	01-23-0002-9568	<del>June 30, 2023</del>
Consulting, LLC, Ben	<del>/1850ClatiOil</del>		
Williams, Daniel Blue and			
Darryl Morris	H. A. C. A. D. A. C. A. C.	0.2022 017600	T 20
Sutton FM1, LLC, Scott Wells and Michael	United States District Court for		June 30,
THE STATE STATE OF THE STATE OF	the District of Maryland,	<u>2024cv02779</u>	2023 September
Rapp Charles Morais	Southern Division		<u>27, 2024</u>
11 11 110 1		01 22 0002 0110	T. 1. ( 2022
Hazard Host, LLC and	American Arbitration	01-23-0003-0119	<del>July 6, 2023</del>
Glenn Baker	Association		7.1.44.0000
Muhammad Arif and	American Arbitration	01-23-0003-0731	<del>July 11, 2023</del>
Muhammad Younis	Association		7.1.10.000
Panchal Enterprises, Inc.	American Arbitration	01-23-0003-1333	<del>July 13, 2023</del>
and Yogesh Panchal	Association		
Marco O. Kozlowski,	American Arbitration	01-23-0003-1060	<del>July 14, 2023</del>
ENKOGS1, LLC, Kembo	Association		
Investments Ohio			
Partnership, LLC and Firma			
Investments, Inc.			
Yong Chung and Teresa	American Arbitration	01-23-0003-2095	<del>July 18, 2023</del>
Chung	Association		
Vinod Chadha, Mukta	American Arbitration	01-23-0003-4461	August 3, 2023
Kapur, Ranjana Chadha and	Association		
AMC Elton, LLC			
Indiana Hotel Ventures,	American Arbitration	01-23-0003-4527	August 3, 2023
LLC, Harinder Johl, Jasdeep	Association		
Singh, Sarwan Johl and			
Sukhvinder Johl			
Thakorji, Inc., Dhansukh	American	01-23-0003-6520	August 16,
Patel, Urmila Patel,	Arbitration	01-24-0008-1226	2023 October 8,
Naresh Yashoda Hotels,	Association		2024
LLC, Divya Patel, Dilip			
Desai			
Hiren Patel and			
Amit Himanshur			
ay Patel			
Prakash Patel, Nirav Patel,	American Arbitration	01-23-0003-6669	August 17, 2023

Pratyush Patel and Icube	Association		
Venture Partners, LLC	Association		
NBT-ERI Perry, LLC,	American Arbitration	01-23-0003-7094	August 22, 2023
Norcap Peery Owner,	Association	<del>01 23 0003 707 1</del>	714545t 22, 2025
LLC, Norcap, LLC and	71SSOCIATION		
<b>★</b> 1			
Daniel A. Norville	Huite 1 States District Court	8:2023cv02346	A
CSB Services, LLC, John K.	United States District Court	8:2023CVU2346	August 28, 2023
Daugomah and Jacqueline	for the District of Maryland,		
Curley	Southern Division		
	G: :4 G 4 S	C15CV22002271	4 20 2022
S Boston Hospitality, LLC,	Circuit Court for	C15CV23003271	August 28, 2023
Hemlata Jariwala and	Montgomery County,		
Urjita Bhoola	Maryland		
Century Hospitality, Inc. and		01-23-0003-8032	August 29, 2023
Nidhi Vaghashia	Association		
Skyhigh Hospitality, LLC	American Arbitration	01-23-0003-8036	August 29, 2023
and Perry Mehta	Association		
Bhavik Shah and	American Arbitration	01-23-0004-0740	September 14, 2023
<del>Youngstown Hotel, LLC</del>	Association		
Bhavin Patel, Jitendra Patel,	American	01-23-0004-0868	<del>September 19,</del>
Parimal Patel, Ankur Desai,	Arbitration	01-24-0008-1783	<del>2023</del> October 10,
Mahendra Patel, Jigar Patel,	Association		<u>2024</u>
Amita Patel, Kumar Patel,			
Jamak, LLC and SHG			
Management, LLCChetna			
Patel and Ravina Mehta			
Tushar PatelR3 Lodging,	American	01-23-0004-1342	September 19,
LLC, Jashvanti Patel,	Arbitration	01-24-0008-2670	2023 October 17,
Rajesh Patel, Ravi Patel,	Association		2024
Roshan Patel and The			
Patel Family Trust dated			
March 17, 1986, a			
California trust			
Bhagu Patel and Saldi 1,	American	01-23-0004-2512	September 26,
LLC 12 Street Hotel, LLC,	Arbitration	01-24-0008-3586	2023 October 22,
Harjinder Singh, Harmit	Association	<u>51 21 0000-3300</u>	2024
Singh and Ashu K. Vaid	1100001411011		
P & J Investors, LLC and	American	01-24-0008-3430	October 23, 2024
Dayabir Bath	Arbitration	<u>01-24-0000-3430</u>	<u> </u>
Dayaon Dam	Association Association		
22 Street Sai, LLC,	American	01-24-0008-4443	October 29, 2024
Maheshchand M. Ratanji	Arbitration	01-24-0000-4443	<u>OCTOBEL 29, 2024</u>
and Harish Surati	Arouation Association		
144 Investors, LLC and	United States District Court	8:2023ev026348:	September 28,
		3:2023cv02634 <u>8:</u> 2024cv03166	2023 October 31,
Surject Kaur Superior Hagnitality LLC Gurprost	for the District of Maryland, Southern Division	<u>2024CV03100</u>	
Hospitality, LLC, Gurpreet	Southern Division		<u>2024</u>
Kaur, Narinder Singh and			
Kulwant Singh	A	01 24 0000 7602	N1 5-2024
New Gen Holding CO,	American	<u>01-24-0008-5603</u>	<u>November 5, 2024</u>
LLC and Suresh Gali	Arbitration		
	Association		

Orin Solomon	American	01-24-0008-7174	November 14, 2024
Of the Solomon	Arbitration	01-24-0000-7174	<u>14, 2024</u>
	Association Association		
YC3004, Inc. and Amy	American	01-24-0008-8016	November 19, 2024
Choi	Arbitration	<u>01-24-0008-8010</u>	<u>November 19, 2024</u>
<u>C1101</u>	Association Association		
AYUSHI, LLC, Ashok Patel		01-24-0008-7880	November 19, 2024
	Arbitration	<u>01-24-0006-7880</u>	<u>November 19, 2024</u>
and Dilip Patel			
Danish Khan, Pervez Sultan,	Association American	01-23-0004-9185	October 30,
	Arbitration		· · · · · · · · · · · · · · · · · · ·
Nadeem Malik and Syed		<u>01-24-0008-8063</u>	2023 <u>November</u>
RazzaqiSDSW2 Hotel, LLC and Daniel Khoshaba	Association		<u>20, 2024</u>
	A	01 24 0000 0500	D 1 2 2024
Om Hospitality, Inc. and	American	<u>01-24-0008-9580</u>	<u>December 3, 2024</u>
Rahin Shah	Arbitration		
T	Association	01.04.0000.0001	D 1 5 2024
Laxminarayan Lodging,	American	<u>01-24-0009-0001</u>	<u>December 5, 2024</u>
LLC and Mahekkumar M.	Arbitration		
Patel Andrew Ministry	Association	01.02.0004.0226	0 + 1 - 20
A&GOnyx Miami Springs	American	01-23-0004-9226	October 30,
Hotel, LLC, Sameet Patel	Arbitration	<u>01-24-0009-0979</u>	2023 <u>December 10,</u>
and Ankur Nilesh	Association		<u>2024</u>
<del>Doshi</del> Patel			
Kalpesh B. Patel	<u>American</u>	<u>01-24-0009-1580</u>	<u>December 12, 2024</u>
	<u>Arbitration</u>		
	Association		
Akshay Hotels, LLC and	American Arbitration	01-23-0004-9397	October 31,
Dilip Desai	Association United States	8:2024cv03641	2023 <u>December 17,</u>
	<u>District Court for the District</u>		<u>2024</u>
	of Maryland, Southern		
	Division		
Super Toledo, LLC, Milan J.		C15CV23004055	October 31, 2023
Patel and Jitendrakumar	Montgomery County,		
Patel	Maryland		
<del>John E. Seard, Jr.</del>	American Arbitration	01-23-0005-0018	November 2, 2023
	Association		
Kunj Harrisburg, LLC,	American Arbitration	01-23-0005-0554	November 7, 2023
Jayaba, Inc., DS&BK, LLC,	Association		
Kiran P. Patel, Sukhvinder			
Longia, Sukwinder Collotia,			
Permveer Longia and Sapan			
Mehta			
Eric Shuster	American Arbitration	01-23-0005-0889	November 9, 2023
	Association		
Nirav Patel, Pratyush	American Arbitration	01-23-0005-0923	November 9,
Patel and Capital Ave	Association United States	8:2024cv03647	2023 <u>December 17,</u>
Hospitality, LLC, Nirav	District Court for the District		<u>2024</u>
Patel and Pratyush Patel	of Maryland, Southern		
	Division		
Darwin Prosperity, LLC,	American Arbitration	01-23-0005-6600	December 6, 2023
Gary Nguyen, Ngo Nguyen,	Association		

Tuan Tran Philip Tran and			
Hung Nguyen			
Elias Anastasopoulos	American Arbitration	01-23-0005-6769	December 7, 2023
Enus i mustusopouros	Association	01 23 0003 0707	December 7, 2023
GV Hospitality Clarkston,	American Arbitration	01-23-0005-7536	<del>December 12, 2023</del>
LLC and Kulwant Kaur	Association	01 23 0003 7330	December 12, 2023
Dilip Patel, Sanket Patel and		01-23-0005-7582	<del>December 12, 2023</del>
Wilkesboro Hospitality, Inc.	Association	01 23 0003 7302	December 12, 2023
Preferred Hospitality	American Arbitration	01-23-0005-7586	<del>December 12, 2023</del>
Group, Inc., Nasir Habib,	Association	01 20 0000 7000	2000
Sohail Khan, Shahid			
Hussain and Khalid			
<del>Siddiqui</del>			
Beaver Hospitality, LLC and	American Arbitration	01-23-0005-7906	<del>December 13, 2023</del>
Mita Vagashia	Association		
Meenesh Bhoola, Prakash	American Arbitration	01-23-0005-7937	<del>December 14, 2023</del>
Bhoola, Rajendra Jariwala	Association		
and C Roc Hurp, LLC			
Rani SajnaniPanchal	United States District Court for	8:2023ev03404 <u>8:</u>	December <u>1517</u> ,
Enterprises, Inc. and	the District of Maryland,	2024cv03646	<del>2023</del> <u>2024</u>
Yogesh Panchal	Southern Division		
Orin Soloman PIRI, Inc.	Circuit United States	C15CV23004650	December <u>15</u> <u>17</u> ,
and Pirian Sivakumar	<u>District</u> Court for	8:2024cv03638	<del>2023</del> <u>2024</u>
	Montgomery County, the		
	<u>District</u> of Maryland,		
	Southern Division		
BRK Colorado, Inc.,	American	<u>01-24-0009-2043</u>	<u>December 17, 2024</u>
Daksha Vallabh and	Arbitration		
Rajeshkumar Vallabh	Association		
Frederic E. Washington	American	<u>01-24-0009-2202</u>	<u>December 17, 2024</u>
	Arbitration		
	Association	01.00.000	D 1 1015
Gurpreet Kaur, Narinder	American	01-23-0005-8705	December <u>1917</u> ,
Singh, Kulwant Singh and	Arbitration	<u>01-24-0009-2045</u>	<del>2023</del> <u>2024</u>
Superior Hospitality,	Association		
Luita Phagla Hardata	A manifest Aulaitustissu	01 22 0005 0211	December 21, 2022
Urjita Bhoola, Hemlata Jariwala and Midland	American Arbitration	01-23-0005-9211	<del>December 21, 2023</del>
	Association		
Hospitality, LLC	Amonican Anhitusticus	01 22 0005 0216	Dagambar 21, 2022
Matthew Harper and Scott	American Arbitration	01-23-0005-9216	<del>December 21, 2023</del>
Holowicki	Association		

# (2) ACTIONS INITIATED BY CHOICE TO ENFORCE INTELLECTUAL PROPERTY RIGHTS – POST TERMINATION

<del>Defendant</del>	<del>Venue</del>	Case Number	Filing Date
144 Investors, LLC and Surject	U.S. District Court	1:23ev06066	August 11, 2023
Kaur	Eastern District of New		
	<del>York (Brooklyn)</del>		

No such actions were filed in 2024.

# III. RESOLVED LITIGATION/PRIOR ACTIONS

(1) Wydredge, L.L.C., H & P Investments, Clayton Wyman, Barry Eldredge and James

Rumpsa v. Choice Hotels International, Inc.

American Arbitration Association, Case # 16-114-000517-12

On August 31, 2012, Wydredge, L.L.C., H & P Investments, Clayton Wyman, Barry Eldredge and James Rumpsa filed an arbitration demand against Choice Hotels International, Inc. The arbitration demand sought unspecified damages for unjust enrichment, intentional misrepresentation, negligent misrepresentation, breach of contract, and breach of implied covenant of good faith and fair dealing. On or about September 27, 2012, Choice filed a counterclaim alleging breach of contract.

On July 7, 2014, the parties settled this dispute. As part of the settlement, Choice made certain concessions to franchisees in connection with two existing franchise agreements for other properties owned by franchisees reducing the royalty rate to 4.65% for 24 months and 4.25% for 24 months respectively.

(1) <u>Sender Kohl v. Choice Hotels International, Inc.</u>
United States District Court for the Southern District of Florida, Fort Lauderdale Division, Case #0:18-cv-62597 and American Arbitration Association, Case #01-19-0000-1797

On October 29, 2018, Sender Kohl filed an action against us seeking damages in an unspecified amount. The complaint alleged breach of contract, breach of the implied covenant of good faith and fair dealing, fraud and material misrepresentations. In December 2018, the court action was stayed pending arbitration, pursuant to the terms of the franchise agreement, which was filed in January 2019. On August 25, 2021, the parties settled this dispute.

As part of the settlement, Choice agreed to pay its former franchisee \$85,000.00 in exchange for dismissal of the arbitration.

(2) <u>Highmark Lodging, LLC, et al. v. Choice Hotels International, Inc., et al.</u> American Arbitration Association, Case #01-21-0004-5554 United States District Court for the Eastern District of Pennsylvania, Case #5:20cv2823

On June 29, 2021, Highmark Lodging, LLC and Darshan Patel ("Highmark") filed an arbitration against Choice Hotels International, Inc. and Choice Hotels Owners Council in conjunction with the underlying action that is discussed in Section I.(2) above. A Final Award was issued on July 27, 2023 against Choice and in favor of Highmark in the amount of \$740,072.25. Highmark filed a motion to confirm the Final Award and Choice filed a motion to vacate in part. Choice's motion was denied, and a final judgment was entered against Choice in the amount of \$779,398.40 on March 4, 2024.

(3) <u>Dahya Investments Incorporated, et al. v. Choice Hotels International, Inc., et al.</u> American Arbitration Association, Case #01-21-0004-5563
United States District Court for the District of Maryland, Southern Division, Case No. 8:2023cv01685

On June 29, 2021, Dahya Investments Incorporated and Dinu Patel ("Dahya") filed an arbitration against Choice Hotels International, Inc. and Choice Hotels Owners Council in conjunction with the underlying action that is discussed in Section I.(2) above. A Final Award was issued on May 9, 2023, against finding that: 1) Choice and in favor of Dahya in the amount of must pay \$882 and in favor for breach of Choice contract and against Dahya for must pay Choice the sum of \$603,483.00 for attorney's fees and costs relating to the dismissed claims.

Choice filed a motion to confirm the Final Award against Dahya and the Final Award was confirmed into a judgment on January 17, 2024 at the motion to seal hearing.

<u>Choice Hotels International, Inc. v. DIP Hospitality, LLC, et al. American Arbitration Association, Case #01-21-0003-7036</u>

On April 9, 2021, Choice initiated this arbitration to pursue contractually due franchise fees, a promissory note balance, and lost profit damages from the franchisees in the amount of \$498,495.93. On May 19, 2021, Franchisees filed a counterclaim against Choice in the amount of \$3,000,000. The arbitration panel issued an award dated July 9, 2024 finding that: 1) Choice prevailed on its claims for unpaid franchise fees, promissory note balance and audit fees for a total amount of \$256,051.37; and 2) denied DIP Hospitality, LLC's claims that Choice failed to obtain volume discounts from qualified vendors and was in breach of contract obligations relating to volume discounts, key money and call forwarding. DIP Hospitality, LLC prevailed on its wrongful termination claim in the amount of \$4,411.678.56 and were found to be the prevailing party and awarded fees and costs in the amount of \$430,125.87.

\* \* \*

Other than these actions, no litigation must be disclosed in this Disclosure Document.

#### **ITEM 4 BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

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

#### APPLICATION AND AFFILIATION FEE

You must pay us, for the rights granted to you in the COUNTRY Franchise Agreement, an affiliation fee of \$500 per room, with a \$50,000 minimum, for new franchises; \$750 per room, with a \$65,000 minimum, for transfers and renewals. The entire affiliation fee is due no later than the time you sign the Franchise Agreement and is non-refundable following our signing of the Franchise Agreement. We will also collect a non-refundable application fee of \$5,000 that will be credited towards the affiliation fee. If for any reason we do not grant you a franchise, or a Franchise Agreement is not counter signed by us, the affiliation fee, less the \$5,000 application fee, will be refunded to you. Financing information is in Item 10.

In the past, we have agreed to reduce the affiliation fee in certain instances for multiple unit franchisees, franchisees with larger properties, franchisees with whom we have previously dealt, franchisees that are departing other hotel chains or franchised systems and joining our system, and franchisees in other special circumstances. However, we do not always negotiate the affiliation fee even for franchisees possessing these characteristics, and we may freely choose not to negotiate with you, even if you possess some or all of these characteristics.

During the 12 months ending December 31,  $\frac{2023}{2024}$ , the affiliation fees ranged from  $\frac{10,000}{7,500}$  to  $\frac{50,000}{5,250}$ .

#### EXTENSION FEE AND OTHER CONSTRUCTION-RELATED FEES

If you do not begin construction or do not complete renovations to an existing franchised hotel within the time required under your Franchise Agreement, you may apply for an additional 3 months in which to begin construction or complete renovations. If we agree to grant an extension, you must pay us an additional \$5,000 per extension. In special circumstances we may waive the extension fee, but we are not obligated to, and any decision to waive an extension fee will be determined solely by us.

If you request a waiver from using any pre-approved interior design schemes, then you must pay us our Interior Design Waiver Fee, which is \$20,000. If you request a waiver from using a non-prototypical building design, then you must pay us our Architectural Design Review & Construction Services Fee, which is \$20,000. The Architectural Design Review & Construction Services Fee includes an architectural design review fee and construction inspection fee incurred by us in reviewing your request. The Interior Design Waiver Fee and Architectural Design Review & Construction Service Fee are payable at the time of the request. These fees must be paid regardless of whether the waiver is granted.

When transferring <u>at least</u> 50% <u>or moreownership</u> interest in your-<u>COUNTRY</u> hotel, you must pay us a property improvement plan fee of \$3,000. This fee is for the inspection of your hotel and the creation of a property improvement plan that will be integrated into the new franchise agreement with the buyer/transferee.

#### CENTRAL RESERVATION SYSTEM AND PROPERTY MANAGEMENT SYSTEM

You are required to use our central reservation system ("CRS"). Our CRS consists of our toll-free telephone reservation system, our proprietary internet sites, mobile phone and tablet reservation applications, interfaces with global distribution systems, and other internet reservations sites (such as online travel agencies). Our CRS provides a data link to our franchised properties as well as to travel reservation systems such as Amadeus, Galileo, SABRE and Worldspan that facilitate the reservation process for travel agents and corporate travelers. We also offer rooms for rent on our website (http://www.choicehotels.com) and mobile applications as well as those of online travel agents (OTAs) and other third-party internet referral or booking services. Our toll-free telephone reservation system primarily utilizes third-party call center service providers. Reservation agents trained on the reservation system have the goal of matching each caller with a Choice-branded hotel meeting the caller's needs. We also operate a call forwarding program through which our franchisees can leverage our CRS capabilities by forwarding reservation calls received directly by the property to one of our reservation centers. Some components of the CRS have separate fees, as further described in Item 6 below. We also continue to upgrade our technology to ensure that our CRS can effectively handle the current and future volume on digital channels and support the industry's shift toward accelerated digital communications and guest experience personalization. In support of these initiatives, we developed choiceEDGE, which is a cloud-based software to manage all distribution for the company by optimizing rate, inventory, availability, shopping, booking, and reservations for its website, mobile apps, and third-party distribution partners.

As a part of the CRS, you are required to install, maintain, and use full functionality of the choiceADVANTAGE® property management and reservation system as specified by us. ChoiceADVANTAGE® synchronizes each hotel's inventory with our CRS, which gives our reservation sales agents and other proprietary channels the last room sell capabilities at every hotel. You must

purchase from us, an initial software license to use choiceADVANTAGE®. The software license includes up to three basic interfaces connected to choiceADVANTAGE®. Optional interfaces are available for an additional fee. You will receive dedicated support during your onboarding of choiceADVANTAGE®. The fees for the software license, the choiceADVANTAGE® systems onboarding, project management, and credit card interface are between \$8,750 and \$10,750 depending on the number of hotel rooms. The price is subject to increase depending on the number of additional interfaces you select. The initial software license and onboarding fees do not include the monthly choiceADVANTAGE® support fee to cover ongoing remote software support (see Item 6). If you need to reschedule onboarding or if onboarding is not completed due to circumstances that are within your control, there will be a rescheduling fee between \$500 and \$2,100.

#### PRE-OPENING - BRAND IN A BOX

Through our Brand in the Box program, we will assist you with the upfront costs of opening your hotel. Your participation in this program is mandatory. As a part of this program, you will pay us a nonrefundable fee of approximately \$6,000-\$30,000 (based on brand and room count and excluding shipping charges) for certain pre-opening items that we will order on your behalf, including the purchase of the software for choiceADVANTAGE® (as discussed above in this Item 5) and the hardware to operate that system, and other pre-opening items as needed. In exchange, you will reimburse us by paying us in one lump sum or these costs will be billed to you on the monthly franchisee invoice over 12 months with no interest included.

#### ORIENTATION / HOSPITALITY TRAINING

We provide required training programs that you, your General Manager, or other key employees must complete before opening your hotel in the Choice franchise system or within 90 days of the hotel's opening or relicensing. The training fees you must pay for orientation and hospitality operations training include our Choice Onboard training fee of \$1,950, and our Hospitality Operations Success Training ("HOST") fee of \$1,395. The cost of attending the Choice Onboard training for any subsequent attendees beyond the Owner and the General Manager is 50% of the tuition (not to exceed \$975) per subsequent attendee. The HOST training fee covers an operator certification program that is offered virtually, consisting of self-paced online lessons, live interactive virtual workshops, and exams. The costs for both training programs do not include the cost of travel, lodging, or meals to attend the required training programs. The total training fee is between \$1,395 and \$3,345 per person, plus travel, lodging and meals for you and your General Manager. Training consists of a 3-day Choice onboarding program offered monthly at one of our Choice corporate location in Maryland or Arizona, as well as an operator certification program that is offered virtually. Some or all of the training may not be required if you have previously owned a Choice branded hotel, obtained Choice Hotels training certification for another existing Choice- branded hotel and/or a hotel staff member has previously completed the training in a prior position.

When a franchised hotel undergoes a 50% or greater change in its ownership and the new owners sign a franchise agreement with Choice (known as a "re-licensing"), the hotel is also required to have a customized re-licensing training. This training is delivered remotely via completion of a dedicated, self-paced Learning Map in the Choice University online learning management system (LMS). The fee for the re-licensing training is \$995.

Attendance is mandatory at the training programs identified in this Item 5. Failure to attend within the prescribed time frame may result in a non-compliance penalty of \$125 per month for failure to attend the Choice Onboard training or \$250 per month for failure to attend the HOST training until compliant and/or formal default, and the failure to cure the default could result in the termination of your franchise agreement. For more detailed information on each training program, see Item 11.

\* \* \*

Except as identified in this Item 5, the affiliation fee, extension fee, property management system fees and training fees are uniform, are fully earned by us when paid by you, and we have no obligation to refund these fees. Except as set forth in Item 10, we do not offer financing for any part of the affiliation fee, and we do not offer financing for any other initial fees paid to us.

# **ITEM 6 OTHER FEES**

TYPE OF FEE	AMOUNT (Note 1)	DUE DATE	REMARKS
GENERAL			
Royalty Fee	6.0% of the preceding month's Gross Room Revenues ("GRR") (Note 2).	Payable monthly.	
Marketing and Reservation Fee	3.5% of the preceding month's GRR (Note 2).	Payable monthly.	The Marketing and Reservation Fee covers the ongoing development, maintenance and upgrading of the reservations system, as well as pay for expenditures associated with media, advertising, publicity, public relations, marketing, reservations, ecommerce activities and certain franchise services. These expenditures enhance awareness and consumer preference for our brands and deliver guests to our franchisees. Greater awareness and preference help promote long-term growth in business delivery to our franchisees. (Note 3).
REWARDS, MARKETING AND DISTRIBUTION PROGRAMS			
Rewards Program Fee (Choice Privileges Loyalty Program)	5% of gross room revenue generated by rewards program members.	Monthly (Commission invoice is transmitted each Sunday night and payment must be submitted to us no later than Friday).	This Rewards Program Fee is established by us to administer the program and reimburse hotels for reward nights.  We may require participation in our Performance Based Loyalty Fee program in the future, which has a fee

Airline Frequent Traveler Program Fee  Airline Frequent Traveler Program Fee  Affiliate and Enhanced Reservations Program Commissions Choice Accelerate  Accelerat				T
marketing paid and meta  This program may be	Program Fee  Affiliate and Enhanced Reservations Program Commissions Choice	revenue generated by airline frequent travelers.  Standard commissions (currently up to 10%) for reservations delivered through our Affiliate Program or Choice Hotels Enhanced Reservations Program (CHERP).3% of gross room revenue from consumed stays delivered from direct online channel bookings (certain exclusions and stay caps apply).	, ,	Loyalty Fee may vary within the stated amount range based on a hotel's participation in the program, which measures enrollment performance over three-month periods and includes adjustments on the Rewards Program Fee based on a hotel's size and enrollment performance. The program is subject to change, though costs will not exceed 5.5% of room revenue generated by rewards program members.  This fee is established by us to administer the program and pay for airline miles awarded.  We have negotiated marketing arrangements with certain agencies, including Commission Junction, and we may retain a portion of this fee to cover our expenses in administering the Affiliate Program. We also manage a pay for performance program where a commission is charged on certain reservations delivered through search engines such as Google,
Program (CHERP).3% of gross room revenue from consumed stays delivered from direct online channel bookings (certain exclusions and stay caps apply).  Consumed stays resulting from international marketing paid and meta  to cover our expenses administering the Aff Program. We also ma a pay for performance program where a commission is charge ertain reservations delivered through sea engines such as Goog Bing, and TripAdvise This program may be	Commissions Choice	reservations delivered through our Affiliate Program or Choice Hotels		with certain agencies, including Commission Junction, and we may
(certain exclusions and stay caps apply).  Consumed stays resulting from international marketing paid and meta  (certain exclusions and commission is charge certain reservations delivered through sea engines such as Goog Bing, and Trip∧dvise This program may be		Program (CHERP).3% of gross room revenue from consumed stays		to cover our expenses in administering the Affiliate Program. We also manage
<u>from international</u> <u>marketing paid and meta</u> Bing, and TripAdvise  This program may be		(certain exclusions and stay caps apply).		commission is charged on certain reservations delivered through search
subject to a fee of up to different commission		from international marketing paid and meta advertising efforts are subject to a fee of up to		Bing, and TripAdvisor. This program may be changed to provide for different commissions
subject to the 3% fee noted above.  reservations. Choice Accelerate is the		revenue, but will not be subject to the 3% fee		additional e commerce reservations.Choice Accelerate is the
program that aims to direct online channel bookings to your hote through negotiated				bookings to your hotel

			search engine optimization, social media and more.
Programs Processing Fee	\$0.12 per transaction per eligible stay for Reward Program or CHERP feesChoice Accelerate  (not charged if the Commission Processing Fee is charged by Onyx).	Payable monthly.	This fee covers our administrative costs of consolidating the billing and processing disbursements for the applicable Marketing and Rewards program costs.
Third Party Distribution Fee	\$3.00 for each consumed reservation made through directly connected online travel agents, DerbySoft and DHISCO.	Payable monthly.	Directly connected online travel agents include Expedia, Hopper and Booking.com. Connectivity solutions such as DerbySoft and DHISCO are used to connect with other online travel agents, such as Agoda/Priceline, Getaroom, and wholesalers, such as Hotelbeds and WebBeds.
Travel Agent and Other Reservation Based Commissions (Note 4)	Standard commission (currently 10% - 15%) includes our Travel Agent Centralized Commission Program handled via Onyx and additional programs from third party designated accounts.	Weekly (Commission remittance is available via the online portal of our commission processing vendor, Onyx CenterSource, each Monday and payment must be submitted no later than Thursday) or monthly for commissions directly indicated on invoice.	\$0.48 per Commissionable Transaction processing fee for commissions handled via the Travel Agent Centralized Commission Program is applied to the Onyx remittance.  Commissions are payable on retail or "rack" rates and not on net, non- commissionable rates.
Egencia Preferred Program	Payment of a \$5.00 per night Choice Privileges fee covering 1,000 loyalty points, in addition to the payment of any applicable Expedia commission.	As incurred	The Egencia Preferred Program offers your hotel the opportunity to gain priority access to the more than four million business travelers who book through Egencia each year. You may opt out of this program. The Rewards Program Fees of the Choices Privileges Loyalty Program described above do not apply to these Egencia bookings.
Leisure Affinity Promotional Program	You must pay a per preferred room night fee of \$2.50 (or up to the	Payable monthly	This program is offered to affinity organizations such as AARP and other

	T		
	equivalent of a 10% commission) for all consumed stays booked through our Leisure Affinity Promotional Program.		leisure-based member-based organizations with which we have negotiated preferred status. The fee may vary based on the Affinity partner. This fee will be waived for any reservation that is billed the Choice Accelerate fee.
General Sales Agents (GSA) Fee	5% commission in addition to any applicable Travel Agent Commission.	Payable monthly.	This fee covers commissions for international sales agents when they book reservations for international guests staying at domestic Choice brand hotels.
Global Distribution System ("GDS")	Currently \$7.70 for each reservation received through a GDS with which we have an agreement.	Payable monthly.	This fee is a reimbursement of costs we incur by using a GDS and is subject to change to reflect changes in our GDS costs, including cost increases imposed by third parties.
Gift Card Redemption Processing Fee	2.5% of the value of the gift card.  All payments will be made by check reimbursements, which are charged an additional \$3 monthly check fee for each month gift cards are redeemed.	Upon redemption of the gift card.	You must redeem gift cards at your hotel.
Platform Marketing Distribution	Up to 15% commission for consumed reservations generated through Choice's third-party marketing platform	Payable monthly and as incurred	This fee is mandatory and based on consumed reservations (which may include revenue from the rental, sale, use, or occupancy of your Hotel) facilitated through a third- party platform marketing, such as Penn Entertainment and others. These opportunities help introduce new guests to Choice's Brands. We reserve the right to modify the engagement, including adding or removing third party participants.
Mega Agency and Consortia Pay for Performance Program (Note 5)	2.7% of total room revenue from consumed business (for example,	Payable monthly.	

	actual room sold).		
FedRooms/DoD Program	1.52.25% of room revenue per consumed stays resulting from program activities	As incurred	The fee is billed to properties who participate in the FedRooms or DoD program
PROPERTY MANAGEMENT SYSTEM AND TECHNOLOGY			
choiceADVANTAGE® Support Fee	\$472519-\$778855/ month, based on room count.	Payable monthly.	This fee includes selected interfaces, the mandatory choiceADVANTAGE® remote access feature and the required credit card interface. Additional interfaces are optional and will add \$50/month each to the support fee. CONNECT integrations are optional and will add \$0.35 per room per month to the support fee. And an optional Quick Shop feature will add \$30/month to the support fee. (See also Item 5 regarding the purchase of choiceADVANTAGE in connection with Brand in a Box.)
choiceADVANTAGE® Database Clean Up Fee	\$500	As incurred.	This fee covers the cost to assist with updating information stored in the choiceADVANTAGE® database, including reservations and account data and applies to existing or former Choice branded properties that change ownership or require prior database information be renewed or expunged. (See also Item 5 regarding the purchase of choiceADVANTAGE in connection with Brand in a Box.)
Choice Digital Registration	Depending on the number of hotel rooms at your Hotel, you must purchase one or more tablets through one of our qualified vendors at an approximate cost of \$250.00 each.	As incurred	The purchase of the tablets are mandatory costs. The digital registration program allows guests among other things to digitally sign an electronic registration card that is then stored in the

CrowdStrike	\$60	Payable monthly	cloud and made available via choiceADVANTAGE® to hotels.  The fee is required for all brands and covers security software and services to help monitor,
			detect and prevent software-based cyber security threats.
Technology & Interface Connect Fee	\$5.95 per sleeping room per month with a maximum of 100 sleeping rooms invoiced; and  \$1.70 per sleeping room per month for sleeping rooms over 100 with a maximum of 250 sleeping rooms invoiced.	Payable monthly	Four web-based email accounts are also included in these fees. These fees do not include all technology costs required to operate a typical Hotel. Examples of systems not included are telephone, accounting, payroll, inventory management, call accounting, voice mail, guest internet, free to guest television and concierge applications. You must maintain other systems through suppliers of your choosing. We offer a list of approved suppliers for many of these systems, but these are recommendations only.
REVENUE MANAGEMENT AND RELATED PROGRAMS			
Choice Revenue Optimization Services ("ChoiceROCS") (Note 56)	\$795 - \$2,070 based on offering tier/service levels and brand.	Monthly.	ChoiceROCS is a multi- faceted program that provides participating franchisees with a variety of revenue management services and support depending on the needs of the hotel. You will work directly with a Choice revenue manager that is trained to help support the revenue management needs of the franchisee.  Participation in ChoiceROCS is mandatory for COUNTRY Hotels. During the first

ChoiceMAX (or similar program) (Note 56)	\$400 - \$525 based on number of rooms.	Monthly.	year, the only minimum service levels available for enrollment are Silver or higher, as further set forth in the Rules and Regulations.  ChoiceMAX is our revenue management software platform that provides forecasting and pricing recommendations. The program for ChoiceMAX is mandatory for COUNTRY Hotels.  Monthly fees for ChoiceMAX (or similar program) will be bundled with the ChoiceROCS monthly fee for participating hotels.
ChoiceMAX Training and Set Up and/or Reinstatement Fee	\$2,500	At the time of ChoiceMAX installation.	This program is mandatory. This fee covers the following: System implementation and account access, activation of competitive rate shopping services, support for proper tool setup and configuration, self-paced training and job aids. In addition, you must pay this fee if you are reinstated into ChoiceMAX because of seasonal closures, rebranding, or for other reasons.
OTHER Annual Convention Registration Fee	Up to \$1,795\(\frac{\}{2}1,600\) plus travel, lodging, and living expenses. We also charge a late registration fee of an additional \$500.	Annually, before Convention.	The annual convention is designed to give our franchisees resources and information to better leverage our strong value proposition. Attendees participate in a full schedule of education and brand sessions and networking events. In addition, there is a trade show with the industry's top suppliers.  YouOne owner must attend our annual convention. We also recommend that your

			General Manager attend.
Educational Resources Program	\$1,500 plus any applicable taxes.	Annually (billed in four even amounts on a quarterly basis).	This program provides unlimited access to training programs on Choice's online learning management system (including Choice University).
Additional Training Programs	Reasonable charges ranging from \$49 - \$499.	On enrollment.	You also must pay travel, lodging and living expenses for all attending employees for any additional training requested by you or required by us.
Re-Licensed Hotel Training	\$995	Within 90 days of transfer and Franchise Agreement execution.	This training is required when a Hotel changes ownership, and the new owners sign a franchise agreement with Choice.
Room Count Change Fee	The per-room charge then being charged for new franchisees, but not less than \$1,000.	Before expansion of sleeping rooms.	This fee is applicable only if you choose to change the room count by more than 5%. Our consent is required for any room count change greater than 5%.
Extension Fee (Note 5)	\$ <del>5,000.</del>	Upon expiration of your Construction Start or other renovation deadline.	If we agree to grant you an extension, you must pay us \$5,000 for each 3 month extension.
Assumption Fee	\$7,500.	Upon submission of application.	This fee is applicable if we consent to a transfer of less than 50% of the equity interest in you or the Hotel.
Property Improvement Plan Fee	\$3,000.	Upon transferee's submission of application.	This fee is for the inspection of your Hotel and the creation of a property improvement plan which will be integrated into the transferee's franchise agreement.
Comfort Letter Fee	\$2,500 (if a Comfort Letter is needed within 1- 3 days there will be a \$500 expedite fee.)	Upon request for a Comfort Letter.	The comfort letter is a document issued by us in our sole discretion that grants your lender certain rights under the Franchise Agreement upon your default of your loan obligations to the lender. You may be required to sign this agreement as a condition of receiving a

			loan from your lender.
			Attached as Exhibit  On is our current form comfort letter.
Choice Privileges Elite Welcome Recognition Program	Approximately \$0.005 per Choice Privileges point awarded to guest, or the cost of the gift provided to guest.	Monthly for Choice Privileges point reimbursements. As incurred for other gifts provided.	At check-in, Choice Privileges Elite members will be given the option of receiving Choice Privileges points (amount determined by us) or a gift as required by us (such as snacks, drinks, a F&B credit of \$5.00 in retail value, or other items).
Transfer Fee	The then current affiliation fee or \$65,000, whichever is greater. The Transfer Fee is subject to state law.	Upon transferee's submission of application.	This fee is applicable only if we consent to a transfer of 50% or more of the equity interest in you or your Hotel franchise. Our consent is required for any transfer of more than 5% of the equity interests in you or the Hotel.
Close Family Member Transfer Fee	\$0-\$7,500	Upon transferee's submission of application.	Upon death or disability, if you wish to transfer to a Close Family Member (defined as a franchisee's adult spouse, parent, child, sibling, grandchild, or grandparent) we will charge a non-refundable application fee not to exceed \$7,500.
Change of Ownership	\$3,000	Upon submission of application	This fee is applicable for any transfer of less than a 50% equity interest in you or your Hotel franchise.
Choice Privileges "Points Accelerator" Packages	Approximately \$0.005 per Choice Privileges point that is awarded to a guest.	Monthly for Choice Privileges point reimbursements.	At the time of booking, when booking BAR, guests have the option to purchase 1,000, 2,000 or 5,000 points in addition to their base stay points. Hotels are charged for the additional points purchased by the guest.
Insurance Reimbursement Fee	\$500-\$100,000	As incurred	This fee applies only if you fail to procure or provide us with evidence that you maintain at least the minimum insurance required by the Franchise Agreement. The range for this fee is dependent on market conditions and a

			1:
			policy may fall outside of this range depending on the current market rate.  We may also give you the option to procure certain insurance policies through programs we facilitate, which may be billed by us
Taxes	Amount assessed by federal, state and local tax authorities	When we invoice you	for participating hotels.  You must pay an amount equal to any sales tax, gross receipt tax or similar tax imposed with respect to any payments required under the Franchise Agreement, unless the tax is credited against income tax otherwise payable to us. You will have no obligation for any tax which is based upon our net income.
Energy Collection & Measurement (ECM) Software Platform	\$215 (annually) and up to \$250 associated with implementation and service	Monthly payment of approximately \$18.00	This platform is intended to improve energy efficiency at the Hotel. The fee is mandatory and will appear on the franchisee's invoice. The fee includes onboarding and implementation of the Hotel into the hosted service (Resource Advisor), recurring collection and aggregation of the Hotel's energy consumption data, and platform access and use of the sustainability measurement dashboard and reporting.
Medallia Zingle Concierge Subscription Fee	\$80 per month	Payable monthly.	Medallia  Zingle Concierge is a real-time guest text messaging platform for guest engagement and service needs. You will pay the monthly subscription fee listed in the chart for the Medallia  Zingle Concierge platform, which we collect and then pay to the vendor.
OPTIONAL			
Sales Certification Training	\$500 per attendee	On enrollment	This training program is
		·*	0 F0

Program			optional and is a 3 day sales workshop.
			Attendees must pay travel,
			lodging, and living
0 05 1 2	00 045	A 1 1	expenses.
<del>SmartMarketing</del>	<del>\$0 \$45.</del>	As incurred.	A website that provides
			Choice Privileges
			collateral, on brand
			customizable collateral
			templates and more.
Interior Design Waiver Fee	Not to exceed \$15,000.	At the time of	If you request a waiver
		<del>request.</del>	from using any pre
			approved interior design
			<del>schemes, you must pay</del>
			our then current fee,
			regardless of whether the
			waiver is granted.
Architectural Design Review	Not to exceed \$15,000	At the time of	If you request a waiver for
& Construction Services		<del>request.</del>	using a non prototypical
			building design, then you
			must pay to us our then-
			current fee, regardless of
			whether the waiver is
			granted. This fee includes
			an architectural design
			review fee and
			construction inspection
			fee incurred by us in
			reviewing your request.
Mega Agency and Consortia	2.7% of total room	Pavable monthly.	reviewing your request.  You may opt out of this
Mega Agency and Consortia Pay for Performance	2.7% of total room revenue from consumed	Payable monthly.	You may opt out of this
Pay for Performance	revenue from consumed	Payable monthly.	
	revenue from consumed business (for example,	Payable monthly.	You may opt out of this
Pay for Performance Program (Note 7)	revenue from consumed business (for example, actual room sold).		You may opt out of this program.
Pay for Performance Program (Note 7)  ResConnect Program	revenue from consumed business (for example, actual room sold).  3.50% of monthly Gross	Payable monthly.  Payable monthly.	You may opt out of this program.  This is an optional
Pay for Performance Program (Note 7)  ResConnect Program (formerly Call Forwarding	revenue from consumed business (for example, actual room sold).  3.50% of monthly Gross Room Revenue booked		You may opt out of this program.  This is an optional program and we may
Pay for Performance Program (Note 7)  ResConnect Program	business (for example, actual room sold).  3.50% of monthly Gross Room Revenue booked by our eall		You may opt out of this program.  This is an optional program and we may change the fee at any time
Pay for Performance Program (Note 7)  ResConnect Program (formerly Call Forwarding	revenue from consumed business (for example, actual room sold).  3.50% of monthly Gross Room Revenue booked by our eall forwardingResConnec		You may opt out of this program.  This is an optional program and we may change the fee at any time upon providing prior
Pay for Performance Program (Note 7)  ResConnect Program (formerly Call Forwarding	business (for example, actual room sold).  3.50% of monthly Gross Room Revenue booked by our eall		You may opt out of this program.  This is an optional program and we may change the fee at any time upon providing prior written notice to you.
Pay for Performance Program (Note 7)  ResConnect Program (formerly Call Forwarding	revenue from consumed business (for example, actual room sold).  3.50% of monthly Gross Room Revenue booked by our call forwarding Res Connec t team for your hotel.		You may opt out of this program.  This is an optional program and we may change the fee at any time upon providing prior written notice to you. Exhibit F includes the
Pay for Performance Program (Note 7)  ResConnect Program (formerly Call Forwarding	revenue from consumed business (for example, actual room sold).  3.50% of monthly Gross Room Revenue booked by our eall forwarding Res Connec t team for your hotel.  You are responsible for		You may opt out of this program.  This is an optional program and we may change the fee at any time upon providing prior written notice to you. Exhibit F includes the Call
Pay for Performance Program (Note 7)  ResConnect Program (formerly Call Forwarding	revenue from consumed business (for example, actual room sold).  3.50% of monthly Gross Room Revenue booked by our eall forwarding Res Connec t team for your hotel.  You are responsible for any additional costs		You may opt out of this program.  This is an optional program and we may change the fee at any time upon providing prior written notice to you. Exhibit F includes the Call ForwardingResConne
Pay for Performance Program (Note 7)  ResConnect Program (formerly Call Forwarding	revenue from consumed business (for example, actual room sold).  3.50% of monthly Gross Room Revenue booked by our eall forwarding ResConnec t team for your hotel.  You are responsible for any additional costs necessary to update your		You may opt out of this program.  This is an optional program and we may change the fee at any time upon providing prior written notice to you. Exhibit F includes the Call
Pay for Performance Program (Note 7)  ResConnect Program (formerly Call Forwarding	revenue from consumed business (for example, actual room sold).  3.50% of monthly Gross Room Revenue booked by our eall forwarding ResConnec t team for your hotel.  You are responsible for any additional costs necessary to update your telephone systems at the		This is an optional program and we may change the fee at any time upon providing prior written notice to you. Exhibit F includes the Call ForwardingResConne ct Agreement.
Pay for Performance Program (Note 7)  ResConnect Program (formerly Call Forwarding	revenue from consumed business (for example, actual room sold).  3.50% of monthly Gross Room Revenue booked by our call forwarding Res Connec t team for your hotel.  You are responsible for any additional costs necessary to update your telephone systems at the property to support the		You may opt out of this program.  This is an optional program and we may change the fee at any time upon providing prior written notice to you.  Exhibit F includes the Call ForwardingResConne ct Agreement.  For non-participating
Pay for Performance Program (Note 7)  ResConnect Program (formerly Call Forwarding	revenue from consumed business (for example, actual room sold).  3.50% of monthly Gross Room Revenue booked by our call forwardingResConnec team for your hotel.  You are responsible for any additional costs necessary to update your telephone systems at the property to support the Call		This is an optional program and we may change the fee at any time upon providing prior written notice to you. Exhibit F includes the Call ForwardingResConne ct Agreement.  For non-participating hotels that transfer calls to
Pay for Performance Program (Note 7)  ResConnect Program (formerly Call Forwarding	revenue from consumed business (for example, actual room sold).  3.50% of monthly Gross Room Revenue booked by our call forwarding ResConnec t team for your hotel.  You are responsible for any additional costs necessary to update your telephone systems at the property to support the Call Forwarding ResConnect		This is an optional program and we may change the fee at any time upon providing prior written notice to you. Exhibit F includes the Call Forwarding Res Conne at Agreement.  For non-participating hotels that transfer calls to the Call
Pay for Performance Program (Note 7)  ResConnect Program (formerly Call Forwarding	revenue from consumed business (for example, actual room sold).  3.50% of monthly Gross Room Revenue booked by our call forwardingResConnec team for your hotel.  You are responsible for any additional costs necessary to update your telephone systems at the property to support the Call		This is an optional program and we may change the fee at any time upon providing prior written notice to you. Exhibit F includes the Call Forwarding Res Connect Agreement.  For non-participating hotels that transfer calls to the Call Forwarding Res Connect
Pay for Performance Program (Note 7)  ResConnect Program (formerly Call Forwarding	revenue from consumed business (for example, actual room sold).  3.50% of monthly Gross Room Revenue booked by our eall forwarding ResConnec t team for your hotel.  You are responsible for any additional costs necessary to update your telephone systems at the property to support the Call Forwarding ResConnect system.		This is an optional program and we may change the fee at any time upon providing prior written notice to you. Exhibit F includes the Call ForwardingResConne ct Agreement.  For non-participating hotels that transfer calls to the Call ForwardingResConnect Program, a hotel will be
Pay for Performance Program (Note 7)  ResConnect Program (formerly Call Forwarding	revenue from consumed business (for example, actual room sold).  3.50% of monthly Gross Room Revenue booked by our eall forwardingResConnec t team for your hotel.  You are responsible for any additional costs necessary to update your telephone systems at the property to support the Call ForwardingResConnect system.  An early exit fee of		This is an optional program and we may change the fee at any time upon providing prior written notice to you. Exhibit F includes the Call ForwardingResConne ct Agreement.  For non-participating hotels that transfer calls to the Call ForwardingResConnect Program, a hotel will be billed up to the greater of
Pay for Performance Program (Note 7)  ResConnect Program (formerly Call Forwarding	revenue from consumed business (for example, actual room sold).  3.50% of monthly Gross Room Revenue booked by our eall forwarding ResConnec t team for your hotel.  You are responsible for any additional costs necessary to update your telephone systems at the property to support the Call Forwarding ResConnect system.  An early exit fee of \$500/month remaining in		This is an optional program and we may change the fee at any time upon providing prior written notice to you. Exhibit F includes the Call ForwardingResConne ct Agreement.  For non-participating hotels that transfer calls to the Call ForwardingResConnect Program, a hotel will be billed up to the greater of 5% booked Gross Room
Pay for Performance Program (Note 7)  ResConnect Program (formerly Call Forwarding	revenue from consumed business (for example, actual room sold).  3.50% of monthly Gross Room Revenue booked by our eall forwarding Res Connect team for your hotel.  You are responsible for any additional costs necessary to update your telephone systems at the property to support the Call Forwarding Res Connect system.  An early exit fee of \$500/month remaining in the initial term (plus a pro		This is an optional program and we may change the fee at any time upon providing prior written notice to you. Exhibit F includes the Call ForwardingResConne ct Agreement.  For non-participating hotels that transfer calls to the Call ForwardingResConnect Program, a hotel will be billed up to the greater of 5% booked Gross Room Revenue-or, \$5.00 per
Pay for Performance Program (Note 7)  ResConnect Program (formerly Call Forwarding	revenue from consumed business (for example, actual room sold).  3.50% of monthly Gross Room Revenue booked by our call forwarding Res Connec t team for your hotel.  You are responsible for any additional costs necessary to update your telephone systems at the property to support the Call Forwarding Res Connect system.  An early exit fee of \$500/month remaining in the initial term (plus a pro rata share for the remaining		This is an optional program and we may change the fee at any time upon providing prior written notice to you. Exhibit F includes the Call ForwardingResConne ct Agreement.  For non-participating hotels that transfer calls to the Call ForwardingResConnect Program, a hotel will be billed up to the greater of 5% booked Gross Room Revenue-or, \$5.00 per call forwarded, or may be
Pay for Performance Program (Note 7)  ResConnect Program (formerly Call Forwarding	revenue from consumed business (for example, actual room sold).  3.50% of monthly Gross Room Revenue booked by our call forwardingResConnec team for your hotel.  You are responsible for any additional costs necessary to update your telephone systems at the property to support the Call ForwardingResConnect system.  An early exit fee of \$500/month remaining in the initial term (plus a pro rata share for the remaining portion of the current		This is an optional program and we may change the fee at any time upon providing prior written notice to you. Exhibit F includes the Call ForwardingResConne ct Agreement.  For non-participating hotels that transfer calls to the Call ForwardingResConnect Program, a hotel will be billed up to the greater of 5% booked Gross Room Revenue-or, \$5.00 per call forwarded, or may be auto-enrolled in the
Pay for Performance Program (Note 7)  ResConnect Program (formerly Call Forwarding Reservation Service Fees)	revenue from consumed business (for example, actual room sold).  3.50% of monthly Gross Room Revenue booked by our call forwardingResConnec team for your hotel.  You are responsible for any additional costs necessary to update your telephone systems at the property to support the Call ForwardingResConnect system.  An early exit fee of \$500/month remaining in the initial term (plus a pro rata share for the remaining portion of the current month)	Payable monthly.	This is an optional program and we may change the fee at any time upon providing prior written notice to you. Exhibit F includes the Call ForwardingResConne ct Agreement.  For non-participating hotels that transfer calls to the Call ForwardingResConnect Program, a hotel will be billed up to the greater of 5% booked Gross Room Revenue or \$5.00 per call forwarded, or may be auto-enrolled in the program at our election.
Pay for Performance Program (Note 7)  ResConnect Program (formerly Call Forwarding	revenue from consumed business (for example, actual room sold).  3.50% of monthly Gross Room Revenue booked by our call forwardingResConnec team for your hotel.  You are responsible for any additional costs necessary to update your telephone systems at the property to support the Call ForwardingResConnect system.  An early exit fee of \$500/month remaining in the initial term (plus a pro rata share for the remaining portion of the current		This is an optional program and we may change the fee at any time upon providing prior written notice to you. Exhibit F includes the Call ForwardingResConne ct Agreement.  For non-participating hotels that transfer calls to the Call ForwardingResConnect Program, a hotel will be billed up to the greater of 5% booked Gross Room Revenue-or, \$5.00 per call forwarded, or may be auto-enrolled in the

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Program			Privileges points per dollar spent on meeting related activities (meeting room rental, food and beverage, and meeting attendees' guest rooms).
Marketing Cooperative Fee	\$400 - \$2,400 annually	Payable by December 31st of each year.	This fee is established by the regional franchisee marketing cooperatives and varies by region and hotel size. These fees are placed in a fund for each regional marketing cooperative and used for its operating expenses. Participation in a marketing cooperative is voluntary. This program is not currently available but may be in the future. (See Item 11).
Additional Consultation and Services Fee	Dependent on the service requested	As incurred	We may make available additional consultation and services to assist you to construct, renovate, maintain, operate, and/or market the Hotel.
choiceADVANTAGE® Quick Shop	\$30 monthly	Payable monthly	This is a feature to improve the process for hotels that have a side shop off the front desk to sell snacks and sundries.  Available only upon request.
AHLA Dues	\$4.50/per room	Annually	This fee covers dues for membership in the American Hotel & Lodging Association. You have the opportunity to opt out of membership by January 15 of each year.
AAA Official Appointment	\$800 - \$1,600 based on the level of diamond rating and the number of rooms in the hotel	<u>Annually</u>	This fee covers the AAA Official Appointment license for hotels that are awarded AAA diamond designations. You may opt out each year.
REMEDIES AND NON- COMPLIANCE			
Non-Compliance Penalty	\$35 - \$25,000 per instance of non-compliance.	As incurred.	Non-compliance penalty is charged as a result of a failure to attend required training, to meet quality assurance and/or guest satisfaction standards required for the brand,

Guest Relations Program Fee	\$100 per complaint plus the cost to resolve the guest complaint	As incurred	non-compliance with your Property Improvement Plan, non-compliance with the Franchise Agreement or the Rules and Regulations. This range of penalties may change from time to time.  If we receive a legitimate guest complaint within the hotel's control and respond to or resolve the complaint on your behalf, you must pay us the Guest Relations Program fee plus our costs to resolve the matter.
Human trafficking prevention training non-compliance fee	\$500400 quarterly non-compliance penalty	As incurred	Each property hotel owner(s) and/or management level designee is required to complete the ChoiceU Human Trafficking Prevention training module on ChoiceU. The certification must be renewed every twelve months. A quarterly \$500 non- compliance fee will be charged to hotels that do not comply with this brand requirement. We will submit 100% of the proceeds of this non-compliance fee to organizations selected by us that support efforts to combat human trafficking.
Audit Fee	Cost of inspection or audit, including travel, lodging, meals, salaries, professional fees and other expenses. We anticipate the cost will be \$1,000 - \$6,000.	As incurred.	Payable only if any inspection or audit discloses a deficiency in any payments due under the Franchise Agreement. If the deficiency in any payment is willful or exceeds 5% of the correct amount, you must immediately pay the deficient amount plus interest at 1.5% and the entire cost of the inspection or audit, including travel, lodging, meals, salaries, professional fees, and other expenses of the inspecting or auditing

			personnel.
Revenue Reporting Late Fee	1.5% of the preceding month's Royalty Fee and Marketing and Reservation Fee.	Payable only if you do not send us the required reports on time.	Immediately payable if any report is not timely submitted.
Interest	1.5% of the delinquent amount.	Payable only if you do not pay your bills on time.	Immediately payable if your account is not timely paid.
Reservation System Reinstatement Fee	\$5,000	This fee must be paid prior to the reinstatement of reservation services.	Payable only if you are suspended from the reservation system due to your default and you wish to be reinstated.
Liquidated Damages (Note <u>87</u> )	If terminated before opening, the number of sleeping rooms multiplied by 36 months, multiplied by \$85.  If terminated after opening, the greater of (a) \$85, multiplied by the number of sleeping rooms, multiplied by the number of months until the next date on which you may terminate the Franchise Agreement without penalty (not to exceed 36 months); or (b) the average monthly GRR for the last 12 months, multiplied by the number of months until the next date on which you may terminate the Franchise Agreement without penalty (not to exceed 36 months).	Within 30 days after termination.	
Intellectual Property Liquidated Damages	\$2,500 per day that you continue to use our intellectual property following the expiration or termination of the Franchise Agreement.	Upon demand.	If you continue to use our intellectual property after the expiration or termination of the Franchise Agreement, you must pay this fee to compensate us for damage to our ownership interests in our intellectual property.
Costs and Attorneys' Fees	Will vary under circumstances	Payable on receipt of invoice	If we are successful in any legal action or arbitration proceeding we bring against you or in defending any legal action

	or arbitration proceeding
	you bring against us.

- Note 1: Unless otherwise stated, these fees are imposed by us, paid to us, and are non-refundable. The Travel Agent and Other Reservation Based Commissions fee and the Travel Agent Centralized Commission Processing Fee may not be paid to Choice. Unless otherwise stated, all fees are uniformly imposed except when negotiated in special circumstances.
- Note 2: "Gross Room Revenues" are revenues from the rental, sale, use or occupancy of sleeping rooms at the hotel for whatever purpose, including cash and credit transactions, whether or not collected by you, guaranteed no show revenue, early departure fees, late checkout fees, day use revenue, attrition or cancellation fees, and any proceeds from business interruption insurance. It does not include taxes required by law, revenues from telephone calls, movie rentals, vending machines, room service, meeting rooms or food and beverage sales.
- Note 3: We may increase the Marketing and Reservation Fee for increases in inflation or costs of advertising, publicity, public relations, marketing or for increases in our cost of providing the reservation system or any other aspect of our franchise system so long as the increases apply to all or most of the U.S. hotels in our franchise system unless you approve a greater amount. We may also assess additional fees and charges for various components of the System and other services (including promotional programs and use of proprietary software) as described in the Rules and Regulations.
- Note 4: A "Travel Agent" includes traditional travel agents, such as American Express Travel, CWT, BCD and others, as well as online travel agents such as Expedia if those online travel agents book through our global distribution system ("GDS"). For all reservations originating in a foreign country in which there is a Choice approved General Sales Agent or which is serviced by a Choice sales team, a hotel will be required to pay a 5% commission in addition to the standard Travel Agent Commission. The additional commission will apply to reservations via travel agents, GDS, and Choice's CRS, but will not apply to reservations through online travel agents (for example, Expedia) that are designated by an International Air Transport Association number.
- Note 5: Choice has secured preferred status with leading "mega" travel agencies (for example, multi-national travel management companies) and consortia of travel agencies so that our franchisees receive a high level of exposure within the Global Distribution System, corporate online booking tools, and preferencing through the various booking channels. For consumed reservations booked through a "mega" travel agency that are commissionable, the Travel Agent and Other Reservation Based Commissions Fee and Travel Agent Centralized Commission Processing Fee will apply. These payments are made through ONYX. Hotels that are not current with their travel agent fees risk suspension from the agencies booking tool.
- Note 6: ChoiceMAX is a revenue management technology solution that provides forecasting and pricing recommendations, and includes: a Revenue Management Technology Solution; reporting and analytical tools; and revenue management support. ChoiceROCS will provide these elements as a package or individually to supplement franchisees' revenue management program. ChoiceROCS includes a Revenue Management Consultation and works in tandem with ChoiceMAX (or similar program). The cost of both programs is determined by the number of rooms in the hotel and offering/service tier. See the ChoiceMAX and ChoiceROCS fees described in this Item 6. Monthly fees for ChoiceMAX (or similar program) will be bundled with the ChoiceROCS monthly fee for participating hotels.

Note 7: Choice has secured preferred status with leading "mega" travel agencies (for example, multi-national travel management companies) and consortia of travel agencies so that our franchisees receive a high level of exposure within the Global Distribution System, corporate online booking tools, and preferencing through the various booking channels. For consumed reservations booked through a "mega" travel agency that are commissionable, the Travel Agent and Other Reservation Based Commissions Fee and Travel Agent Centralized Commission Processing Fee will apply. These payments are made through ONYX. Hotels that are not current with their travel agent fees risk suspension from the agencies booking tool.

Note 8: Note 6: This fee is payable only if you fail to cause Construction Start to occur or you do not complete any renovations which are required to be completed prior to the opening of the hotel in the Choice franchise system within the deadlines specified in your franchise agreement. 7: This fee is payable only if the franchise agreement is terminated due to your breach and does not apply where state law prohibits it.

# ITEM 7 ESTIMATED INITIAL INVESTMENT

# YOUR ESTIMATED INITIAL INVESTMENT

# COUNTRY INN & SUITES BY RADISSON CONVERSION HOTEL (Note 1)

TYPE OF EXPENDITURE		OUNT ote 2)	METHOD OF PAYMENT	WHE N	TO WHOM PAYMENT
	Low	High		DUE	IS TO BE MADE
Affiliation Fee (Note 3)	franchises, \$ for transfers (\$50,000 r new franch minimum	om for new 6750 per room and renewals minimum for ises, \$65,000 for transfers mewals)	Lump sum	Upon applicatio n	Us
Property Improvements (Note 4)	\$ <del>518,986</del> <u>622,500</u>	\$1,727,99 42,483,0 00	As incurred	Before openin g	Your general contractor. suppliers or Qualified Vendor
Insurance (Note 5)	\$2,500	\$87,500	As incurred	Before openin g	Your insurance carriers
Advertising	\$2,500	\$40,000	As incurred	Before openin g	Various advertising media
Professional Pre-Opening Photography	\$ <del>1,400</del> <u>1</u> , <u>500</u>	\$ <del>3,000</del> 4, 000	As incurred	Before opening	Qualified Vendor
Hardware to operate choiceADVANTAGE® property management system	\$3,800	\$10,800	Lump sum	Before openin g	Us, as a part of our Brand in a Box program. See also Item 5.
choiceADVANTAGE® Software License and Systems Training (Note 6)	\$8,750	\$10,750	Lump sum	Before openin g	Us, as a part of our Brand in a Box program.

					See also Item 5.
Opening Inventory of Supplies (Note 7)	\$ <del>24,000</del> <u>25,200</u>	\$ <del>329,800</del> <u>346,290</u>	As incurred	Before openin g	Your suppliers or Qualified Vendor
Orientation and Hospitality Operations Training Fees (Note 8)	\$1,395	\$3,345	As incurred	Before openin g	Us
Mandatory On-Premises Signs (including freight and installation but excluding maintenance and insurance)	\$20,000	\$100,000	As incurred	Before openin g	Qualified Vendor
Interior Design Waiver Fee (Note 9)	\$0	\$ <del>15,000</del> <u>20,000</u>	As incurred	Before openin g	Us
Architectural Design Review & Construction Services (Note 10)	\$0	\$ <del>15,000</del> <u>20,000</u>	As incurred and due at the time of request	g	Us
Permits, Licenses and Government Fees	<u>Varies</u>	<u>Varies</u>	As incurred	Before opening	Your general contractor (varies by local jurisdiction)
Design and engineering costs and inspections (Note 10)Professional Design Services (Note 11)	\$ <del>10,000</del> <u>30,000</u>	\$ <del>90,000</del> <u>100,000</u>	As incurred	Before opening	Your Architect, Interior Design & engineers Engin eering consultants
Working Capital Required Before Operations Begin (Note 1112)	\$15,000	\$40,000	As incurred	Before openin g	Us, your suppliers, your employees, utilities, consultants
Additional Funds for 3-Month Initial Period (Note 1213)	\$25,000	\$50,000	Monthly payment for recurring fees; as incurred for other expenses	After openin g	Us, your suppliers, your employees, utilities
TOTAL ESTIMATED INITIAL INVESTMENT (Note 1314)	\$ <del>678,136</del> <u>808,145</u>	\$ <del>2,225,04</del> 4 <u>3,380,6</u> <u>85</u>			
TOTAL COST PER ROOM (Based on 83 Rooms)	\$ <del>8,170</del> 9 ,737	\$ <del>26,808</del> <u>40,731</u>			

Note 1: This table is an estimate of the initial investment required to convert an existing hotel and the estimate provided is based on our experience and our brand standards. Estimates are based on an 83- guestroom hotel. The cost of renovating each hotel has the potential to vary greatly and will depend on factors unique to your situation and your hotel, including the location of the hotel, the condition of the hotel and any upgrades necessary to bring the hotel up to our standards. The table does not include the cost of purchasing or leasing real estate, which cannot be estimated with any certainty due to variables such as location, acreage, terms and whether leased or purchased.

Note 2: Costs paid to Choice are not refundable, unless otherwise stated. Whether any

costs paid to third parties are refundable will vary based on the particular third party and on where your hotel is located.

- Note 3: The full affiliation fee is due no later than the time you sign the franchise agreement and is non-refundable following our signing of the franchise agreement. If for any reason we do not grant you a franchise or a franchise agreement is not countersigned by us, the affiliation fee, less \$5,000, will be refunded to you.
- Note 4: Renovation costs vary considerably and the estimate provided is based on a typical property improvement plan provided by us that the hotel must complete to upgrade to our standards. The costs provided includes include an estimate for furniture, fixtures, and equipment that must be refurbished, replaced, or removed; however the costs provided do not include deferred maintenance items such as the Hotel parking lot, HVAC, or exterior, and the costs provided also do not include required labor cost for these improvements. Upon application, we will provide you a customized property improvement plan unique to your hotel. Your costs to upgrade the hotel to our standards may depend on local contractor and material costs in your area as well as the condition of your hotel at the time you apply for a franchise and may fall outside the estimated range provided.
- Note 5: These policies cover construction, General Liability, Cyber Liability, and Workers Compensation, including Statutory Workers Compensation and Employers Liability insurance, and must provide minimum limits per location of coverage as stated in the franchise agreement.
- Note 6: choiceADVANTAGE® software license and onboarding fees include the costs of the initial software license, onboarding, eLearning modules, project management and the credit card interface. Your costs may fall on the higher end of this range depending on the number of rooms, additional interfaces and integrations you select. The fees do not include the monthly choiceADVANTAGE® support fee to cover ongoing remote software support.
- Note 7: Opening inventory of supplies includes brand standards items, linen, paper supplies and housekeeping supplies that meet our system requirements.
- Note 8: Orientation and Hospitality operations training includes the cost to attend Choice Onboard orientation training and HOST training. Our Choice Onboard training fee is \$1,950 and covers 3 days of orientation training provided monthly at one of our Choice corporate locations location in North Bethesda, Maryland or Scottsdale, Arizona. The costs do not include the cost of travel, lodging, or meals to attend the required training programs. Our HOST training fee is \$1,395 and covers an operator certification program that is offered virtually, consisting of self-paced online lessons, live interactive virtual workshops, and exams. The costs do not include the cost of travel, lodging, or meals to attend the required training programs. Some or all of the training may not be required if you have previously owned a Choice branded hotel or have obtained a Choice training certification for another existing hotel.
- Note 9: If you request a waiver from using a pre-approved interior design scheme at your hotel, then or Qualified Vendor, you must pay our then-current fee to review your request, regardless of whether we grant the waiver is granted.
- Note 10: These are approximate If you request a waiver for using a non-prototypical building design, then you must pay our then-current fee, regardless of whether the waiver is granted. This fee includes an architectural design & engineering review fee and review fee and construction inspection fee in reviewing your request.
- Note 11: <u>Professional Design Services includes</u> costs that <del>you will have</del>paid to <del>pay</del> your <del>architects, engineers</del>architect, engineer, and other related professionals for the development of your

Hotel. You, which must usefollow the prototype architectural drawings and specifications supplied by us and share them with your architect and engineers, which you are responsible for hiring and paying. Your architect and engineers will adapt these drawings to a specific site, and they must adhere to applicable civil, fire safety, structural, mechanical, electrical, and plumbing requirements and local codes. Development costs may be incurred for all architectural, engineering, design, legal, and other professional services necessary to secure approvals from government agencies and to obtain financing. You must submit all drawings and specifications to us, and we must approve of these drawings prior to your submission to local jurisdictions. You must commission an architect and engineer directly and make payments directly to them.

Note 1112: We estimate that you will need this amount in working capital before the Hotel opens. The actual amount of working capital you will need depends on a variety of factors, such as the number of paid employees you hire and their rate of pay, your own management and operational skills, economic conditions, and competition.

Note <u>1213</u>: We based these estimates on our experience with hotel franchises, discussions with hotel businesspeople and recent trends in pricing from other relevant companies.

Note 1314: The total investment above assumes the hotel is currently open and operating at the time you apply for a franchise and has real estate, furniture, fixtures, and equipment, hotel staff, a high speed internet access solution for in-room, in-lobby, public areas, and meeting rooms, current marketing and advertising programs, and other standards to operate a hotel. If the hotel does not have a solution for high-speed internet access, the cost could be \$0-\$20,000 to convert an existing hotel to our brand standards, including wiring, routers, software, server, splitters, access points, gateway, etc. In addition, your total investment may be higher if you are required to participate in our Performance Engagement Training or Re-Licensing Systems Training. Neither of these programs is required for all owners. Our Performance Engagement Training fee is \$4,500 and covers 5 days of customized on-site training for owners new to Choice Hotels that have little or no experience in hospitality and franchising. The Re-Licensing Systems Training fee is \$995 and is payable only when a franchised hotel has changed ownership and the new owner signs a franchise agreement with us. The Re-Licensing Systems Training fee covers the cost of 2-days of remote training concerning our proprietary choiceADVANTAGE property management and reservation system.

# COUNTRY INN & SUITES BY RADISSON NEW CONSTRUCTION HOTEL (Note 1)

TYPE OF	AMOUNT (Note 2)		METHOD	WHE	TO WHOM
EXPENDITURE	Low	High	OF	N	PAYMENT
			PAYMEN	DUE	IS TO BE
			1		MADE
Affiliation Fee (Note 3)	\$500/room for new		Lump sum	Upon	Us
	franchises, \$750 per room			application	
	for transfers and renewals				
	(\$50,000 minimum for				
	new franchises, \$65,000				
	minimum for transfers and				
	ren	ewals)			

Permits, Licenses and Government Fees	<u>varies</u>	<u>varies</u>	As incurred	Before opening	Your general contractor (varies by local jurisdiction)
Architectural Plans & Inspections Professional Design Services (Note 4)	\$ <del>90,000</del> 2 <u>00,000</u>	\$ <del>150,000</del> 4 <u>50,000</u>	As incurred	Before opening	Your Architect Interior Design & Engineering consultants
Legal Fees	\$10,000	\$45,000	As incurred	Before opening	Your attorneys
Environmental Feasibility/M arket/Environ mental Impact StudyStudies (if necessary) Market Study	\$0 \$10,000	\$16,000 \$15,000 <u>3</u> 5,000	As incurred As incurred	Before openin g Before openin g	Your consultants Your consultants
Construction (excluding soft costs) (Note 5)	$$\frac{10,457,52}{69,304,20}$	\$ <del>12,739,632</del> <u>13,699,500</u>	As incurred	Before openin g	Your general contractor
Equipment for food preparation, fitness and laundry facilities	\$ <del>130,000</del> <u>136,500</u>	\$ <del>200,000</del> <u>2</u> <u>10,000</u>	As incurred	Before openin g	Your suppliers and/or Qualified Vendor
Insurance (Note 6)	\$55,000	\$250,000	As incurred	Before opening	Your insurance carriers
Pre-Opening Advertising	\$5,000	\$60,000	As incurred	Before opening	Various advertising media
Furniture, Fixtures & Equipment (Note 7)	\$ <del>1,281,294</del> <u>1,638,000</u>	\$ <del>1,301,568</del> <u>1,885,000</u>	As incurred	Before openin g	Your suppliers or Qualified Vendor
Hardware to operate choiceADVANTAGE® property management system	\$3,800	\$10,800	Lump sum	Before openin g	Us, as part of our Brand in a Box program. See also Item 5.
choiceADVANTAGE® Software License and Systems Training (Note 8)	\$8,750	\$10,750	Lump sum	Before openin g	Us, as part of our Brand in a Box program. See also Item 5.
Professional Pre-Opening Photography	\$ <del>1,400</del> 1,5 00	\$ <del>3,000</del> 4, 000	As incurred	Before openin g	Third party Qualified Vendor
Opening Inventory of Supplies (Note 9)	\$ <del>289,600</del> <u>305,000</u>	\$329,800 345,000	As incurred	Before openin g	Your suppliers or Qualified Vendor
Orientation and Hospitality Operations Training Fees (Note 10)	\$1,395	\$3,345	As incurred	Before openin g	Us
High Speed Internet Access for in-room, in-lobby, public areas and meeting rooms (Note 11)	\$10,000	\$25,000	As incurred	Before openin g	Your supplier and/or Qualified Vendor

Mandatory On-Premises Signs (including freight and installation) (plus maintenance and insurance)	\$20,000	\$100,000	As incurred	Before openin g	Qualified Vendor
Interior Design Waiver Fee (Note 12)	\$0	\$ <del>15,000</del> <u>2</u> <u>0,000</u>	As incurred	Before openin g	Us
Architectural Design Review & Construction Services (Note 13)	\$0	\$ <del>15,000</del> <u>2</u> <u>0,000</u>	As incurred and due at the time of request	Before openin g	Us
Design and engineering costs and inspections (Note 14)	<del>\$100,000</del>	<del>\$180,000</del>	As incurred	Before opening	Your architect & engineers
Working Capital Required Before Operations Begin (Note 1514)	\$145,000	\$285,000	As incurred	Before openin g	Us, your suppliers, your employees, utilities, consultants
Additional Funds for 3- Month Initial Period (Note 1615)	\$70,000	\$100,000	Monthly payment for recurring fees; as incurred for other expenses	After openin g	Us, your suppliers, your employees, utilities
TOTAL ESTIMATED INITIAL INVESTMENT (Note 4716)	\$\frac{12,738,76}{5\frac{11,974,1}{45}}	\$ <del>15,919,89</del> \$ <u>17,623,3</u> 95			
TOTAL COST PER ROOM (Based on 83101 Rooms)	\$ <del>153,479</del> <u>116,254</u>	\$ <del>191,806</del> <u>171,101</u>			

Note 1: This table is an estimate of the initial investment required to construct and open a new construction hotel and the estimate provided is based on our experience and our prototype designs. Estimates are based on an 83101-guestroom hotel. The cost of renovating or constructing each hotel has the potential to vary greatly and will depend on factors unique to your situation and your hotel. Unusually high locally imposed development fees might impact initial expenses. The table does not include the cost of purchasing or leasing real estate, which cannot be estimated with any certainty due to variables such as location, acreage, terms and whether leased or purchased. New construction hotels require approximately two acres of land for an 83-rooma hotel with 3 stories. It also does not include any costs associated with any sitework, general conditions, or general contractor fees, and these costs may vary widely.

Note 2: Costs paid to Choice are not refundable, unless otherwise stated. Whether any costs paid to third parties are refundable will vary based on the particular third party and on where your hotel is located.

Note 3: The full affiliation fee is due no later than the time you sign the franchise agreement and is non-refundable following our signing of the franchise agreement. If for any reason we do not grant you a franchise or a franchise agreement is not countersigned by us, the affiliation fee, less \$5,000, will be refunded to you.

- Note 4: You Professional Design Services includes costs that are paid to your architect, engineer, and other related professionals for the development of your Hotel, which must use follow the prototype architectural plans drawings and specifications supplied by us and. You must submit them to an architect approved by all drawings and specifications to us., and we must approve of these plans must be site adapted for a specific site and structural, mechanical, electrical and plumbing drawings must be added drawings prior to your submission to local jurisdictions. You must commission an architect and engineer directly and make payments directly to your architect them.
- Note 5: The cost of construction may vary substantially from location to location. The type of construction used, site conditions, cost of materials, labor costs, local code requirements, competitive conditions, and other factors will affect the cost. Construction costs may also vary depending upon soil and environmental conditions, availability of utilities to the site, and the topography of the site. This estimate does not include site work, project management fees, general contractor profits, or other "soft" costs, which may vary substantially. The estimate also does not include the cost of permits and licenses. Because of the wide variation in cost based on location and other factors, we do not represent that your initial investment will be as low as the low end of the range or that it will not be higher than the high end of the range.
- Note 6: These policies cover construction, General Liability, Cyber Liability, and Workers Compensation, including Statutory Workers Compensation and Employers Liability insurance, and must provide minimum limits per location of coverage as stated in the franchise agreement.
  - Note 7: This amount does not include taxes, shipping, or installation costs.
- Note 8: choiceADVANTAGE® software license and onboarding fees include the costs of the initial software license, onboarding, eLearning modules, project management and the credit card interface. Your costs may fall on the higher end of this range depending on the number of rooms, additional interfaces and integrations you select. The fees do not include the monthly choiceADVANTAGE® support fee to cover ongoing remote software support.
- Note 9: Opening inventory of supplies includes brand standards items, linen, paper supplies and housekeeping supplies. It also includes supplies required to operate the hotel's kitchen, fitness room, guest laundry, hotel laundry, and phone system.
- Note 10: Orientation and Hospitality operations training includes the cost to attend Choice Onboard orientation training and HOST training. Our Choice Onboard training fee is \$1,950 and covers 3 days of orientation training provided monthly at one of our Choice corporate locations in North Bethesda, Maryland or Scottsdale, Arizona. The costs do not include the cost of travel, lodging, or meals to attend the required training programs. Our HOST training fee is \$1,395 and covers an operator certification program that is offered virtually, consisting of self-paced online lessons, live interactive virtual workshops, and exams. The costs do not include the cost of travel, lodging, or meals to attend the required training programs. Some or all of the training may not be required if you have previously owned a Choice branded hotel or have obtained a Choice training certification for another existing hotel.
- Note 11: The estimate of \$10,000-\$20,000 is based on a wired solution for a hotel that is to be newly constructed for the hotel size indicated. This estimate includes wiring, routers, software, server, splitters, etc. A wireless solution could range from \$4,500-\$9,500 depending upon the number of access points, wiring to the access points, gateway, etc. You must also arrange and pay for the incoming broadband service, which is typically delivered by a commercial grade T-1 or Digital Subscriber Line ("DSL"). You may purchase this from any available broadband supplier; however, we reserve the right to require a single supplier as necessary to ensure that all hotels in the Choice franchise system meet

required standards as well as to promote more efficient communications between Choice and your hotel. We currently estimate that the cost will range from \$1,800-\$12,800 per year. This estimate is based on the hotel size indicated and currently includes high speed internet access (delivered by a commercial grade T-1, DSL or a Fractional T-1) and 24/7 support provided by a third party with Tier I and Tier II levels. Your costs will vary depending upon bandwidth usage and your hotel's size and location. Although we currently permit you to purchase these services from any available source, in the future we

may require you to use a designated source, as necessary to maintain overall brand standards. We currently require you to use a designated Qualified Vendor to provide your High-Speed Internet Access solution.

Note 12: If you request a waiver from using a pre-approved interior design scheme at your hotel, then or Qualified Vendor, you must pay our then-current fee to review your request, regardless of whether we grant the waiver is granted.

Note 13: If you request a waiver for using a non-prototypical building design, then you must pay to us our then-current fee, regardless of whether the waiver is granted. This fee includes an architectural design & engineering review fee and review fee and construction inspection fee incurred by us in reviewing your request.

Note 14: These are approximate costs that you will have to pay your architects, engineers, and other related professionals for the development of your Hotel. You must use the prototype architectural drawings and specifications supplied by us and share them with your architect and engineers, which you are responsible for hiring and paying. Your architect and engineers will adapt these drawings to a specific site, and they must adhere to applicable civil, fire safety, structural, mechanical, electrical, and plumbing requirements and local codes. Development costs may be incurred for all architectural, engineering, design, legal, and other professional services necessary to secure approvals from government agencies and to obtain financing.

Note 15: We estimate that you will need this amount in working capital before the Hotel opens. This includes salaries that you will need to pay to your General Manager, salespeople, and other essential personnel. The actual amount of working capital you will need depends on a variety of factors, such as the number of paid employees you hire and their rate of pay, your own management and operational skills, economic conditions, and competition. The estimate in the table does not include loan original points. The origination points you may be charged will depend on your specific lender and will vary by the loan type you select. Our experiences estimate that origination points have ranged between 1 and 2 percent of the amount borrowed. We also have not included real estate taxes, which will vary based on location and local real estate costs.

Note <u>1615</u>: We based these estimates on our experience with hotel franchises, discussions with hotel businesspeople and recent trends in pricing from other relevant companies.

Note 1716: This table does not include land costs or real estate taxes. In addition, your total investment may be higher if you are required to participate in our Performance Engagement Training or Re-Licensing Systems Training. Neither of these programs is required for all owners. Our Performance Engagement Training fee is \$4,500 and covers 5 days of customized on-site training for owners new to Choice Hotels that have little or no experience in hospitality and franchising. The Re-Licensing Systems Training fee is \$995 and is payable only when a franchised hotel has changed ownership and the new owner signs a franchise agreement with us. The Re-Licensing Systems Training fee covers the cost of 2-days of remote training concerning our proprietary choiceADVANTAGE property management and reservation system.

# ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

All COUNTRY Hotels are required to meet the current minimum design standards for the brand, including Choice-approved product in the public space, guestrooms, and exterior, if applicable. You must design the Hotel to meet the current minimum standards for guest room size and facilities and equip the Hotel with furniture, fixtures and equipment, bath and bed linens, draperies, bedcoverings, floor coverings, wall coverings, lighting, ice machines, telephone systems and other amenities for which we have established written specifications or minimum standards. We may modify our specifications in writing as we determine appropriate from time to time and may add new specifications or brand guidelines, in writing, including any manuals or policies regarding, among other things, our standards and requirements for construction, equipment, furnishings, supplies, maintenance and marketing that are applicable to COUNTRY Hotels ("Rules and Regulations").

Our Procurement Services Department maintains a list of "Qualified Vendors" of products and services for our franchisees. Certain Qualified Vendors are designated in the Rules and Regulations as exclusive suppliers an exclusive supplier or as an approved non-exclusive preferred vendor. Unless required by the Rules and Regulations, you do not have to purchase products that otherwise meet brand standards from Qualified Vendors. You do have to purchase certain Choice Mark-bearing items, such as signs and bath amenities, only from Qualified Vendors. You must also purchase bedding, computer hardware, and other brand standard items per brand specifications through a Qualified Vendor. Neither Choice nor any persons affiliated with Choice are currently Qualified Vendors.

Vendors that are not on the Qualified Vendor list may apply to become "Qualified," and you may recommend new vendors to us. Among the criteria that we consider is the financial stability of the company, whether the product or service meets brand standards and if the product or service is of use to our franchisees. Our criteria are available to you for review upon your request. Where applicable, the vendor may be asked to submit product samples and specifications to us. We usually make our decision and notify the vendor within 90 days after all information and samples have been submitted, although a longer period may be required for products or services that, due to their cost or importance to the brand, may have significant financial impact on our franchisees. We may limit the number of Qualified Vendors for a variety of reasons, including: obtaining volume discounts; promoting consistent quality; and/or securing adequate supplies for a particular brand. We may revoke a vendor's "Qualified" status if the vendor no longer meets our criteria, if they breach their agreement with us, or if the product or service offered is no longer competitive in price or quality, among other reasons.

None of our officers own a material interest in any privately-held suppliers, or a material interest in any publicly-held suppliers of our franchise system. From time to time, our officers may own non-material interests in publicly-held companies that are suppliers to our franchise system.

We receive certain commissions or rebates from Qualified Vendors that typically range from 1% to 2% (but may be up to 20%) of net sales volume to franchisees, as well as a flat fee that we typically receive annually from each Qualified Vendor. In exchange for these fees, we may provide each vendor with certain services, which may include one or more of the following: marketing services from our Procurement Managers and/or marketing personnel, space on our ChoiceBuys.com website, a booth at our annual convention, advertisements in our print and electronic publications (e.g., Marketplace and Single Vendor Emails) and sponsorship opportunities, among other benefits. We do not provide franchisees with any material benefits, such as opportunities to acquire additional franchises, based on their purchases of particular products or services from Qualified Vendors or use of particular Qualified Vendors.

You must display at your Hotel entrance the number and type of identity signs required by the Rules and Regulations. Such signs must display the approved brand name and logo of your Hotel. Signs are available from manufacturers who must be approved by us and who must comply with brand specifications. Each sign manufacturer must meet certain business, financial and insurance requirements. We derive income from appointment fees, limited trademark licenses, drawing charges and commissions on signs sold and that are purchased through signage Qualified Vendors. All highway billboards and printed advertising, among other electronic or printed media, must use the Choice Marks in accordance with our specifications.

As indicated in Item 6, you must participate in the Choice Gift Card Program by allowing guests the option of redeeming Choice Gift Cards at your hotel. You must also enter into an enrollment agreement with SVM, LP, the administrator of the program (see Exhibit G).

We also periodically negotiate preferred marketing agreements with corporations and other organizations for joint marketing efforts, which may result in commissionable stays at your Hotel. If you make inventory available to these organizations, we may retain up to 50% of any commissions payable by you in consideration of our marketing services and program administration costs.

As described in Item 7, you must obtain and maintain insurance which will include, at a minimum, insurance policies of the kinds, and in the amounts, required by us (Franchise Agreement, Section 12). These written insurance policies include, at a minimum, the following coverage during construction or complete renovation of the Hotel: commercial general liability insurance (including automobile liability, bodily injury and property damage) for all types of liabilities, together with the costs of defense and/or adjustments arising out of the operations to construct the Hotel, providing limits of coverage of not less than \$1,000,000 per occurrence, and including coverage for contractual liability, explosion, collapse and underground property damage hazard liability, personal injury liability, products and completed operations liability, owner's and contractor's protective liability, and independent contractor's liability; all-risk builder's insurance to insure the Hotel buildings under construction to 100% of their replacement cost value; and a workers' compensation policy as required by statute. During the operation of the Hotel, required insurance policies include, at a minimum: all-risk physical damage coverage insuring the Hotel and its contents for full replacement costs; commercial automobile (including hired and non-owned automobile) and commercial general liability insurance policies written on an occurrence form, which must include contractual, products and completed operations, independent contractors, personal injury, property damage, bodily injury and host liquor liability coverage, together with the costs and expenses of the defense and/or adjustment of injury or damage, providing limits of coverage, per location, of not less than \$5,000,000 (\$10,000,000 to \$15,000,000 if the Hotel has 6 or more stories) per occurrence; cyber liability insurance coverage that provides minimum coverage of \$1,000,000 per location; workers' compensation and employers' liability insurance with minimum employers liability limits of \$1,000,000 bodily injury by accident (each accident); \$1,000,000 bodily injury by disease (policy limit); and \$1,000,000 bodily injury by disease (each employee), whether or not required by the state where the Hotel is located; dram shop/liquor liability insurance with limits of not less than \$5,000,000 per occurrence if alcoholic beverages are sold at the Hotel (whether or not you own the establishment that alcohol); pollution/environmental legal liability insurance \$500,000 per pollution incident/\$1,000,000 aggregate, covering bodily injury, property damage, cleanup costs and defense costs arising from, or associated with, a pollution condition at a covered location. There will be no exclusion for carbon monoxide, and affirmative coverage for Legionella and microbial matter/mold; employment practices liability insurance \$1,000,000 limit, including \$1,000,000 third party coverage; and business interruption insurance that provides coverage for a minimum of three (3) months in the event the Hotel is not operational.

You must also obtain and attach endorsements to your insurance policies adding us and our

affiliates and subsidiaries, our and their respective officers, directors, agents, partners and employees, as additional insureds and provide waiver of subrogation on commercial automobile, commercial general, workers' compensation/employers' liability (if allowed), <u>pollution liability</u>, umbrella insurance policies and dram shop/liquor liability (if applicable), and adding us as co-defendant under the employment practices liability policies. If you fail to procure or maintain the minimum insurance described above (or as designated by us from time to time in the brand standards), we may procure the insurance on your behalf and charge you the cost of the insurance and, at our option, a reasonable penalty. You will be required to reimburse us for the cost of such insurance and for any reasonable out-of-pocket costs that we incur should we elect to obtain the insurance on your behalf.

You must purchase from us a software license to onboard and use choiceADVANTAGE®. You also must purchase the mandatory hardware package we specify that meets or exceeds specifications needed to operate choiceADVANTAGE®. You are required to use a designated Qualified Vendor to purchase and install a dedicated, wired, business grade High Speed Internet Access solution located at the front desk for access to choiceADVANTAGE® (see Items 5, 7 & 11 for more details).

Unless mandated by the brand standards contained in the then-current version of the Rules and Regulations, you do not have to participate in any purchasing or distribution cooperative we maintain. However, the Choice Partner Services Department attempts to negotiate price terms believed to be beneficial from its Qualified Vendors for franchisees, and we may from time to time offer cooperative buying programs to provide additional savings. You may opt out of being a member of such program at any time by completing and sending us the opt out electronic form located within the FAQs on Choicebuys.com. Most product and services offerings are accessible via ChoiceBuys.com, a proprietary web-based electronic catalogue. Radisson Procurement, LLC d/b/a Strategic Sourcing also purchases goods and services for resale to third parties, including the franchisees of its various affiliates.

In the year ended December 31, 2023 2024, our total revenues were about \$1,311.81,584.8 million. Of this figure, revenues attributable to required purchases by franchisees of products and services were \$62.767.7 million, or about 4.784.27% of our total revenues in 2023 2024, which includes revenues from Qualified Vendors and excludes choice ADVANTAGE® installation and support fees.

We estimate the cost for items that must be purchased from Qualified Vendors or subject to our standards or specifications to be less than 10% of your initial investment in a conversion or new construction facility. Your annual expenditures on these items may range between 10-15% of your annual purchases.

# ITEM 9 FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	SECTION IN choiceADVANTAGE TERMS OF USE	SECTION IN CALL FORWARDING PROGRAM TERMS OF USE	DISCLOSURE DOCUMENT ITEM
(a) Site selection & acquisition/lease	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(b) Pre-opening	Sections 6(b),	Not Applicable	Not Applicable	Items 5, 7, 8 &

purchases/leases	(e), (f) & (g), (s)(3) & (8)			11
(c) Site development & other pre-opening requirements	Section 6	Not Applicable	Not Applicable	Items 5, 7, 8 & 11
(d) Initial & ongoing training	Section 6(e)	Not Applicable	Not Applicable	Items 5, 6, 7 & 11
(e) Opening	Sections 1(f) & 6(s)	Not Applicable	Not Applicable	Item 11
(f) Fees	Sections 4, 6(e), (f), (g), (k), (n) & (r), (s) 8, 9(b), (c), 10(c), (d), 12 & 16	Not Applicable	Section 3	Items 5, 6, 11 & 17
(g) Compliance with Standards & Policies/Operating Manual	Sections 1(k), 5(a) & (b), 6 & 10	Not Applicable	Not Applicable	Items 8 & 11
(h) Trademarks & proprietary information	Sections 1(i) & (j), 6(s)(1) & 7	COPYRIGHTS & TRADEMARKS	Section 8	Items 13 & 14
(i) Restrictio ns on products/services offered	Section 6(b), (c) & (d)	Not Applicable	Not Applicable	Items 8 & 16
<u>OBLIGATION</u>	SECTION IN FRANCHISE AGREEMEN T	SECTION IN choiceADVANTAGE TERMS OF USE	SECTION IN CALL FORWARDING PROGRAM TERMS OF USE	DISCLOSUR  E DOCUMENT ITEM
(j) Warrant y & customer service requirements	Sections 6(1) & (q)	WARRANTIES	Section 6	Not Applicable
(k) Territorial development and sales quotas	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(l) Ongoing product/service purchases	Sections 6(b), (c), (e), (f), (g) & (o)	Not Applicable	Not Applicable	Item 8
(m) Maintena nce, appearance and remodeling requirements	Sections 6(a), (b), (c), (d), (f), (o) & (p), 7(c) & 8	Not Applicable	Not Applicable	Items 6, 8 & 11
(n) Insurance	Section 12	Not Applicable	Not Applicable	Items 6, 7 & 8
(o) Advertising	Section 6(s)(4)	Not Applicable	Not Applicable	Items 6, 8 & 11
(p) Indemnification	Section 13	INDEMNIFICATION	Section 7	NONE
(q) Owner's Participation/ Management/Staffing	Not Applicable	Not Applicable	Not Applicable	Item 15
(r) Records and Reports	Sections 4(c), (d) & (e), 6(r)(4),	Not Applicable	Not Applicable	Item 6

		10(b)(2)(e) & 12(e)			
(s) Audit	Inspections and	Sections 4(e) & (f), 5(b), 6(h) & (s)(2)	Not Applicable	Not Applicable	Items 6 & 11
(t)	Transfer	Section 9	SOFTWARE USE AND SITE ACCESS; GENERAL	Section 10	Items 6 & 17
(u)	Renewal	Not Applicable	Not Applicable	Not Applicable	Item 17
(v) obliga	Post-termination ations	Section 11	Not Applicable	Not Applicable	Items 6 &17
(w) cover	Non-competition nants	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(x) resolu	Dispute ution	Sections 16, 21, 22, 23, & 24	GOVERNING LAW	Section 9	Item 17

#### **ITEM 10 FINANCING**

#### AFFILIATION FEE PROMISSORY NOTE

In our sole discretion and on approval of your credit, we may offer to finance the affiliation fee without interest. In that event, you must sign a promissory note (see Exhibit H). Note payment is due in one full lump sum generally within three months after the note is signed. The note may be accelerated upon default and provides for a waiver of presentment, demand for payment, notice of dishonor, protest, and includes a confession of judgment clause. If the principal amount of the note, or any portion of the amount, is not paid on or before the maturity date, the note will bear interest from the date on which the funds are due until paid at a default annual rate equal to eighteen percent (18%). In the event of default, you must pay all of our costs of suit and reasonable attorney's fees. The note contains no pre-payment penalty. The owners of the franchise entity may be required to sign the note personally.

#### SELECTED CAPITAL SUPPORT

Except as otherwise described in this Item 10, in certain instances, we may provide select capital support to help offset the costs associated with developing and opening a hotel within the Choice franchise system. In our sole and absolute discretion, we may provide capital support for franchisees that develop a property with strategic importance to Choice. We do not offer capital support in every instance, and we may freely choose not to offer capital support to you. The terms of such capital support will vary and will always be determined in our sole and absolute discretion after your application has been submitted to us and we have approved your eligibility to own a hotel franchise. In the event you have been offered and agreed to accept capital support, you will be bound, in all ways, to the contracts, documents, and agreements related to and controlling the administration of that capital support.

Specifically, the principal amount of the financing will depend upon the franchisee's creditworthiness and various other factors. The franchisee will sign a promissory note evidencing the loan. The form of promissory note is attached at Exhibit H.A (the "Capital Support Note"). Generally, forgiveness of the Capital Support Note will be amortized over a period of 10 to 1520 years (beginning on the Opening Date of your Hotel) using a straight-line method, so that the Capital Support Note will be completely forgiven if you do not commit certain defaults under the Capital Support Note beginning upon signing of the Franchise Agreement and ending 10 to 1520 years after the Opening Date. Your individual owners will be required to sign the Capital Support Note, in addition to franchisee. We will fund the loan shortly after the Hotel opens and we receive the signed Capital Support Note from the franchisee. In

limited circumstances, you may be eligible for additional loan amounts based on your Hotel's performance. We will not charge you interest unless you default under the Capital Support Note (Section 5). If you default, all amounts outstanding will bear interest at prime plus two percent. The maximum interest rate in California is 10% annually. The loan amount will be payable in equal yearly installments over the term of the Franchise Agreement. However, each yearly payment will be deemed paid so long as no default has occurred under the Capital Support Note (Section 4). Defaults under the Capital Support Note include the termination of the Franchise Agreement, an uncured default by franchisee under the Franchise Agreement, a transfer as defined in the Franchise Agreement and a breach of any provision of the Note or any document executed in connection with the Capital Support Note (Section 5). Following a default under the Note, we may declare the entire outstanding amount under the Capital Support Note plus all accrued interest immediately due and payable (Section 5.2). Franchisee must also pay all of our costs and attorneys' fees incurred in collecting the Capital Support Note (Section 5.4). Default under the Capital Support Note will constitute a default under the Franchise Agreement (Section 5.1). Based upon your creditworthiness, we may not require that you provide us security for repayment of the loan.

The terms of the guaranty signed in connection with the Franchise Agreement will also extend to the repayment obligations under the Capital Support Note. The loan can be prepaid at any time and there are no prepayment penalties. Franchisee waives various rights under the Capital Support Note including presentment, demand, and all other notices and demands (Capital Support Note – Section 5.6).

In addition, if you sign our Capital Support Note, you and we must agree to waive our right to terminate the Franchise Agreement, without cause, for the applicable 10<sup>th</sup> and 15<sup>th</sup> anniversaries of the Opening Date as provided in Section 3 of the Franchise Agreement.

#### **DIVERSITY AND VETERAN** INCENTIVE PROGRAM

We are committed to expanding access to hotel ownership opportunities, including for underrepresented entrepreneurs, and participate in the International Franchise Association's Veteran's Transition Franchise Initiative (known as VetFran®). We are currently offering a diversity and veteranan incentive program to encourage and increase the diversity of broaden access to our franchise system and the hospitality industry as well as to encourage entrepreneurs that who have served in the United States military and been honorably discharged from service ("Diversity and Veteran Incentive"). The Diversity and Veteran Incentive Program is intended to attract top hotel developers from diverse backgrounds and involves our commitment of capital to incentivize qualifying franchisees to develop either a newly constructed Choice-branded hotel or convert an existing hotel to a Choice-branded hotel. Qualifying franchisees who enter into franchise agreements to re-license Choice branded hotels that are currently part of the Choice franchise system are not eligible to receive a Diversity and Veteranan Incentive; however, these franchisees will be given a 50% discount on the then-current affiliation fee due in connection with the re-licensed franchise agreement (see below).

#### Qualifications

To qualify for the Diversity and Veteran Incentive Program, you must meet all of the following conditions: you must make a good faith request for the Diversity and Veteran Incentive at the time of application; you must meet our then-current qualifications for new franchisees (including our standard credit review); you must be a majority owner that is actively engaged in the deal process; if you are an individual, you must identify to us the characteristics and background that will contribute to the diversity of broadening access to our franchise system and the hospitality industry or if you are veteran you must demonstrate that you have served in the United States military and have been honorably discharged from service; or if you are a legal entity, you must be at least 51% legally and beneficially owned by persons that can demonstrate to us characteristics and background that will contribute to the diversity of broadening access to our franchise system and the hospitality industry or meet the requirements of a

veteran stated above. We will have sole discretion in determining whether you qualify for the Diversity and Veteran Incentive Program. The Diversity and Veteran Incentive Program may not be combined with any other incentive program that we may be offering at the time of your application and we may discontinue this Incentive Program at any time.

### **Incentive**

Each Diversity and Veteran Incentive we make for a hotel using the COUNTRY Marks listed will be for \$2,500 per room in the hotel (with a maximum of \$250,000). Each Incentive will be evidenced by a 10-year forgivable promissory note (see Exhibit H.B) (the "Diversity-Note"). We will pay the proceeds of the Diversity Note to you only after the Opening Date of your Hotel. You may use the proceeds of the Diversity Note for any purpose related to the Hotel. We do not require collateral for this Diversity Note, but may require you and/or the owners of a franchise entity to sign personally. Forgiveness of the Diversity Note will be amortized over 10 years (beginning on the Opening Date of your Hotel) using a straight-line method, so such that the Diversity Note will be completely forgiven if you do not commit certain defaults under the Diversity-Note beginning upon signing of the Franchise Agreement and ending 10 years after the Opening Date. The Diversity Note is structured to provide for one payment at the end of 10 years; however, you do not have to make payments on the Diversity Note if you remain in good standing under your Franchise Agreement. If you default in the obligations of your Franchise Agreement, your Franchise Agreement is terminated or expires, you die or you file for bankruptcy, then the entire remaining unforgiven principal balance is immediately due along with interest (accruing on the remaining unforgiven balance only) from the original date of the Diversity Note at an interest rate of prime plus 2%. The maximum interest rate in California is 10% annually. Under the Diversity Note, you must waive demand, presentment for payment, protest, notice of dishonor and your right to a jury trial. On your default, you also must pay all reasonable expenses, costs and attorneys' fees that we incur in collecting the Diversity Note. The Note contains no pre-payment penalty.

If you qualify for a Diversity and Veteranan Incentive, you may request amortization over 5 years instead (beginning on the Opening Date of your Hotel) using a straight-line method, so such that the Diversity Note will be completely forgiven if you do not commit certain defaults under your Franchise Agreement upon signing of the Franchise Agreement and ending 5 years after the Opening Date. If you request a 5 year Diversity Note, the incentive will be 50% of the amount of the 10 year Note, and will be limited to a maximum of \$125,000. Each incentive will be evidenced by a 5 year Diversity Note in the same form attached as Exhibit H.B. The Diversity Note is structured to provide for one payment at the end of 5 years; however, you do not have to make payments on the Diversity Note if you remain in good standing under your Franchise Agreement. If you default in the obligations of your Franchise Agreement, your Franchise Agreement is terminated or expires, you die or you file for bankruptcy, then the entire remaining unforgiven principal balance is immediately due along with interest (accruing on the remaining unforgiven balance only) from the original date of the Diversity Note at an interest rate of prime plus 2%. If the Default Payment Amount (as defined in Exhibit 4H.B) has not been paid in full fifteen (15) days after the date such amount became due and payable, interest will begin to accrue at a default annual rate equal to Prime plus seven percent (prime plus 7%). The maximum interest rate in California is 10% annually. Under the Diversity Note, you must waive demand, presentment for payment, protest, notice of dishonor and your right to a jury trial. On your default, you also must pay all reasonable expenses, costs and attorneys' fees that we incur in collecting the Diversity Note. The Diversity Note contains no pre-payment penalty.

# **DIVERSITY AND VETERAN** RE-LICENSING INCENTIVE

If you: (1) qualify for the Diversity and Veteran Incentive Program; and (2) purchase a hotel that is a COUNTRY branded hotel operating as part of the Choice franchise system at the time of purchase; and (3) (3) enter into a Franchise Agreement with Choice to re-license the hotel as a COUNTRY branded

Hotel, you will be granted a 50% discount on the then-current affiliation fee due in connection with your Franchise Agreement. Franchisees that enter into franchise agreements with Choice for the re-licensing of an existing Choice brand hotel and qualify and accept the Diversity and Veteran Incentive are not eligible to participate in any other incentive program.

#### PMC COMMERCIAL TRUST

We have entered into a non-exclusive Qualified Vendor agreement with a third party named PMC Commercial Trust (previously known as PMC Capital, Inc.) ("PMC"), which is a company authorized to provide loans. Under this agreement, PMC may offer conventional and Small Business Administration ("SBA") financing to those of our franchisees that qualify and choose to use PMC to finance some of the following costs: affiliation fee, site acquisition, construction or remodeling, equipment and/or fixtures, opening inventory or supplies, ongoing inventory or supplies, replacement of equipment or fixtures, and other continuing expenses. These loans are generally for up to 70% to 85% of the value of the collateral and range from \$500,000 to \$5,000,000 for acquisitions, refinances and construction/permanent loans.

Interest rates are generally variable and are at PMC's discretion. You are not required to use PMC as your lender. If you choose to use PMC as your lender, you must enter into agreements with PMC, substantially in the form attached as Exhibit lambda or as PMC may otherwise require depending on your specific loan. The loan will be for up to 25 years and will require monthly payments, with the amount of the payments based on the terms agreed upon. You must grant a first lien on land and building, a first lien on furniture, fixtures and equipment and, if necessary, a lien on your personal assets. PMC will require that you personally guarantee the loan. The loans can be pre-paid but there may be a pre-payment penalty.

If you default on the note, the entire remaining principal balance becomes due and the lender may have the right to take possession of the collateral and/or sell or lease the collateral. You must waive your rights to presentment for payment, demand, protest, notice of non-payment or dishonor, notices of protest and all other demands or notices. On default, the note will bear interest at the maximum rate permitted by applicable law. You must also pay PMC all the costs of collection or costs of exercising its remedies, including attorneys' fees. You must waive your right to object to jurisdiction in the courts of Dallas, Texas as the venue for the resolution of disputes and must waive your right to a trial by jury. See the sample documents in Exhibit JI for PMC's additional rights and remedies.

In consideration of Choice's agreement to grant PMC access to our marketing channels, Choice will receive from PMC a flat payment of \$10,000 annually.

#### BALBOA CAPITAL CORPORATION

We have entered into a non-exclusive Qualified Vendor agreement with a third party named Balboa Capital Corporation ("Balboa"), which is a company authorized to provide loans. Under this agreement, Balboa may offer conventional and lease financing to those of our franchisees that qualify and choose to use Balboa to finance some of the following costs: affiliation fee, costs to meet brand standards, property improvement or remodeling, equipment and/or fixtures, replacement of equipment or fixtures, and other continuing expenses. These loans are generally available for up to 100% of the value of the collateral and generally range from \$5,000 to \$1,000,000.

Interest rates are fixed and are determined at Balboa's discretion in accordance with its standard underwriting practices. You are not required to use Balboa as your lender. If you choose to use Balboa as your lender, you must enter into one or more agreements with Balboa, substantially in the form attached as Exhibit JI or as Balboa may otherwise require depending on your specific financing agreement. The

financing agreement will be for between 24 to 84 months and will require monthly or quarterly installment payments, with the amount of the payments based on the terms agreed upon. You must grant a first lien on the financed equipment and, if applicable, a security interest and lien on the land or building. Balboa may require that you personally guarantee the financing agreement. The financing agreement can be pre-paid and there is no pre-payment penalty.

If you default on the financing agreement, the entire remaining balance becomes due and Balboa may have the right to take possession of the collateral and/or sell or lease the collateral. You must waive your rights to presentment for payment, demand, protest, notice of non-payment or dishonor, notices of protest and all other demands or notices. On default, the loan will bear interest at the rate set forth in the loan agreement. You must also pay Balboa all the costs of collection or costs of exercising its remedies, including attorneys' fees. You must waive your right to object to jurisdiction in the courts of California as the venue for the resolution of disputes and must waive your right to a trial by jury. See the sample documents in Exhibit JI for Balboa's additional rights and remedies.

In consideration of Choice's agreement to grant Balboa access to our marketing channels, Choice will receive from Balboa a flat payment of \$15,000 annually.

#### ASCENTIUM CAPITAL LLC

We have entered into a non-exclusive Qualified Vendor agreement with a third party named Ascentium Capital LLC, which is a company authorized to provide loans. Under this agreement, ASCENTIUM CAPITAL LLC may offer conventional and lease financing to those of our franchisees that qualify and choose to use ASCENTIUM CAPITAL LLC to finance some of the following costs: affiliation fee, costs to meet brand standards, property improvement or remodeling, equipment and/or fixtures, replacement of equipment or fixtures, and other continuing expenses. These loans are generally available for up to 100% of the value of the collateral and range from \$5,000 to \$500,000.

Interest rates are fixed and are determined at ASCENTIUM CAPITAL LLC's discretion in accordance with its standard underwriting practices. You are not required to use ASCENTIUM CAPITAL LLC as your lender. If you choose to use ASCENTIUM CAPITAL LLC as your lender, you must enter into one or more agreements with ASCENTIUM CAPITAL LLC, substantially in the form attached as Exhibit JI or as ASCENTIUM CAPITAL LLC may otherwise require depending on your specific loan. The loan will be for between 12 to 72 months and will require monthly payments, with the amount of the payments based on the terms agreed upon. You must grant a first lien on the financed equipment and, if applicable, a security interest and lien on the land or building. ASCENTIUM CAPITAL LLC may require that you personally guarantee the loan. The loans can be pre-paid with Ascentium Capital LLC's prior written consent and there is no pre-payment penalty.

If you default on the loan, the entire remaining balance becomes due and ASCENTIUM CAPITAL LLC may have the right to take possession of the collateral and/or sell or lease the collateral. You must waive your rights to presentment for payment, demand, protest, notice of non-payment or dishonor, notices of protest and all other demands or notices. On default, the loan will bear interest at the rate set forth in the loan agreement. You must also pay ASCENTIUM CAPITAL LLC all the costs of collection or costs of exercising its remedies, including attorneys' fees. You must waive your right to object to jurisdiction in the courts of California as the venue for the resolution of disputes and must waive your right to a trial by jury. See the sample documents in Exhibit J for ASCENTIUM CAPITAL LLC's additional rights and remedies.

In consideration of Choice's agreement to grant ASCENTIUM CAPITAL LLC access to our marketing channels, Choice will receive from ASCENTIUM CAPITAL LLC a flat payment of \$15,000 annually.

\* \* \*

We have not sold, assigned or discounted our commercial paper to anyone, nor do we intend to (although we are permitted to do so).

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

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

**PRE-OPENING OBLIGATIONS.** Before you open your Hotel in the Choice franchise system, we will provide certain assistance, including:

### SITE SELECTION

We must approve the site you select. (Franchise Agreement, Section 6(r).) Within 9 months after signing a Franchise Agreement with us, you must submit to us by or before that deadline, a site plan or other evidence of site control that is acceptable to us. We will accept a fully executed purchase and sale agreement or deed of trust or, if the Hotel is to be leased, an executed lease agreement that shows you have possession of the Hotel for the entire term stated in the Franchise Agreement.

We consider a number of factors, including the location, market and revenue potential as factors for approval. Our approval of your site does not assure that your business will be successful. Choice's Franchise Committee will review your application within 30 days of submission. If a site cannot be agreed upon and we reject your application, your affiliation fee will be refunded, less \$5,000 and any preapplication property improvement plan fees that you may have paid and no Franchise Agreement will be signed. (Franchise Agreement, Section 4(a).) The "typical" length of time to construct and open a new COUNTRY Hotel between the signing of a Franchise Agreement (including paying the affiliation fee) until the opening of a newly constructed Hotel is between 18 and 24 months. This period may vary and largely depend on a number of factors, such as the ability to obtain financing; local zoning laws and ordinances; the ability to obtain building permits on a timely basis; weather conditions; or any delays associated with the installation of equipment, fixtures and signs. For an existing hotel to be converted to a COUNTRY Hotel, the timetable varies depending upon your ability to obtain any necessary financing, the amount of renovation required to meet our specifications and the process and time periods required to obtain all the necessary permits, licenses and approvals from various government agencies (Franchise Agreement, Section 6(r)).

#### CONSTRUCTION

If the Hotel is to be newly constructed, we will review and comment on whether your preliminary drawings, final working drawings and architectural designs for the Hotel to satisfy the prototype design specifications. Our approval of your designs does not ensure that they are adequate (Franchise Agreement, Section 6(r)).

At our discretion, we may provide additional consultation and services to assist you to construct, renovate, maintain, operate, and/or market the Hotel on the same basis as provided to other hotels that are authorized to use our System under the Brand Mark; we reserve the right to charge you reasonable fees that we may establish in advance or on a project-by-project basis for such consultation and services. (Franchise Agreement, Section 5(d).)

You must submit your preliminary drawings for our approval at least 6 months before the Construction Start Deadline (the deadline by which you must start construction), and final working drawings and final architectural designs for the Hotel for our approval at least 3 months before the Construction Start Deadline (Franchise Agreement, Section 6(r)). If Construction Start does not commence within 30 days of your final architectural designs for the Hotel, then you must resubmit final architectural designs for our approval for approval prior to Construction Start. Our review of your architectural designs is for compliance with our brand standards only and does not assure that your business will be successful, that your designs are suitable for architectural or engineering purposes, or that your designs are in compliance with local, state, or federal laws. It will be your responsibility to comply with all local, state, and national code requirements applicable to the construction of your Hotel.

You must begin construction of your Hotel within 18 months after the date the parties enter into the Franchise Agreement, and, within 5 days after this Construction Start, notify us that Construction Start has occurred (Franchise Agreement, Section 6(r)(2)), continue construction of the Hotel in accordance with the designs without interruption, until the Hotel is ready for our inspection and complete construction of the Hotel, including furnishing, equipping and preparing for opening, within 12 months of the Construction Start Deadline (Franchise Agreement, Section 6(r)(3)).

You must undertake any remodeling, renovations, and modifications to existing improvements, necessary to modernize and conform your Hotel to the Rules and Regulations or other requirements of our System as described in your Franchise Agreement. (Franchise Agreement, Section 6(o)).

#### **RULES & REGULATIONS**

Upon request, you may view the current Rules and Regulations at our proprietary intranet site, <a href="ChoiceConnect">ChoiceConnect</a> (Franchise Agreement, Section 5(a)). Once you become a COUNTRY franchisee you will have access to these Rules and Regulations without having to request them from us. We may periodically revise, add to or update brand standards and other requirements by issuing revisions to the Rules and Regulations and other manuals that we may publish. As of the date of this disclosure document, the Rules and Regulations were a minimum of 9293 pages in length for Country Inn & Suites by Radisson. The Table of Contents for our Rules and Regulations manual is attached as Exhibit KJ to this disclosure document.

#### **OPENING SERVICES SUPPORT**

Our Opening Services department will assist you to open your Hotel in the Choice franchise system. (Franchise Agreement, Section 5.) We will assign an Onboarding Project Director and Opening Services Manager to monitor your project's progress and to assist you to meet contractual milestones (for example architectural and/or property improvement plan reviews). Your Onboarding Project Director will introduce you to Choice's organizational support departments, enroll your Hotel in appropriate marketing programs, and help coordinate training course attendance/resource utilization. Finally, your Onboarding Project Director will help you to make sure that your Hotel meets brand standards and that you have the knowledge and tools to assist you to successfully pass the Hotel's first Quality Assurance Review (QAR). (Franchise Agreement, Section 5.) Once your Hotel opens in the Choice franchise system, your Onboarding Project Director will arrange for a meeting with your assigned Area Director, who will be your ongoing liaison with Choice for most day-to-day questions related to our programs and policies. You must ensure your Hotel opens in accordance with your Franchise Agreement. (Franchise Agreement, Section 6(s).)

#### **TRAINING**

#### TRAINING PROGRAM

We will provide training, as described below (Franchise Agreement, Section 6(e)). You must comply with our training requirements by ensuring that you and the Hotel's general manager(s) attend (at the times required by us) our then-current training programs, including our annual national convention for hotels authorized to use the System.

#### CHOICE ONBOARD (Notes 1, 2, and 3)

SUBJECT	HOURS OF CLASSROO M TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Choice History, Mission,	2	None	North Bethesda, Maryland
and Culture			or Scottsdale, Arizona
Choice Privileges Loyalty Program	1	None	North Bethesda, Maryland or Scottsdale, Arizona
Choice Resources (including Choice University, ChoiceCentral, choiceADVANTAGE)	4	None	North Bethesda, Maryland or Scottsdale, Arizona
Legislative Advocacy	0.5	None	North Bethesda, Maryland or Scottsdale, Arizona
Franchise Services and Support	2.5	None	North Bethesda, Maryland or Scottsdale, Arizona
Staff Retention Best Practices	0.5	None	North Bethesda, Maryland or Scottsdale, Arizona
Owner Portfolio Strategy (including PIP management)	1	None	North Bethesda, Maryland or Scottsdale, Arizona
Performance Metrics (including profitability, revenue and benchmarking)	2	None	North Bethesda, Maryland or Scottsdale, Arizona
Global Sales and SmartMarketing Tools	.5	None	North Bethesda, Maryland or Scottsdale, Arizona
Distribution Channels & eCommerce, and the related tools	1	None	North Bethesda, Maryland or Scottsdale, Arizona
Guest Insight Reporting and Operations (Reputation Management)	1.5	None	North Bethesda, Maryland or Scottsdale, Arizona
Brand Identities, Standards and Culture (including Compliance and Awards)	2.5	None	North Bethesda, Maryland or Scottsdale, Arizona
Procurement	0.5	None	North Bethesda, Maryland or Scottsdale, Arizona
Crisis Management	0.5	None	North Bethesda, Maryland or Scottsdale, Arizona
TOTAL	20	0	

Note 1: This training is mandatory for all owners of new hotels, conversions and transfers to new owners and must be completed to our satisfaction. Some or all of the training may not be required if you have previously owned a Choice branded hotel or obtained Choice Hotels training certification for another existing hotel in which case it is expected that the hotel General Manager attend

a Choice onboarding class. Choice Onboard classes are held multiple times per year at one of our corporate locations in North Bethesda, Maryland-or Scottsdale, Arizona.

Note 2: Instructional materials for the Choice Onboard Orientation program include handouts or electronic training materials and videos. Choice Onboard is led by our Choice University Learning Professionals and Franchise Services Area Directors. Members of other Choice Hotels International teams, (including, but not limited to: Brand Strategy and Management, Choice Privileges, Global Sales, Owner Portfolio Strategy, Franchise Performance and Compliance, Procurement, Distribution and Revenue Management), provide expertise during the session. Experience of Choice Onboard instructors ranges from 10 years to 30 plus years.

Note 3: Each owner must attend the Choice Onboard Orientation program within 90 days of opening in the Choice franchise system. The cost of the training classes will not exceed \$1,950 for the owner plus travel, lodging and meals while attending the 3-day Choice Onboard Orientation program at one of our Choice corporate locations location in North Bethesda, Maryland or Arizona. Instructional materials are included. Attendance at the Choice Onboard Orientation program is open to other members of your staff. The cost for any subsequent attendees is 50% of the tuition each at a cost not to exceed \$975 each plus travel, lodging and meals while attending the program. Your Area Director may require your attendance at this Choice Onboard Orientation program, at any time, based on less than expected results at an open and operating hotel.

Attendance at the Choice Onboard Orientation program is mandatory. Failure to attend within the prescribed time frame may result in a formal default under your franchise agreement, and failure to cure the formal default could result in the termination of your franchise agreement.

\* \* \*

You must have a certified General Manager at your hotel. We will provide our Certified General Manager training under the HOST program, as described below.

You must have at least one hotel staff member who is in a managerial role and is present on the hotel premises operations certified by attending the HOST program. We will provide our operations certification training under the HOST program, as described below:

## **HOSPITALITY OPERATIONS SUCCESS TRAINING (HOST)** (Notes 1, 2 and 3)

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Self-Paced Online Modules, videos, and job aids covering:  1) Brands, Brand/Corporate Programs 2) Quality Assurance and Compliance 3) Choice Systems and Resources 4) Distribution and Reservations 5) Reputation Management 6) Driving Revenue 7) Profitability 8) Crisis/Emergency Management 9) Lodging Legal Fundamentals 10) Leadership	12	None	Any location with internet access
Live Online Virtual Workshops and related	12	None	Any location with

activities covering:			internet access
<ol> <li>Local Sales</li> <li>Responding to Reviews</li> <li>Online Engagement</li> <li>Digital Presence</li> <li>Profitability</li> <li>Leadership</li> <li>Housekeeping Operations</li> <li>Maintenance Operations</li> </ol>			
Online Exams covering:  1) Hotel and Business Operations 2) Systems and Distribution 3) Sales, Revenue, and Profitability	3	None	Any location with internet access
TOTAL	27	0	

Note 1: It is mandatory that at least one hotel staff member who is in a managerial role and is present on the hotel premises has completed the HOST training. The cost of the training class is \$1,395.

Note 2: Instructional materials for the HOST training program include interactive online learning, videos, job aids, virtual workshops, activities, and online examinations. Instructors for the program include Choice University Learning Professionals, and their experiences range from 10 to 30 plus years.

Note 3: At least one hotel staff member who is in a managerial role must become HOST certified within 90 days of opening or relicensing the hotel in the Choice franchise system, and at least one hotel staff member that has completed HOST training must be on the hotel premises. As described in Item 5, the HOST requirement is satisfied if a hotel staff member in a managerial role has previously completed HOST training.

\* \* \*

In addition, we will provide training Sales Certification Program, as described below:

#### **SALES TRAINING PROGRAM (Notes 1 and 2)**

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Foundations of Sales: Self-Paced Online Modules with topics to include:	2.5	None	Any location with internet access or at an open and operating Choice branded hotel
Hotel Buyers Process			
Guest Segmentation			
Research Tools			
The Booking Process			

	Г	Г	
Key Buying Criteria			
Market Segmentation and			
Tracking			
Front Desk Sales			
Responsive Sales Advanced Sales: Self- Paced Online Modules with topics to include: Strategies for Selling Locally	12	None	Any location with internet access or at an open and operating Choice branded hotel
The Basics of Internet Prospecting			
Learning to Ask Qualifying Questions			
Conducting a Sales Blitz			
Competitive Assessment and SWOT Analysis			
The Cost of Not Selling: Sales Cost Opportunity Displacement			
Request for Proposals (RFP)			
Group Business			
Revenue Management Strategies for Group Business			
Corporate Group Segments			
Partnering with Global Sales to Drive Corporate Business			
TOTAL	14.5	0	

Note 1: The Sales curriculum is optional and is designed to help hoteliers sharpen their sales skills by building a knowledge foundation, then advanced skills, and live interaction and skill practice. The fee for advanced, immersive training will not exceed \$500.

Note 2: Instructors for the Sales curriculum includes Choice University Learning Professionals and Franchise Services Area Directors. Each instructor has a minimum of 10 years of hotel operations, sales, and training experience. All instructional materials are included in any training fee,

including participant guides, case studies, and presentations.

\* \*

In addition, we will provide Re-Licensed Hotel Training, as described below:

#### **RE-LICENSE HOTEL TRAINING**

SUBJECT	HOURS OF CLASSROO M TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
The relicense training program entitles owners and General Managers a full year of access to more than a dozen training videos, covering a variety of topics that are most critical to helping Relicense owners to help drive guest satisfaction, revenue, profitability, as well as managing change on-property and other resources to support systems knowledge and usage.	4	0	Any location with internet access
Owners and Operators are also entitled to weekly live webinar sessions called Office Hours. Office Hours allows Owners and Operators access to experienced Choice University Learning Professionals who can help with training questions for their individual hotel. Office Hours will be offered weekly at a set time.  Each Office Hours session will be scheduled for sixty minutes. The relicense training program allows unlimited access to Office Hours.			
Every Owner and Operator of a relicensed hotel are also given access to the Relicense Learning Map on ChoiceU.com. This link gives them immediate access to everything they need to know first as a new Owner and Operator of a Choice Hotel.			
TOTAL	4	0	

When a Choice branded hotel changes owners and the new owners sign a franchise agreement with Choice (known as a "re-licensing"), the hotel is granted access to customized training videos as well as live (virtual) sessions where they can get questions for their individual hotel answered. The training

videos and live office hours sessions, as well as other important learning resources for new Owners and Operators are made available to the relicensed hotel via the dedicated, self-paced Relicense Learning Map on ChoiceU.com. The fee for this training is \$995.

In addition, upon re-licensing, the new owners must attend the Choice Onboard Orientation program, as detailed above, at the earliest available session. However, the new owners must attend the Choice Onboard Orientation program within 90 days of hotel re-licensing.

Attendance at the Choice Onboard-Orientation program is mandatory. Some or all of the training may not be required if you have previously owned a Choice branded hotel, obtained Choice Hotels training certification for another existing Choice-branded hotel and/or a hotel staff member has previously earned the HOST certification, in which case it is expected that the hotel General Manager attend a Choice onboarding class. Failure to attend within the prescribed time frame may result in a formal default under your franchise agreement, and failure to cure the formal default could result in the termination of your franchise agreement.

The training materials have been developed and produced by Choice University Learning Professionals with an average experience of 15 plus years.

We will also provide choiceADVANTAGE® onboarding, as described below:

#### choiceADVANTAGE ONLINE REMOTE ONBOARDING (Notes 1 and 2)

SUBJECT	HOURS OF ON THE JOB TRAINING	LOCATION
Pre-Onboarding	None	Remotely
Dedicated onboarding support		
Assistance with onboarding vendors' (Insight and		
Shift4 Payments) milestones		
Support Choice University (eLearning) user setup		
Set up property database using supplied data		
Coordinate to meet desired onboarding dates		
Day One	8-10	Remotely
Setup and configure hardware		
Guide the Property Contact through		
<ul> <li>Basic functions of</li> </ul>		
choiceADVANTAGE ®		
<ul> <li>Adding Future Reservations</li> </ul>		
<ul> <li>Pre-Paid Reservations</li> </ul>		
<ul> <li>Company Profiles</li> </ul>		
<ul> <li>House Accounts</li> </ul>		
o Groups		
<ul> <li>Accounts Receivable</li> </ul>		
o Setting Restrictions		
o Housekeeping/Maintenance		
Review Property Configuration		
o Property Address and Phone Numbers		
o Special Request Inventory		
o Room Configuration		
<ul> <li>Cashier Shifts</li> </ul>		

	Г	<b>_</b>
o Tax Configuration		
o Transaction Code Configuration		
o Credit Card Surcharge		
o Recurring Charges		
<ul> <li>Night Audit Report</li> </ul>		
<ul> <li>Housekeeping Schedule</li> </ul>		
<ul> <li>Understanding and using reports</li> </ul>		
Rates Center overview		
<ul> <li>choiceADVANTAGE® User Admin set-up and</li> </ul>		
overview		
ChoiceCentral.com overview		
Utilizing Choice resources		
Day Two	8-12	Remotely
Complete Property Contact Training		,
Guide property through balance transfers		
Assist with out of order rooms		
Credit Card and EMV Installation		
Digital Registration installation		
Interface installation		
/CONNECT integrations, if needed		
Balance choiceADVANTAGE® with former		
property management system	HOUDS OF	
	HOURS OF	
SUBJECT	ON THE JOB TRAINING	LOCATION
TOTAL	16-22	LUCATION
IOIAL	10-22	

Note 1: eLearning training is mandatory for all General Managers, Assistant General Managers, front office managers and all front desk staff and must be completed to our satisfaction. Training is completed in ChoiceU.com and is vital for all hotel staff to complete as it is the only training they will receive on the system. choiceADVANTAGE® eLearning training is a series of training modules prepared by members of our SkyTouch Technology team.

Note 2: Optional on-site choiceADVANTAGE training is available and will be held at your hotel, preferably in a meeting room and required to have High Speed Internet Access. The on-site training will be conducted by members of our SkyTouch Technology team. On-site choiceADVANTAGE training requires you to provide one free hotel room per Onboarding Lead per night for the on-site training. In the event you are unable to accommodate the Onboarding Lead to stay at your property for reasons of safety, occupancy permits, or other reasons, you are responsible for reimbursing the costs and expense of the Onboarding Lead's stay at a comparable neighboring hotel. The fee for optional on-site choiceADVANTAGE training is \$8,000. You may reschedule the training without paying an additional fee by providing written notice of your need to postpone the training program to your Onboarding Lead at least 14 days prior to the travel date. There will be a rescheduling fee of \$2,100 if you need to reschedule within 14 days of the travel date or system conversion was not completed while Onboarding Lead was on-site.

\* \* \*

You must also participate in the Educational Resources Program, which provides training on various topics through our online learning management system. The cost of the Educational Resources Program is \$1,500 annually plus any applicable state tax.

Additional training may be required based on individual hotel needs. We reserve the right to

charge you a tuition fee for these additional training programs as established by us from time to time. You also will be required to pay all travel, living and other expenses incurred by your employees while attending any required additional training programs.

We also offer many optional training programs throughout the year, including the regional workshops. In these educational workshops, you and your staff can gain valuable knowledge on a wide variety of topics designed to help your hotel become more effective and efficient.

Any training provided by us to any of your employees will be limited to training or guiding the employees regarding the delivery of approved services to guests in a manner that reflects the brand standards of the System. You are, and will remain, the sole employer of your employees during all training programs, and you are solely responsible for all employment decisions and actions related to your employees. It is your obligation to ensure that your employees receive adequate training.

\* \* \*

**POST-OPENING OBLIGATIONS.** During your operation of the Hotel in the Choice franchise, we will provide the following services:

#### **QUALITY ASSURANCE**

We will administer a quality assurance program that may include periodic visits to your Hotel (by us or our authorized representatives) and/or guest satisfaction surveys to evaluate your compliance with your franchise agreement and the Rules and Regulations. If necessary, we will advise you of changes that you must make to the Hotel or its operations to comply with the Franchise Agreement and/or the Rules and Regulations (Franchise Agreement, Section 5(b)). Franchisees who fail to improve on identified quality issues may be subject to consequences ranging from written warnings, non-compliance penalties, attendance at mandatory training programs, reservation suspension, and ultimately to the termination of the Franchise Agreement. We may also require a franchisee to hire a third party Qualified Vendor to do a deep cleaning of the Hotel if a franchisee has repeatedly failed quality assurance reviews and the hotel's likelihood to recommend (LTR) score falls below the brand specific standard.

#### MARKETING AND RESERVATIONS

We will provide an advance reservation system for your hotel and other Choice branded hotels using the Marketing and Reservation Fee that you will pay each month during the term of your franchise agreement. (Franchise Agreement, Section 5(c).) We will also provide national, international and regional advertising, promotion, publicity, marketing research, system programs and related programs as we reasonably determine to be appropriate for the entire Choice franchise system, using the Marketing and Reservation Fee. (Franchise Agreement, Section 5(c).)

Marketing and advertising are primarily disseminated via media such as direct sales efforts, digital media, multi-brand television campaigns, trade publications, radio, directories and other collateral materials. National advertising and promotion agencies are primarily used to create and place advertisements with the participation and supervision of our in-house marketing department. Funding for the advertising program comes from the Marketing and Reservation Fee that each Choice Hotels franchisee pays each month during the term of their franchise agreement and which we control. We do not use any of the Marketing and Reservation Fee principally to solicit new franchise sales. The Marketing and Reservation Fee covers the ongoing development, maintenance and upgrading of the reservations system, as well as pay for expenditures associated with media, advertising, publicity, public

relations, marketing, reservations and similar services, e commerce initiatives and certain franchise services. All franchisees contribute to the Marketing and Reservation Fee at a rate dependent on their individual franchise agreement. Hotels that we or our affiliates own or manage may contribute to the Marketing and Reservation Fee at different rates than franchised outlets or not at all. See Item 6 for a description of the Marketing and Reservation Fee.

We may establish a marketing cooperative ("Marketing Cooperative") to fund certain marketing initiatives. We establish an annual fee for participating hotels, and we also provide funding. The participating hotels in a Marketing Cooperative, along with the assistance of a Choice representative, create an annual budget and an annual marketing plan. Your participation in a Marketing Cooperative will be voluntary, and you may opt out on an annual basis. However, we may require participation in a Marketing Cooperative in the future and we have the right to audit the Marketing Cooperative program at any time.

You may conduct your own local marketing program provided that all materials comply with brand standards, including proper trademark usage, and are either approved in writing by us—(our Marketing and Communications department) or through ChoiceNow, typically within 10 business days after you submit your materials to us for review. (Franchise Agreement, Section 6(s)(4).) The SmartMarketing program provides marketing and promotional materials that help you promote your hotel professionally and within brand standards. The fee for customizing some materials (for example, business eards and sales flyers) ranges from \$0 to \$45. We are not required to use any portion of the Marketing and Reservation Fee for advertising in your area.

Any website created for your hotel must follow the Choice Property Website Guidelines, Internet Distribution Policy and Domain Name Policy. (Franchise Agreement, Section 7(b).) We retain the right to pre-approve your hotel's website design and use of linking between your internet web pages (or other networks) and all other web sites. All websites that are accessed from a domain name that uses one or more of the Choice Marks must conform to the Choice Hotels Property Website Guidelines and Internet Distribution Policy and cannot contain, or link to other web pages that contain, logos or information on non-Choice brand hotels. We have the right to determine the content and use of online or electronic media associated with any of the Choice Marks. You may not participate in any website or other electronic media (including social media) that markets goods and services under the Choice Marks unless it is first approved in writing by us. Your general conduct on the internet or other electronic media, including your use of the Choice Marks or any advertising is subject to the terms and conditions of the Franchise Agreement and any other rules, requirements or policies that we may identify from time to time.

We administer the allocation of the Marketing and Reservation Fee, which may be commingled with, but are accounted for separately, from our other funds. We do not prepare audited financial statements for our Marketing and Reservation Fee. However, upon receiving a reasonable request, we will provide an unaudited statement of the Marketing and Reservation Fee for the previous calendar year. We have no obligation to separate incomes or expenditures between the various Choice brands. Any unspent Marketing and Reservation Fees remaining at the end of the fiscal year generally are carried over for use in the following year unless there is a deficit from a preceding year. In that case, the monies will be applied to pay down the deficit and anything remaining will be carried over. We pay administrative costs to provide the goods and services described above using a portion of the Marketing and Reservation Fee. Our internal costs associated with marketing the goods and services of our franchise system are reflected in the percentages below, including our media (broadcast and digital), creative, supplies and graphics. In calendar year 20232024, approximately 15.418.7% of all Marketing and Reservation Fees collected from the Choice Franchise System was spent on media and other advertising, 7.87.9% on the Choice Privileges Loyalty Program, which includes national advertising (broadcast and digital), 69.367.3% on marketing and distribution (for example, reservations services, global sales, eCommerce,

publicity, research & analytics) and 7.56.1% on general and administrative expenses, including the salaries of applicable personnel.

#### FRANCHISE ADVISORY COUNCIL

We may periodically assemble franchise advisory councils who meet with corporate representatives to advise on issues relating to the System (including advertising issues). We select the franchisees that participate on this council. The council acts in an advisory capacity only and we maintain all decision-making power of the System. We may create, change or dissolve this council at any time.

#### COMPUTER HARDWARE AND SOFTWARE

You will be required to purchase and install a dedicated, wired, business grade High Speed Internet Access solution at the front desk for access to choiceADVANTAGE®, to electronically update your Hotel's information in our advance reservations system; to receive reservations from our advance reservations system; to collect data on reservations made by travel agents; to collect daily revenue and occupancy figures; and to manage your front desk operations. (Franchise Agreement, Section 6(g).)

The costs and fees for purchasing a license to use the choiceADVANTAGE® system include:

•	choiceADVANTAGE®	Software License and Administrative Fee \$2,350 -	$\frac{\$7,350}{4,35}$
•	(payable to us); choiceADVANTAGE®	Systems Onboarding and Project Management Fee	\$6,000
•	(payable to us); choiceADVANTAGE® (payable to us);	Software Interface Implementation Fee (optional)	\$1,500

- choiceADVANTAGE® Credit Card Interface Implementation Fee -- \$400 (payable to us);
- choiceADVANTAGE® Database Clean Up Fee -- \$500 (payable to us); and
- Dell hardware -- \$3,800 \$10,800 depending on the configuration (payable to Insight or us as part of Brand in a Box. See Item 5).

We will also provide the following:

- Ongoing remote support relating to maintenance of the choiceADVANTAGE® software, 24 hours a day, 7 days a week.
- Enhancements or updates to the choiceADVANTAGE® software with training bulletins.
- Online training on ChoiceU.com relating to the use of the choiceADVANTAGE® software.
- The choiceADVANTAGE® software.

You are required to purchase the mandatory Dell hardware package through our preferred hardware vendor, Insight or through Choice as a part of Brand in a Box. See Item 5. Your Dell hardware will be subject to Dell's warranty and support provisions. The cost of the computer hardware listed above does not include the cost of any peripheral items such as credit card processing machines, printers, or other network needs unique to your Hotel.

You are required to install the choiceADVANTAGE® Remote Access feature at your property. With this feature, you will control permissions and user access to choiceADVANTAGE®. This enhancement is mandatory and is included in the monthly choiceADVANTAGE® Support fee.

You will be required to refresh the choiceADVANTAGE® system with Dell hardware and required peripherals in order to comply with specifications mandated by us. Dell hardware and required peripherals should be refreshed every 48 months or upon expiration of your hardware warranty. We estimate that the cost to refresh and install new Dell hardware and peripherals will be between \$3,800 and \$10,800 depending on the configuration at your Hotel (number of workstations, printers, etc.). However, there is no limit on the frequency or cost of this obligation.

We will have independent access to the information that will be generated by the choiceADVANTAGE® property management system and will use the information and data to identify trends, as well as to perform statistical analysis for improvement of the brand standards, as well as the overall Choice franchise system.

We require chip enabled credit card acceptance (EMV) hardware for use in your Hotel. We estimate the cost of each device, including programming, to be approximately \$875. Fees may vary based on the number of devices required for your Hotel. We also require EMV software for use in your Hotel. The required EMV software for processing credit card payments through choiceADVANTAGE® property management system is only available from Shift4 Payments, a Nevada corporation, with a business address at 1491 Center Crossing Road, Las Vegas, Nevada 89144. You will make payments directly to Shift4. Shift4 is a Qualified Vendor. See Item 8 of this Disclosure Document.

#### CHANGE IN SLEEPING ROOM COUNT

We will review and, where appropriate, approve requests to add or remove guestrooms to your Hotel after receipt of your room count change fee (if applicable) and construction plans (Franchise Agreement, Section 8).

#### **ITEM 12 TERRITORY**

We grant franchises for specific sites only. 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. However, we may, depending on local market conditions or other factors such as your prior history with us (if any) and number of hotels franchised by us, grant exclusive territories in which no other hotel of the same brand will be franchised or operated, for a period of time that we determine. Preferred regions and exclusive territories, if any, are determined by us. Our grant of a preferred region or exclusive territory can be terminated by us if you default under your Franchise Agreement, including failing to maintain quality standards or failing to pay franchise fees due on a timely basis.

We expressly reserve the right to grant franchises or open company owned hotels at any location under any brand name other than the location specified in your Franchise Agreement. We may open company-owned hotels under any brand and offer hotel franchises for upscale, mid-priced and budget hotels under any of the Choice Marks.

If you wish to relocate or establish additional facilities, you must follow our usual application procedures and sign additional franchise agreements. Customarily, we do not grant to franchisees options, rights of first refusal or similar rights to acquire additional franchises.

We may take reservations for rooms through any method of distribution, including sales through such channels of distribution as the internet, catalog sales, telemarketing, or other direct marketing sales ("Alternative Distribution Channels"). You will receive no compensation for our sales through Alternative Distribution Channels, unless we make a reservation on your behalf.

You may solicit or accept reservations from customers at any location (including outside your territory, if applicable). You may use Alternative Distribution Channels to make sales if you comply with all of our standards, including any approval process that we may require (see Item 11). We, our affiliates and franchisees can use Alternative Distribution Channels to make sales anywhere (including within your territory, if applicable) of products or services under trademarks different from the trademarks that you are permitted to use under your Franchise Agreement. See Item 1 for additional information on other Choice brands.

We have implemented a Fair Franchising Policy (attached as Exhibit  $\underbrace{L\underline{K}}$ ) that sets general guidelines on how we will maintain the overall Choice franchise system of brands, including principles for informal resolution of disputes between Country Inn & Suites franchisees. The Fair Franchising Policy is an internal policy, not a contractual obligation and can be changed or revoked by Choice in its sole discretion at any time upon reasonable notice.

As noted in Item 1, we currently grant franchises for hotels operated under the following brands or extensions of these brands: ASCEND HOTEL COLLECTION®, CAMBRIA®, CLARION HOTEL®, CLARION INN®, CLARION INN & SUITES®, CLARION SUITES®, CLARION RESORT®, CLARION COLLECTION®, CLARION POINTE®, COMFORT INN®, COMFORT INN & SUITES®, COMFORT SUITES®, COUNTRY INN & SUITES® BY RADISSON, ECONO LODGE®, ECONO LODGE INN & SUITES®, EVERHOME SUITES®, MAINSTAY SUITES®, PARK INN® BY RADISSON, QUALITY INN®, QUALITY INN & SUITES®, QUALITY SUITES®, QUALITY HOTEL®, QUALITY RESORT®, RADISSON®, RADISSON BLU®, RADISSON INDIVIDUALS®, RADISSON RED®, RODEWAY INN®, RODEWAY INN & SUITES®, SLEEP INN®, SLEEP INN & SUITES®, SUBURBAN®, SUBURBAN STUDIOS® AND WOODSPRING SUITES®. We have the right to operate and franchise these hotels at any location in accordance with the terms of your Franchise Agreement and you may compete with any of our brands in the operation of your Hotel. Those hotels could be company- owned, franchised, or both. We also have the right to operate or franchise a hotel or other business under a different trademark. We do not maintain physically separate offices or training facilities for the other Choice brands that may compete with your Hotel.

#### **ITEM 13 TRADEMARKS**

You will receive in the Franchise Agreement a limited license and obligation to use one or more of the trademarks and trade names identified below together with the related logo(s), including designs, stylized letters and colors that we permit you to use at your Hotel and in advertising for your Hotel, and any other additional or substituted trademarks, trade names, service marks or logos that we later adopt and authorize you in writing to use.

We own and license to you some of the following service marks and trademarks registered on the Principal Register with the U.S. Patent and Trademark Office that correspond to the brand you may be granted to use in your Franchise Agreement:

TRADEMARK	STATUS	REGISTRATION DATE	REGISTRATIO N NUMBER
COUNTRY INN & SUITES	Registered	August 10, 2010	3,831,820

	Registered	May 22, 2018	5,474,371
RADISSON	Registered	September 21, 1971	0,920,862

We have filed all required affidavits and renewals in connection with these trademarks.

You must follow the policies and rules we establish from time to time governing your use of the trademarks that your franchise agreement permits you to use. "Choice Marks" means collectively all of our trademarks or trade names, the trademarks and trade names ASCEND®, ASCEND HOTEL COLLECTION®, CAMBRIA®, CLARION®, CLARION COLLECTION®, CLARION HOTEL®, CLARION HOTEL & SUITES®, CLARION INN®, CLARION INN & SUITES®, CLARION POINTE®, CLARION RESORT®, CLARION SUITES®, COMFORT®, COUNTRY INN & SUITES® BY RADISSON, ECONO LODGE®, ECONO LODGE INN & SUITES®, EVERHOME®, EVERHOME SUITES®, MAINSTAY®, MAINSTAY SUITES®, PARK INN® BY RADISSON, PARK PLAZA®, QUALITY®, QUALITY HOTEL®, QUALITY INN®, QUALITY INN & SUITES®, QUALITY RESORT®, QUALITY SUITES®, RADISSON®, RADISSON BLU®, RADISSON COLLECTION®, RADISSON INDIVIDUALS®, RADISSON INN & SUITES™, RADISSON RED®, RODEWAY INN®, RODEWAY INN & SUITES®, SLEEP®, SLEEP INN®, SLEEP INN & SUITES®, SUBURBAN STUDIOS®, WOODSPRING®, WOODSPRING SUITES®, CHOICE®, CHOICE HOTELS®, and our slogans (such as "Our Business is You®"), the names/trademarks of any Choice products, the names of our property management system, reservation system, guest loyalty program and any other additional or substituted trademarks, trade names, service marks or logos. You cannot use any Choice Marks or anything similar to these words in your name or the name of any of your affiliates, whether a partnership, corporation, limited liability company, joint venture or any other type of business organization, or as (or incorporated in) the name and/or design of any other building, business or business activity. You may not establish a website on the internet using the Choice Marks, or anything similar to the aforementioned words that does not comply with our Domain Name Policy, Internet Distribution Policy or our Property Website Guidelines (or such similar policies or regulations adopted by us from time to time). We retain the right to pre-approve your use of linking and framing between your internet web pages (or other network) and all other websites. All websites that are accessed from a domain name that uses a Choice Mark must conform to the Choice Hotels Property Website Guidelines and Internet Distribution Policy and cannot contain, or link to other web pages that contain, logos or information relating to non-Choice branded hotels. We have the right to determine the content and use of online or electronic media associated with any of the Choice Marks. You may not participate in any website or other electronic media (including social media) that markets goods and services under the Choice Marks unless it is first approved in writing by us.

If you are required by law to register any of the Choice Marks, your application must specify that you use the Choice Marks: (1) only at your Hotel and in advertising for your Hotel; (2) only during the term of your Franchise Agreement; and (3) without claiming any property right in the Choice Marks during or after the term of your Franchise Agreement.

There are no effective material determinations by the United States Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court; pending infringement, opposition or cancellation proceedings; or pending material litigation involving the Choice Marks that your Franchise Agreement permits you to use.

We have no agreements currently in effect that significantly limit our rights to use or license our use of the Choice Marks. We do not know of any superior prior rights or material infringing uses of the Choice Marks that could materially and adversely affect your permitted use of the Choice Marks in any state.

You will not interfere with our use or registration of any of the Choice Marks, or with use of the Choice Marks by other hotels. You have no right to sublicense anyone else to use any Choice Marks and you have no right to use them for any purpose other than as permitted in connection with your Hotel.

You must promptly notify us of any suit filed or demand made against you challenging the validity of any of the Choice Marks ("Mark Claim"). Using our attorneys, we agree to protect and defend you against a Mark Claim, and to defend and indemnify you against your loss, cost or expense related to the Mark Claim, except where the Mark Claim arose because you used the Choice Marks in violation of your Franchise Agreement. You may not settle or compromise a Mark Claim without our prior written consent, and you agree to cooperate with us in defending against any Mark Claim.

## ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents or pending patent applications that are material to a purchase of a franchise.

We claim copyright protection for our Franchise Agreement and related agreements, the Rules & Regulations (see Item 11), designs, proprietary restaurant standards and menu formats, various proprietary software packages, and for various sales promotional and other materials published periodically. We or our affiliates are the exclusive owners of the copyrights in these materials and any content or information displayed on or made available through our websites. You may not frame or incorporate any content or information contained in our websites without our express written authorization.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Copyright Office of the Library of Congress or any court regarding any of the copyrighted materials except for the Franchise Agreement. There are no agreements in effect that significantly limit our right to use or license the copyrighted materials. We are not aware of any infringing uses of these materials that could materially affect your use of these materials. We reserve the right to control any patent or copyright dispute and we will determine whether we will bring suit or settle any instance when a third party infringes any patents or copyrights. We are not obligated to protect any patent, patent application or copyright or to defend you against claims arising from your use of any patented or copyrighted items. We are not obligated to take any affirmative action when notified of any infringement. We have the right to control all litigation related to any patented or copyrighted materials. We do not have to defend or indemnify you in a proceeding involving a patent, patent application or copyright of ours. You may not contest our, or our affiliates', interests in patents or copyrights.

You must keep confidential during and after the term of your Franchise Agreement all proprietary information, including the Rules & Regulations that we permit you to use. You must not duplicate or disseminate any proprietary information to any party other than (during the term of the Franchise Agreement) your employees who need to know this proprietary information. Upon termination of the Franchise Agreement, you must return to us all proprietary information, including all copies of the Rules & Regulations. You must notify us immediately if you learn about an unauthorized use of proprietary information. We are not obligated to take action, and will determine the appropriate response to any information regarding the unauthorized use of proprietary information. You must comply with all changes to the Rules & Regulations at your cost.

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

We do not require you to personally participate in the direct operation of the franchised Hotel nor do we make any recommendation regarding your personal participation in the direct operation of the franchise business. However, you must have a certified General Manager at your Hotel. We provide Choice Hotels Certified General Manager training under the Hospitality Operations Success Training ("HOST") and each new or replacement General Manager must be certified. A General Manager is not required to hold any ownership interest in the Hotel in order to operate the franchise business.

## ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Goods or services that you offer at your Hotel must be consistent with high moral and ethical principles. You must offer accommodations and accompanying goods and services that comply with our Rules and Regulations and applicable local, state, and federal law. We may periodically modify the Rules and Regulations to require you to provide additional services or amenities to your guests. See Item 8 for additional information.

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

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

#### FRANCHISE AGREEMENT

PROVISION	SECTION IN FRANCHISE AGREEMEN T	SUMMARY
a. Length of the franchise term	Section 3	Term is 20 years from the Opening Date, subject to (d), (e) and (f) below. If you are entering into a replacement Franchise Agreement for your existing Country brand Hotel, we have the discretion to offer you a term of less than 20 years.
b. Renewal or extension of the term	Not Applicable	No provision for renewal after the 20-year term expires.
c. Requirements for you to renew or extend	Not Applicable	
d. Termination by you	Sections 3 and 10(a)	You have the right to terminate on the 10 <sup>th</sup> and 15 <sup>th</sup> anniversaries of the Opening Date. You may only exercise such termination rights by giving us no less than 12 months prior written notice provided you pay all fees and charges under the Franchise Agreement and any other related agreements at all times during the remainder of the term.  If we are in default of material obligations, you may

e. Termination by us without cause	Section 3	terminate the Franchise Agreement, if after 60 day written notice, we have failed to cure the default. You may terminate for other reasons as allowed under the law Subject to state law, we have the right to terminate on the 10th and 15th anniversaries of the Opening Date. We may only exercise such termination rights by giving 12 mont prior written notice.	
f. Termination by us with cause	Section 10(b)	We may terminate if you are in default and fail to cure within the applicable time period.	
	SECTION IN		
	FRANCHISE		
<b>PROVISION</b>	AGREEMENT	<b>SUMMARY</b>	
g. "Cause" defined - curable defaults	Section 10(b)(1)	You have 10 days to cure non-payment of fees and non-submission of reports and 30 days to cure any other breach of your obligations under the Franchise Agreement.	
h. "Cause" defined – non- curable defaults	Section 10(b)(2)	Non-curable defaults: threat of danger due to condition of hotel; abandonment; loss of possession; criminal behavior; unauthorized transfer; knowingly false statements on application, submission of false reports or maintenance of false books and records; failure to open hotel; becoming insolvent or making a general assignment for the benefit of creditors; failure to maintain the required insurance coverage; we send you 2 notices of default for the same or similar cause in any consecutive 12 month-period, whether or not cured; failure to begin construction or renovation of the hotel on or before the required date or failure to begin or complete construction or renovation of the hotel on or before the required dates; failure to complete required property improvements by their deadlines; engaging in conduct that damaged our brand; unauthorized disclosure of confidential information; or breach of another agreement with us or our affiliates, or relating to the possession of the hotel.	
i. Your obligations upon termination/non-renewal	Sections 10 and 11	Obligations include: complete de-identification; payment of all fees due; cancellation of any assumed name filing containing any Choice Marks; return of all materials we provided for the operation of the hotel and payment of any damages as a result of enforcing Section 10 or 11 of the Franchise Agreement.	
j. Assignment of contract by us	Section 9(a)	No restrictions on our right to assign.	
k. "Transfer" by you- defined	Section 9(b)	Includes sale, assignment, lease, or other encumbrance of the Franchise Agreement, the hotel or ownership change.	
l. Our approval of transfer by you	Section 9(b)	We must approve all transfers of more than 5% of the ownership interest in the hotel with certain exceptions.	

		We will not unreasonably withhold our approval.
PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
m. Conditions for our approval of transfer	Sections 9(b) and 9(c)	Transferee must meet all of our then-current qualifications for new franchisees; the hotel must comply with our then- current brand image and standards. In addition, if you transfer a Controlling Interest in you (if you are an entity) or the hotel, the transferee must sign our then-current form of franchise agreement and pay a re-licensing fee equal to the then-current affiliation fee we charge. If we approve the transfer to a Close Family Member (for example, current spouse, parent, child, sibling, or grandparent), that Close Family Member must pay us an application fee (not to exceed \$7,500).
n. Our right of first refusal to acquire your business	Not Applicable	
o. Our option to purchase your business	Not Applicable	
p. Your death or disability	Section 9(c)	Franchise must be assigned by estate to a remaining franchisee or to your heirs, when we approve, within 12 months.
q. Non-competition covenants during the term of the franchise	Not Applicable	
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	
s. Modification of the agreement	Section 20(h)	This agreement may only be modified in writing and signed by both parties.
t. Integration/merger clause	Section 24	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 arbitration or mediation	Section 21	Except for certain claims, all disputes must be arbitrated, subject to state law.
v. Choice of forum	Sections 21 and 24	Arbitration must be in Maryland (subject to state law). See Exhibit D, Addenda to the Franchise Agreement.
w. Choice of law	Sections 20(f) and 21	Maryland law applies (subject to state law). See Exhibit D, Addenda to the Franchise Agreement.
x. Other – Liquidated Damages	Sections 10(d) and 11(a)	If we terminate the Franchise Agreement due to your default, or if you use our trademarks after the Franchise Agreement is terminated, you may be subject to liquidated damages.

#### choiceADVANTAGE® SOFTWARE TERMS OF USE

PROVISION	SECTION IN choiceADVANTA GE SOFTWARE TERMS OF USE	SUMMARY
a. Length of the agreement term	TERMINATION	The Terms of Use will begin when you accept the terms and will terminate if the Franchise Agreement terminates or expires, if you are in default of the Terms of Use or if you fail to make payments for the use of the software.
b. Renewal or extension of the term	Not Applicable	
c. Requirements for you to renew or extend	Not Applicable	
d. Termination by you	Not Applicable	
e. Termination by us without cause	TERMINATION	Upon expiration of the Franchise Agreement.
f. Termination by us with "cause"	TERMINATION	We may terminate if you are in default.
g. "Cause" defined - curable defaults	Not Applicable	
h. "Cause" defined - defaults that cannot be cured	TERMINATION	Non-curable defaults: breach of any provision in the Terms of Use; failure to make payments for use of the software; termination of the Franchise Agreement.
i. Your obligations upon termination/non- renewal	Not Applicable	
j. Assignment of contract by us	Not Applicable	
k. "Transfer" by you – defined	SOFTWARE USE AND SITE ACCESS; GENERAL	You may not transfer or assign the software, your right to access the site, or any rights under the Terms of Use.
l. Our approval of transfer	SOFTWARE USE AND SITE ACCESS; GENERAL	You may not assign without Choice's written permission to do so.
m. Conditions for our approval of transfer	Not Applicable	
n. Our right of first refusal to acquire your business	Not Applicable	
o. Our option to purchase your business	Not Applicable	
p. Your death or disability	Not Applicable	
q. Non-competi tion covenants during the term of the franchise	Not Applicable	

r. Non-competitio n covenants after the franchise is terminated or expires	Not Applicable	
s. Modification of the agreement	PREAMBLE	We may modify, add or remove any terms and conditions without notice or liability to you. You accept and agree to any modifications, additions, or removals by your subsequent use of the software.
t. Integration/merge clause	ENTIRE AGREEMENT	Only the terms of the Terms of Use and 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 arbitration or mediation	Not Applicable	
v. Choice of forum	Not Applicable	
w. Choice of law	GOVERNING LAW	Maryland law applies (subject to state law) except the Maryland Uniform Computer Information Transactions Act, which is expressly disclaimed.

#### ITEM 18 PUBLIC FIGURES

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

#### ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

The tables below provide certain historic performance information for franchised COUNTRY hotels operating in the United States. As of December 31, 20232024, there were 425419 open and operating COUNTRY hotels in the United States: (1) 421416 of those hotels were owned by franchisees; and (2) 43 of those were owned or managed by us. Of the 421416 franchised hotels, 417405 were COUNTRY hotels that met the definition of the Performance Sample. The "Performance Sample" means all franchised COUNTRY hotels that were open and operating as of December 31, 20232024 and that were franchised by Choice and operating on or before January 1, 20232024, excluding hotels that: (1) repositioned from another Choice brand to COUNTRY during the period beginning January 1, 20232024 and ending December 31, 20232024; (2) had incomplete performance numbers (e.g., missing supply, demand, and revenue information) for at least 30 days during the period beginning January 1, 20232024 and ending December 31, 20232024; and of (3) experienced an interruption in operations (for example,

due to renovation or natural disaster) of more than 30 consecutive days during the period beginning January 1, 20232024 and ending December 31, 20232024. There were no COUNTRY hotels that closed during Year 20232024 after being open less than 1 year.

Table 1a: For Year Ended December 31, 2023 2024 - Average Occupancy Rate, ADR, RevPAR; and, Total Choice Enterprise Contribution from January 1, 2023 - July 24, 2023, Choice Privileges Contribution, and Choice Privileges ADR for COUNTRY Hotels in the Performance Sample

	Aggregate or Average	Median	Low	High	Hotels Meeting or Exceeding Average	
Total Open and Operating Hotels	4 <u>21</u> 4 <u>19</u>					
Performance Sample	<u>417405</u>				Count	Percent
Average Occupancy Rate	59.2% <u>60.0</u> <u>%</u>	59.2% 60.1%	17.6% 20.1 %	96.0% 95.4 %	209 <u>20</u> 4	50.1% 50.4%
Average Daily Rate	\$ <del>109.55</del> <u>109</u> . <u>36</u>	\$ <del>106.34</del> <u>105.95</u>	\$\frac{61.41}{55.6}	\$\frac{193.23}{195.8}	178 <u>17</u> 0	42.7% 42.0%
Revenue per Available Room ("RevPAR")	\$ <u>64.84</u> <u>65.6</u> <u>1</u>	\$ <del>63.66</del> <u>64.22</u>	\$\frac{14.77}{2.2}	\$\frac{131.72}{133.1}	196 <u>19</u> <u>5</u>	47.0% 48.1%
Total Choice Enterprise Contribution	78.6% <u>80.8</u> <u>%</u>	78.2% 81.4%	42.2% 36.1 %	99.3% 96.4 %	202 <u>21</u> 7	48.4% 53.6%
<u>Choice</u> <u>Privileges</u> <u>Contribution</u>	43.8%	44.0%	14.6%	<u>84.9%</u>	<u>205</u>	<u>50.6%</u>
<u>Choice</u> <u>Privileges</u> <u>Average</u> <u>Daily Rate</u>	<u>\$110.97</u>	<u>\$106.85</u>	<u>\$55.65</u>	<u>\$201.96</u>	<u>168</u>	<u>41.5%</u>

Table 1b: For Year Ended December 31, 2023 2024 - Average Occupancy Rate, ADR, RevPAR; and, Total Choice Enterprise Contribution—from January 1, 2023 — July 24, 2023, Choice Privileges Contribution, and Choice Privileges ADR for COUNTRY Generation 4 Hotels<sup>1</sup> in the Performance

<sup>&</sup>lt;sup>1</sup> Generation 4 Hotels are those Hotels in the Performance Sample that have renovated to the Country Inn & Suites® by Radisson Generation 4 prototype standards as of December 31, 2023 2024. Generation 4 Hotels must meet a minimum of 70% of our overall standards and 80% of our brand identity standards for 4th generation Country Inn & Suites® by Radisson System Hotels.
Table 1c: For Year Ended December 31, 2023 – Average Occupancy Rate, ADR, RevPAR; and Total Choice Enterprise Contribution from January 1, 2023 – July 24, 2023, for COUNTRY Generation 1-3 Hotels

#### Sample

Table 1c: For Year Ended December 31, 2024 - Average Occupancy Rate, ADR, RevPAR, Total Choice Enterprise Contribution, Choice Privileges Contribution, and Choice Privileges ADR for COUNTRY Generation 1-3 Hotels are those Hotels in the Performance Sample that have not met Country Inn & Suites by Radisson Generation 4 prototype standards as of December 31, 2023.

Notes: We used the following definitions in the above tables:

"Average Occupancy Rate" is the average of each hotel's occupied rooms reported for each hotel divided by its total number of available rooms.

66

	Aggregate or Average	Median	Low	<u>High</u>	Hotels Meeting or Exceeding Average	
Total Open and Operating Hotels	<u>419</u>					
Performance Sample	<u>164</u>				<u>Count</u>	<u>Percent</u>
Average Occupancy Rate	<u>55.8%</u>	<u>55.3%</u>	<u>20.1%</u>	<u>91.7%</u>	<u>77</u>	<u>47.0%</u>

**Generation 1-3 Hotels are those Hotels in the Performance Sample that have not met Country Inn** & Suites® by Radisson Generation 4 prototype standards as of December 31, 2024.

**Notes**: We used the following definitions in the above tables:

"Average Occupancy Rate" is the percentage of available guest rooms actually occupied by

guests. "Average Daily Rate" is the gross room revenue divided by the number of occupied guest

rooms. "RevPAR" is the gross room revenue divided by available guest rooms.

"Total Choice Enterprise Contribution" is the average of each hotel's revenue generated through the CRS (including online travel agent bookings with whom we have negotiated relationships) and non-CRS marketing channels, including members of our Choice Privileges and affiliated guest loyalty programs that booked directly with Choice Hotels branded properties as well as reservation revenue from wholesale group accounts and global sales accounts, excluding cancelled reservations, divided by that hotel's gross room revenues.

"Choice Privileges Contribution" is the average percentage of gross room revenue attributable to members of Choice Privileges, or other affiliated programs, who occupy and pay for guest rooms and are awarded Choice Privileges or airline points for their stays or redeem points for a reward night.

Average Daily Rate	<u>\$101.98</u>	<u>\$98.99</u>	<u>\$55.64</u>	<u>\$186.88</u>	<u>68</u>	<u>41.5%</u>
Revenue per Available Room ("RevPAR")	<u>\$56.96</u>	<u>\$55.67</u>	<u>\$13.24</u>	<u>\$123.22</u>	<u>75</u>	<u>45.7%</u>
Total Choice Enterprise Contribution	<u>80.1%</u>	<u>80.7%</u>	<u>36.1%</u>	<u>92.7%</u>	<u>88</u>	<u>53.7%</u>
<u>Choice</u> <u>Privileges</u> <u>Contribution</u>	<u>42.8%</u>	43.6%	<u>14.6%</u>	<u>84.9%</u>	<u>86</u>	<u>52.4%</u>
Choice Privileges Average Daily Rate	<u>\$103.27</u>	<u>\$99.44</u>	<u>\$55.65</u>	<u>\$176.31</u>	<u>69</u>	42.1%

<u>"Choice Privileges</u> Average Daily Rate" is the average of each hotel's gross room revenue reported divided by its total number of occupied rooms reported.

"RevPAR" is the average of each hotel's gross room revenues reported divided by its number of available rooms.

"Total Choice Enterprise Contribution" is the Average of each hotel's revenue Daily Rate for reservations generated through the CRS (including online travel agent bookings with whom we have negotiated relationships) and non-CRS marketing channels, including members of our Choice Privileges and affiliated guest loyalty program and other affiliated loyalty programs that booked directly with Choice Hotels branded properties as well as reservation revenue from wholesale group accounts and global sales accounts, including airline loyalty programs, excluding cancelled reservations, divided by that hotel's gross room revenues. Total Choice Enterprise Contribution for COUNTRY Hotels is based on partial year data from January 1, 2023 through July 24, 2023 (the "Pre Integration Period"), in order to provide consistent data. Only reservation revenue from the Pre Integration Period was used to calculate the Total Choice Enterprise Contribution due to the integration of all COUNTRY Hotels onto new reservation channels, which temporarily resulted in a period of incomplete data.

\* \* \*

The data presented in the above tables relate to historical performance of franchised COUNTRY hotels in the United States and represent average performance of COUNTRY branded hotels in a specific performance sample. The above hotels may vary in their characteristics (including location, physical layout, number of rooms, competition in the market, hotel amenities, design and structure of the hotel, management capabilities, local market conditions, seasonality, quality of service, cleanliness of the hotel, the operation of the hotel, participation in our programs, and other factors).

The financial performance representations in the above tables do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your hotel. Franchisees or former franchisees, listed in this Disclosure Document, may be one source of this information.

The data presented in the above tables are based on information that individual franchise owners provided to us. Written substantiation of the financial information that forms the bases for our financial performance representations will be made available to you within a reasonable period of time following receipt of your written request.

Some franchised COUNTRY hotels have earned the results indicated above. Your individual results may differ. There is no assurance that you will earn as much.

Other than the preceding financial performance representation, we do not make any financial performance representations.

Except as stated in this Item 19, We <u>also</u> do not <u>furnish to you or</u> authorize our <u>salespersonsemployees or representatives</u> to <u>furnish to youmake</u> any <u>oral or written information or representation on the actual or potential sales, income or profits of any COUNTRY hotel franchise <u>such representations either orally or in writing</u>.</u>

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 our General Counsel at 915 Meeting Street, Suite 600, North Bethesda, Maryland 20852 and at (301) 592-5000; the Federal Trade Commission; and the appropriate state regulatory agencies.

#### ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

# TABLE No. 1 Systemwide Outlet Summary For Years 20212022 to 20232024\*

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	<del>2021</del>	443	443	0
	2022	443	429	-14
	2023	429	421	-8
	<u>2024</u>	<u>421</u>	<u>416</u>	<u>-5</u>
Owned/Managed	<del>2021</del>	4	4	0
	2022	4	4	0
	2023	4	4	0
	<u>2024</u>	4	<u>3</u>	<u>-1</u>
Total Outlets	<del>2021</del>	447	447	0
	2022	447	433	-14
	2023	433	425	-8
	<u>2024</u>	425	419	<u>-6</u>

<sup>\*</sup>As of December 31, for each year.

TABLE No. 2
Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor) For Years 20212022 to 20232024\*

State**	Year	Number of Transfers
Arizona	<del>2021</del>	θ
	2022	1
	2023	0
	<u>2024</u>	<u>1</u>
California	<del>2021</del>	$\Theta$
	2022	1
	2023	0
	2024	0
Colorado	<del>2021</del>	0
	2022	1
	2023	0
71 11	2024	0
Florida	<del>2021</del>	<del>2</del> 2
	2022	
	2023	2
Caaraia	2024 2021	1 2
Georgia	2021 2022	<del>2</del> 5
-	2022	0
	2024	<u>3</u>
Illinois	<del>2021</del>	<u> </u>
IIIIIOIS	2022	5
	2023	2
	2024	5
Indiana	<del>2021</del>	<u> </u>
	2022	$\tilde{2}$
	2023	0
	2024	0
<del>Iowa</del>	<del>2021</del>	<del></del>
Iowa	2022	2
	2023	0
	<u>2024</u>	<u>0</u>
Kansas	<u>2022</u>	<u>0</u>
	<u>2023</u>	$\underline{\overline{0}}$
	<u>2024</u>	<u>1</u>
Kentucky	<del>2021</del> 2022	<u>01</u>
	<del>2022</del>	4
	2023	1
	<u>2024</u>	<u>2</u>
Louisiana	<del>2021</del>	1
	2022	1
	2023	0
	2024	1/2
Michigan	<del>2021</del>	1
	2022	1
	2023	2
7.6	2024	0
Minnesota	<del>2021</del>	θ

	2022	3
	2023	1
	2024	4
Mississippi	<del>2021</del>	<u>-</u> 1
1711551551pp1	2022	0
	2023	2
	2024	0
Missouri	<del>2021</del>	<del>-</del>
1111555411	2022	1
	2023	0
	2024	0
New Hampshire	<del>2021</del>	<del>-</del>
Tiew Trampsmie	2022	1
	2023	0
	2024	0
New Jersey	<del>2021</del>	θ
ivew sersey	2022	1
	2023	0
	2024	0
New York	<del>2021</del>	1
TOW TOTAL	2022	0
	2023	θ
North Carolina	<del>2021</del>	θ
	2022	1
	2023	3
	2024	0
North Dakota	<del>2021</del>	<del></del>
	2022	1
	2023	2
	<u>2024</u>	1
<del>Ohio</del>	<del>2021</del>	<del></del>
<u>Ohio</u>	2022	2
<del></del>	2023	0
	2024	<u>3</u>
Oklahoma	<del>2021</del>	<del>0</del>
	2022	1
	2023	0
	2024	<u>0</u>
Oregon	<del>2021</del>	1
8	2022	0
	2023	1
	2024	<u>0</u>
Pennsylvania	2021	1
•	2022	1
	2023	1
	2024	<u>0</u>
South Carolina	<del>2021</del>	2
	2022	0
	2023	0
	2024	1
South Dakota	<del>2021</del>	0

	2022	0
	2023	1
	2024	0
Tennessee	<del>2021</del>	4
	<del>2022</del>	0
	<del>2023</del>	0
Texas	<del>2021</del>	2
	2022	2
	2023	3
	<u>2024</u>	<u>1</u>
Virginia	<del>2021</del>	2
	2022	1
	2023	3
	2024	<u>4</u>
West Virginia	<del>2021</del>	0
	<del>2022</del>	0
	<del>2023</del>	0
Wisconsin	<del>2021</del>	0
	2022	3
	2023	2
	2024	<u>3</u>
Total ***	2021	24
	2022	40
	2023	26
	<u>2024</u>	<u>31</u>

TABLE No. 3 Status of Franchised Outlets For Years 20212022 to 20232024\*

State	Year	Outlets at Starto f Year	Outle ts Opene d	Termin a- tions	Non- Renewa Is	Reacquire d by Franc hisor	Ceased Operatio ns OtherRe asons	Outlets atEnd of theYear
Alabama	2021	5	0	0	0	0	0	<del>5</del>
	2022	5	0	0	0	0	0	5
	2023	5	0	0	<u>0</u>	0	1	4
	<u>2024</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	0	<u>0</u>	<u>4</u>
Arizona	2021	8	0	0	0	0	0	8
	2022	8	0	1	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	0	<u>0</u>	<u>7</u>
Arkansas	<del>2021</del>	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6

<sup>\*</sup>As of December 31, for each year.
\*\*States not listed had no transfer activity to report.

<sup>\*\*\*</sup>Includes both voluntary and involuntary transfers.

	2024	6	0	0	0	0	0	6
California	2021	9	1	0	0	0	0	<del>10</del>
	2022	10	0	1	0	0	0	9
	2023	9	0	0	0	0	0	9
	<u>2024</u>	9	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	9
Colorado	<del>2021</del>	1	0	0	<u>0</u>	<del>00</del>	0	1
	2022	1	0	0		0	0	1
State	Year	Outlets at Startof Year	Outle ts Opene d	Termin a- tions	Non- Renewa Is	Reacquir ed by Franchis or	Ceased Operations OtherReaso ns	Outlets atEnd of theYear
	2023	1	0	0	<u>0</u>	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Delaware	<del>2021</del>	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Florida	<del>2021</del>	<del>25</del>	1	00	<u>0</u>	0	0	<del>26</del>
	2022	26	0	5 <del>0</del>		0	0	21
	2023	21	0	0	0	0	1	20
	<u>2024</u>	<u>20</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20</u>
Georgia	<del>2021</del>	38	1	0	0	0	1	<del>38</del>
	2022	38	1	0	0	0	0	39
	2023	39	0	0	0	0	0	39
	2024	<u>39</u>	0	0	0	0	1	38
Idaho	2021 2022	<del>1</del> 1	0	0	<u>0</u>	0 0 0	0	1 1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Illinois	2021	27	0	<u> </u>	0	0	0	<del>26</del>
	2022	26	0	1	0	0	0	25
	2023	25	0	0	0	0	0	25
	2024	25	1	0	0	0	0	<u>26</u>
Indiana	<del>2021</del>	11	1	0	0	0	0	12
	2022	12	0	0	0	0	0	12
	2023	12	0	0	0	0	0	12
	<u>2024</u>	<u>12</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13</u>
Iowa	<del>2021</del>	<del>19</del>	0	0	0	0	0	<del>19</del>
	2022	19	0	0	0	0	0	19
	2023	19	0	0	0	0	0	19
	2024	<u>19</u>	0	0	0	0	<u>2</u>	<u>17</u>
Kansas	<del>2021</del>	<del>5</del>	0	0	0	0	$\frac{\overline{\theta}}{\theta}$	5
	2022	5	1	0	0	0	0	6
	2023	6	0	0	0	0	0	6
TZ 1	2024	6	0	0	0	0	0	<u>6</u>
Kentucky	2021 2022	<del>10</del> 11	<del>1</del> 0	0	0	0	0	<del>11</del> 11
	2023	11	0	0	0	0	1	10

	0004		2	_	_	_	2	
	2024	10	0	0	0	0	0	10
Louisiana	<del>2021</del>	6	0	0	$\overline{\Theta}$	0	$\overline{\Theta}$	6
	2022	6	0	1	0	0	0	5
	2023	5	0	0	0	0	0	5
	<u>2024</u>	<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
Maryland	<del>2021</del>	11	0	0	0	0	0	11
	2022	11	0	0	0	0	0	11
	2023	<u>11</u> 11	$\frac{\underline{0}}{0}$	$\frac{\underline{0}}{0}$	$\frac{\underline{0}}{0}$	$\frac{\underline{0}}{0}$	$\frac{\underline{0}}{0}$	<u>11</u> 11
	<u>2024</u>				-			
Massachusetts	2021 2022	<del>1</del> 1	0	0	0	0	0	<del>1</del> 1
	2 0 2 3	1 0	0	<u>0</u>	00			1
) (' 1 '	2024	1/4	0	0	0	0	0	1 12
Michigan	2021 2022	14 16	<del>1</del> 1	0	<b>1</b> 0	<u>0</u>	<del>00</del> <del>0</del>	13 17
	2023	16	1	0	0	0	0	17
	2024	17	0	0	0	0	0	17
Minnesota	<del>2021</del>	31	<u>⊍</u> 1	$\frac{\underline{\underline{0}}}{\underline{0}}$	<u>⊎</u> 1	0	0	31
Willingsota	2022	31	0	0	0	0	0	31
	2023	31	0	0	0	0	0	31
	2024	31	1	0	0	0	0	32
Mississippi	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
State	<del>Year</del>	Outlets at Startof	Outle ts	Termin	Non- Renewa	Reacquir ed by Franchis	Ceased Operations OtherRease	Outlets atEnd of
		<del>Year</del>	<del>Opene</del> <del>d</del>	tions	<del>ls</del>	<del>or</del>	ns	theYear
	2023	<del>Year</del> 3	-	tions 0	0	<del>01'</del>		
	2023 2024		d				ns	theYear  3 3
Missouri	2024 2021	3 3 4	0 0 0 0	0 0 0	0 <u>0</u> <del>0</del>	0 <u>0</u> <del>0</del>	0 0 0 0	3 3 4
Missouri	2024 2021 2022	3 <u>3</u>	0 0	0 <u>0</u>	0 <u>0</u>	0 <u>0</u>	0 0 0	3 <u>3</u>
Missouri	2024 2021 2022 2023	3 3 4 4 4	0 0 0 0	0 0 0	0 <u>0</u> <del>0</del>	0 <u>0</u> <del>0</del>	0 0 0 0 0	3 3 4 4 4
	2024 2021 2022 2023 2024	3 3 4 4 4 4	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0 0	3 3 4 4 4 4
Missouri Montana	2024 2021 2022 2023 2024 2021	3 3 4 4 4 4 4 3	0 0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0 0	3 3 4 4 4 4 4 3
	2024 2021 2022 2023 2024 2021 2022	3 3 4 4 4 4 4 3 3	0 0 0 0 0 0	0 0 0 0 0	0 0 0 0 0 0	0 0 0 0 0	0 0 0 0 0 0 0	3 3 4 4 4 4 4 3 3
	2024 2021 2022 2023 2024 2021 2022 2023	3 3 4 4 4 4 4 3 3 3	0 0 0 0 0 0 0 0	0 0 0 0 0 0 0	0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0	3 3 4 4 4 4 3 3 2
Montana	2024 2021 2022 2023 2024 2021 2022 2023	3 3 4 4 4 4 3 3 3	0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0	3 3 4 4 4 4 3 3 2
	2024 2021 2022 2023 2024 2021 2022 2023 2024 2024 2021	3 4 4 4 4 3 3 3	0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0	3 3 4 4 4 4 3 3 3 2
Montana	2024 2021 2022 2023 2024 2021 2022 2023 2024 2024 2021 2022	3 4 4 4 4 3 3 3 3	0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 1	3 4 4 4 4 3 3 2
Montana	2024 2021 2022 2023 2024 2021 2022 2023 2024 2024 2021 2022 2023	3 3 4 4 4 4 3 3 3 3 4 4 4	0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 1	3 3 4 4 4 4 3 3 2
Montana Nebraska	2024 2021 2022 2023 2024 2021 2022 2023 2024 2021 2022 2023 2024	3 4 4 4 4 3 3 3 3 4 4 4 4 4 4 4 4 4 4 4 4 4	0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 1	3 4 4 4 4 3 3 2 2 4 4 4
Montana	2024 2021 2022 2023 2024 2021 2022 2023 2024 2021 2022 2023 2024 2021 2024	3 3 4 4 4 4 3 3 3 3 4 4 4 4 4 4 4 4 4 4 4 4 4	0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 1	3 3 4 4 4 4 3 3 3 2 2 4 4 4 4 4
Montana Nebraska	2024 2021 2022 2023 2024 2021 2022 2023 2024 2021 2022 2023 2024 2021 2022 2023	3 4 4 4 4 4 3 3 3 3 4 4 4 4 4 4 4 1	0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 1	3 3 4 4 4 4 3 3 3 2 2 4 4 4 4 4 4 1
Montana Nebraska	2024 2021 2022 2023 2024 2021 2022 2023 2024 2021 2022 2023 2024 2021 2024	3 3 4 4 4 4 3 3 3 3 4 4 4 4 4 4 4 4 4 4 4 4 4	0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 1	3 3 4 4 4 4 3 3 3 2 2 4 4 4 4 4

		_	_	_	^	_	^	_
New Jersey	<del>2021</del>	2	0	<del>0</del>	0	0	0	2
	2022	2	0	1	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	1	0	0	0
New York	<del>2021</del>	8	0	1	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	1	0	0	6
	2024	<u>6</u>	0	0	0	0	0	<u>6</u>
North Carolina	<del>2021</del>	<del>24</del>	<del>1</del>	0	0	0	0	<del>25</del>
	2022	25	0	0	0	0	0	25
	2023	25	0	1	0	0	1	23
	2024	<u>23</u>	0	0	0	0	0	23
North Dakota	<del>2021</del>	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
<del>Ohio</del>	2021	<del>17</del>	0	0	0	0	0	17
<u>Ohio</u>	2022	17	0	3	0	0	0	14
	2023	14	0	0	0	0	0	14
	2024	14	1	0	0	0	1	<u>14</u>
Oklahoma	<del>2021</del>	8	0	0	0	0	1	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	<u>7</u>
Oregon	<del>2021</del>	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Pennsylvania	<del>2021</del>	14	0	0	0	0	0	14
	2022	14	0	0	0	0	0	14
	2023	14	0	0	0	0	0	14
	<u>2024</u>	14	1	0	0	0	0	<u>15</u>
South Carolina	<del>2021</del>	<del>15</del>	0	1	0	0	0	14
	2022	14	0	1	0	0	0	13
	2023	13	0	0	0	0	0	13
g 1.5.1	2024	13	0	0	0	0	2	<u>11</u>
South Dakota	2021	6	<del>0</del>	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
T	2024	<u>6</u>	0	0	0	0	0	<u>6</u>
Tennessee	<del>2021</del>	<del>16</del>	0	<del>0</del>	<del>0</del>	0	0	<del>16</del>
	2022	16	0	1	0	0		15
Gr. 1	₩ 7	Outlets	Outle	<del>Termin</del>	Non-	Reacquir	Ceased	Outlets
State	<del>Year</del>	at Stantag	<del>ts</del>	<del>a-</del>	Renewa	ed by	Other Desire	atEnd of
		Startof	<del>Opene</del>	tions	<del>ls</del>	Franchis	Other Reaso	theYear
		<del>Year</del>	<del>d</del>			<del>or</del>	<del>ns</del>	
	2023	<u>15</u>		0	0	0	0	<u>15</u>
	<u>2024</u>	15	$\frac{\underline{\underline{0}}}{0}$	$\frac{\underline{\underline{0}}}{0}$	$\frac{\underline{\underline{0}}}{0}$	$\frac{\underline{0}}{0}$	$\frac{\underline{\underline{0}}}{0}$	15
Texas	2021	<del>26</del>	0	0	0	0	0	<del>26</del>
Texas	2022	26	0	2	0	0	0	24
	2023	24	1	0	0	0	2	23
			•					

	2024	23	0	0	0	0	3	20
Utah	2021	2	0	0	0	0	0	2
Utah	2022	2	0	1	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Virginia	<del>2021</del>	<del>24</del>	0	0	0	0	0	24
	2022	24	0	0	0	0	0	24
	2023	24	0	0	0	0	1	23
	2024	<u>23</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>22</u>
Washington	<del>2021</del>	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
West Virginia	<del>2021</del>	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	<u>2024</u>	<u>3</u>	1	.0	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Wisconsin	<del>2021</del>	<del>25</del>	0	0	0	0	0	<del>25</del>
	2022	25	0	1	0	0	0	24
	2023	24	0	0	1	0	0	23
	<u>2024</u>	<u>23</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23</u>
Wyoming	<del>2021</del>	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
<del>Total</del>	<del>2021</del>	443	8	4	2	0	2	443
	2022	443	5	19	0	0	0	429
<u>Total</u>	2023	429	3	1	2	0	8	421
	2024	421	8	0	2	0	11	416

<sup>\*</sup> As of December 31, for each year. If multiple events occurred affecting an outlet, this table shows the event that occurred last in time. States not listed had no activity to report.

TABLE No. 4
Status of
Company-Owned/Managed Outlets
For Years 2021-20232022-2024\*

State**	Year	Outlets at Start of Year	Outlet s Opene d	Reacquire d from Franchisee s	Outlet s Close d	Outlets Sold to Franchisees	Outlets at End of the Year
California	<del>2021</del>	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Minnesota	<del>2021</del>	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2

	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
Washington		1	$\overline{0}$	$\overline{0}$	0	0	1
	2022	1	0	0	0	0	1
State**	<del>Year</del>	Outlets at Start of Year	Outlet 8 Opene d	Reacquire d from Franchisee s	Outlet s Close d	Outlets Sold to Franchisees	Outlets at End of the Year
	2023	1	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Total	<del>2021</del>	4	0	0	0	0	4
	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	<u>0</u>	0	<u>1</u>	<u>3</u>

TABLE No. 5 Projected Openings as of December 31, 2023 2024 \*

State	Franchise Agreements Signed But Not Opened	Projected New Franchised Outlets in the next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	3	0	0
Arizona	<u> 12</u>	<u>01</u>	0
Arkansas	1	0	0
California	4 <u>3</u>	<u> 40</u>	0
Florida	<u>32</u>	<u>01</u>	0
Georgia	1	0	0
<u>Idaho</u>	<u>1</u>	<u>1</u>	<u>0</u>
<u>Illinois</u>	<u>1</u>	<u>0</u>	<u>0</u>
<u>Indiana</u>	<u>1</u>	<u>0</u>	<u>0</u>
Michigan	1	0	0
Missouri	2	<del>0</del> 2	0
<u>Nebraska</u>	<u>1</u>	<u>0</u>	<u>0</u>
North Carolina	1	1	0
Ohio	<u>32</u>	<del>2</del> 0	0
<u>Pennsylvania</u>	<u>3</u>	<u>2</u>	<u>0</u>
South Carolina	1	0	0
Tennessee	<u>23</u>	0	0
Texas	5	<u>01</u>	0
Utah	2	<u> 10</u>	0
West Virginia	<u> 40</u>	<u> 10</u>	0
Wisconsin	1	0	0
Total	<del>20</del>	<u>69</u>	0
	<u>37</u>		

<sup>\*</sup>States not listed had no franchised or corporate-owned projections to report.

<sup>\*</sup>As of December 31, for each year.
\*\*States not listed had no corporate-owned outlets to report.

Exhibit ML lists the names of all of our U.S. operating franchisees and the addresses and telephone numbers of their Hotels as of December 31, 20232024, including franchisees who have signed Franchise Agreements for Hotels which were not yet operational as of December 31, 20232024. Exhibit NM lists the name, city and state, and business telephone number (or, if unknown, the last known home telephone number) of all franchisees who transferred their hotels or who had a Hotel terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to operate and/or conduct business under a Franchise Agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. There are 11 franchisees on this list. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

The number of franchises as of year-end may differ from that in the audited financial statements (Exhibit C to this Disclosure Document) as the financial statements also include franchises in Puerto Rico, Dominican Republic, Turks & Caicos, the Cayman Islands and the Bahamas.

During the past three years, franchisees have signed confidentiality clauses with us. In some instances, current and former franchisees have signed provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all of these franchisees will be able to communicate with you. From time to time, we may assemble a franchise advisory council to meet with corporate representatives to advise on issues related to the System. We sponsor the council and select the franchisees that participate on the council. Contact information for the council is the same as our contact information.

#### ITEM 21 FINANCIAL STATEMENTS

Our audited consolidated financial statements for the years ended December 31, <u>2024</u>, 2023, <u>and</u> 2022 <u>and 2021</u> are included in this disclosure document as Exhibit C.

#### **ITEM 22 CONTRACTS**

Attached as Exhibits D through I as well as Exhibits ON through P to this disclosure document are copies of the agreements you may be required to sign or accept. These are the Franchise Agreement (including Personal Guaranty and State Addenda to the Franchise Agreement), choiceADVANTAGE® Software Terms of Use, Call ForwardingResConnect Terms of Use, Gift Card Enrollment Form, Promissory Note, Incentive Promissory Note, Lender Documents, the Comfort Letter, and Franchise Disclosure Acknowledgment Form.

#### **ITEM 23 RECEIPTS**

Two copies of a detachable Receipt are found at the end of this Disclosure Document.



#### STATE SPECIFIC ADDENDA FOR THE FOLLOWING STATES:

#### CALIFORNIA HAWAII ILLINOIS MARYLAND MICHIGAN MINNESOTA NEW YORK NORTH DAKOTA RHODE ISLAND VIRGINIA WASHINGTON WISCONSIN

#### ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT FOR CALIFORNIA

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions will supersede and apply to all franchises offered and sold in the State of California:

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

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.

CALIFORNIA CORPORATIONS CODE, SECTION 31125 REQUIRES CHOICE HOTELS INTERNATIONAL, INC. TO GIVE YOU A DISCLOSURE DOCUMENT, APPROVED BY THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION PRIOR TO A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

Each owner of the franchise is required to execute a personal guaranty. Doing so could jeopardize the marital assets of non-owner spouses domiciled in community property states such as California.

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.

#### **ITEM 3 LITIGATION**

1. We, nor any person identified in Item 2, is are not 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. 78 a et seq., suspending or expelling these persons from membership in such association or exchange.

#### **ITEM 6 OTHER FEES**

1. The maximum interest rate in California is 10% annually.

#### **ITEM 10 FINANCING**

- 1. We will comply with all appropriate laws governing any direct financing offered by us to you including, if applicable, the California Finance Lenders Law.
- 2. Item 10 of the FDD is amended to provide that Balboa Capital Corporation, Ascentium Capital LLC, and Avana Capital all operate in California under a California Finance Lender license.

PMC Commercial Trust holds a license issued directly by the Small Business Administration ("SBA") that allows it to make SBA 7a loans in every state, including the State of California.

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

- 1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
- 2. 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.).
- 3. The Franchise Agreement contains a provision requiring application of the laws of Maryland. This provision may not be enforceable under California law.
- 4. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law...
- 5. The Franchise Agreement requires you to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000-20043).
- 6. The Franchise Agreement contains a liquidated damages clause. Under Civil Code Section 1671 certain liquidated damages clauses are unenforceable.
- 7. The Franchise Agreement requires binding arbitration. The arbitration will occur at our headquarters in North BethesdaRockville, Maryland with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provision of a franchise agreement restricting venue to a forum outside the State of California.
- 8. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

#### NEGOTIATED CHANGE APPENDIX FOR USE IN CALIFORNIA

<u>Pursuant to the requirements of Section 31109.1 of the California Franchise Investment Law, the following is a summary of negotiated changes made during the last 12 months:</u>

- 1. Modification to contract windows and term.
- 2. <u>Free transfer to a related entity.</u>
- 3. <u>Modified cost to transfer to a related family member.</u>

<u>Copies of the negotiated terms are available upon request. You can direct your inquiry to Choice's General Counsel at 915 Meeting Street, Suite 600, North Bethesda, Maryland 20852 and at (301) 592-5000.</u>

# ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE HAWAII FRANCHISE INVESTMENT LAW

These franchises will be/have been filed under the Franchise Investment law of the State of Hawaii. Filing does not constitute approval, recommendation or endorsement by the director of regulatory agencies or a finding by the director of regulatory agencies that the information provided herein is true, complete, and not misleading.

The Franchise Investment Law makes it unlawful to offer or sell any franchise in this state without first providing to the prospective franchise or subfranchisor, at least seven (7) days prior to the execution by the prospective franchisee, of any binding franchise or other agreement, or at least seven (7) days prior to the payment of any consideration by the franchisee or subfranchisor, whichever occurs first, a copy of the Franchise Disclosure Document, together will 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 the franchisor and the franchisee.

# ILLINIOS ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT

1. <u>Item 17, Additional Disclosures</u>. The following statements are added to Item 17: Illinois law governs the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

## ADDENDUM TO THE DISCLOSURE DOCUMENT FOR MARYLAND

The following provisions will apply to all franchises offered and sold in the State of Maryland. Item numbers correspond to those in the main body of the disclosure document.

## **ITEM 17**

1. Any claims arising under the Maryland Franchise Registration and Disclosure law must be brought within 3 years after we grant you a franchise.

- 2. Our termination of the Franchise Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).
- 3. The release language set forth in the Franchise Agreement will not apply to any liability under the Maryland Franchise Registration and Disclosure Law (COMAR 02.02.08.16L).
- 4. You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- 5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

# ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE MINNESOTA FRANCHISE INVESTMENT LAW

If and to the extent the Minnesota Franchise Investment Law applies to the Franchise Agreement, the following provisions supersede the Franchise Disclosure Document and apply to all franchises offered and sold in Minnesota.

# State Cover Page and Item 17, Additional Disclosures:

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

Franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required.

#### Item 6, Additional Disclosure:

NSF checks are governed by Minn. Stat. 604.113, which puts a cap of \$30 on service charges.

## Item 13, Additional Disclosures:

The Minnesota Department of Commerce requires that a franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's trademark infringes upon the trademark rights of the third party. The franchisor does not indemnify against the consequences of a franchisee's use of a franchisor's trademark except in accordance with the requirements of the franchise agreement, and as the condition to an indemnification, the franchisee must provide notice to the franchisor of any such claim immediately and tender the defense of the claim to the franchisor. If the franchisor accepts tender of defense, the franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

## Item 17, Additional Disclosures:

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- 1. Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void.
- 2. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, Subdivisions 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.
- 2. Minnesota Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C.01 80C.22.
- 3. The limitations of claims section must comply with Minn. Stat. Sec. 80C.17, subd. 5.
- 4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

# ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT FOR NEW YORK

1. The following information is added to the Cover Page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, with regard to the 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

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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 injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.
- 3. The following is added to the end of the "Summary" sections of Item 17(c), "Requirements for you to renew or extend," and Item 17(m) "Conditions for our approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

- 4. The following language replaces the "Summary" section of Item 17(d), "Termination by you": You may terminate the agreement on any grounds available by law.
- 5. The following is added to the end of the "Summary" sections of Item 17(v), "Choice of forum", and Item 17(w), "Choice of law":

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

6. Franchisee Questionnaires and Acknowledgements -

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

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

## ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT FOR NORTH DAKOTA

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions will supersede and apply to all franchises offered and sold in the State of North Dakota:

- 1. Restrictive Covenants: Covenants not to compete during the term of and upon termination or expiration of the franchise agreement are enforceable only under certain conditions according to North Dakota law. If the Franchise Agreement contains a covenant not to compete that is inconsistent with North Dakota law, the covenant may be unenforceable.
- 2. Situs of Arbitration/Litigation Proceedings: Any provision requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota may be unenforceable under North Dakota law. Any mediation or arbitration will be held at a site agreeable to all parties. If the laws of a state other than North Dakota govern, to the extent that such law conflicts with North Dakota law, North Dakota law will control.
- 3. Restriction of Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside North Dakota.
- 4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- 5. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.
- 6. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.
- 7. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
- 8. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.
- 9. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- 10. Enforcement of Agreement: Requiring that North Dakota franchisees pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.
- 11. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

# ADDENDUM TO THE FRANCHISE DISLCOSURE DOCUMENT FOR RHODE ISLAND

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions will supersede and apply to all franchises offered and sold in the State of Rhode 65618916v1

Island.

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

§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."

#### ADDENDUM TO THE FRANCHISE DISLCOSURE DOCUMENT FOR VIRGINIA

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions will supersede and apply to all franchises offered and sold in the State of Virginia.

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

Any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 et. seq.).

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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

# WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise INVESTMENT LAW is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

<u>Conflict of Laws.</u> In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

Item 17, "Renewal, Termination, Transfer, and Dispute Resolution," is amended by adding the following at the end of the Item: 1. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement inor related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions which may that supersede the franchise agreement inor related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the areas of termination and renewal of your Franchise Disclosure Document, are subject to state law.

- 2. Site of Arbitration, Mediation, and/or Litigation. 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.
- <u>General Release.</u> A release or waiver of rights <u>executed by a franchisee may not include</u> <u>rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any <u>rulerules</u> or <u>orderorders</u> thereunder <u>is void</u> except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, <u>in accordance with RCW 19.100.220(2)</u>. In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).</u>
- 4. <u>Statute of Limitations and Waiver of Jury Trial.4.</u> Provisions such as those which contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the <u>Washington Franchise Investment Protection</u> Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
- <u>**5.**</u> Transfer Fees. Transfer fees are collectable <u>only</u> to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
- <u>fermination by Franchisee. The franchisee may terminate the franchise agreement</u> under any grounds permitted under state law.
- 7. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
- **8.** Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
- 9. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
- <u>10.</u> <u>Franchisor's Business Judgement.</u> Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
- Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend,

or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

- 12. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
- 13. Noncompetition Covenants. 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations are is void and unenforceable in Washington.
- 14. Nonsolicitation Agreements. 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.
- Questionnaires and Acknowledgments. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- <u>16.</u> <u>Prohibitions on Communicating with Regulators.</u> Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
- Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchise is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

## ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT FOR WISCONSIN

Notwithstanding anything to the contrary set forth in the Franchise Disclosure document, the following provisions will supersede and apply to all franchises offered and sold in the State of Wisconsin:

- 1. Registration does not constitute approval, recommendation or endorsement by the Commissioner of Securities of the State of Wisconsin.
- 2. The following will apply to Franchise Agreements in the State of Wisconsin:
  - a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 will apply to and govern the provisions of Franchise Agreements or related contracts issued in the State of Wisconsin.
  - b. For all franchisees residing in the State of Wisconsin, we will provide you at least ninety (90) days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, will supersede the requirements of the Franchise Agreement to the extent they may be inconsistent with the Act's requirements. If the reason for termination, cancellation, or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will have 10 days to cure the deficiency.

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## **EXHIBIT B**

# REGISTERED AGENTS FOR SERVICE OF PROCESS

## **CALIFORNIA**

Department of Financial Protection and Innovation 1-866-275-2677

Los Angeles 320 West 4<sup>th</sup> Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500

Sacramento 2101 Arena Boulevard Sacramento, CA 95834 (916) 445-7205

San Diego 1350 Front Street, Room 2034 San Diego, CA 92101-3697 (619) 525-4233

San Francisco California Financial Protection and Innovation Commissioner One Sansome Street, Suite 600 San Francisco, CA 94104

#### **HAWAII**

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

And

Corporation Service Company 1003 Bishop Street, Suite 1600 Pauahi Tower Honolulu, HI 96813

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#### Albany, NY 12231

# Indiana Secretary of **State Securities** Division 302 West Washington Street Room E-111 Indiana Government Center South Indianapolis, IN 46204

## **MARYLAND**

Corporation Service Company 7 St. Paul Street, Suite 1660 Baltimore, M D 21

> 20 2 Or

Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020

## **MICHIGAN**

Corporation Service Company 601 Abbot Road East Lansing, MI 48823

#### **MINNESOTA**

Corporation Service Company 380 Jackson Street, Suite 700 St. Paul, MN 55101

Or

Commissioner of Commerce 85 7<sup>th</sup> Place East, Suite Minneapolis, MN 55101-2198

# **NEW YORK**

New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492

#### NORTH DAKOTA

Corporation Service Company 316 North 5th Street P.O. Box 1695 Bismarck, ND 58202

Or

Securities Commissioner North Dakota Securities Department

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#### RHODE ISLAND

Director of Department of Business Regulation Securities Division Building 69, First Floor, John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920

## **SOUTH DAKOTA**

Corporation Service Company 503
South Pierre Street Pierre, SD 57501
And Division of
Insurance Securities
Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501

#### **VIRGINIA**

Bank of America Center, 16<sup>th</sup> Floor 111 East Main Street Richmond, VA 23219 Or Clerk of the State Corporation Commission 1300 E. Main Street, 1<sup>st</sup> Floor Richmond, VA 23219

#### WASHINGTON

Department of Financial Institutions 150 Israel Rd SW Tumwater, WA98501

#### **WISCONSIN**

Corporation Service Company 8040 Excelsior Drive Suite 400 Madison, WI 53717

## **REGULATORY AUTHORITIES**

## **CALIFORNIA**

Department of Financial Protection and Innovation 1-866-275-2677

Los Angeles 320 West 4<sup>th</sup> Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500

Sacramento 2101 Arena Boulevard Sacramento, CA 95834 (916) 445-7205

San Diego 1350 Front Street, Room 2034 San Diego, CA 92101-3697 (619) 525-4233

San Francisco One Sansome Street, Suite 600 San Francisco, CA 94104-4428 (415) 972-8565

#### **MARYLAND**

Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 Commissioner of Commerce Minnesota Department of Commerce 85 7<sup>th</sup> Place East, Suite 280 St. Paul, MN 55101 651-539-1600

#### **NEW YORK**

Commissioner of Securities of the State of Hawaii Department

Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration / Securities Compliance 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722

#### **ILLINOIS**

Illinois Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465

## **INDIANA**

Securities Commissioner Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681

NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 212-416-8236

# NORTH DAKOTA

North Dakota Securities Department State of North Dakota State Capitol, 5<sup>th</sup> Floor 600 East Boulevard Avenue Bismarck, ND 58505-0510 (701) 328-2910

## **RHODE ISLAND**

Department of Business Regulation Securities Division Building 69, First Floor, John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527

# **SOUTH DAKOTA**

Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563

# **VIRGINIA**

## **WASHINGTON**

Director of Securities Division Department of Financial Institutions 150 Israel Road, SW Olympia, WA 98501 (360) 902-8760

# **WISCONSIN**

Commissioner of Securities Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

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## CHOICE HOTELS INTERNATIONAL, INC. FRANCHISE AGREEMENT

THIS AGREEMENT ("Agreer	nent") is made in Maryland, effective as of	– ("Effective Dat

We and you agree as follows:

- 1. **Definitions.** In addition to the terms that are defined in other parts of this Agreement, the following terms shall have the indicated meanings:
- "Brand Mark" means the trademark and trade name «Brand Name»® and the logo designated by us for use in association with the Hotel (including designs, stylized letters, colors and other elements that we permit you to use at the Hotel and in advertising for the Hotel) and/or any other trademarks, trade names, trade dress, service marks or logos (whether registered or not), or any domain name, as we may require from time to time to be used in connection with the Hotel.
- a. "Choice Marks" means collectively all of our trademarks and trade names, including, but not limited to, the Brand Mark, the trademarks and trade names ASCEND®, ASCEND HOTEL COLLECTION®, CAMBRIA®, CHOICE®, CHOICE HOTELS®, CLARION®, CLARION HOTEL®, CLARION HOTEL & SUITES®, CLARION INN®, CLARION INN & SUITES®, CLARION SUITES®, CLARION RESORT®, CLARION COLLECTION®, CLARION POINTE®, COMFORT®, COMFORT INN®, COMFORT INN & SUITES®, COMFORT SUITES®, COMFORT HOTEL®, COMFORT RESORT®, COUNTRY INN & SUITES® BY RADISSON, ECONO LODGE®, ECONO LODGE INN & SUITES®, EVERHOME®, EVERHOME SUITES®, MAINSTAY®, MAINSTAY SUITES®, PARK INN®, PARK INN®, PARK INN® RESIDENCES BY RADISSON, PARK PLAZA®, QUALITY®, QUALITY INN®, QUALITY INN & SUITES®, QUALITY SUITES®, QUALITY HOTEL®, QUALITY RESORT®, RADISSON®, RADISSON BLU®, RADISSON INDIVIDUALS®, RADISSON COLLECTION®, RADISSON INN & SUITES™, RADISSON RED®, RODEWAY INN®, RODEWAY INN & SUITES®, SLEEP®, SLEEP INN®, SLEEP INN & SUITES®, SUBURBAN®, SUBURBAN STUDIOS®, WOODSPRING®, WOODSPRING SUITES®, CHOICE HOTELS®, and the names of our Property Management System and Reservation System, together with all related logos, trade dress, and any other additional or substituted trademarks, trade names, service marks or logos (whether registered or not) currently owned, licensed or used by us or that we later adopt, purchase or develop.
- "Construction Start" means the date that bona fide pouring of footings for the Hotel begins at the Location in the case of a hotel to be constructed or the date that renovations begin in the case of an existing hotel that is to be Substantially Renovated. "Substantially Renovated" means as defined below.
- "Designated Representative" means the person designated by you to represent you on all matters relating to this Agreement and to receive notices under this Agreement on your behalf. Unless you change the Designated Representative in accordance with Section 15 of this Agreement, your Designated Representative is «LR1 NAME FULL» whose address is «LR1 ADDRESS1» «LR1 ADDRESS2» «LR1\_ADDRESS3», «LR1\_CITY», «LR1\_STATE» «LR1\_POSTAL» and «LR2\_NAME\_FULL» whose address is «LR2 ADDRESS1» «LR2 ADDRESS2» «LR2 ADDRESS3», «LR2 CITY», «LR2 STATE» «LR2\_POSTAL».
- "Gross Room Revenues" means all revenues from the rental, sale, in-kind exchange, use or occupancy of any of the Sleeping Rooms (with no reduction for chargebacks, credit card service charges, group booking rebates, or bad debts), for whatever purpose, including cash and credit transactions, whether or not collected by you. Gross room revenues includes revenue derived from the redemption of points or rewards under any loyalty program, amounts attributable to breakfast (where the quest room rate includes breakfast), guaranteed no show revenue, early departure fees, late checkout fees, day use

revenue, attrition or cancellation fees collected from unfulfilled reservations for Sleeping Rooms, proceeds from any business interruption insurance, as required by <a href="Section 12">Section 12</a> of this Agreement, and other revenues allocable to rooms revenue under the then-current Uniform System of Accounting for the Lodging Industry or such accounting methods specified by us in the Rules and Regulations. Gross Room Revenues also includes the full market value of any Sleeping Rooms (based on the average daily rate for a comparable room on the applicable night) that is provided at a substantial discount compared to the lowest bookable rate on the applicable night in exchange for other items, goods, services, or other consideration. It does not include sales tax, hotel occupancy tax, or any other taxes or fees that you are legally required to collect on behalf of any state or local government agency. It also does not include revenues from telephone calls, movie rentals, vending machines, room service or food and beverages sales.

- e. "<u>Hotel</u>" means the property located at **«PROP\_ADDR1»**, **«PROP\_ADDR2» «PROP\_CITY»**, **«PROP\_ST» «PROP\_ZIP»** ("<u>Location</u>") and includes the building, land and all improvements, structures, fixtures, amenities, equipment, furniture and related rights, privileges and properties at such Location.
- f. "<u>Hotel Supplies</u>" means all furniture, fixtures, equipment (including, without limitation, computers, printers, telephones and facsimile machines), signs, amenities and other supplies used in the construction, renovation, maintenance and operation of the Hotel.
- g. "<u>Meeting Rooms</u>" means the total number of meeting, conference and/or banquet or similar rooms generally available for rent in the Hotel, subject to change only in accordance with <u>Section 8</u>, below.
- h. "Opening Date" means the date that you begin to rent any portion of the Rentable Rooms under this Agreement with our authorization pursuant to Section 6(s)(5) and as further defined in Section 6(s)(6).
- i. "Other Choice Brand Hotels" means hotels other than the Hotel that are authorized by us to use the Choice Marks, our System, and our Intellectual Property (as defined in <u>Section 7</u>).
- j. "<u>Property Management System</u>" means the then-current version of the automated system that we will license to you on a non-exclusive basis to assist you to operate and manage the Hotel and to capture all data and record all transactions entered into by you and the Hotel in connection with the operation of the Hotel, including all transactions relating to the Rentable Rooms.
  - k. "Rentable Rooms" means the Sleeping Rooms and the Meeting Rooms, collectively.
- I. "Reservation System" means the then-current methods and automated systems that we use (including our call centers and any and all related telecommunications systems, e-commerce tools and techniques, websites or mobile applications, tablet reservation applications, interfaces with global distribution systems (including travel agencies), interfaces with other internet reservations sites (such as online travel agencies), call-forwarding or call-transfer programs and techniques or similar tools or methods used by us as modified from time to time) to take, hold, honor, and report advance reservations that are made in connection with the use of the Rentable Rooms at the Hotel and at the Other Choice Brand Hotels.
- m. "Rules and Regulations" means our then-current brand rules and regulations, as updated and/or modified by us in our discretion from time to time (and any supplements) and brand guidelines (including any manuals or policies that we may make available), which may contain, among other things, our standards and requirements for constructing, equipping, furnishing, supplying, operating, maintaining and marketing the Hotel. The Rules and Regulations shall apply to all hotels operating under the Brand Mark.
- n. "<u>Sleeping Rooms</u>" means the number **«ROOM\_CNT»**, which is and shall be the total number of rentable sleeping rooms in the Hotel, subject to change only in accordance with <u>Section 8</u>, below.

- o. "<u>Substantially Renovated</u>" means the existing building is to be re-constructed on the interior in all areas (public spaces, guestrooms, and bathrooms) down to the concrete or stud walls (or drywall, if in good condition), including replacement of all (or substantially all) floors and ceilings.
- p. "System" means our then-current concepts and methods for providing hotel accommodations with a high standard of service, courtesy and cleanliness using the Choice Marks and any trade secrets and includes our Property Management System and Reservation System, our loyalty program, our business referral, gift card and credit card agreements, this Agreement, the Rules and Regulations, and those identifying brand characteristics as we may from time to time reasonably designate.
- 2. Grant of License. Subject to your compliance with all of your obligations under this Agreement, we grant to you a non-exclusive, limited, revocable license to use (without the right to sublicense) our System and the Brand Mark to operate the Hotel during the Term. You do not have the right to use any of the Choice Marks other than the Brand Mark in connection with the operation of the Hotel, except as expressly authorized by us in writing. We, for ourselves and our affiliates, retain all rights and discretion with respect to the Brand Mark and the System, including, but not limited to, those specified in Section 19(b).
- 3. Term. The term of this Agreement ("Term") begins on the Effective Date and ends on the date that is 20 years after the Opening Date. You have no right or option to renew this Agreement or extend the Term. Both you and we shall have the right to terminate this Agreement, with or without cause, and as a matter of right, on the 10th and 15th anniversaries of the Opening Date. You or we may only exercise such termination right by giving prior written notice to the other party, provided, that you may not exercise your termination right under this Section 3 unless you have paid all fees and charges due under this Agreement (and all related agreements, including any promissory notes or other incentive agreements, and any agreements relating to the use of our System) at the time you give us notice and at the time of the proposed termination. The written notice required by this Section 3 shall be given at least 12 months prior to the date that the proposed termination as a matter of right would be effective. If you elect to terminate this Agreement in accordance with this Section 3, you must continue to remain current on all fees and charges under this Agreement through the date of such termination in order for your termination to be effective. Any termination in accordance with this Section 3 will not be subject to liquidated damages as described in Section 10(d)(2) as long as you are not in default of the Agreement at the time you exercise your option to terminate this Agreement.

# 4. Fees and Reports.

- a. Affiliation Fee. By no later than the date you sign this Agreement, you will pay us an affiliation fee of **«AFFIL\_FEE».00** ("Affiliation Fee"), which is non-refundable except as provided in this Section 4(a). The Affiliation Fee is fully earned upon our receipt, whether or not you open the Hotel. If we do not sign this Agreement for any reason, any monies that you have paid to us towards the Affiliation Fee, less \$5,000, will be refunded to you.
- b. <u>Monthly Fees</u>. Beginning on the Opening Date, you will pay us for each month during the Term each of the following monthly fees (collectively, "Monthly Fees"):
- 1. <u>Royalty Fee</u>. A royalty fee of 6.0% of the preceding month's Gross Room Revenues ("<u>Royalty Fee</u>") in consideration for the license granted to you in <u>Section 2</u>;
- 2. <u>Marketing and Reservation Fee</u>. A marketing and reservation fee of 3.5% of the preceding month's Gross Room Revenues for the ongoing development, maintenance and upgrading of the Reservation System, and for advertising, publicity, public relations, marketing, promotional programs, website maintenance, reservations and other similar services that we will provide to you under this Agreement and for our System as further described in <u>Section 19(h)</u> below, as we determine in our sole discretion (collectively, the "Marketing and Reservation Fee"). The Marketing and Reservation Fee does not constitute payment for the license or right to use any computer software or computer systems, including

but not limited to, the Reservation System, or for the license or right to use the Brand Mark or any other Choice

Intellectual Property. You acknowledge and agree that (i) we may increase the Marketing and Reservation Fee due to cost increases attributable to inflation, increases in the costs of advertising, publicity, public relations or marketing, additional costs of implementing new or improved programs or systems, or increases in our cost of providing the Reservation System or any of the other aspects of our System, so long as the increases apply to all or most of the U.S. hotels that are authorized to use the Brand Mark; (ii) we may assess additional fees and charges for various components of the System and other services (including promotional programs and use of proprietary software) as described in this Agreement and the Rules and Regulations; and (iii) we may advance monies for the purposes described herein in an amount reasonably necessary to ensure the provision of such services whether or not sufficient Marketing and Reservation Fees are then available and subsequently obtain reimbursement of such advances by utilizing future Marketing and Reservation Fees or through the fee increases described above, provided that such increases shall be limited to the amount needed to recover the previous monies advanced; and

- Other Fees and Commissions. Such other fees and commissions described in the Rules
  and Regulations which are reasonably charged by us in connection with the rights and obligations granted
  under this Agreement.
- c. Payments and Reports. Beginning on the Opening Date, within 3 days after the end of each calendar month during the Term, you will send us a statement on a form to be determined by us showing the Gross Room Revenues, occupancy and other related information that we request for the immediately preceding month or, in the alternative, at our election, we will gather the Gross Room Revenues, occupancy and other related information through any automated information reporting systems we establish. In the event we elect to have you send us a statement of the Gross Room Revenues, you will certify that your reports are true and accurate. If we elect to have you send us a statement of the Gross Room Revenues, and you do not send us the required reports on time, we will estimate your Gross Room Revenues for interim billing purposes, and you must pay us a late charge of 1.5% of your previous month's Monthly Fees. If we elect to gather the Gross Room Revenues through our automated reporting systems, and we are unable for whatever reason to obtain an accurate report of the Gross Room Revenues, we will estimate your Gross Room Revenues for interim billing purposes. Interim bills will be considered accurate until we receive any late monthly reports or acquire accurate information through our automated reporting systems, as appropriate. We will bill you for the Monthly Fees (and interest or other penalty, if any) due under this Agreement each month, and you will pay us those amounts by the 25th day of the same month. You agree that timely payment of the Monthly Fees and any other amounts and fees due to us is of the essence for the purposes of this Agreement. You also agree that we may apply payments that you make in any order we determine regardless of any contrary language you may indicate. You agree that you will participate in computerized or automated information reporting programs and make all payments via electronic fund transfer programs that we adopt for use by hotels that are authorized to use our System. If we adopt electronic fund transfers or centralized payment processing programs, you agree to make the necessary arrangements with your bank to participate in such programs and you agree to purchase computer hardware, computer software and related telephone or other network services reasonably required in order to properly participate in these programs. We also have the right to require you to pay all amounts due to us and/or our affiliates by electronic fund transfer, pre-authorized auto-draft arrangement ("EFT"), or such other method as we may specify from time to time.
- d. <u>Hotel Data.</u> You will, in a manner and form satisfactory to us and utilizing accounting and reporting standards as reasonably required by us, prepare on a current basis (and preserve for no less than 7 years), complete and accurate records concerning Gross Room Revenues and all financial, operating, marketing and other data collected by us or a third party on aspects of the Hotel specified by us from time to time ("<u>Hotel Data</u>") and maintain an accounting system which fully and accurately reflects all financial aspects of the Hotel and its business. The Hotel Data includes, but is not limited to, all bank statements, federal tax returns, state tax returns, local occupancy tax returns, daily revenue reports, monthly and annual revenue summary reports, maid logs, guest registration folios, guest complaints, guest satisfaction survey results, any other operating reports or contracts regarding the occupancy of

guest and meeting rooms, and complete annual financial statements (profit and loss statements, balance sheets and cash flow statements). The Hotel Data will be maintained at the Hotel, or, if you notify us in writing, at an alternate location suitable for inspection by us. All Hotel Data must be kept separate and apart from all other data.

Nothing in the foregoing shall limit us from reviewing Hotel Data that is older than 7 years or from recovering amounts owed to us from any period of time.

- e. <u>Financial Statements and Audit</u>. If we request in writing, you will send us copies of the Hotel Data and financial statements certified by you as true and accurate (including a profit and loss statement, balance sheet, cash flow statement, or such other financial data or reports as we may request, in a form satisfactory to us) for the Hotel for the prior fiscal year (or other time period), and you will have the Gross Room Revenues or other monies due hereunder computed and certified as accurate by a certified public accountant. During the Term and for 7 years afterward, we and our authorized representatives will have the right to verify information required under this Agreement by requesting, receiving, inspecting, copying and auditing the Hotel Data and any and all records or documents related to the Hotel Data wherever they may be located. If any inspection or audit discloses a deficiency in any payments due hereunder, you must pay us all deficiencies plus interest at the rate indicated in <u>Section 4(f)</u>, below. If the deficiency in any payment is willful or exceeds 5% of the correct amount, you will also immediately pay to us the entire cost of the inspection and audit, including travel, lodging, meals, salaries, professional fees and other expenses of the inspecting or auditing personnel.
- f. <u>Interest</u>. You will pay us interest on all charges, costs, fees and amounts due under this Agreement but not paid on time at the rate of 1.5% per month, but not more than the maximum interest rate permitted by applicable law.
  - **5. Our Duties**. We will during the Term:
    - a. Rules and Regulations. Make available to you an electronic copy of the Rules and Regulations;
- b. <u>Quality Assurance</u>. Administer quality assurance programs as described in the Rules and Regulations that may include periodic visits to the Hotel (by us or authorized third parties) and/or guest satisfaction surveys and guest reviews to evaluate your compliance with this Agreement and the Rules and Regulations and advise you of any defaults and on changes that you must make <u>at your expense</u> to the Hotel or its operations to comply with this Agreement or the Rules and Regulations;
- c. <u>System Services</u>. (i) Allow you to use the Property Management System and the Reservation System, (ii) provide marketing services, such as national, international and regional advertising, promotional programs, publicity, marketing research, and other related marketing activities, that we reasonably determine are appropriate for the promotion of the Hotel, our System and the Other Choice Brand Hotels; and (iii) periodically make available to the traveling public a directory or other listing of all hotels which are in good standing and that are authorized to use our System, which may be provided in an electronic format, including on the Internet, in our sole discretion. You acknowledge and agree that we may combine the services that we will provide to you in clauses (i), (ii) and (iii), above, with other hotels that are authorized to use the Brand Mark and/or our System, or other hotels that we or our affiliates operate in our sole, but reasonable, discretion, including those associated with any of the Choice Marks. You also acknowledge and agree that we will not be obligated to permit or assist in making reservations for the Hotel for any dates following the scheduled date of expiration or termination of this Agreement, or during any period in which your rights are suspended under Section 10(c) of this Agreement; and
- d. <u>Consultation</u>. Make available to you, at our discretion, additional consultation and services to assist you to construct, renovate, maintain, operate, and/or market the Hotel on the same basis as provided to other hotels that are authorized to use our System under the Brand Mark; we reserve the right to charge you reasonable fees that we may establish in advance or on a project-by-project basis for such consultation and services. Any guidance, recommendations, or advice provided to you during such consultation shall be deemed suggestions only, and the decision to follow any such guidance, recommendations, or advice will be made by you in your sole discretion.

- **6.** Your Duties. Without limitation to anything else in this Agreement, at your expense, you will during the Term:
- a. <u>Compliance with Rules and Regulations</u>. Comply with the requirements of this Agreement and the Rules and Regulations, which you acknowledge we may modify and/or update in our sole discretion from time to time, and not disclose this Agreement or the Rules and Regulations (including any copies of the Rules and Regulations that are no longer the then-current version) to anyone except your authorized employees (or the employees of your management company, if authorized by us), or your attorneys, accountants, or lenders, or on an as-needed basis;
- b. <u>Good Repair; Safe and Secure</u>. Construct, renovate, operate, furnish, maintain and advertise the Hotel according to this Agreement and the Rules and Regulations; undertake all repairs, cleaning, redecoration, repainting, and replacement of obsolete or outdated Hotel Supplies; take such other corrective action as is necessary to maintain the Hotel interior and exterior, including any parking areas and food and beverage facilities, in a clean, sound, and attractive condition and good repair at all times; and operate the Hotel in a safe and secure manner that optimizes public health and safety. You are solely responsible for determining and addressing all safety concerns relating to the condition of the Hotel and surrounding areas;
- c. <u>Ethical Standards</u>; <u>Performance</u>. Establish and maintain a high ethical and moral standard in connection with your operation of the Hotel and not allow or sponsor any activity at the Hotel that could reasonably be determined to negatively impact the Brand Mark, the Choice Marks, our System, the Other Choice Brand Hotels or our business reputation; operate the Hotel in a professional manner that meets or exceeds the generally accepted standards of performance of leading hotel operators in the industry, including any and all communications and interactions with employees and agents of Choice; refrain from disparaging or encouraging others to disparage Choice or its officers, directors, or employees, or otherwise making derogatory comments or statements, orally or in writing, concerning Choice's or its officers', directors', or employees' character or business practices intending to harm Choice's or such individual's goodwill, reputation or standing;
- d. <u>Compliance with Laws; Limited Use.</u> Comply with all local, state, and federal laws, rules, regulations and agency orders, and obtain all required permits and licenses, applicable to you, your employees, or the construction, renovation, operation, maintenance or promotion of the Hotel (including, but not limited to, all labor and employment laws), and not permit the Hotel to be used for any purpose or activity that is unlawful or that is not contemplated by this Agreement or the Rules and Regulations;
- e. <u>Training</u>. Comply with our training requirements by ensuring that you and the Hotel's general manager(s) attend (at the times required by us) our then-current training programs, including our annual national convention for hotels authorized to use the System ("<u>Training Programs</u>") and pay the cost of tuition, living expenses, and travel expenses associated with attendance at the Training Programs by you and the Hotel's general manager(s) <u>and other attendees</u>. You understand and agree that you will be solely responsible for training your employees in the operation of the Hotel;
- f. <u>Signage</u>. Obtain and display prominently at the Hotel our approved interior and exterior signage in compliance with the Rules and Regulations, which may be modified from time to time in our sole discretion, and maintain the signage in a clean and attractive condition, and in good working order at all times. You must procure applicable insurance and must ensure the safe and proper installation of all required signage from our Qualified Vendor or a vendor we have approved;
- g. <u>Property Management and Reservation Systems</u>. Use the Property Management System (and the equipment, networks, software and procedures (including hardware and software refresh requirements) that are described in the Rules and Regulations) to operate and manage the Hotel and in connection with all guest transactions (including all transactions relating to the Rentable Rooms), and use our Reservation System to accept, hold, honor and track all reservations for the Rentable Rooms. You understand and agree that your use of the Property Management System is governed by a separate agreement, as we may modify and/or update from time to time ("<u>ChoiceAdvantage Software Terms of</u>

<u>Use</u>"), which ChoiceAdvantage Software Terms of Use are expressly incorporated herein by reference and made a part of this Agreement, and you agree that you will abide by such ChoiceAdvantage Software Terms of Use and pay all applicable fees described in the Rules and Regulations. You also acknowledge and agree that we and you have ownership rights in the data used or generated by the Property Management System or the Reservation System;

- h. <u>Evaluation</u>. Allow us (or any third party authorized by us) to enter the Hotel at any reasonable time to evaluate your compliance with this Agreement, the Rules and Regulations, and any quality assurance program we administer either directly or through an authorized third party. During such visit, you will assist us (or the authorized third party) in such manner as is required for us (or the authorized third party) to conduct our evaluation and, subject to availability, provide us (or the authorized third party) with one free Sleeping Room for one night. In addition, you agree that we (or the authorized third party) may evaluate your compliance with this Agreement, the Rules and Regulations, and any quality assurance program we administer, remotely and/or through data obtained from guest satisfaction surveys or programs. You agree to take at your expense all steps necessary to correct any deficiencies identified in our evaluation within the time periods that we reasonably specify;
- i. <u>Rate Information</u>. Upon our request, and in the manner and format we specify, send us a written description of your Hotel and its then-current rates so that we may include this information in directories and other listings and information that we periodically make available to the public. If you do not send us changes to the information that you provide to us by the deadlines that we indicate, you will honor the rates and descriptive information on record at the time of the deadlines;
- j. <u>Promotional Programs</u>. Participate in and honor the terms of any loyalty, discount or promotional program and pay all applicable fees or charges associated with such programs (including any room discounts, rewards programs, frequent traveler programs, photographic or virtual tour programs or gift card programs that are applicable to the Hotel or Other Choice Brand Hotels) that we offer to the public on your behalf and any room rate quoted to any guest at the time the guest makes an advance reservation. You agree that you will take all action necessary (including the supply to us of all information and the purchase of any supplies, equipment or services) to participate in any loyalty, discount or promotional programs, and that you will grant to and obtain for us all necessary consents and rights in and to any photographs, video and/or other marketing materials that we may require in order to reasonably undertake such promotional programs on behalf of the Hotel, and/or some or all of the Other Choice Brand Hotels;
- k. <u>Travel Agent Commissions</u>. Promptly pay all travel agent commissions and global <u>or other</u> distribution system charges due from you in connection with the Hotel whether payable by you directly or collected by us on behalf of others, and abide by the Rules and Regulations related to travel agent and global distribution system procedures;
- I. <u>System Referrals</u>. Use your best efforts to maximize and increase the business of the Hotel, and if you are unable to accommodate a potential guest, refer the guest to Other Choice Brand Hotels that are near to the Hotel, if any;
- m. <u>ADA Certification</u>. Ensure that the Hotel complies with the requirements of the Americans with Disabilities Act ("<u>ADA</u>"). Prior to the Opening Date, you will provide to us a certification from your architect, your general contractor, a consulting architect or you, on a form satisfactory to us, <u>certifying</u> that the Hotel is in compliance with all applicable provisions of the ADA. The Hotel may not open, use the Brand Mark or our System until this certification is properly completed and delivered to us;
- n. <u>Franchise Association</u>. Join and maintain membership in a franchise association<u>or body</u> designated by us for hotels that are authorized to use the Brand Mark<u>or other designated Choice Marks</u> ("<u>Franchise Association</u>"), and pay monthly Franchise Association dues to us (or our designee) in an amount we reasonably require. You acknowledge and agree that the purpose of any Franchise Association created, sponsored, or endorsed by us will be to, among other things, <u>but without limitation</u>: affect a high-level relationship among all franchisees, and between individual franchisees and us, for the

purpose of mutual advantage and cooperation; improve and encourage a high performance level and cooperative action among all franchisees; advance new ideas, discuss System-wide issues and focus attention on various matters as they relate to a significant number of franchisees; encourage an exchange of operational and promotional ideas; and make appropriate recommendations to us to assure that our plans and policies enhance our mutual interests. However, you acknowledge and agree that we are not required to obtain the consent of any Franchise Association on these or any other matters and that the function of the Franchise Association is advisory only and not binding on us or others;

- o. <u>Renovations</u>. Undertake, at our written request, <u>and at your sole expense</u>, remodeling, renovations, and modifications to existing improvements, necessary to modernize and conform the Hotel to the Rules and Regulations or other requirements of our System ("<u>Renovations</u>") and sign a property improvement plan or other writing that we prepare to document your obligation to complete such Renovations. Within 90 days after receipt of our written request that your Hotel undergo Renovations, you will submit to us for our review and approval, complete and professional drawings and plans for such Renovations before beginning any work to complete the Renovations. You will complete the required Renovations within the time reasonably specified by us in our written request. You acknowledge and agree that the obligations described in this <u>Section 6(o)</u> are in addition to your ongoing obligations to comply with Section 6(b) and Section 6(d);
- p. Identifying Information. Send us, before the Opening Date (and any time there is a change in any of the information), the following, as appropriate: (i) the legal name and business type (corporation, limited liability company, limited partnership, etc.) of the Hotel's operating entity; (ii) its federal TIN (taxpayer identifying number); (iii) its state income tax account number(s); (iv) its state payroll tax (withholding and unemployment tax) account number(s); (v) its state sales tax and occupancy tax account number(s);  $\frac{1}{2}$  and  $\frac{1}{2}$  and  $\frac{1}{2}$  and  $\frac{1}{2}$  its local (county and city) occupancy tax account number(s);  $\frac{1}{2}$  and  $\frac{1}{2}$  and  $\frac{1}{2}$  its local (county and city) occupancy tax account number(s);  $\frac{1}{2}$  and  $\frac{1}{2}$  its local (request;
- q. <u>Guest Complaints</u>. Participate in, and pay all charges in connection with, all required guest complaint resolution programs and ratings and review policies, which we may modify from time to time, as specified in the Rules and Regulations;
- r. <u>Construction and Substantial Renovation Related Duties</u>. If the Hotel has yet to be constructed or if the Hotel is to be Substantially Renovated:
- 1. <u>Site Control</u>. Obtain ownership or control over the Hotel within **9 months** after the Effective Date, and provide us by or before that deadline a site plan and such evidence of site control as we may reasonably request, including, but not limited to, a fully executed purchase and sale agreement or deed of trust (or warranty deed) or, if the Hotel is to be leased, an executed lease agreement giving you possession for the entire Term;
- 2. Architectural and Design Plans. Ensure that your Preliminary Plans (as defined below) for the Hotel satisfy the Rules and Regulations and the then-current prototype design specifications for hotels that are authorized to use the Brand Mark and provide a copy of your Preliminary Plans to us for our review and approval at least 6 months before the Construction Start Deadline (as defined below). "Preliminary Plans" means drawings and design plans that, in accordance with the American Institute of Architects best practices, provide clear direction regarding the design intent for the size and character of the entire project, including the following preliminary drawings: civil plans; architectural floor and roof plans; concept building sections and elevations; conceptual structural, mechanical, electrical, and plumbing plans; unique conditions that are site specific; room type matrix and gross square footage of each guest room; estimations of area tabulation, construction type for budget, and cost estimation. You will provide to us final working drawings and final architectural designs for the Hotel to us for our review and approval at least 3 months before the Construction Start Deadline ("Final Plans"). We agree to provide you with written notice of our review and determination of the Final Plans within 30 calendar days after the date we have received the Final Plans and agree that if we fail to provide you notice in accordance with this Section 6(r)(2), the Final Plans are deemed to be approved by us. If Construction Start does not commence by the Construction Start Deadline, then we have the right to require you to resubmit Final Plans for approval prior

#### to Construction Start:

- 3. <u>Construction Start Timing and Extensions</u>. Cause Construction Start to occur within **18 months** after the Effective Date (the "<u>Construction Start Deadline</u>"), and within 5 days after Construction Start, inform us in writing that Construction Start has occurred and provide us with such evidence as we may reasonably request by or before that deadline. If you do not cause Construction Start to occur by the Construction Start Deadline, you may request, prior to the Construction Start Deadline, an additional 3 months for Construction Start. We are not obligated to extend the Construction Start Deadline. If we agree to extend the time for Construction Start beyond the original Construction Start Deadline, <u>we may condition the same on any terms we determine, and you will pay us an extension fee of \$5,000 for each 3-month extension that we grant to you;</u>
- 4. <u>Completion</u>. Continue Hotel construction (or renovation) in accordance with the Preliminary and Final Plans, after Construction Start, without unreasonable interruption, until the Hotel is ready for our inspection. You must complete Hotel construction (or renovation), including furnishing, equipping, and preparing for opening, by the Opening Deadline (as defined in <u>Section 6(s)(6)</u>); and
- 5. <u>Progress Reports</u>. Send us, when we request during construction (or renovation), reports showing the progress made toward completing Hotel construction (or renovation).
  - s. Opening. Prior to the Opening Date:
- 1. <u>Use of Brand Mark</u>. Use the Brand Mark only as permitted in <u>Section 7(c)</u> of this Agreement;
- 2. <u>Cooperation/Inspection</u>. Cooperate with us, and require your architect, engineer, contractors and subcontractors to cooperate with us, and allow us to inspect the Location and the Hotel to determine whether construction (or renovation) satisfies the Rules and Regulations, the then-current prototype design specifications for hotels that are authorized to use the Brand Mark, and the Preliminary and Final Plans and/or the property improvement plan set forth in Attachment A (if applicable);
- 3. <u>Hotel Supplies</u>. Order, purchase and/or lease and install all Hotel Supplies, related equipment, supplies and other required items to operate the Hotel;
- 4. <u>Advertising</u>. Advertise the Hotel locally, at your expense and in a manner meeting our specifications; and
- 5. Opening Authorization. Notify us in writing at least 30 days before the Opening Date so that we can inspect, and if we reasonably determine it to be appropriate, authorize you to begin operating the Hotel under the Brand Mark and this Agreement. You will not begin operation of the Hotel using the Brand Mark or our System until you have received our specific written authorization to do so; and
- 6. <u>Opening Deadline</u>. Ensure that the Opening Date occurs within **12 months** after the Construction Start Deadline (if the Hotel has yet to be constructed or if the Hotel is to be Substantially Renovated), or the BES Deadline (if set forth in Attachment A) ("<u>Opening Deadline</u>");
- t. <u>Sources of Products and Services</u>. Ensure that all products and services sold or offered for sale at the Hotel, and other products, materials, supplies, paper goods, fixtures, furnishings and equipment used at the Hotel, meet our standards and specifications. You must also purchase all products and services that we designate in the Rules and Regulations solely from suppliers (including manufacturers, distributors and other sources) approved by us (collectively, "Qualified Vendors"), which demonstrate, to our continuing reasonable satisfaction, the ability to meet our standards and specifications, who possess adequate quality controls and capacity to supply your needs promptly and reliably, and who have been approved by us in writing. We reserve the right to require you to purchase any or all approved products or services solely from us or our designated affiliate, and who may profit from such purchases. We also reserve the right to receive a rebate or other benefit from Qualified Vendors

based on purchases by you and other franchisees. If you desire to purchase designated products or services from a party other than a Qualified Vendor, you must submit to us a written request to approve the proposed supplier, together with such information as we may reasonably require. Among the criteria that we consider is the financial stability of the supplier, whether the product or service meets our standards and specifications, and whether the product or service is of use to our franchisees. Our complete written criteria are available for review upon your request. Where applicable, the proposed supplier must submit product samples and specifications to us. We will use our best efforts to notify the proposed supplier within 90 days after we receive all required information and samples, although a longer period may be required for certain products or services due to their cost or importance to the brand or their financial impact on our franchisees. We may revoke our approval of particular products or Qualified Vendors when we determine, in our sole discretion, that such products or suppliers no longer meet our standards or specifications. By entering into this Agreement, you consent to Choice sharing your contact information with Qualified Vendors who provide services to franchisees under the Brand Mark. If such contact information is deemed "personal information" under state or federal law, and you do not want us to share this information, you agree to contact us.

u. <u>Confidential Information</u>. Maintain the absolute confidentiality of the Confidential Information (as defined below) during and after the term of this Agreement. You agree that you: (i) will not use the Confidential Information in any capacity or business or purpose other than what is explicitly authorized under the terms of this Agreement; (ii) will not make unauthorized copies of any Confidential Information disclosed in written form <u>or enter Confidential Information into artificial intelligence tools</u>; and (iii) will adopt and implement all reasonable procedures we direct to prevent unauthorized use or disclosure of the Confidential Information. You shall divulge such Confidential Information only to such of your employees, attorneys, accountants, agents, lenders, or prospective purchasers of the Hotel as must have access to it in order to operate, loan money in connection with, or purchase the Hotel. "<u>Confidential Information</u>" includes the methods, techniques, formats, marketing and promotional techniques and procedures, specifications, information, Rules and Regulations, systems, costs and financial information that we communicate to you or that you otherwise acquire in operating the Hotel under the System. Confidential Information does not include information, processes or techniques that are generally known to the public, other than through disclosure (whether deliberate or inadvertent) by you.

#### 7. Intellectual Property.

- a. No Ownership Rights. You acknowledge and agree that except as expressly permitted by this Agreement or any ChoiceAdvantage Software Terms of Use, you do not have any right, title or interest in and to the Brand Mark or the Choice Marks, Rules and Regulations, System, our then current concept and method for providing hotel accommodations using any of the Choice Marks, Property Management System, Reservation System, trade secrets or business methods (collectively, "Intellectual Property") and you will not contest our rights in and to such Intellectual Property or to current or future derivations of or improvements made to the Intellectual Property, nor our right to register our rights in the Intellectual Property or to grant to others the right to use the Intellectual Property or any other intellectual property that we own. You understand that the Intellectual Property will remain our property, and that your use of any portion of the Intellectual Property inures to our benefit. You also agree that you will not sub-license the Intellectual Property rights we have granted to you under this Agreement, to any other person or entity, and you will not use such Intellectual Property for any purpose other than in connection with the Hotel in accordance with the terms of this Agreement. You agree to assign and you do hereby assign any and all rights you or any other party working on your behalf may have or develop in the Intellectual Property at no cost to us. You acknowledge and agree that all rights to our Intellectual Property that have not been granted to you in this Agreement will remain ours.
- b. <u>Limited Use; Web Sites</u>. You acknowledge and agree that you will not include the Brand Mark (or any other Choice Marks), any words that constitute a portion of the Brand Mark (or any other Choice Marks), words that describe the Brand Mark (or any other Choice Marks), any portion of the names of our Property Management System or Reservation System, or anything confusingly similar to these marks or words ("<u>Choice-Related Words</u>") in your name or the name of any of your affiliates, whether a partnership, corporation, limited liability company, joint venture or any other type of business organization, or as (or

incorporated in) the name and/or design of any other building, business or business activity. You will not establish, or operate a previously established, web site on the internet (or on any other network, wireless or otherwise) using any domain name (or other identifying characteristics) that contains any of the Choice-Related Words, or any other portion of our Intellectual Property or anything similar to our Intellectual Property or which does not comply with our then-current domain name policy or our property website or mobile guidelines, internet distribution policy, or such similar policies or regulations adopted by us from time to time and made available to you. You acknowledge and agree that the restrictions on your use of the Choice-Related Words will survive the expiration or earlier termination of this Agreement and that we retain the right to pre-approve your use of linking and framing between your internet (or other network) web pages and all other web sites. We have the right to determine and condition the content and use of online or electronic media associated with any of the Choice Marks. You may not participate in any website or other electronic media (including social media) that markets goods and services under the Choice Marks unless it is first approved in writing by us.

- c. <u>Limited Use of Brand Mark</u>. After the Effective Date but before the Opening Date, you may make the following limited use of the Brand Mark:
- 1. <u>Temporary Signs</u>. No earlier than 90 days prior to the Opening Date, use the Brand Mark on a temporary sign, meeting our standards, at the Location advising the general public that a hotel authorized to use the Brand Mark is under construction;
- 2. <u>Local Media</u>. No earlier than 90 days prior to the Opening Date, use the Brand Mark to promote the Hotel construction and opening in the local media;
- 3. <u>Supplies</u>. No earlier than 90 days prior to the Opening Date, purchase operating supplies and equipment bearing the Brand Mark required for Hotel operation; and
- 4. <u>Permanent Signs</u>. No earlier than 30 days before the Opening Date and only with our written consent, install permanent Hotel signs meeting our standards bearing the Brand Mark and the designated logo.
- d. <u>Permitted Registration</u>. If you are required by law to register any of our Intellectual Property, your registration application must specify that you will use our Intellectual Property: (i) only at the Hotel and in advertising for the Hotel; (ii) only during the Term; and (iii) without claiming any rights in and to the Intellectual Property during or after the Term.
- e. Notice of Suit; Injunctive Relief; Survival. You will promptly notify us of any suit filed or demand or claim made against you challenging the validity of our Intellectual Property ("IP Claim"). Following the receipt of such notice from you and using our attorneys, we agree to defend you against any IP Claim, and to defend and indemnify you against your loss, cost or expense related to such IP Claim, except where such IP Claim arose because you used our Intellectual Property in violation of our domain name policy, property website guidelines, internet distribution policy, this Agreement, the ChoiceAdvantage Software Terms of Use, or the Rules and Regulations. You will not settle or compromise any IP Claim without our prior written consent, and you agree to cooperate with us in defending against any such IP Claim. In connection with such IP Claim, you acknowledge and agree that if at any time during the Term you do not immediately discontinue the use of our Intellectual Property (including the Brand Mark) or the Choice-Related Words following our notice to you to discontinue such use, we will seek injunctive and equitable relief for your infringement (or use of the Choice-Related Words) and, in that event, you waive, to the maximum extent permitted by law, any requirement for any bond for the issuance of any injunction, and if a bond is required, you agree that it will not exceed \$1,000. The provisions of this Section 7 will survive the expiration or earlier termination of this Agreement.
- f. <u>Changes to Brand Mark</u>. You agree and acknowledge that we have the right, in our sole discretion, to modify, add to, or discontinue use of the Brand Mark, or to substitute different proprietary marks, for use in identifying the System and/or the Hotel. You shall promptly comply with such changes, revisions and/or substitutions, and bear all the costs of modifying your interior and exterior signage,

advertising materials, interior graphics and any other items which bear the Brand Mark to conform therewith.

**8.** Change in Sleeping Room Count. You may change the Sleeping Rooms by 5% or less by constructing additional (or removing) Sleeping Rooms, but only after providing prior written notice to us. If you wish to change the Sleeping Rooms by more than 5% by constructing additional (or removing) Sleeping Rooms or if you wish to make substantial alterations to the Hotel, you may not do so without our prior written consent, which may be conditioned on, among other things, our inspection of the Hotel and the applicable rooms. If we consent to your expansion of the Hotel or to substantial alterations to the Hotel, you must send us your construction plans and pay us an expansion fee for each addition to the number of Sleeping Rooms equal to the then-current per-room charge for hotels that are permitted to use the Brand Mark, but the expansion fee will be not less than \$1,000. We will add any additional Sleeping Rooms or Meeting Rooms that you construct to the Rentable Rooms (or delete any Sleeping Rooms or Meeting Rooms that you remove from the Rentable Rooms), and you will include revenues from the additional Sleeping Rooms and any additional Meeting Rooms to calculate the Gross Room Revenues for determining the Monthly Fees due under this Agreement.

#### 9. Assignment.

- a. <u>Our Assignment</u>. We may sell or assign all or part of our rights or obligations under this Agreement to any person or legal entity without having to provide prior notice to you or seek your prior consent. Any such sale or assignment will inure to the benefit of any assignee or other successor.
- b. Your Assignment. Your rights and duties under this Agreement are personal to you. We entered into this Agreement and granted the rights outlined in this Agreement to you in reliance on the business skill, financial capacity and personal character of you and your principal owners. You may not sell, assign, transfer, lease, or otherwise encumber any direct or indirect interest that you have in the Hotel, in you, or in any rights or obligations under this Agreement without giving us at least 15 days prior written notice and obtaining our prior written consent, which will not be unreasonably withheld or delayed. Furthermore, if a Controlling Interest (as defined in Section 9(d)) of the originally approved ownership of the Hotel is being transferred or if you are conveying the Hotel or 50% or more of the undivided interest in the Hotel, you and the transferee must comply with all reasonable conditions we require before we will approve of such transfer, including, but not limited to, (i) the transferee signing our then-current form of the franchise agreement for hotels that are authorized to use the Brand Mark, (ii) the transferee signing a property improvement plan or other writing that we prepare to document the transferee's obligations to complete required Renovations (as defined in Section 6(o)), (iii) all of transferee's owners signing our then-current form of personal guaranty agreement; and (iv) payment of a re-licensing fee equal to the then-current affiliation fee we charge for new franchisees authorized to use the Brand Mark. We reserve the right to withhold our consent to any transfer if the Hotel fails to comply with our then-current brand image and standards or the transferee fails to demonstrate to our satisfaction that it meets our educational, managerial and business standards, possesses a good moral character, business reputation and credit rating, has the experience, aptitude and ability to operate the Hotel, and has adequate financial resources and capital to operate the Hotel. So long as you promptly provide us with written notice, our consent is not required for the following: (1) a mortgage, deed of trust or other encumbrance, pledge or other grant of security interest in any direct or indirect interests in you or the Hotel to an unrelated and unaffiliated third party lender erwho is in the business of commercial lending or unrelated and unaffiliated bona fide third party preferred equity provider; or (2) the sale, assignment or transfer by you of securities in a publicly-traded corporation or entity that individually, or in the aggregate with other sales or transfers by you, constitute the sale or transfer of less than 5% of the outstanding capital stock or other equity interests in you or the Hotel. If you assign or transfer the Hotel or any rights granted to you or your obligations under this Agreement without our written consent, you breach this Agreement and we may terminate this Agreement pursuant to Section 10(b)(2)(d).
- c. <u>Transfer due to Death or Mental Incompetence; Transfer to Close Family Member</u>. If you, or any natural person with an ownership interest in you, dies or becomes mentally incompetent, the executor, administrator, or personal representative of that person must transfer that person's ownership interest in

you or the Hotel (within 12 months after death or determination of mental incompetence) in accordance with Section 9(b) to one or more of the remaining persons in your entity (if applicable) or to heirs of the deceased person that we approve. If you wish to transfer your ownership interest in the Hotel to a Close Family Member that Close Family Member must demonstrate to us that he or she has both the financial ability and experience necessary to operate the Hotel as required by Section 9(b) before we will approve a transfer. For purposes of this Agreement, "Close Family Member" shall mean your adult spouse, parent, child, sibling, grandchild, or grandparent. No additional fees will be payable for any transfers of an ownership interest in the Hotel due to death or determination of mental incompetence. However, if you wish to transfer your ownership interest in the Hotel to a Close Family Member, an application fee (not to exceed \$7,500) will be due to us, which will be fully refundable if we do not approve the transfer. Our approval(s) under this Section 9(c) will not be unreasonably withheld or delayed.

d. <u>Controlling Interest</u>. For purposes of this Agreement, "<u>Controlling Interest</u>" includes your interest if you are an individual and you own 50% or more ownership interest in the Hotel, any general partner's interest in a partnership entity, 50% or more of the voting stock of a corporate entity, 50% or more of the ownership interests in a limited liability company, or a 50% or more undivided interest in the Hotel.

## 10. Default and Termination.

a. <u>Termination By You.</u> If we default in our material obligations under this Agreement, you may terminate this Agreement only if you first give us written notice of the defaults and of your intention to terminate this Agreement and we have not cured those defaults within 60 days after receiving your written notice. With regard to any defaults which are not reasonably capable of being cured within 60 days, the cure period shall be extended for a reasonable additional period of time provided that we have promptly commenced to cure or cause to be cured such default, and thereafter we diligently pursue our efforts in that regard.

## b. Termination By Us.

- 1. <u>Termination with Notice and Opportunity to Cure</u>. If you default in your material obligations under this Agreement, we may terminate this Agreement, effective on the date stated in our notice (or the earliest date permitted by applicable law) as follows:
- (a) <u>Non-Payment of Fees</u>. If you do not pay us the Monthly Fees or any other fees, charges and amounts due under this Agreement (including travel agent commissions and global distribution system fees) or file required monthly reports of Gross Room Revenues, within 10 days of our written notice of default to you; or
- (b) Other Breach. If you do not cure fully any other breach of your obligations or warranties under this Agreement, or any other agreement between you and us or our affiliates, within 30 days of our written notice of default to you (or such longer period we designate in our sole discretion).
- (c) <u>Cure Periods.</u> You acknowledge and agree that we may, in our sole discretion, extend the time period for you to cure any default but are under no obligation to do so, and any such extension shall not constitute a waiver of the cure periods set forth in this Agreement.
- 2. <u>Immediate Termination Effective on Notice</u>. Upon written notice to you, we may terminate this Agreement immediately, without giving you an opportunity to cure the default, if:
- (a) <u>Imminent Threat</u>. There is an imminent threat or danger to public health or the safety of persons or property resulting from the construction, renovation, maintenance, or operation of your Hotel;
- (b) <u>Abandonment; Loss of Possession; Failure to Open</u>. Subject to <u>Section 14</u> of this Agreement, you stop operating the Hotel using the Brand Mark or according to the requirements of our

System or this Agreement for any period of time, you abandon the Hotel or you attempt to abandon or cease to operate the Hotel, you temporarily or permanently lose the right to possess the Hotel (including, without limitation, due to the appointment of a receiver or an event of condemnation), you lose the right to operate the Hotel, you fail to open the Hotel using the Brand Mark or in accordance with this Agreement, or you lose the right to transact business in the jurisdiction in which the Hotel is located;

- (c) <u>Criminal Behavior</u>. You (or a beneficial owner of you) are charged with or plead guilty to a felony, a fraud, a crime <u>or offense</u> involving moral turpitude or any other crime or offense that we reasonably believe is likely to have an adverse effect on the Brand Mark, the Choice Marks, our System, the Other Choice Brand Hotels, our business, our goodwill, our Intellectual Property, or our interest in this Agreement or any other instrument or agreement that we may have entered with you;
- (d) <u>Transfer</u>. You (or a beneficial owner of you) transfer or purport to transfer any rights or obligations under this Agreement, any Controlling Interest in you, your interest in the Hotel, or a Controlling Interest in the Hotel without our prior written consent, except as otherwise permitted under <u>Section 9(b) or 9(c)</u> hereof or you enter into any agreement to sell, or sell, or purport or attempt to sell the real property upon which the Hotel is situated;
- (e) <u>False Records</u>. You maintain false books or records, send us false reports, or make any materially false statement in your franchise application or any other document you are required to submit to us;
- (f) <u>Bankruptcy</u>. You file a petition in bankruptcy, become insolvent, make a general assignment for the benefit of creditors, or are unable to pay your debts to creditors on a timely basis;
- (g) <u>Insurance</u>. You do not buy, maintain or send us evidence of insurance as required by this Agreement, or if we opt to procure, on your behalf, insurance required by this Agreement and you fail to reimburse us as we require under <u>Section 12(f)</u>;
- (h) <u>Multiple Defaults</u>. We send you 2 or more written notices of default under this Agreement for the same or a similar cause or reason in any consecutive 12 month period during the Term, whether or not cured;
- (i) <u>Construction</u>. You do not (i) begin construction or renovation of the Hotel on or before the date required by <u>Section 6(r)(3)</u> of this Agreement, (ii) submit Preliminary and Final Plans to us for our approval prior to the Construction Start Deadline, and in accordance with <u>Section 6(r)(2)</u>, or (iii) once begun, continue, without unreasonable interruptions, the construction or renovation of the Hotel;
- (j) Opening Deadline. You fail to open the Hotel by the Opening Deadline in accordance with Section 6(s)(6);
- (k) <u>Property Improvement Deadline</u>. You fail to complete required improvements and/or repairs to upgrade the Hotel by the deadline(s) set forth in a property improvement plan;
- (I) <u>Goodwill</u>. You engage in conduct that impairs the image, identity, value or goodwill associated with the Brand Mark (or any other Choice Marks) or the System;
- (m) <u>Confidential Information</u>. You make a material unauthorized disclosure of Confidential Information; or
- (n) Other Agreements. You or your affiliate (or a beneficial owner of you or your affiliate) materially breaches any other instrument or agreement with us or our affiliates, or any mortgage, deed of trust or lease covering the Hotel, unless cured within any applicable notice or grace periods contained in such document.
  - c. Suspension of Franchise Rights. If you breach any material obligation required by this

Agreement or are in default hereunder, we may, after 10 days from our written notice of default (or longer time required by law) for financial defaults, or after 30 days from our written notice of default (or longer time required by law) for non-financial defaults, or immediately in the case of a breach under Section 10(b)(2), above: (i) suspend any or all services that we (or our authorized representative) provide to you in connection with our System including your access to our Central Reservations System; or (ii) suspend your right to use our Intellectual Property. In addition, while the default remains uncured, you will have no rights under the Fair Franchising Policy (as defined in Section 19(b)). In our sole discretion, we may reinstate the suspended System services or the right to use our Intellectual Property if you cure your default before this Agreement terminates and pay us the then-current reinstatement fee (as established in the Rules and Regulations). If we suspend System services or your right to use our Intellectual Property, we may use other remedies, including termination of this Agreement, after the appropriate time to cure, if any, has lapsed.

#### d. Our Remedies.

- 1. <u>No System Services</u>. If this Agreement expires or is terminated, we will cease to provide you with any services in connection with our System, which will include removal of the Hotel from any directories, websites, and other distribution channels, cessation of promotion programs and advertising, and cessation of your right to use our Intellectual Property. In addition, we may notify guests holding reservations that the Hotel is no longer authorized to use the Brand Mark, use our Intellectual Property or receive services in connection with our System, and we may relocate such guests upon their request.
- 2. <u>Liquidated Damages Post-Opening Termination</u>. If we terminate this Agreement pursuant to <u>Section 10(b)</u>, or <u>if</u> you <u>terminate or</u> purport to terminate this Agreement, or <u>if you</u> cease operations of the Hotel for any reason, except pursuant to <u>Section 3</u> or <u>Section 10(a)</u>, after the Opening Date, you will pay us, within 30 days after termination, as liquidated damages <u>for unrealized Royalty Fees</u> and not as a penalty for the premature termination of this Agreement, an amount equal to the product of (i) the average monthly Gross Room Revenues during the prior 12 full calendar months (or such shorter time that the Hotel has been open), multiplied by (ii) the maximum Royalty Fee payable under <u>Section 4(b)(1)</u>, multiplied by-
- the number of months (including partial months, which will be prorated) between the date of termination and the next date that you could have terminated this Agreement under <u>Section 3</u>, not to exceed 36 months. However, the product of (i) multiplied by (ii) will not be less than the product of \$85.00 multiplied by the number of contractually approved Sleeping Rooms.
- 3. <u>Liquidated Damages Pre-Opening Termination</u>. If we terminate this Agreement pursuant to <u>Section 10(b)</u>, or <u>if you terminate or purport</u> to terminate this Agreement for any reason, except pursuant to <u>Section 3</u> or <u>Section 10(a)</u>, prior to the Hotel opening with our authorization pursuant to Section <u>6(s)(5)</u>, you will pay us, within 30 days after the termination, as liquidated damages <u>for unrealized Royalty Fees</u> and not as a penalty for the premature termination of this Agreement, an amount equal to the product of (i) the number of contractually approved Sleeping Rooms, multiplied by (ii) \$85.00, multiplied by (iii) 36 months.
- 4. Reasonable Estimate. You acknowledge and agree that the injury to us caused by your breach of this Agreement and its termination is difficult or impossible to accurately estimate, and that the methods of calculating liquidated damages in Sections 10(d)(2), 10(d)(3), and 11(a) are reasonable estimates of our probable loss of our Royalty Fees resulting from your breach of this Agreement and its termination. Payment of liquidated damages by you does not affect your obligation to pay us all Monthly Fees and other fees and amounts due to us that accrued before the termination of this Agreement nor does it affect your continuing indemnification obligations pursuant to Section 13 of this Agreement. Any other losses or damages caused by the early termination of this Agreement are subject to any other remedy available under law, in equity, or under the terms of this Agreement.
- e. <u>Evidence of Breach</u>. If the validity of the termination of this Agreement is disputed, we may introduce evidence of a breach of this Agreement or evidence of any claim associated with the Hotel, including any facilities that are managed by others at the Hotel, whether or not stated in the default or

termination notice.

- **11.** <u>Obligations on Termination</u>. On termination or expiration of this Agreement for any reason, you must, at your expense:
- a. <u>Intellectual Property</u>. Immediately discontinue all use of our Intellectual Property, refrain from using the Brand Mark to identify the Hotel and cease to use the Choice-Related Words. If you do not immediately discontinue use of our Intellectual Property (including the Brand Mark) or use of the Choice-Related Words following the expiration or termination of this Agreement, you will pay us, as liquidated damages and not as a penalty, the sum of \$2,500 for each day following the expiration or termination of this Agreement that you continue to use our Intellectual Property (including the Brand Mark) or the Choice-Related Words, and we will have the right to seek injunctive and equitable relief for your infringement (or use of the Choice-Related Words) and, in that event, you waive, to the maximum extent permitted by law, any requirement for any bond for the issuance of any injunction, and if a bond is required, you agree that it will not exceed \$1,000;
- b. <u>Registration</u>. Cancel any assumed name or similar registration containing our Intellectual Property (including the Brand Mark) or any variation or portion of our Intellectual Property (including the Brand Mark) or the Choice-Related Words, discontinue all use of any web sites or other electronic media (including social media) that markets goods and services under the Choice Marks and furnish us with reasonable evidence showing that you complied with these obligations within 30 days after termination or expiration of this Agreement;
- c. <u>Payment</u>. Promptly pay all sums owed to us and our subsidiaries or affiliates, and all damages, costs, and expenses, including reasonable attorneys' fees, that we incur, either before or following the <u>expiration or</u> termination of this Agreement, as a result of your default, including all outstanding Monthly Fees, any liquidated damages due under this Agreement, and any costs and expenses we incur to obtain injunctive relief <u>or other remedies</u> for the enforcement of any portion of this Agreement; and
- d. <u>Return or Destroy Materials</u>. Immediately return to us, or at our option, destroy all originals and copies of any materials that we have provided to you relating to our System and your operation of the Hotel, including all copies of any manuals, the Rules and Regulations and any data stored in or generated by our Property Management System and Reservation System. Except for your copy of this Agreement and other documents that you reasonably need to comply with applicable laws, you may not retain any material that we provided to you during the Term.

#### 12. Insurance.

- a. <u>Pre-Opening Coverage</u>. You must purchase by Construction Start and maintain until the Opening Date, at your expense, directly or through your general contractor, the types and amounts of insurance coverage as we may require in the Rules and Regulations or otherwise in writing, including, but not limited to:
- 1. General Liability. Commercial General Liability Insurance (including automobile liability, bodily injury and property damage) protecting you and naming us and our affiliates and subsidiaries, our and their respective officers, directors, agents and employees as Additional Insureds (as defined in Section 12(c)) from and against all types of liabilities, including personal injury and property damage, together with the costs of defense and/or adjustments arising out of the operations to construct or renovate the Hotel. The insurance must include coverage for contractual liability, explosion, collapse and underground property damage hazard liability, personal injury liability, products and completed operations liability, owner's and contractor's protective liability, and independent contractor's liability and must be accompanied by waivers of subrogation in our favor and the favor of our affiliates and subsidiaries, the officers, directors, agents and employers of us, our affiliates and subsidiaries.
  - 2. <u>Builder's Risk</u>. All-risk builder's risk coverage to insure the Hotel buildings under

construction or renovation to 100% of their replacement cost value, protecting you, us and the Additional Insureds, and a workers' compensation policy as required by statute.

- b. <u>Post-Opening Coverage</u>. Beginning no later than the Opening Date and for the rest of the Term, you must purchase and maintain, at your expense, the types and amounts of insurance coverage as we may require in the Rules and Regulations or otherwise in writing, including, but not limited to:
- 1. Physical Damage Coverage. All-risk physical damage coverage, insuring the Hotel and its contents for its full replacement cost. If the Hotel is damaged or destroyed, and unless a mortgagee requires otherwise, the proceeds of any insurance will be used to repair or restore the Hotel in accordance with your plans that we approve. Your insurance must contain a waiver of subrogation in our favor and the favor of our affiliates and subsidiaries, the officers, directors, agents and employees of us, our affiliates and subsidiaries.
- 2. General Liability; Automobile. Commercial Automobile and Commercial General Liability Insurance policies written on an occurrence form protecting you and the Additional Insureds (as defined in Section 12(c)) from and against all manner of liability. The coverage described in the preceding sentence is primary to any coverage that we maintain and must include Contractual, Products and Completed Operations, Independent Contractors, Personal Injury, Property Damage, Bodily Injury and Host Liquor Liability coverage (if applicable), together with the costs and expenses of the defense and/or adjustment of injury or damage, without exception, from or in any way related to any operation or activity conducted under this Agreement and/or of the Hotel, including adjacent areas like swimming pools, parking lots, restaurants, and bars. Your Automobile Liability Policy must cover owned, hired and non-owned vehicles used in the operation of the Hotel. The policies described in this Section 12(b)(2) must cover lawsuits or actions brought anywhere in the world. These policies must provide limits per location and per occurrence as required in the Rules and Regulations and must be accompanied by a waiver of subrogation in favor of the Additional Insureds. You may meet the required total minimum limits through a combination of primary and umbrella policies. If alcoholic beverages are sold at the Hotel (whether or not you own the establishment that sells the alcohol), you must purchase and maintain Dram Shop/Liquor Liability Insurance with such limits as required in the Rules and Regulations.
- 3. <u>Workers' Compensation</u>. Statutory Workers Compensation and Employers Liability insurance with minimum Employers Liability limits per accident and per disease as required in the Rules and Regulations.
- 4. <u>Business Interruption</u>. Business interruption insurance which shall provide for coverage of a minimum of three (3) months in the event the Hotel is not operational at any time during the Term. Your business interruption insurance policy must name us as a specific loss payee.
- 5. <u>Cyber Liability</u>. Cyber Liability insurance providing minimum coverage as required by the Rules and Regulations.
- 6. Other Insurance. Pollution Legal Liability insurance covering bodily injury, property damage, cleanup costs and defense costs arising from, or associated with, a pollution condition at a covered location. In addition, Employment Practices Liability insurance, including coverage for third-party violation claims and prior acts.
- c. <u>Additional Insured Requirement</u>. You must also obtain and attach an endorsement for all commercial automobile, commercial general and umbrella policies used to meet the requirements in <u>Sections 12(a) and 12(b)</u> adding us, our affiliates and subsidiaries, our and their respective officers, directors, agents, partners and employees, as additional insureds ("Additional Insureds").
- d. <u>Rating; Primary Coverage; Notice of Change</u>. You must place your insurance with insurance companies reasonably acceptable to us and with an A.M. Best Rating of A-, VI or better. All insurance, commercial automobile, commercial general liability, umbrella and dram shop/liquor liability (if applicable), that you purchase must be specifically endorsed to provide that the coverage will be primary and that any

insurance carried by Additional Insureds will be excess and non-contributory. We may reasonably change the insurance coverage requirements set forth in this <u>Section 12</u> during the Term by giving you at least 30 days' notice of the change. You must comply with our directions, at your expense, and deliver to us evidence of your compliance before the change becomes effective.

- e. <u>Certificates of Insurance</u>. You must send us, by no later than ten (10) days prior to Construction Start and/or the Opening Date, as applicable under <u>Sections 12(a) and 12(b)</u>, certificates of insurance, endorsements, declarations and/or other documents requested by us, indicating your property code, the Hotel name and address, and proof that you have purchased the required insurance coverage and the Additional Insureds endorsement has been accepted by your insurance carrier. You must also provide us with evidence of renewal before the expiration date of each insurance policy. You are responsible for providing us with 30 days advanced written notice if the certificate of insurance by the insurer has been canceled, reduced in coverage, or otherwise altered. Acceptance by Choice of an improper certificate of insurance shall not constitute a waiver, release or modification of any of the insurance coverage and endorsements required under this Agreement.
- f. Procurement of Insurance. If you, for any reason, fail to procure or provide us with evidence that you maintain at least the minimum insurance required by Section 12(a) or 12(b), as applicable (or as designated by us from time to time in the Rules and Regulations) together with the endorsement required by Section 12(c), you acknowledge and agree that we will have the immediate right and authority, but not the obligation, to procure such insurance on your behalf, and charge you the cost of the insurance and, at our option, a reasonable penalty. You agree that you will reimburse us for the cost of such insurance and for any reasonable out-of-pocket costs that we incur should we elect to obtain such insurance within 30 days of receipt of our notice that such costs are due and payable to us. The foregoing shall not limit our right to terminate this Agreement pursuant to Section 10(b)(2)(g).
- g. <u>No Waiver of Obligations</u>. Your purchase and maintenance of insurance and your performance of your obligations under this Agreement are in addition to your obligation to indemnify us. If applicable, you should obtain additional insurance coverage since we do not require insurance against all potentially insurable risks, such as Employment Practices Liability insurance; if you do, for your protection, you should name us as an Additional Insured on this additional coverage.
- 13. Indemnification. To the fullest extent permitted by law, you must defend, indemnify and hold harmless us, our affiliates and subsidiaries, our and their respective officers, directors, agents, partners and employees (each, an "Indemnified Party") from and against any claim, loss, cost, damage, expense judgment and liability, including, but not limited to, employment related liability and environmental liability (a "Claim"), including reasonable attorneys' fees (whether or not a lawsuit has been filed) and any court costs, resulting in whole or in part from any damage or loss, including personal injury, of any nature, connected with the Hotel construction, renovation or operation, or any facilities that are managed by others in the Hotel, or out of, or as a result of, in whole or in part your (or your agent's or employee's) error, omission, act or failure, even where negligence of an Indemnified Party is alleged, except to the extent that the loss, costs, damage, expense or liability is solely and proximately caused by the negligence of an Indemnified Party. Notwithstanding the foregoing, if we are required by a court of law to contribute to any Claim, the amount of our contribution will be calculated by applying principles of comparative negligence where a Claim was jointly caused by your negligence and by our negligence. You must reimburse us for all amounts we reasonably spend, including attorneys' fees and court costs, to protect the Indemnified Parties from, or to remedy, your defaults under this Agreement or claims arising out of your operation of the Hotel. We will have the sole and exclusive control (including the right to be represented by attorneys of our choosing) over the defense of any Claims against an Indemnified Party and over their settlement, compromise or other disposition. This provision will be deemed divisible, such that if it is in any way (or to any extent) determined to be invalid or unenforceable, it will be deemed modified so as to be valid and enforceable and to be in full force and effect to the fullest extent permitted by law. This provision will survive the expiration or earlier termination of this Agreement.
- **14.** <u>Casualty</u>. If the Hotel is damaged by fire, natural disaster or other casualty, you must promptly and properly repair the damage. If the damage or repair requires closing the Hotel, you must immediately

notify us, begin reconstruction within 6 months after that closing; reopen the Hotel for continuous business operation in accordance with the Rules and Regulations as soon as practicable (but in any event within 12 months after the Hotel closing), and send us at least 30 days' prior written notice of the date of reopening. Upon your written request, and so long as you are in compliance with this Section 14, we will extend the Term of this Agreement by the number of days between the date of the original closing of the Hotel and the date of reopening. If insurance proceeds are not available or are insufficient to repair or rebuild the Hotel and if you provide us with reasonable evidence that such proceeds are not available to you within 6 months after the original closing of the Hotel, and provided that you are not in default at the time of casualty and are not the cause of the insurance proceeds not being available, then we will terminate this Agreement in accordance with its terms without penalty to either party.

- 15. Notices. All notices required or permitted under this Agreement must be in writing, must be personally delivered or mailed by registered or certified mail, return receipt requested, or by a nationally recognized delivery or courier service that allows tracking of packages or letters, to us at Choice Hotels International, Inc., 915 Meeting Street, Suite 600, North Bethesda, Maryland 20852, Attention: General Counsel, or at such other address we require upon written notice to you, and to you at the Designated Representative's address set forth in Section 1 of this Agreement. You authorize the Designated Representative to submit written notices to us or receive our written notices to you as your agent. Any notice by registered or certified mail or by delivery or courier service is deemed given and received at the date and time of sending. You may change the Designated Representative and/or the Designated Representative's address by written notice to us.
- **16.** Attorneys' Fees. Attorneys' fees must be paid according to the terms of this Section 16 and also, as may be applicable, Section 13 of this Agreement. The prevailing party (as determined by the court or arbitrator) in any arbitration or claim filed to enforce the terms of this Agreement will recover from the other party reasonable fees of its attorneys calculated as the lesser of (1) the attorney's hourly rate multiplied by the number of hours worked (less any discounts provided to the party), or (2) the amount owed under the contractual payment arrangement between the party and its attorneys, along with any attorney costs and expenses, court costs, arbitration costs, arbitrator fees, the reasonable costs of necessary expert witnesses, and the reasonable travel costs (including food and lodging) of the prevailing party's witnesses in the proceeding. If such a claim seeks, in whole or in part, attorneys' fees under Section 13, that provision will control. Any judgment or arbitration award for fees or other amounts owed to us to enforce our rights under Section 4, Section 10(d) or Section 21 of this Agreement will bear interest at the rate referred to in Section 4(f) until paid.

### 17. Taxes, Permits; Notice of Legal Actions.

- a. <u>Taxes</u>. You must pay when due all taxes related to the Hotel that may be levied or assessed by any federal, state, or local taxing authority, and all other indebtedness related to the Hotel. You shall comply with all federal, state, and local tax laws. You shall pay all property taxes imposed on your property when they are due. You shall be responsible for all state and local sales and transaction taxes that are imposed on, or measured by, the gross receipts paid to Choice pursuant to this Agreement.
- b. <u>Permits</u>. You must timely obtain and maintain all permits, certificates and licenses necessary for the construction, renovation, operation and maintenance of the Hotel, including licenses to do business, fictitious name registration and sales tax permits, health and sanitation permits, and ratings and fire clearances. You must send us, within 10 days of your receipt, copies of all inspection reports, warnings, certificates, and ratings, received from any governmental entity.
- c. <u>Notice of Suit</u>. You must notify us in writing and provide us with copies, within 5 days of your receipt, of any actual or threatened criminal or civil action, suit, proceeding, or the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality affecting you or the Hotel.

### 18. Approvals and Waivers.

- a. <u>Approvals</u>. Our approvals and consents will not be effective unless signed by one of our duly-authorized representatives. We may withhold our consent in our reasonable discretion or at any time when you are in breach of any obligation under this Agreement.
- b. Reliance; No Liability. Except as otherwise expressly stated in this Agreement (including any addenda or amendments), we make no warranties or guarantees on which you may rely. We assume no liability or obligation to you by providing any waiver, approval, consent, suggestion to you, or by reason of any delay or denial of any request that you make to us.
- c. No Waiver/Forbearance. Failure to exercise any power or to insist on strict compliance with any obligation or condition under this Agreement is not a waiver of any future right to demand exact compliance with any of the terms in this Agreement. Waiver of any particular default or extension of any cure period will not affect or impair a party's rights with respect to any later default of the same, similar, or a different nature. No delay, forbearance, or omission to exercise any power or right of a party following any breach or default of any of the terms, sections, or covenants of this Agreement by the defaulting party, will affect or impair the rights of the party not in default.

## 19. Acknowledgments.

- a. <u>No Warranty or Guarantee</u>. You acknowledge and agree that you have conducted an independent investigation of the benefits of signing this Agreement, and you understand that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent on your ability as an independent businessperson. We have not made, and you acknowledge that you have not received from us or our agents, any representations, projection, warranty or guarantee, express or implied, as to the profitability or other potential success of the business venture contemplated by this Agreement.
- b. <u>Limited Rights</u>. You acknowledge and agree that this Agreement and the limited rights to use the Intellectual Property granted to you <u>underin accordance with</u> this Agreement relate only to the Hotel and the Location. Except as may be specifically set forth in <u>Section 2</u>, this Agreement does not grant you any protected area, market or territorial rights. Subject to the terms of our then-current version of the fair franchising policy, <u>which we may amend</u>, <u>change or substitute from time to time</u> ("<u>Fair Franchising Policy</u>"): (i)
- we may own, operate, or franchise other hotels and/or allow such hotels to use our Intellectual Property (including the Brand Mark), at any other location, either separately or combined, and (ii) we, and any of our affiliates and other franchisees may now or in the future engage in transient lodging or related business activities that may compete with the Hotel. The Incremental Impact Policy, which is referenced in the Fair Franchising Policy, does not apply to the Hotel.
- c. <u>Control; No Duty; Independent Contractor</u>. You acknowledge and agree that you are solely responsible for exercising ordinary, day-to-day business control over the Hotel, including all personnel and employment related matters and decisions and pricing of rooms and other services at the Hotel, regardless of any advice or consultation received from us. This includes, but is not limited to, hiring and firing employees, supervising and controlling employees' work schedules and conditions of employment, determining employees' rate and method of payment, and maintaining employees' employment records. Neither this Agreement nor the Rules and Regulations create a fiduciary or joint employer relationship between you and us or between your employees and us. You are an independent contractor. Nothing in this Agreement or the Rules and Regulations makes, or is intended to make, either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other (except that you agree that we may act as your agent when making reservations for your Hotel).
- d. <u>No Right to Contract; No Third -Party Obligations; Truthfulness.</u> You acknowledge and agree that you are not authorized to make any contract, agreement, warranty, or representation on our behalf, or to incur any debt or other obligation in our name; and we shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action. You acknowledge and agree that you will not

represent in any proposed financing agreement or to any proposed lender or participant in a public or private investment offering that we or any of our affiliates is, or will, become responsible for your obligations under the financing agreement, nor that we are, or will be, participating in any private or public investment offering. Before you distribute a prospectus of your intended private or public offering, you must send us a copy for our prior written approval, not to be unreasonably withheld, of references made to us in the prospectus. You warrant the truth and completeness of all your statements in your application and the content of all other documents that you send to us as part of the application process and that you are required to submit to us under this Agreement.

- e. <u>Disclosure</u>. You acknowledge that you received from us the Franchise Disclosure Document required by the Federal Trade Commission and by the applicable state(s) in which you live and where the Hotel is located at least 14 days before you signed this Agreement or paid to us any consideration for the hotel franchise.
- f. Ownership. You warrant that you are the true owner of, and record holder of title to, the Hotel, or that you are currently leasing the Hotel under a lease that allows you the right to enter into this Agreement. If you are a corporation, limited liability company, partnership, or other entity, all owners of the entity, including any subsequent person or entity that becomes an owner at any time after the Effective Date, shall sign our then-current form of personal guaranty agreement, unless expressly waived by us in our sole discretion.
- g. Data Security. You acknowledge and agree that we and you each own the rights in and to any data captured by the Property Management System or Reservation System ("Guest Data") and that we may use Guest Data in any reasonable manner that we determine. You also acknowledge and agree that you are obligated to comply with all information security and data privacy standards and requirements contained in the Rules and Regulations and all applicable federal and state laws, regulations, and standards relating to information security and data privacy, including, without limitation, the Payment Card Industry Data Security Standard ("PCI DSS"). You must secure all Guest Data against loss or theft and against unauthorized or unintended access, disclosure, copying, use or modification. You agree to notify us in writing as soon as practicable (and at least within 24 hours) of any known, suspected, or alleged security breach of Guest Data in your possession or custody or under your control. You also acknowledge and agree that you are obligated to indemnify us from and against any Claim resulting from any such data security breach pursuant to Section 13 of this Agreement. Without limiting the foregoing, to the extent we possess or otherwise provide services that allow for the storage, processing, or transmittal of Guest Data as defined by the PCI DSS ("Services"), or to the extent we could impact the security of the Guest Data environment, we will remain in compliance with the applicable PCI DSS requirements with respect to those Services. We will also remain aware of changes to the PCI DSS and implement all procedures and practices as may be reasonably necessary for the Services to remain in compliance with the PCI DSS, in each case at our sole cost and expense.
- h. Marketing and Reservation Fee. You acknowledge and agree that we may use the Marketing and Reservation Fee to meet any or all costs incident to providing the Hotel (and all Other Choice Brand Hotels) with marketing and advertising services and the Reservation System, and that such costs may include certain of our overhead expenses that are reasonably allocated to provide such services. You further agree that we have the absolute and unilateral right to determine, when, how and what portion of the Marketing and Reservation Fee may be used for (i) marketing purposes, including the right to purchase and pay for marketing services, product research and development, production materials, ad slicks, brochures, videotapes, radio and television commercials, media advertising (internet, e-commerce, television, radio, cable, magazines, newspapers and other print), services provided by advertising agencies, market research, trade shows, conventions, promotions, research and design, public relations, and loyalty programs, (ii) the development, operation and maintenance of the Reservation System, and (iii) the cost of personnel, accounting services, travel expenses, office space, overhead costs, administrative costs, computers, other equipment, furniture, salaries and fringe benefits, development, design and maintenance of internet web-pages and websites, including internet service provider costs, network costs, and for other similar costs that we reasonably deem to be appropriate. You also acknowledge that other franchisees authorized to use our System may not contribute the same

percentage or total amount that you must pay to us as the Marketing and Reservation Fee. You further acknowledge and agree that we are not obligated, in expending the Marketing and Reservation Fee, to make expenditures for your Hotel or Brand Mark which are equivalent or proportionate to your contribution.

- i. <u>ChoiceAdvantage Software Terms of Use</u>. You acknowledge and agree that your right to use the Property Management System will be governed by the ChoiceAdvantage Software Terms of Use that are provided to you in an online format which you agree to review periodically. You acknowledge and agree that the ChoiceAdvantage Software Terms of Use are specifically incorporated as part of this Agreement and you will comply with the terms and conditions of the then-current ChoiceAdvantage Software Terms of Use. You agree that you, the Hotel's general manager, or any other authorized employee of the Hotel ("<u>Authorized User</u>") may accept and agree on behalf of you to the terms and conditions of the ChoiceAdvantage Software Terms of Use. You also acknowledge and agree that we have the right, in our sole discretion, to modify, add or remove any terms or conditions of the ChoiceAdvantage Software Terms of Use. Changes to the ChoiceAdvantage Software Terms of Use will be posted online and will be immediately effective. You agree that use by an Authorized User of the Property Management System after we post any such changes will indicate that you accept and agree to the ChoiceAdvantage Software Terms of Use, as modified.
- j. <u>No Liability</u>. You acknowledge and agree that we will not assume liability for, or be deemed liable as a result of, any act or omission of yours relating to the construction, renovation, operation, maintenance or promotion of the Hotel or for any claim or judgment arising from such act or omission.
- k. Anti-Terrorism / Anti-Bribery Laws. You individually represent and warrant to us that neither you (including your directors and officers, senior management and shareholders (or other persons) having a controlling interest in you), nor any affiliates or funding sources are (a) owned or controlled by, or acting on behalf of, the government of any country that is subject to an embargo imposed by the United States government; or (b) an entity or individual ("Person") identified by any government or legal authority under applicable laws as a Person with whom dealings and transactions by us are prohibited or restricted, including Persons designated on the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) List of Specially Designated Nationals and Other Blocked Persons (including known terrorists and narcotics and human traffickers). You will promptly notify us in writing upon the occurrence of any event which would render the foregoing representations and warranties incorrect. You further represent and warrant to us that you, including persons having a controlling interest in you, are not in violation of any anti- money laundering laws, anti-terrorism, anti-bribery, trade sanctions or other laws or embargoes, including without limitation the U.S. Patriot Act and the U.S. Foreign Corrupt Practices Act and related regulations and executive orders. You represent and warrant that you are qualified to do business in the United States, have the authority to execute this Agreement, and are eligible under applicable United States laws to carry out the obligations under this Agreement and any subsequent assumption of your rights and obligations under this Agreement.
- I. <u>Child Protection Code of Conduct</u>. We are a member of "The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism" (www.thecode.org) ("The Code"), which is an industry-driven responsible tourism initiative with a mission to provide awareness, tools, and support to the tourism industry in order to prevent the sexual exploitation of children. You agree to support the principles of The Code and to take all reasonable steps at the Hotel, including the training of staff, to recognize and prevent all forms of human trafficking.

## 20. Miscellaneous.

a. <u>Severability</u>. If any section of this Agreement is held to be illegal, invalid or unenforceable, both parties agree that (i) the section will be removed; (ii) this Agreement will be understood and enforced as if the illegal, invalid, or unenforceable section had never been in this Agreement; and (iii) the remaining sections will remain in full force and effect and will not be affected by the illegal, invalid, or unenforceable section or by its removal. A section similar to the removed section will be automatically added as a part of this Agreement to the maximum extent enforceable.

- b. <u>No Third -Party Beneficiaries</u>. Except as otherwise expressly provided in this Agreement, nothing in this Agreement is intended, nor will anything in this Agreement be deemed, to confer on any person or legal entity other than us or you, or our respective successors and permitted assigns, any rights or remedies under or by reason of this Agreement.
- c. <u>Headings</u>. All captions and headings in this Agreement are intended solely for the convenience of the parties and do not affect the meaning or construction of any section.
- d. <u>References</u>. All references to the masculine, neuter, or singular, include the masculine, feminine, neuter, or plural. The word "include" and its derivatives are not to be construed as terms of limitation. If "you" consists of more than one person or entity, your acknowledgments, promises, covenants, agreements, and obligations made or undertaken in this Agreement are jointly and severally undertaken by each of you.
- e. <u>Counterparts</u>. If this Agreement is executed in multiple counterparts, each executed copy is an original.
- f. <u>Governing Law</u>. This Agreement becomes valid and effective only when we have signed it, and it will be interpreted under the substantive laws of Maryland, not including its conflict of laws provision or such provisions of any other jurisdiction; except that nothing herein shall be construed to establish independently your right to pursue claims under Maryland's Franchise Registration and Disclosure Law.
- g. <u>Cumulative Rights and Remedies</u>. Rights and remedies stated in this Agreement are cumulative and not exclusive of any other right or remedy.
- h. <u>Attachments/Addenda</u>. All attachments, addenda and amendments to this Agreement are incorporated into and a part of this Agreement. Any addenda or amendments to this Agreement will not be effective unless signed by one of our duly-authorized representatives and by you. All duly-executed addenda and/or amendments are incorporated into and will become a part of this Agreement.
- i. <u>Survival</u>. Those of your obligations and our obligations under this Agreement which expressly or by their nature survive the expiration or earlier termination of this Agreement will survive such expiration or termination, including, but not limited to, Sections 7, 10(d), 11, 13, 16, 17, 18, 19, 20, 21, 22, 23 and 24.
- j. <u>Seal</u>. This Agreement is a contract under seal and is intended by the parties to be a specialty under Maryland law.
- k. <u>Electronic Signatures</u>. The parties hereby acknowledge and agree that electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called "pdf" format shall be legal and binding and shall have the same full force and effect as if an original of this Agreement had been signed and delivered by hand. You and we both (i) intend to be bound by the signatures (whether original, faxed or electronic) on any document sent by electronic means, (ii) are aware that the other party will rely on such signatures, and (iii) hereby waive any defenses to the enforcement of the terms of this Agreement based on the foregoing forms of signature.
- 21. <u>Arbitration</u>. Except for our claims against you for indemnification or actions seeking to enjoin you from using any of our Intellectual Property (including the Brand Mark) or the Choice-Related Words in violation of this Agreement or any other related agreements (including the Choice-Advantage Software Terms of Use), any controversy or claim arising out of or relating to this Agreement or any other related agreements, or the breach of this Agreement or any other related agreements, including any claim that this Agreement or any part of this Agreement or any related agreements is invalid, illegal, or otherwise voidable or void, as well as any claim that we violated any laws in connection with the <u>offering, granting</u>, execution or enforcement of this Agreement or any related agreements and any claim for declaratory relief, will be sent to final and binding arbitration in the state of Maryland before either the American Arbitration Association,

J.A.M.S., or National Arbitration Forum in accordance with the Commercial Arbitration Rules of the American Arbitration Association, including its rules for emergency measures of protection, except to the extent that the Commercial Arbitration Rules of the American Arbitration Association may be interpreted to require you or us to produce documents, witnesses, or information at a time other than at a hearing on the claim without our mutual consent. In the event more than one demand for arbitration is filed in connection with this Agreement or any related agreements, the demand filed with the American Arbitration Association, J.A.M.S., or National Arbitration Forum office having jurisdiction over Maryland proceedings shall take precedence, and any other demand shall be withdrawn and presented in the Maryland filing. The arbitrator will apply the substantive laws of Maryland, without reference to its conflict of laws provision, except that nothing herein shall be construed to establish independently your right to pursue claims under Maryland's Franchise Registration and Disclosure Law, Judgment on the arbitration award may be entered in any court having jurisdiction. If any party fails to appear at any properly noticed arbitration proceeding, an award may be entered against the party, notwithstanding its failure to appear. Any arbitration will be conducted at our headquarters office in Maryland and the parties agree that any state laws attempting to prohibit arbitration in Maryland are pre-empted by the Federal Arbitration Act. Nothing

in this <u>Section 21</u> will be construed as requiring you or us to make a claim in arbitration before exercising any rights you or we may have to give notice of default or termination in accordance with the terms of this Agreement or any related agreements.

- 22. NO CLASS ACTIONS. NEITHER YOU NOR WE SHALL SEEK TO LITIGATE OR ARBITRATE AGAINST THE OTHER PARTY TO THIS AGREEMENT OR SUCH PARTY'S AFFILIATES, EITHER AS A REPRESENTATIVE OF, OR ON BEHALF OF, ANY OTHER PERSON, CLASS, OR ENTITY, ANY DISPUTE. CONTROVERSY, OR CLAIM OF ANY KIND ARISING OUT OF, OR RELATING TO, THIS AGREEMENT, THE RIGHTS AND OBLIGATIONS OF THE PARTIES, THE SALE OF THE FRANCHISE, OR OTHER CLAIMS OR CAUSES OF ACTION RELATING TO THE PERFORMANCE OF EITHER PARTY TO THIS AGREEMENT. NO ARBITRATION OR OTHER ACTION OR PROCEEDING UNDER THIS AGREEMENT SHALL ADD AS A PARTY, BY CONSOLIDATION, JOINDER, OR IN ANY OTHER MANNER, ANY PERSON OR PARTY OTHER THAN US AND YOU AND ANY PERSON IN PRIVITY WITH, OR CLAIMING THROUGH, IN THE RIGHT OF, OR ON BEHALF OF, US OR YOU, UNLESS BOTH WE AND YOU CONSENT IN WRITING. WE HAVE THE ABSOLUTE RIGHT TO REFUSE SUCH CONSENT. YOU AGREE AND ACKNOWLEDGE THAT ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING FROM OR RELATING TO THIS AGREEMENT. THE RELATIONSHIP BETWEEN THE PARTIES, OR ANY AGREEMENT OR RELATIONSHIP BETWEEN YOU AND US OR ANY AFFILIATE OF OURS WILL BE CONSIDERED UNIQUE ON ITS FACTS AND MAY NOT BE BROUGHT AS A CLASS OR GROUP ACTION.
- 23. <u>WAIVER OF JURY TRIAL</u>. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER.
- 24. INTEGRATION. THIS AGREEMENT, ALL OF ITS ATTACHMENTS, AND ANY AGREEMENT SPECIFICALLY MADE A PART OF THIS AGREEMENT PURSUANT TO THE TERMS HEREOF, CONTAIN THE COMPLETE UNDERSTANDING OF THE PARTIES AND REPLACE ANY PREVIOUS WRITTEN OR ORAL AGREEMENT ON THE SAME SUBJECT MATTER.

#### **ATTACHMENT A**

## PROPERTY IMPROVEMENT PLAN

[For existing hotels converting to use the Brand Mark]

## **ATTACHMENT B**

## RIDER TO THE FRANCHISE AGREEMENT

[Other Modifications to the Franchise Agreement]

Attachment B We and you agree to be bound by the terms and conditions of this Agreement, including all Attachments, by setting the hands and seals of our duly authorized and empowered representatives on this Agreement, effective as of the Effective Date.

Choice Hotels International, Inc., a Delaware corporation	
By: Name: Christopher J. Wallace Title: Vice President and Assistant General C	_ (Seal) ounsel
«LIC_BLOCK»	
«FRANCHISEE»	
<b>By:</b> ( Name: Title:	Seal)
Date:	

# PLEASE INITIAL THE ATTACHED SCHEDULE A

## Schedule A - for Individuals

By initialing this Schedule A that is attached to the Franchise Agreement, you certify that the information provided below is true and accurate. The following represents the names and percentages owned of the individual owners of the Hotel.

Name of Individual Hotel Owner Percentage owned % (type or print) \_\_\_\_\_% (type or print) % (type or print) \_\_\_\_\_\_ (type or print)

INITIAL HERE \_\_\_\_\_
Schedule A – Entity Ownership Breakdown

By initialing this Schedule A that is attached to the Franchise Agreement, you certify that the information provided below is true and accurate. The following represents the names and percentages owned of **«FRANCHISEE»**.

Name of member/shareholder/partner Percentage ow	<u>ned</u>
	<del>%</del>
<del></del>	<del>)</del> %
(type or prin	t)
	<del>%</del>
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	<del>%</del>
<del>(type or prin</del>	<del>t)</del>
INITIAL HERE	
Schedule A – Entity Owner	ship Breakdown
By initialing this Schedule A that is attached to the Finformation provided below is true and accurate. To percentages owned of	ranchise Agreement, you certify that the hearth for the following represents the names ar
Name of member/shareholder/partner Percentage ow	<del>ned</del>
%	
(type or prin	t)

	<del>%</del>
	(type or print) (type or print)
	<del>%</del> <del>(type or print)</del>
	% <del>(type or print)</del>
	% <del>(type or print)</del>
	% <del>(type or print)</del>
(type or print)	<del>%</del>

INITIAL HERE \_\_\_\_\_

## **GUARANTY**

- 1. Guarantor unconditionally warrants to Choice and its successor and assigns that all of Franchisee's representations and warranties in (a) any application submitted by Franchisee to Choice; and (b) the Franchise Agreement are true, accurate and complete as of the time made as of the date of this Guaranty.
- 2. Guarantor personally and unconditionally guarantees that all of Franchisee's obligations under the Franchise Agreement, as amended, and all related agreements will be punctually paid and performed.
- 3. Guarantor agrees that the obligations of Guarantor under this Guaranty shall not be reduced, limited, terminated, discharged, impaired or otherwise affected by: (a) the occurrence or continuance of a default under the Franchise Agreement or any related agreement; (b) any assignment of the Franchise Agreement; (c) any modification or amendment of, or waiver or consent or other action taken with respect to the Franchise Agreement or any related agreement;
- (d) the voluntary or involuntary liquidation, sale or other disposition of Franchisee's assets, or the receivership, insolvency, bankruptcy, reorganization or similar proceedings affecting Franchisee or its assets or the release or discharge of Franchisee from any of its obligations under the Franchise Agreement; or (e) any change of circumstances, whether or not foreseeable, and whether or not any such change does or might vary the risk of Guarantor hereunder. Any failure by Choice to exercise any power or right or to insist upon Guarantor's compliance with any term under this Guaranty shall not constitute a waiver of Choice's right to demand full compliance with any term of this Guaranty.
- 4. Guarantor unconditionally and irrevocably waives notice of acceptance of this Guaranty, presentment, demand, diligence, protest and notice of dishonor or of any other kind to which Guarantor otherwise might be entitled under applicable law.
- 5. Guarantor agrees to promptly pay all sums owed to Choice and its subsidiaries or affiliates, and all damages, costs, and expenses, including reasonable attorneys' fees, that Choice or its subsidiaries or affiliates incur as a result of any default under this Guaranty, the Franchise Agreement, or any related Agreement, including all outstanding fees, any liquidated damages due under the Franchise Agreement, and any costs and expenses that Choice or its subsidiaries or affiliates incur to obtain injunctive relief for the enforcement of any portion of this Guaranty, the Franchise Agreement, or any related Agreement.
- 6. If more than one person or entity has signed this Guaranty as a Guarantor, the liability of each such Guarantor shall be joint, several and primary. Each Guarantor shall be bound by his/her/its/their signature block below, and such Guarantor's obligations hereunder are not contingent on any other Guarantor being bound hereby.

- 7. All notices required or permitted under this Guaranty must be in writing, must be personally delivered or mailed by registered or certified mail, return receipt requested, or by a nationally recognized courier service, to Choice at Choice Hotels International, Inc., 1 Choice Hotels Circle, 915 Meeting Street, Suite 600, North Bethesda, Maryland 20852, Attention: General Counsel, and to Guarantor care of the Designated Representative at the address set forth in the Franchise Agreement below. Any notice by registered or certified mail or by courier service is deemed given and received at the date and time of sending. Guarantor may change its address only by written notice to Choice, and Choice may change our address by written notice to Guarantor.
- 8. This Guaranty will be interpreted under the substantive laws of Maryland, not including its conflict of laws provision or such provisions of any other jurisdiction.
- Except for our claims for indemnification or actions seeking to enjoin you the use of any of our Intellectual Property or the Choice-Related Words in violation of the Franchise Agreement, any controversy or claim founded upon or arising out of or relating to this Guaranty, the Franchise Agreement, or any related Agreement, or to the breach of this Guaranty, the Franchise Agreement, or any related Agreement, will be sent to final and binding arbitration before either the American Arbitration Association, J.A.M.S., or National Arbitration Forum in accordance with the Commercial Arbitration Rules of the American Arbitration Association, including its rules for emergency measures of protection, except to the extent that the Commercial Rules of the American Arbitration Association may be interpreted to require you or us to produce documents, witnesses, or information at a time other than at a hearing on the claim without our mutual consent. In the event more than one demand for arbitration is filed in connection with this Guaranty, the Franchise Agreement, or any related Agreement, the demand filed with the American Arbitration Association, J.A.M.S., or National Arbitration Forum office having jurisdiction over Maryland proceedings shall take precedence, and any other demand shall be withdrawn and presented in the Maryland filing. The arbitrator will apply the substantive laws of Maryland, without reference to its conflict of laws provision, except that nothing herein shall be construed to establish independently a right to pursue claims under Maryland's Franchise Registration and Disclosure Law. Judgment on the arbitration award may be entered in any court having jurisdiction. If any party fails to appear at any properly noticed arbitration proceeding, an award may be entered against the party, notwithstanding its failure to appear. Any arbitration will be conducted at Choice's headquarters office in Maryland. Nothing in this Section will be construed as requiring you or us to make a claim in arbitration before exercising any rights Choice or Guarantor may have to give notice of default or termination in accordance with the terms of this Guaranty.

IN WITNESS WHEREOF, the undersigned have set his/her/its/their hands and seals on the date noted above.

Add all Guarantors (entities & people individually), Individually, Jointly and Severally

(name of entity)

Ву:	L.S. <sub>Page 2 of 3</sub>
Name:	——————————————————————————————————————
Title	

# ADDENDUM TO THE FRANCHISE AGREEMENT PURSUANT TO THE CALIFORNIA FRANCHISE INVESTMENT LAW

This Addendum to the Franchise Agreement (the "Agreement") pertains to franchises sold in the State of California. If and to the extent that the California Franchise Investment Law ("California Franchise Investment Law" or "Law") applies to the Agreement, the following provisions supersede anything to the contrary in the Agreement:

1. <u>Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:</u>

The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043)).

<u>The Franchise Agreement requires application of the laws of Maryland. This provision may</u> not be enforceable under California law.

<u>The Franchise Agreement contains a liquidated damages clause. Under California Civil Code</u> §1671, certain liquidated damages clauses are unenforceable.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. The Federal Bankruptcy Code also provides rights to franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events. If the Franchise Agreement is inconsistent with the law, the law will control.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Maryland with the cost being borne by the parties as determined by the arbitrator. Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

<u>The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise.</u> This provision may not be enforceable under California law.

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

### [Signature page follows.]

Witness:

Choice Hotels
International,
Inc., a
Delaware
corporation

| Name: Title: Date:
| Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Title: Date: | Name: Name: Title: | Name: Title: | Name: Title: | Name: Title: | Name

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This Addendum to the Franchise Agreement (the "Agreement") pertains to franchises sold in the State of Hawaii. If and to the extent that the Hawaii Franchise Investment Law ("Hawaii Franchise Investment Law" or "Law") applies to the Agreement, the following provisions supersede anything to the contrary in the Agreement:

- 1. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
  - 2. <u>Section 24 of the Franchise Agreement is amended to add the following:</u>

NOTHING IN THIS AGREEMENT OR IN ANY RELATED AGREEMENT, HOWEVER, IS INTENDED TO DISCLAIM THE REPRESENTATIONS WE MADE IN THE FRANCHISE DISCLOSURE DOCUMENT WE FURNISHED TO YOU.

Witness:	Choice Hotels International, Inc., a Delaware corporation	
Name: Title: Date:	Name: Title: Date:	

This Addendum to the Franchise Agreement (the "Agreement") pertains to franchises sold in the State of Illinois. If and to the extent that the Illinois Franchise Disclosure Act ("Illinois Franchise Disclosure Act" or "Act") applies to the Agreement, the following provisions supersede anything to the contrary in the Agreement:

- 1. Illinois law governs the Franchise Agreement.
- 2. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.
- 3. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
- 4. Your rights upon termination and non-renewal of a franchise agreement are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.
- 5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Witness:	Choice Hotels
	International,
	Inc. a

Delaware	corporation		
	By:	L.S.	
Name: Title: Date:	N	_	
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This Addendum to the Franchise Agreement (the "Agreement") pertains to franchises sold in the State of Maryland. If and to the extent that the Maryland Franchise Disclosure Act ("Maryland Franchise Disclosure Act" or "Act") applies to the Agreement, the following provisions supersede anything to the contrary in the Agreement:

- 1. 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.
- 2. Nothing in the Franchise Agreement prevents the franchisee from bringing a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- 3. Nothing in the Franchise Agreement operates to reduce the 3-year statute of limitations afforded to a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Further, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- 4. The Federal Bankruptcy laws may not allow the enforcement of the provisions for termination upon bankruptcy of the franchisee.
- 5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
  - 6. Sections 19(a) and 19(e) of the Franchise Agreement are deleted in their entirety.



Choice Hotels International,	Inc., a Delaware corporation	Delaware		
	By:	L.S.		
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This Addendum to the Franchise Agreement (the "Agreement") pertains to franchises sold in the State of Minnesota. If and to the extent that the Minnesota Franchise Disclosure laws apply to the Agreement, the following provisions supersede anything to the contrary in the Agreement:

- 1. With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 4 which requires that except for certain specified cases, that franchise be given 180 days' notice for non-renewal of this Franchise Agreement.
- 2. The Minnesota Department of Commerce requires that franchisor indemnify franchisees whose franchise is located in Minnesota against liability to third parties resulting from claims by third parties that the franchisee's use of franchisor's trademarks ("Marks") infringe upon the trademark rights of the third party. Franchisor does not indemnify against the consequences of a franchisee's use of franchisor's trademark but franchisor shall indemnify franchisee for claims against franchisee solely as it relates to franchisee's use of the Marks in accordance with the requirements of the Franchise Agreement and franchisor's standards. As a further condition to indemnification, the franchisee must provide notice to franchisor of any such claim immediately and tender the defense of the claim to franchisor. If franchisor accepts tender of defense, franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.
- 3. Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 80C.22.
- 4. With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 3 which requires that except for certain specified cases, a franchisee be given 90 days' notice of termination (with 60 days to cure). Termination of the franchise by the franchisor shall be effective immediately upon receipt by franchisee of the notice of termination where its grounds for termination or cancellation are: (1) voluntary abandonment of the franchise relationship by the franchisee; (2) the conviction of the franchisee of an offense directly related to the business conducted according to the Franchise Agreement; or (3) failure of the franchisee to cure a default under the Franchise Agreement which materially impairs

the goodwill associated with the franchisor's trade name, trademark, service mark, logo type or other commercial symbol after the franchisee has received written notice to cure of at least twenty-four (24) hours in advance thereof.

- 5. According to Minn. Stat. Sec. 80C.21 in Minnesota Rules or 2860.4400J, the terms of the Franchise Agreement shall not in any way abrogate or reduce your rights as provided for in Minn. Stat. 1984, Chapter 80C, including the right to submit certain matters to the jurisdiction of the courts of Minnesota. In addition, nothing in this Franchise Agreement shall abrogate or reduce any of franchisee's rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedy provided for by the laws of the State of Minnesota.
- 6. Any claims franchisee may have against the franchisor that have arisen under the Minnesota Franchise Laws shall be governed by the Minnesota Franchise Law.
- 7. The Franchise Agreement contains a waiver of jury trial provision. This provision may not be enforceable under Minnesota law.
- 8. Franchisee consents to the franchisor seeking injunctive relief without the necessity of showing actual or threatened harm. A court shall determine if a bond or other security is required.
- 9. The Franchise Agreement contains a liquidated damages provision. This provision may not be enforceable under Minnesota law.
- 10. Any action pursuant to Minnesota Statutes, Section 80C.17, Subd. 5 must be commenced no more than 3 years after the cause of action accrues.
- 11. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth above.

Witness:		Choice Hotels International, Inc., a Delaware corporation	
	By:		L.S.
Name: Title: Date:	. ,	N	
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# ADDENDUM TO THE FRANCHISE AGREEMENT FOR NEW YORK

This Addendum to the Franchise Agreement (the "Agreement") pertains to franchises sold in the State of New York. If and to the extent that the New York General Business Law regarding franchises applies to the Agreement, the following provisions supersede anything to the contrary in the Agreement:

- 1. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 695 may not be enforceable.
- 2. Any provision in the Franchise Agreement requiring franchisee to sign a general release of claims against franchisor does not release any claim franchisee may have under New York General Business Law, Article 33, Sections 680-695.
- 3. The New York Franchise Law shall govern any claim arising under that law.
- 4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth above.

Witness:		Choice Hotels International, Inc., a Delaware corporation	
	By:		L.S.
Name: Title: Date:		N	
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claims that may arise under the North Dakota Franchise Investment Law.

- 2. Covenants not to compete during the term of and upon termination or expiration of the franchise agreement are enforceable only under certain conditions according to North Dakota law. If the Franchise Agreement contains a covenant not to compete that is inconsistent with North Dakota law, the covenant may be unenforceable.
- 3. The choice of law other than the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law. If the laws of a state other than North Dakota govern, to the extent that such law conflicts with North Dakota law, North Dakota law will control.
- 4. The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law.
- 5. The waiver of trial by jury may not be enforceable under the North Dakota Franchise Investment Law.
- 6. The requirement that arbitration be held outside the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law. Any mediation or arbitration will be held at a site agreeable to all parties.
- 7. The requirement that a franchisee consent to termination or liquidated damages has been determined by the Commissioner to be unfair, unjust and inequitable within the intent of the North Dakota Franchise Investment Law. This requirement may not be enforceable under North Dakota law.
- 8. The Franchise Agreement states that franchisee must consent to the jurisdiction of courts located outside the State of North Dakota. This requirement may not be enforceable under North Dakota law.
- 9. The Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. To the extent this requirement conflicts with North Dakota law, North Dakota law will apply.
  - 40. Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by Franchisor in enforcing the agreement. For North Dakota franchisees, the prevailing party is entitled to recover all costs and expenses, including attorneys' fees.
- 10. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The parties to this Addendum agree to be bound by the terms of this Addendum as of the effective date of the Agreement as evidenced by their signatures below.

Witness: Choice Hotels International.

Inc., a	Delaware corporation		
	By:	L.S.	
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This Addendum to the Franchise Agreement (the "Agreement") pertains to franchises sold in the State of Rhode Island. If and to the extent that the Rhode Island franchise statutes and regulations apply to the Agreement, the following provisions supersede anything to the contrary in the Agreement:

1. If Section 20(f) or 20(a) of the Agreement is inconsistent with § 19-28.1.-14 of the Rhode Island Franchise Investment Act, which states that a provision in a franchise agreement restricting jurisdiction or venue to a forum outside the state of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act, then said Rhode Island law will apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth above.

Witness:		Choice Hotels International, Inc., a Delaware corporation	
	By:		L.S.
Name: Title: Date:	-	N	
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# ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE COMMONWEALTH OF VIRGINIA

This Addendum to the Franchise Agreement (the "Agreement") pertains to franchises sold in the Commonwealth of Virginia. If and to the extent that the Virginia franchise statutes and regulations apply to the Agreement, the following provisions supersede anything to the contrary in the Agreement:

1. Item 17, Additional Disclosures:

Any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 et. seq.).

"According 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."

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

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth above.

Witness:	International, Inc., a Delaware corporation	
	By:	L.S
Name: Title: Date:	Name: Title: Date:	

# <u>Washington Addendum Franchise Agreement,</u> Franchisee Compliance Questionnaire, and Related Agreements

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

- 1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
- **2.** Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement inor related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions which maythat supersede the franchise agreement inor related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the areas of termination and renewal of your Franchise Disclosure Document, are subject to state law.
- 3. Site of Arbitration, Mediation, and/or Litigation. 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.
- 4. General Release. A release or waiver of rights executed by a franchisee may not include rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rulerules or orderorders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
- 5. Statute of Limitations and Waiver of Jury Trial. Provisions such as those which contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
- <u>fransfer Fees.</u> Transfer fees are collectable <u>only</u> to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

- **7.** <u>Termination by Franchisee.</u> <u>The franchisee may terminate the franchise agreement under any grounds permitted under state law.</u>
- 8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
- **9.** Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
- <u>Maiver of Exemplary & Punitive Damages.</u> RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
- <u>franchisor's Business Judgement.</u> Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
- 12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
- **13.** Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
- Moncompetition Covenants. 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 is void and unenforceable in Washington.
- **15.** Nonsolicitation Agreements. 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.

Section 18(b) of the Franchise Agreement or Membership Agreement is hereby amended to delete the following language: "on which you may rely." The remainder of Section 18(b) remains intact.

As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

- 16. Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- 17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
- 18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchise is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

	The undersigned does hereby acknowledge receipt of this addendum. Dated this day of	20
Franchiso	Franchisee	_

# ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF WISCONSIN

This Addendum to the Franchise Agreement pertains to franchises sold in the State of Wisconsin. If and to the extent that the Wisconsin franchise statutes and regulations apply to this Agreement, the following provisions supersede anything to the contrary in the Franchise Agreement:

1. To the extent any of the provisions regarding notice of termination or change in dealership are in conflict with Section 135.04 of the Wisconsin Fair Dealership Law, the Wisconsin law shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth above.

Witness: C

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#### **EXHIBIT E**

#### choiceADVANTAGE® Software Terms of Use

By entering this site ("Site") and using the choiceADVANTAGE® software, together with any software updates or other software or API or other interfaces provided to you in connection therewith (collectively, the "Software"), you are confirming that you are an authorized franchisee of Choice Hotels International, Inc. or its subsidiaries or affiliated companies (collectively, "Choice"), the franchisee's general manager, or an authorized employee of the franchisee (in each case, an "Authorized User") and accept and agree on behalf of yourself and the franchisee to the following terms and conditions ("Terms of Use"). You must be an Authorized User and agree to be bound by and comply with all of these Terms of Use to access or use the Software or this Site. Choice has the right, at its sole discretion and from time to time, to modify, add or remove any terms or conditions of these Terms of Use without notice or liability to you. Changes will be posted on this Site and will be immediately effective. You agree to review these Terms of Use from time to time. By subsequent use of the Software and this Site after Choice posts any such changes, you accept and agree to the Terms of Use, as modified. Choice may change, restrict access to, suspend, or discontinue the Software, or any portion of this Site, at any time without notice or liability to you or any affiliate of yours. Any terms not defined in these Terms of Use shall have the meaning ascribed to them in your Franchise Agreement.

You acknowledge and agree that any product support and services provided with respect to the Software or this Site are provided by Choice or a third party (other than Microsoft) on Choice's behalf. Any capitalized terms not otherwise defined in these Terms of Use shall have the meaning set forth in your Franchise Agreement.

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You acknowledge and agree that except as permitted by the Terms of Use, you do not have any right, title or interest in and to the Software and you will not contest our rights in and to the Software or to current or future derivations of or improvements made to the Software, nor our right to register our rights in the Software or to grant to others the right to use the Software or any other intellectual property that we own. You understand that the Software will remain our property.

# Copyrights

The (a) Site content, including but not limited to the Software, text, graphics, logos, button icons, images, audio/video clips, digital downloads, data compilations, software used to operate this Site, and all compilations of any of the above, and (b) any software available for download on this Site, are Choice's property, or the property of Choice's content suppliers, licensors, and vendors, and are protected by United States and international copyright laws. You may use the Software and this Site's content and downloadable software (if any) as provided in these Terms of Use and the online documentation, and not for any other use (direct or indirect). Prohibited uses include but are not limited to displaying, distributing, modifying, reproducing, republishing, decompiling, creating derivative works from, or transmitting the Software, any content on this Site or any software available for download from this Site in any manner without written permission from Choice. Should you become aware of any infringement of Choice's rights in this Site or the Software, you shall provide Choice with immediate written notice of all facts and circumstances of which you are aware with respect to the infringement.

#### **Feedback**

To the extent that you provide Feedback to Choice, whether before, during or after the term of these Terms of Use,

and Choice incorporates such Feedback in the Software or the Site, you hereby grant to Choice and Choice accepts, a worldwide, non-exclusive, perpetual, irrevocable, royalty-free license, with the right to sublicense, under its intellectual property rights to the Feedback, to incorporate or otherwise utilize Feedback as provided by you to Choice in the design and implementation of Choice products including the Software and the Site, and to design, debug, display, perform, copy, make, have made, use, sell, and otherwise dispose of and support Choice's and its sublicensees' products and documentation embodying such Feedback in any manner and via any media Choice chooses, without reference to the source. Notwithstanding the foregoing, Choice shall have no right or license under your intellectual property, by implication, estoppels or otherwise under these Terms of Use, except as to the Feedback provided to Choice and intended for incorporation into any of Choice's products. For the purpose of these Term of Use, "Feedback" means (i) your requirements, input, comments, responses, opinions, and feedback concerning the definition, design, use or

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operation of the Software or the Site and related product documentation or (ii) your technical system requirements for Choice to include in the Software or Site definition, design, implementation, use or operation, as provided by you from time to time.

# Confidentiality

Access to this Site and the Software is limited. You acknowledge and agree that both contain confidential material, including trade secrets, belonging to Choice or its licensors. Therefore, you may not disclose the Software or data contained in or results based on the operation of the Software or this Site, including Site content, to third parties without the prior express written consent of Choice. Excluded from this requirement is (a) information already available to or in your possession prior to disclosure through use of the Software or access to this Site; (b) information that is or becomes lawfully available to the public; or (c) information acquired from a person who is not known to you to be in breach of an obligation of confidentiality. Should you be compelled to disclose any confidential information relating to the Software or this Site by lawful order, subpoena, or other means of compulsion of a court or other tribunal of competent jurisdiction, you agree to provide Choice with immediate written notice of such impending disclosure and cooperate in and to take all steps reasonably necessary to protect the confidentiality of the information, including cooperating in obtaining a protective order and disclosing only that which is required by such order, subpoena, or means of compulsion.

#### **Trademarks**

You acknowledge that choiceADVANTAGE®, Choice Hotels International®, and Choice Hotels® are the sole property of Choice and are registered in the U. S. Patent and Trademark Office and other trademark offices around the world. Any use of these trademarks by you requires the prior express written consent of Choice. Any other trademarks that may be referenced on this Site are the property of their respective owner and any use by you of such trademarks requires the prior express written consent of the respective owner.

#### Software Use and Site Access

Subject to the terms and conditions in this agreement, Choice grants you a non-exclusive, non-transferable limited license during the term of your Franchise Agreement to use the Software and this Site only for your normal business purposes related to your franchise, as defined in your Franchise Agreement, so long as such use is in accordance with all laws and regulations. You may not reproduce, duplicate, copy, sell, resell, rent, lease, loan, mirror, frame, sublicense, assign, transfer, disclose or otherwise exploit the content on this Site or the Software for commercial use unless Choice provides you with prior written permission to do so. You agree that you will not use this Site to: (a) transmit spam, bulk or unsolicited communications; (b) pretend to be Choice or someone else, or spoof Choice's or someone else's identity; (c) forge headers or otherwise manipulate identifiers (including URLs) in order to disguise the origin of any content transmitted through this Site; (d) misrepresent your affiliation with a person or entity; (e) disrupt the normal flow of dialogue or otherwise act in a manner that negatively affects other users' ability to use the Software or this Site; (f) engage in activities that would violate any fiduciary relationship, any applicable local, state, provincial, federal or international law, or any regulations having the force of law, including but not limited to attempting to compromise the security of any networked account or site, operating an illegal lottery or gambling operation, stalking, or making threats of harm; or (g) collect or store personal data or personal information about other users unless specifically authorized by such users. Choice may refuse service, terminate access, and/or cancel transactions at Choice's discretion without liability to you. You agree that all software, drawings, diagrams, specifications, documentation and other material relating to the Software and the use and service of this Site is confidential and the proprietary property of Choice or its licensors, and you shall acquire no rights in them, except as set forth in these Terms of Use.

You agree that you will not use any device, software, or other instrumentality to interfere or attempt to interfere with

the proper working of the Software or this Site, and that you will not take any action that imposes an unreasonable or disproportionately large load on Choice's infrastructure. In addition, you agree that you will not use any robot, spider, other automatic device, or manual process to monitor or copy the Software, this Site, or Choice's web pages or the content contained therein, without prior written consent from Choice.

You are solely responsible for the content of your submissions, and you grant to Choice, its successors and assigns, a non-exclusive, world-wide, royalty free, perpetual, non-revocable license to use or distribute such content in any manner consistent with the rights and obligations of Choice under these Terms of Use and your Franchise Agreement with Choice. You may not post or transmit to this Site any material that (a) is unlawful, abusive, threatening, violent, harmful, obscene, pornographic, lewd, offensive, racist, defamatory, harassing, or otherwise objectionable to Choice;

(b) might infringe the intellectual property rights, privacy rights, rights of publicity, or other proprietary rights of others; or contains any viruses, trojan horses, time bombs, or any other harmful programs or elements; and you may not modify or abridge any functionality of the Software or this Site.

You will not undertake any action that may interfere with or diminish intellectual property rights of Choice or those ofany third parties, if applicable; prohibited actions include, but are not limited to, (i) reverse engineering, decompiling and disassembling any software available on the Site (including the Software) or any component thereof, except and only to the extent such activity is expressly permitted by applicable law notwithstanding this limitation and (ii) removing, modifying or obscuring any copyright, trademark, or other proprietary rights notices that appear on the Software or the Site or that appear during use of the Software or the Site.

Choice will provide you with programming services, without additional charge, to correct errors to the Software and on the Site. However, Choice does not guarantee service timing or results or that all errors will be corrected.

In connection with your use of the Software and the Site, you agree to: (a) follow all operation instructions and the Rules and Regulations that accompany your Franchise Agreement; (b) provide access to your hardware and data transport system to enable Choice or third-party providers to perform whatever services or activities are required to assist you in your use of the Software and the Site; (c) have a representative trained in the use of the Software and the Site available to work with Choice in any support matters; and (d) update or replace the recommended hardware as required by Choice in order to accommodate changes to the Software or the Site.

Choice may, in our sole and absolute discretion, allow or disallow certain third parties to interface with the Software. You may not attach any third party equipment, interfaces or applications to the Software that have not been tested and approved in advance by Choice. You must receive Choice's prior written approval to use an interface with the Software in the form and manner required by Choice from time to time. Even if Choice approves a third party to interface with the Software, you are solely responsible for your use of any such third party equipment, interfaces or applications and shall indemnify, defend and hold harmless Choice from any third party claims relating to such third party equipment, interfaces or applications. Choice reserves the right to charge you a fee (e.g. an initial set up fee, or recurring fee) for using an interface with the Software. With respect to an interface that you are granted permission by Choice to use with the Software, you must maintain a valid agreement from the applicable third party provider to access and use such third party provider's system and services for as long as you are authorized by Choice to use such interface.

Choice reserves the right to update, modify, replace, terminate or otherwise change, at any time and in our sole discretion, any interfaces integrated with the Software.

# **Accessing Personal Information**

You may only access a person's personal information contained in the Software or Site if such person (a) has a reservation at your hotel, (b) previously stayed at your hotel or (c) is interested in making or confirming a reservation at your hotel. In all such cases, you may only use such person's personal information contained in the Software or Site for the purposes of check-in, check-out and/or billing. All other access to personal information or use of personal information is strictly prohibited. Personal means any data that relates to an identified or identifiable living person, including, but not limited to: name, address, telephone number, credit card number, Choice Privileges number, AAA or other membership number, passport, driver's license or other government ID number.

# **Your Security Obligations**

The Software and this Site are accessible from anywhere on the Internet. It is your responsibility to create, monitor, and manage (a) the individual user accounts that you are assigned and (b) their access rights to this Software and this Site. It is also your responsibility to disable assigned user accounts for those users who no longer need access to the Software or this Site. You acknowledge that it is possible to contract a computer virus or other malicious code by using the Internet or materials downloaded from it. You acknowledge that these viruses can cause degradation of the Software or this Site's performance. Therefore, you agree that you will install, update, and manage updated reasonable virus protection software on each computer that is used to access the Software and this Site.

You will use a transport layer security (TLS) 1.2 or higher, JavaScript and Cookie-enabled browsers to log into your account and perform transactions. The browser(s) currently supported for accessing the Software is: Microsoft Internet Explorer 11 or higher.

To access your account information, you will be required to enter a valid username and password. You will notice that Choice does not display your password in plain text as you enter it upon log-in; this is to provide an extra level of security. After a specific period of inactivity, the Software will automatically close your session. In order to reenter the Software and this Site, you will be required to enter your username and password. You agree that each user of the Site will be assigned a unique username and password. You agree that you will not share your password with anyone, make it available to others, or write it down or post it where someone might have access to it. You will also change your password periodically and not use common words that can be found in the dictionary, your first or last name, or numbers in a series. In addition, you agree that you will not save your passwords when prompted by your browser.

You will use Choice's logout feature if you will be leaving your computer for any amount of time. Logging out will ensure your session is ended, and a username and password will be required to reenter the Software and this Site. You will close your browser after you log out. This will provide one more level of security to prevent someone from entering your previous session. You will promptly notify Choice of any unauthorized disclosures of your password or other breaches of your password or the security of the Software or this Site. You must keep the Software and all data generated by the Software and this Site strictly confidential. You may not disclose it to any third parties or use it, except for your normal business purposes, as permitted under your Franchise Agreement.

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EXCEPT AS EXPRESSLY PROVIDED ABOVE, CHOICE SHALL NOT BE RESPONSIBLE FOR ANY PROBLEMS OR TECHNICAL MALFUNCTION OF ANY TELEPHONE NETWORK OR LINES, COMPUTER ON-LINE SYSTEMS, SERVERS, INTERNET SERVICE PROVIDERS, COMPUTER EQUIPMENT, SOFTWARE, OR ANY COMBINATION THEREOF INCLUDING ANY INJURY OR DAMAGE TO YOUR OR ANY OTHER PERSON'S COMPUTER AS A RESULT OF USING THIS SITE. CHOICE MAKES NO REPRESENTATIONS, WARRANTIES OR CONDITIONS EXPRESS, IMPLIED OR COLLATERAL, WITH RESPECT TO THE INFORMATION PROVIDED ON THIS SITE OR ON ANY THIRD-PARTY WEBSITES THAT MAY BE ACCESSED FROM THIS SITE, INCLUDING ANY REPRESENTATIONS OR WARRANTIES AS TO THE ACCURACY, COMPLETENESS OR TIMELINESS OF THE INFORMATION POSTED ON THIS SITE. YOU ARE SOLELY RESPONSIBLE FOR CHOOSING AN INTERNET SERVICE PROVIDER AND CHOICE MAKES NO REPRESENTATION OR WARRANTY AS TO THE SUITABILITY OR COMPATIBILITY OF ANY SUCH PROVIDER.

WARRANTIES UNDER THIS SECTION SHALL NOT APPLY TO ANY INTERFACE TO THE EXTENT ANY IMPARIMENT OR LIMITATION ON INTERFACE PERFORMANCE OR FUNCTIONALITY IS CAUSED BY THE SYSTEM ACCESSED THROUGH AN INTERFACE, OR SUCH SYSTEM'S PROVIDER, OR THE INFORMATION OR DATA PROVIDED BY SUCH SYSTEM.

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### Indemnification

You agree, at your expense, to indemnify, defend and hold Choice and its subsidiaries and affiliates, as well as their respective officers, directors, employees, agents, distributors, franchisees, licensors (including Microsoft) and licensees, and their respective officers, directors, employees and agents, harmless from and against any judgments, losses, deficiencies, damages, liabilities, costs, and expenses (including reasonable attorneys' and witness' fees and expenses) incurred in connection with or arising from any claim, demand, suit, action, or proceeding arising out of your breach of these Terms of Use or in connection with your use of the Software or this Site or any product or service related to the Software or this Site. You agree that you will immediately notify Choice in writing of the assertion of any claim by a third party or the discovery of any fact upon which the third party intends to base a claim hereunder. Choice reserves the right to assume the exclusive defense and control of any matter subject to indemnification by you, including the settlement thereof, which shall not excuse your indemnity obligations.

#### **Termination**

Your right to access and use the Software and this Site shall terminate upon termination or expiration of your Franchise Agreement. In addition, Choice may terminate these Terms of Use and your right to use the Software or this Site in the event that you: (a) breach any of these Terms of Use; or (b) fail to make applicable payments associated with your use of the Software or this Site as specified in the Rules and Regulations that accompany your Franchise Agreement. In addition to any damages to which it may be entitled, Choice shall be entitled to reimbursement of all costs relating to the breach of the Terms of Use, including reasonable attorneys' and witness' fees. Your breach of these Terms of Use shall also cause irreparable harm to Choice and its licensors. You agree that damages may be an inadequate remedy for such breach and, therefore, in addition to its rights and remedies otherwise available at law, Choice will be entitled to equitable relief, including both a preliminary/interlocutory and permanent injunction, if such a breach occurs. You waive any requirement for the posting of a bond or other security if Choice seeks such an injunction.

#### Governing Law

For U.S. franchisees: Choice creates and controls the Software and this Site in the State of Maryland, U.S.A. Accordingly, these Terms of Use are governed exclusively by the laws of the United States and Maryland law, except the Maryland Uniform Computer Information Transactions Act, which is expressly disclaimed, and without regard to Maryland conflicts of law principles. You agree that, regardless of any statute or law to the contrary, any claim or cause of action you may have against Choice arising out of or related to these Terms of Use or relating to the use of the Software or this Site and the material contained in the Software or this Site must be filed within one (1) year after such claim or cause of action arises or this claim or cause of action will be forever barred.

For Canadian franchisees: These Terms of Use are governed exclusively by the laws of the Province of Ontario, without regard to its conflicts of law principles. Any controversy or claim arising out of or relating to these Terms of Use or relating to the use of the Software or this Site and the material contained in the Software or this Site shall be resolved in an Ontario court, and you expressly waive the right to file a lawsuit or proceeding in any other jurisdiction. You agree that, regardless of any statute or law to the contrary, any claim or cause of action you may have against Choice arising out of or related to these Terms of Use must be filed within one (1) year after such claim or cause of action arises or this claim or cause of action will be forever barred.

# **Governing Language**

The parties hereto confirm that it is their wish that this Agreement, as well as all other documents relating hereto, including all notices, have been and shall be drawn up in the English language only. Les parties aux présentes confirment leur volonté que cette convention, de même que tous les documents, y compris tout avis, qui s'y rattachent, soient rédigés en langue anglaise.

#### General

The waiver by Choice of a breach or right under these Terms of Use will not constitute a waiver of any subsequent breach or right. If any provision of these Terms of Use is found to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be severed from the remainder of these Terms of Use, which will otherwise remain in full force and effect. Choice will not be responsible for any delay or failure to provide the Software or this Site or any associated services, in whole or in part, due to the following factors as they affect Choice, its licensors, agents or representatives or the Software or this Site: federal, state or municipal action or regulation; strikes or other labor troubles; fire; damage; delay in transportation; shortages of raw materials, labor, fuel or supplies; sabotage; terrorism; insurrection, riot or other acts of civil disobedience or public enemy; and failures or interruptions in Internet service or other communication failures. You may not assign your rights or obligations under these Terms of Use, in whole or in part, without the prior written consent of Choice. For the purposes of these Terms of Use, an assignment shall include any assignments resulting from a merger, a transfer of all or substantially all of your assets, a change of control, or by operation of lawIn the event that Choice finds it necessary to employ legal counsel or to bring an action at law or other proceeding against you to enforce any of the provisions of these Terms of Use, you agree to pay Choice, in addition to any damages for which you may be responsible, all reasonable attorneys' and witness' fees and expenses incurred by Choice. The obligations with respect to Copyrights, Confidentiality, Software Use and Site Access, Limitation of Liability, Indemnification, Termination, Governing Law, and these General provisions survive termination of your right of access to and use of the Software and this Site.

# Reservation of Rights

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# **Entire Agreement**

You acknowledge and agree that these Terms of Use, your Franchise Agreement and the applicable Rules and Regulations that accompany your Franchise Agreement (and, for Canadian franchisees, your choiceADVANTAGE Technology Services Agreement) are the complete and exclusive agreement between Choice and you relating to the Software and this Site, superseding all other agreements, proposals and communications (oral or written) related to the Software or this Site, including, without limitation, any prior Technology Services Agreement and Software License in effect between Choice and you In the event of any conflict or ambiguity between these Terms of Use, your Franchise Agreement or and the applicable Rules and Regulations that accompany your Franchise Agreement, these Terms of Use shall control.

### **Address of Choice**

International, Inc. 915 Meeting Street, Suite 600 North Bethesda, Maryland 20852 http://www.choicehotels.com

**EXHIBIT F** 

# **Call Forwarding**

# Choice ResConnect Reservations ServicesProgram — Terms of Use

(Revised January 2024 February 2025)

Thank You for Your interest in the Choice Hotels International, Inc. ("Choice") Call ForwardingChoice ResConnect Reservations Services Program (the "Program"). To enroll one or more of Your hotel properties in the Program, please review the terms below that will govern Your participation in and use of the Program ("Terms of Use"), select one or more of the two service options ("Service Options") that fits Your needs, and click on the "I Accept" button to agree to the Terms of Use. You will repeat this process for each property You intend to enroll in the Program.

# Terms of Use

By clicking "I Accept" belowproviding your acknowledgment on the ChoiceNow request "ResConnect Enrollment / Modification", You are confirming that You are either (1) an authorized franchisee in good standing with Choice or its subsidiaries or affiliated companies ("Franchisee"), or (2) the hotel's general manager or another authorized employee of the Franchisee (in each case, an "Authorized Representative"), and You accept and agree to these Terms of Use on behalf of Yourself and/or the Franchisee for Your participation in the Program and Service Option(s) for the specific hotel property You identify on the Hotel QuestionnaireChoice ResConnect Enrollment form (the "Hotel"). These Terms of Use shall govern Your participation in and use of the Program and shall be binding on You and Your employees and contractors. Choice has the right to and may, in its sole discretion and from time to time, modify, add or remove any of the provisions, rights or obligations in these Terms of Use without notice or liability to You. We will post any changes we make to the Terms of Use on this Call Forwarding page on Choice Central and ResConnect page, once posted, the changes will be effective immediately. You agree to review these Terms of Use, You accept and agree to the Terms of Use, as modified.

As used in these Terms of Use, the terms "You" and "Your" shall mean you, as the person accepting these Terms of Use, the Franchisee, or any and all Authorized Representatives as applicable by the context used herein. Additionally, "we" or "us" or "our" shall mean Choice.

1. The Program.

Service Option:

Subject to these Terms of Use, Choice will make available to Your Hotel each of the Service Options described below. You will select the Service Option that fits Your needs for Your Hotel (Premium or DiGITAL) by checking the appropriate box at the end of each Service Option description.

#### Service Option #1 — Premium

Premium is available on either a seasonal basis (from April 1 to September 30) or on an annual basis.

With Premium, callers to Your Hotel will continue to use Your existing Main Number as they did before You enrolled in the Program. With this Service Option, You will assign to us and we will assume that Main Number (also referred to as the "**Ported Number**") by executing a Letter of Agency we provide to you.

When calls are made to the Ported Number, they will be routed to an automated "interactive voice response" system (IVR) with a message specific to Your Hotel. The caller will be prompted to choose either "reservations" or "all other inquiries", or a third option of your choice if required. If the caller chooses the "reservations" option, then the call will be forwarded to our Reservation Center and You will be charged the standard fee detailed in Section 3. If the caller chooses the "all other inquiries" option, then the caller be routed to Your Hotel's front desk agent and no fee will apply. If you would also like to implement a third option on the IVR, calls will be transferred to a designated telephone number of your choice and no fee will apply.

To select Service Option #1 — Premium, Your Hotel must have, in addition to the Main Number, at least one other working phone number/phone line available at Your front desk ("Secondary Number"). Callers who chose the "all other inquiries" option will be routed to Your Hotel front desk via the Secondary Number.

You acknowledge that prior to activation of Service Option #1 — Premium, You are responsible for contacting Your phone company to ensure Your Secondary Number phone line is set up to roll all incoming calls to another available phone line if the Secondary Number phone line is in use. If this rollover feature (known as a "Hunt Group") isn't set up properly, calls to the Secondary Number while in use may go unanswered or fail. You are responsible for any fees charged by the phone company in connection with the implementation of Service Option #1, including fees for setting up the Ported Number or Hunt Group.

You agree to continue to list the Main Number as Your Hotel's published phone number throughout Your participation in the Program. You also acknowledge that Choice will use commercially reasonable efforts to reassign the Ported Number back to Your Hotel upon termination of Your participation in the Program or Service Option #1, in accordance with the terms stated below in Section 4, however, Choice does not guarantee this reassignment back to Your Hotel.

### Service Option #2 — DiGITAL

DiGITAL is available on either a seasonal basis (from April 1 to September 30) or on an annual basis.

Service Option:

#### **Choice ResConnect**

Choice will provide Your Hotel with its own unique <a href="Call-ForwardingChoice ResConnect">Call-ForwardingChoice ResConnect</a> Number. Choice will substitute Your Hotel's published primary toll-number (the "Main Number") with a designated <a href="Call-ForwardingChoice ResConnect">Call-ForwardingChoice ResConnect</a> Number for organic internet search results, and listings on the Choice Mobile App, ChoiceHotels.com and Choice reservation systems. This means that Incoming Calls can be made using the designated <a href="Call-ForwardingChoice ResConnect">Call-ForwardingChoice ResConnect</a> Number. You must retain Your Hotel's Main Number and keep it operational throughout the course of Your participation in the Program.

Incoming Calls on Your Call ForwardingChoice ResConnect Number will be routed to an automated "interactive voice response" system (IVR) with a message specific to Your Hotel-(similar to the Premium service). The caller will be prompted to choose either "reservations" or "all other inquiries," or a third option of your choice if required If the caller chooses the "reservations" option to book a new reservation, then the call will be forwarded to our Reservation Center and You will be charged the standard fee detailed in Section 3. If the caller chooses the "all other inquiries" option, then the caller be routed to Your Hotel's front desk agent and no fee will apply. If you would also like to implement a third option on the IVR, calls will be transferred to a designated telephone number of your choice and no fee will apply.

You also have Choice retains the optionright to have Incoming Calls on modify Your Call Forwarding Number routed through Your Hotel's PBX system. You then can treat the Incoming Call as a Manual Transfer or an Automatic Transfer, as outlined under Service Option #2. Dependent on your agreement with your telephone provider, additional fees may apply ResConnect IVR without notice.

### 2. Obligations and Representations

Once You accept these Terms of Use—and select Your Service Option(s), You will be enrolled in the Program and You will receive an e-mail confirmation including the Call ForwardingChoice ResConnect Technical Requirements & Hotel Questionnaire. You represent and warrant that the Hotel Questionnaire You submit is and will be complete and accurate. You agree to notify Choice promptly of any changes to the information You provide in the Hotel Questionnaire. If You wish to enroll additional Hotels in the Program, You must accept these Terms of Use and complete a separate Hotel Questionnaire for each Hotel.

<u>Call ForwardingChoice ResConnect</u> representatives have access to all your local negotiated rate plans through our reservation system. This includes rate plans You have loaded as Property Direct. It is Your responsibility to ensure every locally negotiated rate plan has a loaded rate description.

To enable the full functionality of the Program, You may be required to take additional actions, such as providing us with certain information, directions, and preferences. We will provide You with a supplemental can submit your hotel Questionnaire on ChoiceNow detailing the requirements and requests

# 3. <u>Fees — Program Fees vary by</u>

if necessary. If You fail to satisfy the enrollment requirements and our requests, You may impair Your Hotel's ability to implement/participate in the Program.

You agree to follow all operation instructions and the requirements of the Program as may be set forth in the Rules and Regulations that accompany Your franchise agreement with Choice (the "Franchise Agreement") and which may apply to any of the Program-Service Options.

3.Fees

**Program Fees vary by segment:** 

### Core: Comfort, Country, Clarion, Sleep, Quality, Park Inn, Park Plaza:

You will pay Choice a fee of 3.5% of the monthly Gross Room Revenue booked by the Program. We have the right to increase the Fee at any time upon providing notice to You. The Fee is due and payable by You to us for each reservation that is booked by the Program. If You are not able to meet the needs of the caller or do not have room inventory available for the dates requested, the Reservation Center sales agent may cross-sell the caller to another hotel property within the Choice franchise system. We will invoice You monthly for the Fees and other amounts due under these Terms of Use and You must pay each invoice in full by the first day of the month following the month in which the invoice is issued. Choice reserves the right to suspend Your participation in and use of the Program if You fail to pay any invoice in a timely manner. Fees do not include any taxes. You are solely responsible for paying taxes applicable to Your participation in and use of the Program, which may include sales tax, gross receipts tax, use tax, transaction privilege tax or other taxes.

# Upscale: Ascend, Cambria, <u>Park Plaza,</u> Radisson, Radisson Blu, Radisson Red, Radisson Individuals, Radisson Collection:

You will pay Choice a fee of 3.0% of monthly Gross Room Revenue booked by the Program. We have the right to increase the Fee at any time upon providing notice to You. The Fee is due and payable by You to us for each reservation that is booked by the Program. If You do not have room inventory available for the dates requested, the Reservation Center sales agent may cross-sell the caller to another hotel property within the Choice franchise system. We will invoice You monthly for the Fees and other amounts due under these Terms of Use and You must pay each invoice in full by the first day of the month following the month in which the invoice is issued. Choice reserves the right to suspend Your participation in and use of the Program if You fail to pay any invoice in a timely manner. Fees do not include any taxes. You are solely responsible for paying taxes applicable to Your participation in and use of the Program, which may include sales tax, gross receipts tax, use tax, transaction privilege tax, or other taxes.

# Economy and Extended Stay and Economy: Mainstay, Suburban, Everhome, WoodSpring, Econo Lodge, Rodeway, Park Inn

You will pay Choice a fee of \$3.00 USD per call that is forwarded from your hotel or through the Call ForwardingChoice ResConnect system to our CRS, under any of the Service Options. (the "Fee"). We have the right to increase the Fee at any time upon providing notice to You. The Fee is due and payable by You to us for each call that is forwarded to the Reservation Center, regardless of whether the forwarded call results in a booking. If You do not have room inventory available for the dates requested, the Reservation Center sales agent may cross-sell the caller to another hotel property within the Choice franchise system. We will invoice You monthly for the Fees and other amounts due under these Terms of Use and You must pay each invoice in full by the first day of the month following the month in which the invoice is issued. Choice reserves the right to suspend Your participation in and use of the Program if You fail to pay any invoice in a timely manner. Fees do not include any taxes. You are solely responsible for paying taxes applicable to Your participation in and use of the Program, which may include sales tax, gross receipts tax, use tax, transaction privilege tax, or other taxes.

# 4. Term and Termination

4. Term and

The initial term for Your participation in the Program under any Service Option is six (6) months (the "Initial Term"). Your Hotel must remain enrolled in the Program for at least six (6) months and You may not cancel before the end of the Initial Term except as detailed below. After the Initial Term, You will continue to be enrolled until either party provides the other with thirty (30) days advance written notice of an intent to terminate. If You wish to take Your Hotel out of the Program early, You may do so by notifying us and paying an early exit fee of \$500 for each month remaining in the Initial Term (plus a pro rata share for the remaining portion of the current month).

#### **Default and Termination**

*Non-payment.* We may terminate Your participation in the Program upon five (5) days written notice if You fail to timely pay any amounts due to Choice as a result of Your participation in the Program.

Franchise Agreement Default, Termination or Expiration. We may terminate Your participation in the Program immediately upon any default under the Program or Your Franchise Agreement and Your participation in and use of the Program will automatically terminate upon the expiration (or earlier termination) of the Franchise Agreement.

Removal of <u>Call ForwardingChoice ResConnect</u> Number Published Listings (<u>Service Option #2 only</u>). For <u>Service Option #2</u>, Your removal of the <u>Call ForwardingChoice ResConnect</u> Number from any or one of the following channels (or any other channel in which we list Your <u>CFResConnect</u> Number) constitutes a breach of these Terms of Use for which we may terminate immediately Your participation in the Program: organic internet search, Choice Mobile App, ChoiceHotels.com and Choice Reservations systems.

Change of Main Number (Service Option #1 only). For Service Option #1, it is a breach of these Terms of Use if Your Hotel takes on/publishes a new Main Number, in which case we may terminate immediately Your participation in the Program.

Additional Remedies. In addition to any damages to which it may be entitled, Choice will be entitled to reimbursement of all costs relating to the breach of the Terms of Use, including reasonable attorneys' and witness' fees. If, because of Your breach of the Terms of Use, we terminate Your participation in the Program during the first six months after Your enrollment, we will charge You the early exit fee. Your breach of these Terms of Use may also cause irreparable harm to Choice. You agree that damages may be an inadequate remedy and, therefore, in addition to its rights and remedies otherwise available at law, Choice will be entitled to equitable relief, including both a preliminary and permanent injunction, if such a breach occurs. You waive any requirement for the posting of a bond or other security if Choice seeks such an injunction.

Post Termination Reassignment of Ported Number (Service Option #1 only). Upon termination of Your participation in the Program under Service Option #1 — Premium, we will use commercially reasonable efforts for ninety (90) days thereafter ("Transfer Window") to reassign the Ported Number back to Your Hotel during the Transfer Window, we may retain the Ported Number and/or forward it to a non-working line. You acknowledge that the actual termination of the Hotel's commitment and responsibility under Service Option #1 (including Your payment of Fees) will only become effective upon the earlier of: (a) the date the Ported Number is actually reassigned back to the Hotel (which will be determined by several factors outside of Choice's control), or (b) the last day of the Transfer Window.

# 3. Limitation of Liability

You expressly understand and agree that neither Choice, its licensors, nor related parties shall be liable for any indirect, punitive, consequential, incidental or special damages of any kind resulting from these terms, access to or any use of, or inability to use or access, or reliance on, or functioning of, the Program, regardless of the basis upon which liability is claimed, even if Choice has been advised of the possibility of such loss of damage. In no event shall Choice's liability for damages, regardless of the form of action, exceed the fees You actually paid in the six (6) months immediately preceding Your claim.

6.No Warranty

Choice provides the Program "as is" and without warranties of any kind, either express or implied, except to the extent that any warranties implied by law cannot be validly waived or disclaimed. The disclaimed warranties, to the extent allowed by law, include but are not limited to the implied warranties of merchantability, non-infringement of intellectual property, and fitness for a particular purpose.

Choice makes no warranty that the Program will meet Your requirements or that it will be uninterrupted, timely, secure, or error-free; nor does Choice make any warranty as to the results that may be obtained from Your participation in or use of the Program or as to the accuracy or reliability of any information obtained through Your participation in or use of the Program.

Choice shall be not responsible for any problems or technical malfunction of any telephone network or lines, computer online systems, servers, internet access providers, computer equipment, software, or any combination thereof including any injury or damage to Your or any other person's computer or networks as a result of using the Program. Choice makes no representations or warranties express or implied, with respect to the information received by or through Your participation in or use of the Program, including any representations or warranties as to the accuracy, completeness or timeliness of the information obtained by or through Your participation in or use of the Program.

# 7. Indemnity

You agree, at Your expense, to indemnify, defend and hold Choice, as well as its officers, directors, employees, agents, subsidiaries, affiliates, distributors, franchisees, licensors and licensees harmless from and against any judgments, losses, deficiencies, damages, liabilities, costs, and expenses (including reasonable attorneys' and witness' fees and expenses) incurred in connection with or arising from any claim, demand, suit, action, or proceeding arising out of Your breach of these Terms of Use or in connection with Your participation in or use of the Program or any product or service related to the Program. Choice reserves the right to assume the exclusive defense and control of any matter subject to indemnification by You, which shall not excuse Your indemnity obligations.

### 8. Trademarks

You acknowledge that Choice Hotels International<sup>®</sup>, Choice Hotels<sup>®</sup> and the trademarks associated with our brands are the sole property of Choice and are registered in the U.S. Patent and Trademark Office and other trademark offices around the world. Any use of these trademarks by You requires the prior express written consent of Choice.

# 9. Governing Law

Choice creates and controls the Program in the State of Maryland, U.S.A. Accordingly, these Terms of Use are governed by the laws of the United States and Maryland law, except the Maryland Uniform Computer Information Transactions Act, which is expressly disclaimed, and without regard to Maryland conflicts of law principles. Any controversy or claim arising out of or relating to these Terms of Use or relating to Your participation in or use of the Program and the materials related to the Program shall be resolved in a Maryland court. You agree that, regardless of any statute or law to the contrary, any claim or cause of action You may have against Choice arising out of or related to these Terms of Use must be filed within one (1) year after such claim or cause of action arises or this claim or cause of action will be forever barred.

For Canadian franchisees: These Terms of Use are governed exclusively by the laws of the Province in

which your hotel is located, without regard to its conflicts of law principles. Any controversy or claim arising out of or relating to these Terms of Use or relating to the use of the Program and the material contained in the Program shall be resolved in a court in such Province, in a city selected by Choice, and you expressly waive the right to file a lawsuit or proceeding in any other jurisdiction.

#### 10. General

The waiver by Choice of a breach or right under these Terms of Use will not constitute a waiver of any subsequent breach or right. If any provision of these Terms of Use is found to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be severed from the remainder of these Terms of Use, which will otherwise remain in full force and effect. Choice will not be responsible for any delay or failure of the Program or any associated services, in whole or in part, due to the following factors as they affect Choice, its licensors, agents or representatives, or the Program: federal, state or municipal action or regulation; strikes or other labor troubles; fire; damage; delay in transportation; shortages of raw materials, labor, fuel or supplies; sabotage; insurrection, riot or other acts of civil disobedience or public enemy; and failures or interruptions in Internet service, networks or other communication failures. You may not assign Your rights under these Terms of Use, in whole or in part, without the prior written consent of Choice. If Choice finds it necessary to employ legal counsel or to bring an action at law or other proceeding against You to enforce any of the provisions of these Terms of Use, You agree to pay Choice, in addition to any damages for which You may be responsible, all reasonable attorneys' and witness' fees and expenses incurred by Choice, if Choice prevails in such action or proceeding. Your obligations under these Terms of Use will survive termination of Your participation in, right to access, and use of the Program. Any rights not expressly granted to You herein are reserved to Choice and its licensors. You acknowledge and agree that these Terms of Use are the complete and exclusive agreement between Choice and You relating to the Program, superseding all other agreements, proposals, and communications (oral or written) related to the Program.

#### 11. Notices

Notices to Choice can be sent via email to: ResConnect@choicehotels.com.

#### **EXHIBIT G**

### **Choice Hotels Gift Card Enrollment Form**

The Choice Gift Card program is currently open <u>only</u> to the following brands in the United States: Comfort Inn, Comfort Suites, Quality, Sleep Inn, Clarion, Cambria hotels & suites, MainStay Suites, Suburban Extended Stay, Econo Lodge, Rodeway Inn and Ascend Hotel Collection.

This-	—Enrollment	— <del>Form</del> —	<del>constitutes</del>	<del>an</del>	<del>agreement</del>	("Agreement")	— <del>between</del>
11113	-Linoinnent	1 01111	Constitutes	—an—	agreement—	—( Agreement )—	—octween
						("Vou") and the cor	nnany
						<del>_ ( 100 ) and the cor</del>	1 2
selected	by Choice Hotel	c Internation	nal Inc. ("Choice	") to ad	minister the Chai	ice Gift Card Program	L
	•		No. of the second secon			ice Gift Cara i rogiam	•
("Progr	am") Blackhaw	k Notwork (	<del>the "Program A</del> o	dminist	rator") dated	<u>_21_</u>	
( IIIUgi	am j, Diackiiaw	K I VCLW OIK (	me ilogiam m	ummi	1 <b>ator</b> ), dated <u>—</u>	, 21.	

### Redemption of Gift Cards.

Choice has made the redemption of Choice Gift Cards <u>mandatory</u> and You agree that You will activate Your point of sale systems in order to be able to redeem Choice Gift Cards under the Program. You understand that whenever a guest pays for a room night(s) or any other charges which appear on the hotel bill using a Choice Gift Card, the Program Administrator will reimburse You for the value of the sale, less a 2.5% interchange fee. You will receive the 97.5% of the sale that is to be paid to You by (1) an electronic ACH transfer directly into Your bank account; or (2) receiving a monthly check from the Program Administrator for all Gift Card redemptions processed at Your property during the preceding month. If You choose Option (2) and there are payments owed to You there will be a check processing fee of \$3.00 per monthly check in addition to the interchange fee which will be deducted from Your reimbursement amount. If You choose Option (1), You must complete the attached ACH Authorization Form and supply a copy of a voided check to the Program Administrator with this signed Agreement in order to be reimbursed.

#### **Payment Options.**

(SELECT ONLY "ONE" OF THE TWO OPTIONS).

□OPTION 1: ONLY REDEEM GIFT CARDS (ELECTRONIC). I wish only to "redeem" Gift Cards under the Program and I want to participate in the electronic payments option. Therefore, I am supplying my bank account information in order to electronically receive funds via ACH at no additional cost. I have completed the ACH form, I am supplying a copy of a voided check, and I am attaching both items to this Agreement.

□OPTION 2: ONLY REDEEM GIFT CARDS (NON-ELECTRONIC). I wish only to "redeem" Gift Cards under the Program and I do NOT wish to participate in the electronic payments option. I elect to receive a check once each month for redemptions at my property. I understand this is available for a fee of \$3.00 per monthly check, which is in addition to the interchange fee of 2.5% set forth above. I am returning this signed Agreement without the ACH form and without a copy of a voided check.

You agree to email, fax or e mail a signed copy of this Agreement (and ACH Form and voided check, if applicable) to the Program Administrator. The Program Administrator's email address, fax number and mailing address are listed below.

changes to Your relevant bank acco	that it is Your responsibility to notify the Program Administrator of an ount information and that a fee may be levied by the Program Administratue to incorrect bank account information or non-sufficient funds.	
	t will remain in force until either You or the Program Administrator will make reports available to You in a format designed to assist You to el.	
ACCEPTED AND AGREED:		
Franchisee:	Address:	
By:		
Printed Name:	Property Code:	
	Blackhawk Network	
Bank Acc	ount Information for ACH Credits/Debits	
	at your property, this form must be completed ONLY if you select the ACH option for redemption reimbursement.	
<del>You must include a vo</del>	pided check or a copy of a voided check with this form	
Franchisee Name:	Property Code:	
Property Name:	-Phone Number:-	_ <del>Prop</del>

Federal Tax ID #:

Property Code:

	Bank Name: Bank Address:	
•		
1	Routing (ABA) #:	
	Bank Account #:	
	Account Type:    Checking Savings Authorized Signature:	
	-*Include a voided check with this completed form	
1	<del>Date:</del>	
ı	<del>Date.</del>	
	Initial Program Pricing (Subject to Change or Termination with 60 Days Written Notice):  Card Redemptions: 97.5% of transaction amount remitted to Franchisee (2.5% service fee)	
	Note: If you selected electronic funds transfer, this form must be completed and returned to Blackhawk.  Franchisees are responsible for communicating bank account changes. Check with your bank to confirm that your account is set up to receive ACH deposits. Returned ACH's are subject to a \$15 fee.	
	(ACH is the Automated Clearing House for electronic banking transactions. See for more information.)	

**EXHIBIT H** 

«PROP\_CODE» - «CONTRACT\_ID» «Brand\_Name»

**Promissory Note** 

	1 1011113301 y 1	1010
		Issuance Date:
		Maturity Date:
\$	«PROP_CITY», «PR	OP_ST»
promises to pay to the		tively, " <u>Maker</u> "), jointly and severally, hereby II, Inc. (" <u>Holder</u> ") the principal sum of and ed for herein.:
Agreement"). The parto Maker pursuant to	(as may be amended or su irties have agreed upon certain condi o a promissory note in substantially	parties to a franchise agreement dated pplemented from time to time, the " <u>Franchise</u> itions pursuant to which Holder will make a loan similar form to this promissory note (" <u>Note</u> "). It is meaning set forth in the Franchise Agreement.

- **2.** Payment. Unless otherwise accelerated pursuant to Section 3, this Note matures on the Maturity Date, at which time the entire Principal Amount will be due and payable in full.
- 2. <u>Default.</u> The occurrence of any one or more of the following events shall constitute a "<u>Default</u>": (1) Maker's failure to observe or perform any covenant, condition or agreement under the terms of this Note; (2) if any representation or warranty made in connection with this Note is in Holder's opinion, false, misleading or incorrect in any material respect; (3) if for any reason, the Franchise Agreement terminates or is otherwise rendered ineffective prior to the Maturity Date; (4) the occurrence of any event(s) or existence of any situation that, after providing for any applicable notice/cure rights set forth in the Franchise Agreement, would provide Holder with a right to terminate the Franchise Agreement; (5) if all or any portion of the premises to which the Franchise Agreement applies ("<u>Premises</u>"), any interest in the Premises (including an ownership interest in any entity that owns the Premises), or any interest in this Note is transferred, leased, or conveyed, other than as security for a debt or other obligation, whether done by a direct or indirect method, or should Maker enter into any contractual arrangement to transfer or convey the Premises, any interest in the Premises (including an ownership interest in any entity that owns

the Premises), any part of this Note, or any interest in this Note other than as security for a debt; and (6) the death of any Maker or the filing of any insolvency or bankruptcy proceeding by or against any Maker or the appointment of a receiver for any Maker or any Maker's assets. If a Default occurs, the entire Principal Amount will be due and payable in full within fifteen (15) days after Maker's receipt of a written Notice of Default from Holder.

- 4. Interest. If the Principal Amount, or any portion thereof, is not paid on or before the Maturity Date (or such earlier date required by Section 3), this Note will bear interest from the date on which funds are due until paid in full at the annual rate of eighteen percent (18%). The maximum interest rate in California is 10% annually. Interest will be computed on the basis of a 360-day year and charged for the actual number of days elapsed in each interest calculation period. Nothing in this Note will be construed or operate to require Maker to pay interest at a greater rate than the maximum allowed by law. Should any interest or other charges paid or payable by Maker under this Note result in the computation or earning of interest in excess of the maximum allowed by law, then all excess interest charges are waived by Holder, and any such excess interest received by Holder will be automatically credited against the Principal Amount, and any such remaining excess received by Holder that exceeds the Principal Amount will be credited by Holder against Royalty Fees payable to Holder pursuant to the Franchise Agreement.
- 5. Confession of Judgment. Upon the occurrence of a Default, Maker hereby irrevocably authorizes and empowers any attorney or clerk of any court of record in the United States or elsewhere to appear for and, with or without declaration filed, confess judgment against Maker in favor of Holder or an assignee or successor of Holder, of the Note, at any time, for the full or total Principal Amount under this Note, together with all indebtedness provided for therein, with interest, costs of suit, and reasonable attorneys' fees; and the undersigned expressly releases all errors, waives all stay of execution, rights of inquisition and extension upon any levy upon real estate and all exemption of property from levy and sale upon any execution hereon; and Maker expressly agrees to condemnation and expressly relinquishes all rights to benefits or exemptions under any and all exemption laws now in force or which may hereafter be enacted. Maker acknowledges and agrees that Maker is voluntarily, knowingly, and intelligently giving up its right to notice and hearing prior to the entry of judgment, is granting Holder, or Holder's assignee or successor, the right to confess judgment against Maker and is freely waiving its due process rights. Maker further consents to immediate execution on the judgment and waives all right of appeal, ratifying and confirming all that the attorney or clerk may do by virtue of this Note.

#### 6. General.

No failure or delay by Holder to insist on the strict performance of any term of this Note or to exercise any right, power or remedy upon the occurrence of a Default or any other breach of this Note, is a waiver of any term or agreement or of any breach, or will preclude Holder from exercising any right, power or remedy at any later time unless in writing. If Holder accepts any payment after its due date, this act will not be a waiver of Holder's right to receive timely payment of all other amounts or to declare a default for the failure to make any other payment when due.

If Holder or any future holder of this Note assigns its rights under this Note, the term "Holder" as used in this Note will refer to such then-current assignee. This Note is not assignable by Maker.

If any provision (or any part of any provision) in this Note is for any reason held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability will not affect any other provision (or remaining part of the affected provision) of this Note, and this Note will be construed as if the invalid, illegal or unenforceable provision (or part of this Note) had never been contained in this Note but only to the extent it is invalid, illegal or unenforceable.

This Note shall be governed by and construed in accordance with the laws of the State of

Maryland. Negotiable and payable at the office of: CHOICE HOTELS INTERNATIONAL, INC.,

915 Meeting

Street, Suite 600, North Bethesda, Maryland 20852, Attention: Billing Department.

In Witness Whereof, Maker acknowledges and agrees to the terms of this Note as evidenced by its signature under seal as of the day and year first above written.

# EXHIBIT ##

# EXHIBIT III.A. CAPITAL SUPPORT PROMISSORY NOTE

#### **INCENTIVE PROMISSORY NOTE**

\$	City, State	Date:
hereby promises to pay sum of amount as shall then conditions set forth here to the terms of the Fra \$ Franchise Agreement.	D, each of the undersigned (collective to the order of Choice Hotels Interna Dollars (\$) (the "Prince equal the outstanding Principal Andeinafter, together with interest thereon inchise Agreement (defined below), F upon the occurrence of the OCapitalized terms used but not define the Franchise Agreement.	tional, Inc. (" <u>Holder</u> ") the principal cipal Amount"), or such lesser mount hereof on the terms and a, as provided for herein. Pursuant Holder will lend Maker the sum of ppening Date, as defined in the
agreement dated the "Franchise Agreeme conditions pursuant to w	nd Certain Definitions. Maker and heart"), which Franchise Agreement, and which Holder will make a loan to Make in to this promissory note (the "Note").	supplemented from time to time, nong other items, set forth certain

# 2. Interest.

- 2.1 This Note will bear interest from the date on which funds are advanced to Maker (the "<u>Distribution Date</u>") until paid in full at the annual rate of Prime plus two percent (2%) (the "<u>Rate of Interest</u>"). "<u>Prime</u>" initially refers to the prime rate quoted by the Wall Street Journal Prime Rate as of the Distribution Date, and during the period in which all or any portion of the Principal Amount remains outstanding, shall adjust from time to time as the rate quoted by the Wall Street Journal adjusts. Rate of Interest will be computed on the basis of a 360-day year and charged for the actual number of days elapsed in each interest calculation period. The maximum interest rate in California is 10% annually.
- 2.2 Nothing in this Note will be construed or operate to require Maker to pay interest at a greater rate than the maximum allowed by law. Should any interest or other charges paid or payable by Maker under this Note result in the computation or earning of interest in excess of the maximum allowed by law, then all excess interest charges are waived by Holder, and any such excess interest received by Holder will be automatically credited against the Principal Amount, and any such remaining excess received by Holder that exceeds the Principal Amount will be credited by Holder against Royalty Fees payable to Holder pursuant to the Franchise Agreement.
- **3.** <u>Use of Proceeds</u>. Maker agrees that the entire proceeds of this Note will be used solely for purposes related to the operation of a **«Brand\_Name»** hotel pursuant to the Franchise Agreement.

Incentive Promissory Note (**\*PROP\_CODE\* - \*CONTRACT\_ID\*)**Page 2

Incentive Promissory Note (**«PROP\_CODE» - «CONTRACT\_ID»**)
Date

# 4. Payment.

- 4.1 Unless otherwise accelerated pursuant to Section 5.2, this Note matures one hundred and twenty (120) months from the Opening Date (the "Maturity Date"), at which time the entire Principal Amount, all accrued and unpaid interest on this Note and all other sums due under this Note will be due and payable in full.
- 4.2 Notwithstanding the foregoing, no payments (of either the Principal Amount or any associated interest) will be due or payable under this Note unless and until a Default (as defined in Section 5.1 hereof) occurs. If no Default (i) has occurred before the Maturity Date, or (ii) is occurring on the Maturity Date, then the entire Principal Amount and all accrued interest will be waived and forgiven by Holder as of the Maturity Date.
- 4.3 As of each anniversary of the Opening Date, unless a Default has occurred, the loan balance shall automatically be reduced by: (a) 1/10<sup>th</sup> of the Principal Amount (the "Forgiven Amount"), and (b) all accrued interest on the Forgiven Amount.
- 4.4 Payments on this Note shall be made in lawful currency of the United States of America to Holder, at the address set forth in Section 6.3 of this Note or such other address as Holder may designate by written notice to Maker.

#### 5. Default.

The occurrence of any one or more of the following events shall constitute a "Default": (1) Maker's failure to observe or perform any covenant, condition or agreement under the terms of this Note or under the terms of any documents signed in connection with this Note, if any, (including, but not limited to, any commitment, loan agreement, stock pledge agreement or guaranty) or any other note or other obligation payable by Maker to Holder; (2) if any representation or warranty made in connection with this Note or in any report, opinion, schedule or certification with this Note or later submitted to Holder is in Holder's opinion, false, misleading or incorrect in any material respect; (3) if for any reason, the Franchise Agreement terminates or is otherwise rendered ineffective; (4) the occurrence of any event(s) or existence of any situation that, after providing for any applicable notice/cure rights set forth in the Franchise Agreement, would provide Holder with a right to terminate the Franchise Agreement; (5) if all of any portion of the premises to which the Franchise Agreement applies (the "Premises"), any interest in the Premises (including an ownership interest in any entity that owns the Premises), or any interest in this Note is transferred, leased, or conveyed, other than as security for a debt or other obligation, whether done by a direct or indirect method, or should Maker enter into any contractual arrangement to transfer or convey the Premises, any interest in the Premises (including an ownership interest in any entity that owns the Premises), any part of this Note, or any interest in this Note other than as security for a debt, unless, within 30 days of such transfer, Holder enters into a new «Brand\_Name» franchise agreement with the transferee for the Premises, and the transferee assumes all of Maker's obligations under this Note and executes Holder's then-current form of Assumption of Promissory Note; (6) the filing of any insolvency or bankruptcy proceeding by or against any Maker or the appointment of a receiver for any Maker or any Maker's assets; and (7) the death of any Maker unless (i) within 30 days upon death of a Maker, Holder is notified of such death, and (ii) within 60 days of said notification, this Note is transferred to and assumed by a new individual within Maker's family, that Holder approves in its sole discretion, by executing Holder's then-current form of Assumption of Promissory Note.

- 5.2 If a Default occurs, at Holder's option, the Default Payment Amount (as defined below) will immediately become due and payable by Maker to Holder without notice to Maker or any other person or entity. The "Default Payment Amount" means the sum of: (a) the original Principal Amount less an amount equal to the product resulting from multiplying the original Principal Amount by a fraction, the numerator of which is the number of full calendar months that have elapsed since the Opening Date, and the denominator of which is one hundred twenty (120) (the amount resulting from this calculation is referred to as the "Amount Due"); plus (b) interest on the Amount Due calculated from the Distribution Date at the Rate of Interest.
- 5.3 Interest will accrue on the Default Payment Amount at the Rate of Interest until the Default Payment Amount has been paid in full; provided, that if such Default Payment Amount has not been paid in full by the date that is fifteen (15) days after the date such amount became due and payable, interest will begin to accrue at a default annual rate equal to Prime plus seven percent (prime plus 7%). The maximum interest rate in California is 10% annually.
- 5.4 The following provisions are applicable upon the occurrence of a Default: (A) Maker will pay Holder all expenses, costs and attorneys' fees that Holder incurs in connection with Holder's collection of any monies due under this Note or for the enforcement of any right under this Note or under any other agreement related to the loan evidenced by this Note, and (B) Holder may exercise any or all other rights, powers and remedies provided for in any instrument, document or agreement now or later evidencing security or otherwise relating to the loan evidenced by this Note or now or later existing at law or in equity or by statute or otherwise.
- CONFESSION OF JUDGMENT. Upon the occurrence of a Default, Maker 5.5 hereby irrevocably authorizes and empowers any attorney or clerk of any court of record in the United States or elsewhere to appear for and, with or without declaration filed, confess judgment against Maker in favor of Holder or an assignee or successor of Holder, of the Note, at any time, for the full or total Default Payment Amount under this Note, together with all indebtedness provided for therein, with interest, costs of suit, and reasonable attorneys' fees; and the undersigned expressly releases all errors, waives all stay of execution, rights of inquisition and extension upon any levy upon real estate and all exemption of property from levy and sale upon any execution hereon; and Maker expressly agrees to condemnation and expressly relinquishes all rights to benefits or exemptions under any and all exemption laws now in force or which may hereafter be enacted. Maker acknowledges and agrees that Maker is voluntarily, knowingly, and intelligently giving up its right to notice and hearing prior to the entry of judgment, is granting Holder, or Holder's assignee or successor, the right to confess judgment against Maker and is freely waiving its due process rights. Maker further consents to immediate execution on the judgment and waives all right of appeal, ratifying and confirming all that the attorney or clerk may do by virtue of this Note.
- 5.6 Maker waives demand, presentment for payment, protest and notice of dishonor and agrees that at any time and from time to time and with or without consideration, Holder may, without notice to or further consent of Maker and without in any manner releasing, lessening, or affecting the obligations of any of them: (1) release, surrender, waive, add, substitute, settle, exchange, compromise, modify, extend, or grant indulgences with respect to

(a) this Note, (b) all or any part of any collateral or security for this Note, and (c) Maker or any of them; and (2) grant any extension or other postponements of the time of payment of this Note.

# 6. General.

Incentive Promissory Note (**\*PROP\_CODE\* - \*CONTRACT\_ID\*)**Page 4

- 6.1 <u>Cumulative Rights</u>. Each right, power and remedy of Holder as provided for in this Note or now or hereafter existing at law or in equity or by statute or otherwise is cumulative and concurrent and is in addition to every other right, power or remedy, and Holder's exercise or beginning of exercise of any one or more of these rights, powers or remedies will not preclude Holder's simultaneous or later exercise of any or all these other rights, powers or remedies.
- 6.2 <u>No Waiver; Application of Payment.</u> No failure or delay by Holder to insist on the strict performance of any term of this Note or to exercise any right, power or remedy upon the occurrence of a Default or any other breach of this Note, is a waiver of any term or agreement or of any breach, or preclude Holder from exercising any right, power or remedy at any later time unless in writing. If Holder accepts any payment after its due date, this act will not be a waiver of Holder's right to receive timely payment of all other amounts or to declare a default for the failure to make any other payment when due. Any partial payments under this Note may be applied to pay interest, the Principal Amount, the Amount Due or costs as Holder, in its sole discretion determines.
- 6.3 Notices. All notices required under this Note must be in writing, must be personally delivered or mailed by registered or certified mail, return receipt requested, or by a nationally recognized courier service, to Holder at Choice Hotels International, Inc., 915 Meeting Street, Suite 600, North Bethesda, Maryland 20852, and to Maker at the Designated Representative's address identified in the Franchise Agreement. Either Holder or Maker may change the applicable address to which such notices are to be sent by written notice to the other party; provided, that Maker may only change the Designated Representative by written notice to Holder delivered in compliance with the Franchise Agreement. Maker authorizes the Designated Representative to receive Holder's written notices to Maker as its agent. Any notice by registered or certified mail or by reputable national courier service is deemed given and received at the date and time of sending.
- 6.4 <u>Severability</u>. If any provision (or any part of any provision) in this Note is for any reason held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability will not affect any other provision (or remaining part of the affected provision) of this Note, and this Note will be construed as if the invalid, illegal or unenforceable provision (or part of this Note) had never been contained in this Note but only to the extent it is invalid, illegal or unenforceable.
- 6.5 <u>Assignment</u>. If Holder or any future holder of this Note assigns its rights under this Note, the term "<u>Holder</u>" as used in this Note will refer to such then-current assignee.
- 6.6 <u>Choice of Law.</u> This Note is a contract made under, and for all purposes will be construed in accordance with, the internal laws and judicial decisions of the State of Maryland. Maker and Holder agree that any dispute arising out of this Note is subject to the jurisdiction of both the state and federal courts in the State of Maryland. For that purpose, Maker submits to

the jurisdiction of the state and federal courts of the State of Maryland. Maker further agrees to accept service of process out of any of the before-mentioned courts in any dispute by registered, certified mail or international courier service addressed to Maker.

6.7. <u>Confidentiality.</u> You agree to keep the provisions of this Note in strict confidence and will not disclose them to any persons other than your directors, officers, partners, employees, agents and advisors that have a need to know. Any unauthorized disclosure is a Default under this Note as defined in Section 5.1 hereto.

Incentive Promissory Note (**\*PROP\_CODE\* - \*CONTRACT\_ID\*)**Page 5

6.8 Waiver of Trial by Jury. THE MAKER AND THE HOLDER HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH THE MAKER AND THE HOLDER MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO THIS NOTE. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS NOTE.

In Witness Whereof, Maker acknowledges and agrees to the terms of this Note as evidenced by its signature under seal as of the day and year first above written.

# EXHIBIT <u>IH</u>.B. <u>DIVERSITY</u> INCENTIVE PROMISSORY NOTE

#### **INCENTIVE PROMISSORY NOTE**

\$	City, State	Date:
hereby promises to pay sum of amount as shall then conditions set forth here to the terms of the Fra \$ Franchise Agreement.	D, each of the undersigned (collective to the order of Choice Hotels Interna Dollars (\$) (the "Prince equal the outstanding Principal Andeinafter, together with interest thereon inchise Agreement (defined below), F upon the occurrence of the OCapitalized terms used but not define the Franchise Agreement.	tional, Inc. (" <u>Holder</u> ") the principal cipal Amount"), or such lesser mount hereof on the terms and a, as provided for herein. Pursuant Holder will lend Maker the sum of ppening Date, as defined in the
agreement dated the "Franchise Agreeme conditions pursuant to w	nd Certain Definitions. Maker and heart"), which Franchise Agreement, and which Holder will make a loan to Make in to this promissory note (the "Note").	supplemented from time to time, nong other items, set forth certain

# 2. Interest.

- 2.1 This Note will bear interest from the date on which funds are advanced to Maker (the "<u>Distribution Date</u>") until paid in full at the annual rate of Prime plus two percent (2%) (the "<u>Rate of Interest</u>"). "<u>Prime</u>" initially refers to the prime rate quoted by the Wall Street Journal Prime Rate as of the Distribution Date, and during the period in which all or any portion of the Principal Amount remains outstanding, shall adjust from time to time as the rate quoted by the Wall Street Journal adjusts. Rate of Interest will be computed on the basis of a 360-day year and charged for the actual number of days elapsed in each interest calculation period. The maximum interest rate in California is 10% annually.
- 2.2 Nothing in this Note will be construed or operate to require Maker to pay interest at a greater rate than the maximum allowed by law. Should any interest or other charges paid or payable by Maker under this Note result in the computation or earning of interest in excess of the maximum allowed by law, then all excess interest charges are waived by Holder, and any such excess interest received by Holder will be automatically credited against the Principal Amount, and any such remaining excess received by Holder that exceeds the Principal Amount will be credited by Holder against Royalty Fees payable to Holder pursuant to the Franchise Agreement.
- **3.** <u>Use of Proceeds</u>. Maker agrees that the entire proceeds of this Note will be used solely for purposes related to the operation of a **«Brand\_Name»** hotel pursuant to the Franchise Agreement.

Incentive Promissory Note (**\*PROP\_CODE\* - \*CONTRACT\_ID\*)**Page 2

Incentive Promissory Note (**«PROP\_CODE» - «CONTRACT\_ID»**)
Date

# 4. Payment.

- 4.1 Unless otherwise accelerated pursuant to Section 5.2, this Note matures one hundred and twenty (120) months from the Opening Date (the "Maturity Date"), at which time the entire Principal Amount, all accrued and unpaid interest on this Note and all other sums due under this Note will be due and payable in full.
- 4.2 Notwithstanding the foregoing, no payments (of either the Principal Amount or any associated interest) will be due or payable under this Note unless and until a Default (as defined in Section 5.1 hereof) occurs. If no Default (i) has occurred before the Maturity Date, or (ii) is occurring on the Maturity Date, then the entire Principal Amount and all accrued interest will be waived and forgiven by Holder as of the Maturity Date.
- 4.3 As of each anniversary of the Opening Date, unless a Default has occurred, the loan balance shall automatically be reduced by: (a) 1/10<sup>th</sup> of the Principal Amount (the "Forgiven Amount"), and (b) all accrued interest on the Forgiven Amount.
- 4.4 Payments on this Note shall be made in lawful currency of the United States of America to Holder, at the address set forth in Section 6.3 of this Note or such other address as Holder may designate by written notice to Maker.

#### 5. Default.

The occurrence of any one or more of the following events shall constitute a "Default": (1) Maker's failure to observe or perform any covenant, condition or agreement under the terms of this Note or under the terms of any documents signed in connection with this Note, if any, (including, but not limited to, any commitment, loan agreement, stock pledge agreement or guaranty) or any other note or other obligation payable by Maker to Holder; (2) if any representation or warranty made in connection with this Note or in any report, opinion, schedule or certification with this Note or later submitted to Holder is in Holder's opinion, false, misleading or incorrect in any material respect; (3) if for any reason, the Franchise Agreement terminates or is otherwise rendered ineffective; (4) the occurrence of any event(s) or existence of any situation that, after providing for any applicable notice/cure rights set forth in the Franchise Agreement, would provide Holder with a right to terminate the Franchise Agreement; (5) if all of any portion of the premises to which the Franchise Agreement applies (the "Premises"), any interest in the Premises (including an ownership interest in any entity that owns the Premises), or any interest in this Note is transferred, leased, or conveyed, other than as security for a debt or other obligation, whether done by a direct or indirect method, or should Maker enter into any contractual arrangement to transfer or convey the Premises, any interest in the Premises (including an ownership interest in any entity that owns the Premises), any part of this Note, or any interest in this Note other than as security for a debt, unless, within 30 days of such transfer, Holder enters into a new «Brand\_Name» franchise agreement with the transferee for the Premises, and the transferee assumes all of Maker's obligations under this Note and executes Holder's then-current form of Assumption of Promissory Note; (6) the filing of any insolvency or bankruptcy proceeding by or against any Maker or the appointment of a receiver for any Maker or any Maker's assets; and (7) the death of any Maker unless (i) within 30 days upon death of a Maker, Holder is notified of such death, and (ii) within 60 days of said notification, this Note is transferred to and assumed by a new individual within Maker's family, that Holder approves in its sole discretion, by executing Holder's then-current form of Assumption of Promissory Note.

- 5.2 If a Default occurs, at Holder's option, the Default Payment Amount (as defined below) will immediately become due and payable by Maker to Holder without notice to Maker or any other person or entity. The "Default Payment Amount" means the sum of: (a) the original Principal Amount less an amount equal to the product resulting from multiplying the original Principal Amount by a fraction, the numerator of which is the number of full calendar months that have elapsed since the Opening Date, and the denominator of which is one hundred twenty (120) (the amount resulting from this calculation is referred to as the "Amount Due"); plus (b) interest on the Amount Due calculated from the Distribution Date at the Rate of Interest.
- 5.3 Interest will accrue on the Default Payment Amount at the Rate of Interest until the Default Payment Amount has been paid in full; provided, that if such Default Payment Amount has not been paid in full by the date that is fifteen (15) days after the date such amount became due and payable, interest will begin to accrue at a default annual rate equal to Prime plus seven percent (prime plus 7%). The maximum interest rate in California is 10% annually.
- 5.4 The following provisions are applicable upon the occurrence of a Default: (A) Maker will pay Holder all expenses, costs and attorneys' fees that Holder incurs in connection with Holder's collection of any monies due under this Note or for the enforcement of any right under this Note or under any other agreement related to the loan evidenced by this Note, and (B) Holder may exercise any or all other rights, powers and remedies provided for in any instrument, document or agreement now or later evidencing security or otherwise relating to the loan evidenced by this Note or now or later existing at law or in equity or by statute or otherwise.
- CONFESSION OF JUDGMENT. Upon the occurrence of a Default, Maker 5.5 hereby irrevocably authorizes and empowers any attorney or clerk of any court of record in the United States or elsewhere to appear for and, with or without declaration filed, confess judgment against Maker in favor of Holder or an assignee or successor of Holder, of the Note, at any time, for the full or total Default Payment Amount under this Note, together with all indebtedness provided for therein, with interest, costs of suit, and reasonable attorneys' fees; and the undersigned expressly releases all errors, waives all stay of execution, rights of inquisition and extension upon any levy upon real estate and all exemption of property from levy and sale upon any execution hereon; and Maker expressly agrees to condemnation and expressly relinquishes all rights to benefits or exemptions under any and all exemption laws now in force or which may hereafter be enacted. Maker acknowledges and agrees that Maker is voluntarily, knowingly, and intelligently giving up its right to notice and hearing prior to the entry of judgment, is granting Holder, or Holder's assignee or successor, the right to confess judgment against Maker and is freely waiving its due process rights. Maker further consents to immediate execution on the judgment and waives all right of appeal, ratifying and confirming all that the attorney or clerk may do by virtue of this Note.
- 5.6 Maker waives demand, presentment for payment, protest and notice of dishonor and agrees that at any time and from time to time and with or without consideration, Holder may, without notice to or further consent of Maker and without in any manner releasing, lessening, or affecting the obligations of any of them: (1) release, surrender, waive, add, substitute, settle, exchange, compromise, modify, extend, or grant indulgences with respect to

(a) this Note, (b) all or any part of any collateral or security for this Note, and (c) Maker or any of them; and (2) grant any extension or other postponements of the time of payment of this Note.

# 6. General.

Incentive Promissory Note (**\*PROP\_CODE\* - \*CONTRACT\_ID\*)**Page 4

- 6.1 <u>Cumulative Rights</u>. Each right, power and remedy of Holder as provided for in this Note or now or hereafter existing at law or in equity or by statute or otherwise is cumulative and concurrent and is in addition to every other right, power or remedy, and Holder's exercise or beginning of exercise of any one or more of these rights, powers or remedies will not preclude Holder's simultaneous or later exercise of any or all these other rights, powers or remedies.
- 6.2 <u>No Waiver; Application of Payment.</u> No failure or delay by Holder to insist on the strict performance of any term of this Note or to exercise any right, power or remedy upon the occurrence of a Default or any other breach of this Note, is a waiver of any term or agreement or of any breach, or preclude Holder from exercising any right, power or remedy at any later time unless in writing. If Holder accepts any payment after its due date, this act will not be a waiver of Holder's right to receive timely payment of all other amounts or to declare a default for the failure to make any other payment when due. Any partial payments under this Note may be applied to pay interest, the Principal Amount, the Amount Due or costs as Holder, in its sole discretion determines.
- 6.3 Notices. All notices required under this Note must be in writing, must be personally delivered or mailed by registered or certified mail, return receipt requested, or by a nationally recognized courier service, to Holder at Choice Hotels International, Inc., 915 Meeting Street, Suite 600, North Bethesda, Maryland 20852, and to Maker at the Designated Representative's address identified in the Franchise Agreement. Either Holder or Maker may change the applicable address to which such notices are to be sent by written notice to the other party; provided, that Maker may only change the Designated Representative by written notice to Holder delivered in compliance with the Franchise Agreement. Maker authorizes the Designated Representative to receive Holder's written notices to Maker as its agent. Any notice by registered or certified mail or by reputable national courier service is deemed given and received at the date and time of sending.
- 6.4 <u>Severability</u>. If any provision (or any part of any provision) in this Note is for any reason held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability will not affect any other provision (or remaining part of the affected provision) of this Note, and this Note will be construed as if the invalid, illegal or unenforceable provision (or part of this Note) had never been contained in this Note but only to the extent it is invalid, illegal or unenforceable.
- 6.5 <u>Assignment</u>. If Holder or any future holder of this Note assigns its rights under this Note, the term "<u>Holder</u>" as used in this Note will refer to such then-current assignee.
- 6.6 <u>Choice of Law.</u> This Note is a contract made under, and for all purposes will be construed in accordance with, the internal laws and judicial decisions of the State of Maryland. Maker and Holder agree that any dispute arising out of this Note is subject to the jurisdiction of both the state and federal courts in the State of Maryland. For that purpose, Maker submits to

the jurisdiction of the state and federal courts of the State of Maryland. Maker further agrees to accept service of process out of any of the before-mentioned courts in any dispute by registered, certified mail or international courier service addressed to Maker.

6.7. <u>Confidentiality.</u> You agree to keep the provisions of this Note in strict confidence and will not disclose them to any persons other than your directors, officers, partners, employees, agents and advisors that have a need to know. Any unauthorized disclosure is a Default under this Note as defined in Section 5.1 hereto.

Incentive Promissory Note (**\*PROP\_CODE\* - \*CONTRACT\_ID\*)**Page 5

6.8 Waiver of Trial by Jury. THE MAKER AND THE HOLDER HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH THE MAKER AND THE HOLDER MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO THIS NOTE. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS NOTE.

In Witness Whereof, Maker acknowledges and agrees to the terms of this Note as evidenced by its signature under seal as of the day and year first above written.

# EXHIBIT J

# Your Application for Financing is Approved

Finance Agreement	Prepared For <b>Customer Name</b> Address City, State,	Financing Provided By Ascentium Capital LLC
	Zip Code	23970 HWY 59 N Kingwood TX 77339
Prepared On March 6,		Kingwood 1X 11339

Enclosed is your Finance agreement. The below instructions will help you complete your documents:

• Include a copy of your driver's license (all signors).

2017

- Include a copy of your business check payable to Ascentium Capital LLC for the below invoice amount. Please write your
  agreement number on the memo line. This check copy will be used to initiate payment via ACH/EFT withdrawal. Do not mail the
  original check.
- Return completed cover page and documents by Email to <a href="VSR@AscentiumCapital.com">VSR@AscentiumCapital.com</a> or by Fax to 1-866-846-3680.

Please Complete Signor Information for

Cell Phone:	Home Phone:	832-766-7224
Email:		
Federal Tax ID:		
Equipment Location:		

(Please update if incorrect) Updated address:	
---	--

INVOICE AMOUNT	INVOICE DETAILS
\$	Advanced Payment Amount
\$	Processing Fee(s)
\$0.00 Ascentium Capital greatly appreciate	s your business. if you have any questions, piease contact me.  Less Money Received
\$	TOTAL AMOUNT DUE AT SIGNING
Email:	

Email: .

## **AUTHORIZATION TO PERFORM VERBAL VERIFICATION**

			Agreement N	0
•	uthorizes Ascentium Capital LLC to perform a ver the identification and condition of the Collateral o	, ,	d conditions of the ab	ove- referenced
The undersigned agrees the originally executed cop	aat a facsimile or other image of this Authorization y for all purposes.	to Perform Verbal Verification, as exec	cuted, shall be deem	ed the equivalent of
Person(s) Authorized to Pr	ovide Verbal Verification:			
Name:	Title:	Phone:		
Name:	Title:	Phone:		
Name:	Title:	Phone		
CUSTOMER:				
Signature:		Printed Name:	Title:	Date:

### EQUIPMENT FINANCE AGREEMENT No.

TERM:

#### PAYMENT SCHEDULE: @\$

COLLATERAL: Items of personal property as generally described herein which Ascentium Capital LLC ("Secured Party") and Debtor agree that a more detailed description of the property being financed shall be maintained by us among our books and records in whatever more detailed description of the property financed is received from the supplier of such property and, absent manifest error, such detailed description shall be considered incorporated into this Equipment Finance Agreement and shall be provided to Debtor promptly upon request.

Personal Property Description:

- 1. <u>Definitions:</u> The words "you" and "your" refer to the DEBTOR, its successors and permitted assigns, as shown above. The words "we", "us" and "our" refer to the SECURED PARTY, its successors and assigns.
- 2. Acceptance; Representations & Warranties: We agree to lend to you, and you agree to borrow from us, an amount for the financing of the Collateral. This Equipment Finance Agreement (this "Agreement") has an interim term ("Interim Term") and an initial term ("Initial Term"). The foregoing, collectively, the "Term". The Interim Term starts on the date of the funding of the loan evidenced by this Agreement. The Initial Term starts on the billing date specified by us in our sole discretion (the "Commencement Date"). We shall have no obligations under this Agreement whatsoever until we accept and sign this Agreement at our office and the satisfaction in our sole discretion of all conditions we may specify including our receipt of all documents we specify. You represent and warrant to us that all information conveyed to us in connection with this Agreement and all related documents whether by you, a guarantor, the supplier or any other person, is true, accurate, complete and not misleading. If you are an entity, the person executing this Agreement on your behalf represents to us that they are authorized to do so, making this Agreement the valid and binding act of the entity.
- 3. Security Interest: You hereby grant to us a security interest under the Uniform Commercial Code ("UCC") in the Collateral and all accessories and additions thereto and replacements thereof and all proceeds and products of the foregoing. Such security interest is granted to secure payment and performance by you of your obligations hereunder. All amounts received from you under this Agreement shall be applied towards your obligations to us as we determine.
- 4. Payments: You promise to pay us the number of payments shown above, each in the amount shown above, commencing on the Commencement Date and continuing on the same day of each month thereafter during the Initial Term (each a "Payment", and each day a Payment is due hereunder a "Payment Date"), without need of an invoice, together with all other amounts due from time to time by you hereunder. The total initial payment shall be paid upon your execution of this Agreement. If the contemplated transaction is not consummated, the total initial payment may be retained by us as partial compensation for costs and expenses incurred by us in preparation for the transaction. The amount of each Payment is based upon the total estimated cost of the Collateral, or the portion thereof being purchased with the proceeds of the loan evidenced hereby, you have provided to us and which is set forth above. If the final cost of the Collateral (or the portion being purchased) we pay the supplier is higher or lower than that estimate, we will adjust the amount of each Payment proportionately higher or lower than the Payment amount specified above. You also agree to pay, when invoiced, an amount equal to 1/30<sup>th</sup> of the Payment amount for each day from and including the date we fund the loan evidenced by this Agreement, to but excluding the first Payment Date. Following the first Payment Date, the Term shall continue without interruption for the number of months indicated above. YOUR OBLIGATION TO MAKE PAYMENTS AND PAY OTHER AMOUNTS DUE HEREUNDER IS ABSOLUTE AND UNCONDITIONAL AND NOT SUBJECT TO ABATEMENT, REDUCTION OR SET-OFF FOR ANY REASON WHATSOEVER. THIS IS A NON-CANCELABLE AGREEMENT: THIS AGREEMENT, THE TERMS OF WHICH HAVE BEEN FREELY NEGOTIATED BY EACH PARTY, IS ALSO SUBJECT TO THE TERMS AND CONDITIONS ON THE FOLLOWING PAGE WHICH IS MADE PART HEREOF AND WHICH DEBTOR AND SECURED PARTY ACKNOWLEDGE THEY HAVE READ AND ACCEPTED.
- 5. <u>DISCLAIMER OF WARRANTIES AND CLAIMS; LIMITATION OF REMEDIES</u>: THERE ARE NO WARRANTIES BY OR ON BEHALF OF SECURED PARTY AND NEITHER THE SUPPLIER NOR ANY OTHER PARTY IS SECURED PARTY'S AGENT. DEBTOR ACKNOWLEDGES AND AGREES: (A) SECURED PARTY MAKES NO WARRANTIES WHETHER EXPRESS OR IMPLIED AS TO THE CONDITION OF THE COLLATERAL, ITS MERCHANTABILITY, ITS FITNESS FOR ANY PARTICULAR PURPOSE; (B) DEBTOR ACCEPTS THE COLLATERAL "AS IS" AND WITH ALL FAULTS; (C) DEBTOR AGREES THAT THE COLLATERAL WILL BE USED SOLELY FOR COMMERCIAL OR BUSINESS PURPOSES; (D) IF THE COLLATERAL IS UNSATISFACTORY FOR ANY REASON DEBTOR'S ONLY REMEDY, IF ANY, SHALL BE AGAINST THE SUPPLIER OR MANUFACTURER OF THE COLLATERAL AND NOT AGAINST SECURED PARTY; (E) DEBTOR SHALL HAVE NO REMEDY FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES AGAINST SECURED PARTY, ALL OF THE SAME BEING DISCLAIMED AND WAIVED; AND (F) NO DEFECT, DAMAGE OR UNFITNESS OF THE COLLATERAL SHALL RELIEVE DEBTOR OF THE OBLIGATION TO MAKE PAYMENTS OR RELIEVE DEBTOR OF ANY OTHER OBLIGATION UNDER THIS AGREEMENT.
- 6. Location; Maintenance; Installation; Insurance: You agree to maintain records showing the location of each item of Collateral. You shall report each location to us upon our request and shall not change the location of the Collateral without our advance written consent. You are responsible for installing and keeping the Collateral in good working order. You shall not make any alterations, additions or improvements to the Collateral which detracts from its economic value or functional utility. If the Collateral is damaged or lost, you agree to continue making scheduled Payments unless we have received the Casualty Value pursuant to Section 11. You agree to keep the Collateral insured against loss during the Term and to have us named as loss payee n such coverage amounts as we may specify from time to time, from anyone who is acceptable to us. You agree to provide us with a certificate of insurance acceptable to us upon our request and if at any time you fail to deliver to us a valid certificate of insurance effecting such insurance as being in effect, then we will have the right, but no obligation, to have such insurance protecting us placed for the Term at your expense; and if so placed, we will add to the Payments and you will pay us our costs of obtaining such insurance and any customary charges or fees of ours.
- Taxes and Fees; Indemnification: You agree to pay when due and to indemnify and hold us harmless from all taxes, fees, fines, interest and penalties, including, without limitation, personal property or documentary stamp taxes, ("Taxes") relating to the use or ownership of the Collateral or to this Agreement now or hereafter imposed, levied or assessed by any taxing authority. We may in our sole discretion, elect to pay any such Taxes directly to a taxing authority and if so you agree to reimburse us on our demand for any such Taxes paid on your behalf together with any filing or processing fee charged by us. If any taxing authority requires any Taxes to be paid in advance, and we pay such Taxes, we may increase the cost of the Collateral we are financing by such amount as described in Section 4 above thereby increasing the amount of each Payment to reflect the payment of such Taxes. You also agree to pay us and reimburse us for all costs and expenses in documenting and servicing this Agreement. You agree to indemnify and hold us harmless from any suits, claims, losses or damages we suffer in any way relating to the use or ownership of the Collateral. Your obligations under this Section 7 shall survive the expiration or earlier termination of this Agreement. You agree to pay us fees in an amount in effect from time to time in connection with the documentation of the Agreement and any site inspection or lien search we deem necessary. You agree that all such fees and any insurance we obtain pursuant to the last sentence of Section 6 may not only cover our costs they may also include a profit.
- 8. Personal Property: The Collateral will be and shall remain personal property and, if requested by us, you will obtain real property waivers satisfactory to us. You shall keep the Collateral free from any and all liens and encumbrances other than those in our favor. You shall give us immediate notice of any attachment or other judicial process, liens or encumbrances affecting the Collateral. You hereby irrevocably authorize us and appoint us as your attorney-in-fact with the power to execute and to file this Agreement and any financing statement(s) or security agreement(s) with respect to the Collateral. If your signature on any financing statement or similar document is required by law, you shall execute such supplemental instruments and financing statements we deem to be necessary and advisable and shall otherwise cooperate to defend and perfect our interest in the Collateral by filing or otherwise. You also agree to pay us on demand filing and registration fees prescribed by the UCC or other law. Any Collateral that is subject to title or registration laws shall be titled and registered as directed by us.
- 9. <u>Default; Remedies; Late Charges</u>: If any one of the following events occur with respect to you or any Guarantor, you will be in default: (i) you fail to pay any Payment or other amount due under this Agreement, when due, (ii) you breach or fail to perform any of your other covenants and promises under this Agreement, (iii) you become insolvent, any action under the United States Bankruptcy Code is filed by or against you, make an assignment for the benefit of creditors, admit your inability to pay your debts as they become due, or if you terminate your entity existence or take any actions regarding the cessation or winding up of your business affairs. If you are in default, at our election, we can accelerate and require that you pay, as reasonable liquidated damages for loss of bargain, the "Accelerated Balance". The Accelerated Balance will be equal to the total of: (i) accrued and unpaid amounts then due under this Agreement, and (ii) the remaining Payments discounted to their then present value at 3% per annum. We can also pursue any of the remedies available to us under the UCC or any other law. In the event we seek to take possession of any part of the Collateral, you irrevocably waive to the fullest extent permitted by law any bonds, surety or security required by statute, court rule or otherwise as an incident of such possession. You agree to pay our reasonable attorneys' fees and actual costs incurred by us in enforcing our rights hereunder including repossession, storage, refurbishment and sale of the Collateral and collection costs, and all non-sufficient funds charges and similar charges. If any part of a payment is late, you agree to pay us upon our demand the following, or if less, the maximum amount allowed under applicable law: (x) a late charge equal to the greater of 10% of the payment or \$25.00, (y) a charge of \$30.00 for each check returned for any reason or if any ACH debit charge is not honored and (z) if we have had to perform collection activities in connection with such late payment,

1291-20161202 Page 1 of 2

- 10. **Assignment; Inspection:** YOU HAVE NO RIGHT TO SELL, TRANSFER, ASSIGN, LEASE OR ENCUMBER THE COLLATERAL OR THIS AGREEMENT. We may sell, transfer, assign or encumber this Agreement, in whole or in part, without notice to you or your consent. You agree that if we sell, transfer, assign or encumber this Agreement, the assignee will have the rights and benefits that we assign to the assignee and will not have to perform any of our obligations. You agree that the rights of the assignee will not be subject to any claims, defenses or set-offs that you may have against us. We and our agents and representatives shall have the right at any time during regular business hours to inspect the Collateral and for that purpose to have access to the location of the Collateral.
- 11. Risk of Loss: You assume and shall bear the entire risk of loss, theft, damage and destruction of the Collateral from any cause whatsoever, and no loss, theft, damage or destruction of the Collateral shall relieve you of the obligation to make Payments or any other obligation under this Agreement. You shall promptly notify us in writing of such loss, theft, damage or destruction. If damage of any kind occurs to any item of Collateral, you, at our option, shall at your expense (a) place the Collateral in good repair, condition or working order, or (b) if the Collateral cannot be repaired or is lost, stolen or suffers a constructive loss under an insurance policy covering the Collateral, pay to us the "Casualty Value." The Casualty Value will be equal to the total of (i) accrued and unpaid amounts then due and owing, and (ii) the remaining Payments discounted to present value at 3%, in both cases as of the date the Casualty Value is received by us.
- 12. Choice of Law; Waiver of Jury Trial: Subject to the following sentence, this Agreement shall be governed by, construed, interpreted and enforced in accordance with the laws of the state of California. If any amount contracted for, charged or received in connection with this Agreement constitutes interest or regulated time-price differential governed by, not exempt from, and in excess of amounts lawfully permitted, under California law (the "Subject Amount"), then (i) if the law of state in which Debtor resides (as indicated in Debtor's address above; the "Debtor's State") would permit the lawful contracting for, charging or receipt of any part of the Subject Amount, then the parties agree that the law of Debtor's State shall govern as to the contracting for, charging and receipt of such interest or regulated time-price differential and (ii) if clause (i) preceding is not applicable, Secured Party shall make any necessary adjustments so as to eliminate such excess. Debtor agrees to provide Secured Party advance written notice and an opportunity to cure pursuant to the preceding sentence any contract, charge or receipt claimed by Debtor to be unlawful; and Secured Party may calculate maximum lawful amounts by amortizing, prorating, allocating reallocating, discounting, treating months as equal intervals, and spreading in each case to the fullest extent permitted by applicable law. You consent to the non-exclusive jurisdiction of the federal and state courts located in the state of California in any action or proceeding relating to this Agreement, YOU WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH ACTION OR PROCEEDING, AND YOU WAIVE ANY RIGHT TO ASSERT THIS IS AN INCONVENIENT FORUM.
- Miscellaneous: During the Term, you agree to provide us with all financial statements and copies of tax returns we may request. If we supply you with labels, you shall label any and all Collateral and shall keep the same affixed in a prominent place. If any provision hereof or any remedy herein provided is found to be invalid under any applicable law, the remaining provisions hereof, shall be given effect in accordance with the manifest intent hereof. The parties agree that each Payment includes interest. You agree that a waiver of breach will not be a waiver of any other subsequent breach, and that any delay or failure to enforce our rights under this Agreement does not prevent us from enforcing any rights at a later time. YOU AGREE THAT WE WILL NOT BE LIABLE FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES FOR ANY DEFAULT BY US UNDER THIS AGREEMENT. Section headings are for convenience and are not a part of this Agreement. You agree that by providing us with an email address or telephone number for a cellular or other wireless device, you expressly consent to receiving communications including email, voice and text messages from us or our affiliates or assigns at that email address or telephone number, and this express consent applies to each such email address or telephone number that you provide to us now or in the future and permits such communications regardless of their purpose. These calls and messages may incur access fees from your internet or wireless provider. You agree that the original of this Agreement may be electronically duplicated and a copy hereof may be introduced in lieu of the original thereof and without further foundation. The parties hereto expressly waive the secondary evidence rule. You agree that this Agreement will be binding upon your successors, permitted assigns, heirs and legal representatives. You authorize us to complete any blank in this instrument or in any document executed or delivered in connection herewith that contemplates a date by inserting a date deemed appropriate by us. Time is of the essence with respect to your obligations hereunder. No term or provision of this Agreement may be amended, altered, waived or discharged except by a written instrument signed by both parties to this Agreement. Any formal notice given pursuant to this Agreement shall be deemed given 2 business days after being placed with the U.S. Postal Service, postage prepaid, addressed to the Debtor at its address set forth above, or to Secured Party at 23970 Hwy 59 N, Kingwood, TX 77339-1535, or such other address as a party may designate by written notice to the other. If Debtor constitutes more than one person, you agree that the liability of each such person hereunder is joint and several. Any restrictive endorsement on any check you give us in payment of any amount due hereunder shall be void. You may not prepay this Agreement without our prior written consent. A facsimile or other copy of this Agreement, as executed, shall be deemed the equivalent of the originally executed copy for all purposes. All amounts payable hereunder by you if not paid when due shall accrue interest at a rate of interest of 1.5% per month or the highest rate allowed by applicable law if less, from the due date thereof until received by us in cash and shall be payable on demand. This Agreement may be executed in separate counterparts which together shall constitute one and the same instrument. You agree this Agreement may be signed electronically pursuant to the Electronic Signatures in Global and National Commerce Act and other applicable law.

By signing below Debtor hereby irrevocably accepts the Collateral under this Agreement and irrevocably authorizes Secured Party to pay the supplier on behalf of the Debtor. The person executing this Agreement is authorized to do so, making this Agreement the valid and binding act of the Debtor.

Accepted By:

Ascentium Capital LLC

- <b>y</b> .	, —	- <b>y</b> ·	
Printed Name and Title:		Printed Name and Title:	Bryan Wheeler, Senior Vice President
<b>GUARANTY</b> : The undersigned	ed ("you", "your", jointly and severally if more than one) unconditional	Illy guarantees to Secured Party a	and its assigns the prompt payment and performance when due of all
of the obligations of the Deb	tor under the Agreement and all related documents executed by the	he Debtor in connection with it (o	collectively with the Agreement, the "Agreements"). We shall not be
obligated to proceed against	the Debtor, the property being financed under the Agreements or en	force any other remedy before p	oceeding against you to enforce this Guaranty. Notwithstanding any
changes made to the Agreer	nents in the course of our dealings with the Debtor, this Guaranty v	will remain in effect with respect t	o the Agreements as so changed even if you are not notified of the
changes and will remain in e	effect even if the Agreements or any of them are no longer enforce	eable against the Debtor. You w	aive all presentments, demand for performance, notices of protest,
notices of dishonor notices of	of acceptance of this Guaranty and all other notices to which you may	ay have a right. You agree to pay	us all the expenses incurred by us in enforcing this Guaranty, You

may not assign this Guaranty without our written consent. This Guaranty shall be governed by, construed, interpreted and enforced in accordance with the laws of the state of California without reference to its principles of conflicts of laws. You consent to the non-exclusive jurisdiction of the federal and state courts located in the state of California in any action to enforce this Guaranty and you waive any right to assert this is an inconvenient forum. You consent to us conducting a credit evaluation of you from all sources, periodically updating it and sharing the results with others. This

Bv:

Guaranty may be executed in separate counterparts which together shall constitute one and the same instrument.

**Debtor Name:** 

Rv.

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Guarantor Signature:	$\boxtimes$	Printed Name:	
Guarantor Signature:		Printed Name:	
<b>AUTHORIZATION FOR ACI</b>	H PAYMENTS: Debtor authorizes Secured Party or Secured Party	s successors and assigns to a	utomatically initiate and make debit entry charges to Debtor's bank
account indicated below for t	the payment of all amounts owed by you from time to time under th	e Agreement. This Authorization	is to remain in effect during the Term of the Agreement Agreement.
Any incorrect charge will be of	corrected upon notification to us, by either a credit or debit to Debtor'	s account.	
Bank Name:		Account Holder Name:	
Account No:		ABA No.:	
Authorized Signature:	$\boxtimes$	Printed Name and Title:	

1291-20161202 Page 2 of 2

# COMMENCEMENT AGREEMENT

Agreement No	0.
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Date: March

You, the Customer, and Ascentium Capital LLC ("we", "us", "our") have entered into the above referenced equipment lease, equipment finance agreement, secured loan or similar agreement (which may be one or more schedules to a master agreement) ("Agreement") pursuant to which we will be financing the Equipment or Collateral as defined in and described in the Agreement (in either case "Equipment") as set forth in this Commencement Agreement ("CA"). The Equipment is being delivered at various times and the vendor or vendors of the Equipment have to be paid for each item of Equipment at or before its delivery to you. You agree to commence the initial non-cancelable term of the Agreement immediately even though items of Equipment remain to be delivered to and accepted by you from one or more vendors.

#### NOW THEREFOR, you and we hereby agree as follows:

- 1. The term of the Agreement will commence on the date of this CA, with the interim term commencing on the date set forth above and the initial term commencing as provided in the Agreement. You acknowledge and agree that notwithstanding the fact that not all items of Equipment have been delivered to and accepted by you as of the date set forth above, the terms and conditions of the Agreement, including your obligation to pay all amounts of rent or debt service set forth in the Agreement, shall commence immediately and, except as otherwise specifically set forth in this CA, irrevocably.
- 2. You agree to inspect and accept for purposes of the Agreement all undelivered items of Equipment immediately upon their delivery to you. If, when delivered, an item of Equipment is damaged or non-conforming, you agree to cause the vendor in question to repair and/or replace any such item of Equipment and you agree to immediately accept any conforming replacement and/or repaired Equipment for all purposes under the Agreement while continuing to meet all of your payment and other obligations under the Agreement.
- 3. All amounts anticipated to be disbursed by us on your behalf that have not been disbursed as of the date of this CA will be deemed disbursed by us into a separate holding account for your benefit ("Account"), the contents of which shall be debited by the amount of each subsequent disbursement to vendor(s) as contemplated by this CA. To secure your obligations to us under the Agreement and this CA, you hereby grant to us a security interest in the contents of the Account and any proceeds.
- 4. The Agreement contemplates a pro-rata adjustment to the payments owed by you under the Agreement in the event the purchase price of the Equipment and other amounts, if any, paid by us on your behalf are higher or lower than those on which the payments set forth in the Agreement are based. Following the delivery and acceptance of all items of Equipment set forth in the Agreement, we shall make any necessary adjustments to the payments as contemplated by the Agreement. You agree that we will have no liability to you in the event we determine to terminate the funding of any vendor because we have determined, in our sole discretion, that there has been a material adverse change in your creditworthiness from that on which we based our approval of the Agreement. In any circumstance contemplated by the preceding sentence, we will continue the Agreement with the Equipment accepted by you and funded by us as of the date we determine to terminate funding the Agreement and we will reduce the amount of each payment of rent or debt service you owe under the Agreement proportionally, taking into account the higher payments made by you up to the date of that determination and any balance in the Account shall revert to us.
- 5. This CA sets forth the entire agreement of the parties with respect to its subject matter and it may only be amended by a written instrument executed by you and us. In the event of a conflict between this CA and the terms of the Agreement, the terms of this CA shall govern and control, provided however, except as explicitly set forth in Section 4 above, nothing set forth in this CA shall be deemed to affect your obligation to pay and perform all of your obligations as set forth in the Agreement without setoff, abatement or counterclaim. This CA shall terminate and be of no further force and effect following your acceptance and our funding of the last item of Equipment being financed under the Agreement. This CA will be governed by and construed in accordance with the laws of the jurisdiction governing the Agreement.

You agree that a facsimile or other copy of this CA, as executed, shall be deemed the equivalent of the originally executed copy for all purposes.

CUSTOMER:		SECURED PARTY:	Ascentium Capital LLC
Signature:	$\boxtimes$	Ву:	
Printed Name:		Printed Name:	Bryan Wheeler
Title:		Title:	Senior Vice President

# DELIVERY AND ACCEPTANCE CERTIFICATE

Agreem

The undersigned the chapter lifes: (i) that all of the property which is to be leased, financed or sold, as applicable, pursuant to the rental agreement, lease agreement, equipment finance agreement, note, security agreement, loan and security agreement, conditional sale agreement or similar document referenced above (which may be one or more schedules to a master agreement) (the "Agreement") between Ascentium Capital LLC as payee, lessor, lender, secured party or seller and the undersigned as renter, lessee, debtor, buyer or other obligor (the "Equipment"), has been delivered to, and received by, the undersigned, (ii) the Equipment conforms in all respects to that ordered by the undersigned, (iii) its condition is satisfactory in all respects to the undersigned and (iv) that the Equipment is accepted by the undersigned under the Agreement in all respects, and the undersigned hereby irrevocably directs Ascentium Capital LLC to pay the equipment suppliers the purchase price of the Equipment.

The undersigned agrees that a facsimile or other copy of this Delivery and Acceptance Certificate, as executed, shall be deemed the equivalent of the originally executed copy for all purposes. By executing this Delivery and Acceptance Certificate the undersigned irrevocably acknowledges and agrees that the undersigned's non-terminable installment payment and other obligations under the Agreement have commenced.

CUSTOMER:	-		
Signature:	Printed Name:	Title:	Date Signed:



000-000

March 5 2014 Dote **Debtor Name** Example Docs LLC

**Debtor Address d3RD ST** 

Owatonna, MN J5060

Dear Valued Customer,

Balboa Capital is pleased to be working with you fo earn your business and complete the equipment financing transaction. We strive to give you the best customer service possible, so please feel kee to call your Account Executive with any questions you may hove.

Enclosed you will find fhe necessary documents to complete your equipment financing. Please complete and sign the documents as indicated and return them by one of the following options:

Return documents via overnight mail to the following eclclress:

Balboa Capitol Corporation Atm: Business Cenfer 2010 Main Street 17" Floor Irvine, CA 916J 4

#### Be sure to follow these simple instructions when signing the documents:

- J. Please ensure Ihe Company Resolution, if applicable, is signed by an officer or other authorized representative of your company other than the person signing the agreement.
- Please do nof cross out or make any changes on the documents without first discussing such changes with your Account Executive.

#### **Enclosed Documents:**

**Equipment Financing Agreement** Exhibit "A"

**ACH Agreement** Request for Drivers License Copy

Personal Guaronly Company Resolution

FFA PG Dishursement Authorization

Dispursement Authorization	EFA PG	
Please forward the above doc	uments with fhe fol	lowing ifems.
Advance Payment(s):	\$0.00 \$0.00 \$0.00	6 Tax ID Numbers 8 Email Address: 9 Oobile Numbers 8 Tax Exemption Cerfificofe (If available) 1 Copy of all invoices and cancelled checks 1 Copy of current and valid driver's license for each

Please note that you will be invoiced for standard closing costs once your equipment financing transaction has been completed including applicable prorated rent and other expenses directly related to the completion of your equipment financing.

If you have any questions, pleose contact your Account Executive a { ENGG M. Bisson

mt 949-553-3480



# **EQUIPMENT FINANCING AGREEMENT (Page** 1 of 2)

**Debtor Information** 

Agreement # 000-000

Business Name: Eaample Docs LLC		s Address: 43RD ST na, MN 55060		Collateral Location: (if different than billi address of Debtor)	ng
Business Phone: Business Tax ID#: 9495533480					
Full Description Of Collateral Including Model, Serial Nu	nber:	Equipment Cost:	Initial Pa	yment or This Amount Must Accompany Agreemen	+)
As delineated on Exhibit "A", attached hereto and made a pa	rt hereof.	\$100,000.00	(Check Fo	SECURITY DEPOSIT: \$0.00 FIRST PAYMENT: \$1,909.98	
Monthly Payment: \$1,909.98		Initial Payment Date:  —	7	LAST PAYMENT: \$1,919.98  Loan Fee: \$0.00  Fotal Amount Due: \$0.00	_
Debtor and Creditor agree as follows:  1. SECURITY INTEREST: Debtor hereby grants Creditor a security und Collateral"). Such secwity interest is granted to secure performance by Debt interest is and shall remain a sole first lien security interest. DEBTO APPOINTS CREDITOR OR ITS DESIGNETT AS DESBTOR'S AT COLLATERAL.  2. PAYMENTS: Debtor shall repay creditor the above Total of Payments the date indicated above and subsequent installment payment shall be done-thirtieth (1/30) of the installment payment calculated from the paymer due thereunder shall be due upon Debtor's Receipt of Creditor's invoice there is a default, any payments under this agreement may be applied in SUPPLIER OF AN ITEM OR INTERMEDIARY NOR ANY AGENT OF EITOR ALTER ANY ITEM OR CONDITION OF THIS AGREEMENT. NO REPORT ITS OTHER OF AN TEM OR INTERMEDIARY NOR ANY AGENT OF EITOR DE MADE WITHOUT OFFSET. 5. FINANCING. THIS AGREEMENT THE INSTALLMENT PAYMENTS AND PERFORM ITS OTHER OBLIC CANCELABLE BY DEBTOR FOR ANY REASON WHATSOEVER. DEBTOR DEBTOR FOR ANY REASON WHATSOEVER. DEBTOR OB MADE WITHOUT OFFSET. 5. FINANCING. THIS AGREEMENT PART OF THIS AGREEMENT. CREDITOR MAKES NO WARRANTY, E.  1S MERCBANTABLE. DEBTOR AGREES THAT DEBTOR HAS SELECT RELIANCE UPON ANY STATEMENTS OR REPRESENTATIONS MAD EQUIPMENT. THE SUPPLIER IS NOT AN AGENT OF CREDITOR'S AI CONTINUE TO MAKE ALL PAYMENTS UNDER THIS AGREEMENT EVALUATION OF CREDITOR'S AI CONTINUE TO MAKE ALL PAYMENTS UNDER THIS AGREEMENT AUTHORISED OF CREDITOR'S AI CONTINUE TO MAKE ALL PAYMENTS UNDER THIS AGREEMENT OF PRECIDING WILL AND AGENT OF CREDITOR'S AI CONTINUE TO MAKE ALL PAYMENTS UNDER THIS AGREEMENT OF PRECIDING WILL AND AGENT OF CREDITOR'S AI CONTINUE TO MAKE ALL PAYMENTS UNDER THIS AGREEMENT OF PRECIDING WILL AND AGENT OF CREDITOR'S AID CONTINUE TO MAKE ALL PAYMENTS UNDER THIS AGREEMENT OF PRECIDING WILL AND AGENT OF CREDITOR'S AID CONTINUE TO MAKE ALL PAYMENTS UNDER THIS AGREEMENT OF CREDITOR'S AID CONTINUE TO CREDITOR'S AID CONTINUE TO CREDITOR'S AID CONTINUE TO CREDITOR'S AID CONTINUE TO CREDITOR'S AID	or if its obligation or if its obligation or if its obligation or BEREBY A TORNEY-IN-F in the number of ue on the same therefor. Advanto Debtor's oblighter of the same of the torner of the the the the therefor. Advanto Debtor's oblighter of the	ons thereunder and under any other pressures the problem of the pressure of the amount in day of each mouth thereafter until paid and of each mouth thereafter until paid to the bars term shall be applied to the last igations to Creditor in such order as CF IS AN AGENT OF CREDITOR AND FY NAS TO ANY MATTER BY ANY SUCH REUNDER. 4. NON CANCELABLE AGITHE INSTALLMENT PAYMENTS ONLINEAUMORY AND CANCELABLE AGITHE INSTALLMENT PAYMENTS ONLINEAUMORY AND TAKE RESPIBLIED, OR TBAT TITE EQUIPMENT LIER AND EACH ITEM OF EQUIPMENT CALE AND EACH ITEM OF EQUIPMENT AND EACH ITEM OF EQUIPMENT OF ANY CLAIM OR COMPLAINT AGA CREDITOR DOES NOT TAKE RESPIBLED OF ANY CLAIM OR COMPLAINT AGA CREDITOR USE STATES CAN AFFECT OF ANY CLAIM OR COMPLAINT AGA CREDITOR; USn. oeotor sitali jeep, or, at the Collateral Location or at such other of an Item of Collateral. Creditor may incommercial or business purposes and on the property of the pay the applicable portion of SPEITION; USn. oeotor sitali jeep, or, at the Collateral Tollateral Creditor of the pay the applicable portion of SPEITION; USn. oeotor sitali jeep, or, at the Collateral Creditor shall be deemed accessions thereto, and as additions to and replacements and submaintain the Collateral in good repair, for will cause each them of Collateral for such pay active the date of such payment. 10. PA on the bank account on which Debtors of the chart of the date of such payment. 10. PA on the bank account on which Debtors of the was draw and the payment of the date of such payment. 10. PA on the bank account on which Debtors of the was draw and the payment of the such payer of the bank account on which Debtors of the payment of the date of such payments or other and the such payment of the bank account on which Debtors of the payment	mit or future agree COPY OF TBI: DEBTOR'S BE dicated above. A prorata port be due and payat installment pareditor choose in the property of the provided by th	sement with Creditor. Debtor shall insure that such sects AGREEMENT AS A FINANCING STATEMENT CEBALF, FINANCING STATEMENT CEBALF, FINANCING STATEMENTS COVERING  The initial installment payment based on a daily chargable at the payment commencement date. All other amolyments in reverse order until exhausted; provided the statements of the installment payment date. All other amolyments in reverse order until exhausted; provided the statement of th	rity IND TEBE  as of e of e of ints at if NO IVE PAY HON ARE ARE ARE ANY THE
2010 Main Street 11" Floor			-	onna, MN 55060	
Ir Floor Irvine, Ca 92614		D-	7.		
By:	_ Vice Presi			ohnson	
				14Home Phone	
Date					

- 11. TITLfNG. If requested by Creditor, Debtor shall cause an Item of Collateral subject to title registration laws to be titled as directed by Creditor. Debtor shall advise Creditor promptly as to any necessary re-titling. Debtor shall cause all documents of title to be fumished Creditor within sixty (60) days of the date of any titling effected by Debtor.
- 12. TAXES. Debtor agree to pay when due all taxes (including persona) property tax, fines and penalties) and fees relating to this Agreement or the Equipment. If Creditor pays any of the above for Debtor, Debtor agrees to reimburse Creditor and to pay Creditor a processing fee for each payment Creditor makes on Debtors behalfi In addition, Debtor also agrees to pay Creditor any filing fees prescribed by the Uniform Commercial Code or other law and reimburse Creditor for all costs and expenses involved in documenting and servicing this transaction. Debtor further agrees to pay Creditor an origination fee on or before the date the first payment is due. Debtor also acknowledges that in addition to the lease payments, Creditor may assess and Debtor may be required to pay additional taxes and/or fees. Such fees may not only cover Creditors costs they may also include a profit.
- 13. INSURANCE. Debtor agrees to maintain, at Debtor's expense, "Special Form" property insurance prolecting the Equipment for its full replacement value, naming Creditor as a loss payee on a "Lender's Loss Payable" endorsement; and public liability insurance, in amounts acceptable to Creditor, naming Creditor as an additional insured (together "Required Insurance"). Debtor must provide Creditor satisfactory written evidence of Required Insurance within thirty
- days of the commencement date of this Equipment Finance Agreement or of any subsequent written request. If Debtor does not do so, Creditor may obtain insurance from an insurer of Creditor's choosing in such forms and amounts as Creditor selects ("Insurance"). Insurance covers the Equipment and Creditor only and not Debtor. Debtor shall pay Creditor periodic charges for Insurance ("Insurance Charges") that include: a premium that may be higher than if Debtor maintained Required Insurarice separately; a finance charge of up to the implicit rate of the Equipment Finance Agreement on any premium advances made by Creditor or Creditors agents; and billing and processing fees; each of which may generate a profit to Creditor and Creditor agents. If Debtor fails to pay billed Insurance Charges within 30 days of their due date, Creditor may pay them by applying funds paid under the Equipment Finance Agreement or debiting Debtor's account under any previously authorized automatic payment. Debtor agrees to arbitrale any dispute with Creditor or Creditor agents regarding Insurance or Insurance Charges under the rules of the American Arbitration Association in Los Angeles, California; provided however, such agreement does not authorize class action arbitration. At Creditor's election, in lieu of obtaining or continuing Insurance, Creditor may require Debtor to pay a monthly additional fee up to 2% of the Equipment Cost. This fee is not calculated with reference to additional risk and constitutes additional profit for Creditor, but represents the basis on which Creditor is willing to forbear from exercising remedies and continue this Agreement without Required Insurance. Debtor will receive no insurance coverage and will not be released from any obligations. Creditor is not selling insurance. Creditor will cease charging the additional fee or billing for Insurance 30 days after Debtor provides satisfactory proof of Required Insurance and compliance with this section.
- 14. CREDITOR'S PAYMENT. If Debtor fails to perform any of its obligations hereunder, Creditor may perform such obligation, and Debtor shall (a) reimburse Creditor the cost of such performance and (b) pay creditor the service charge contemplated in paragraph 21.
- 15. INDEMNITÉ. Debtor shall indemnify, defend and hold Creditor harmless against any ciaim, action, iîaôility or expense, including attomeys' fees and court costs, incurred by Creditor related to this agreement. While it is not anticipated that Creditor shall have any liability for torts related to the Collateral, this indemnity covers tort proceedings including any strict liability claim, any claim under another theory relaled to latent or other defects and any patent, trademark or service mark infringement claim.
- 16. DEFAULT. Any of the following constituées an event of default hereunder: (a) Debtor's failure to pay any amount hereunder, within three (3) business days of when due; (b) Debtor's default in pe îorming any other obligation hereunder or under any agreement between Debtor and Creditor t.) death or judicial declaration of competency of Debtor, if an individuel; (d) the filing by or against Debtor of a petition under the Bankruptcy Code or under any other insolvency law or law providing for the relief of debtors, including, without limitation, a petition for reorganization, agreement or extension; (e) the making of an assignment of a substantial portion of its assets by Debtor for the benefit of creditors, appointment of a receiver or trustee for Debtor or for any Debtor's assets, institution by or against Debtor of any other type of insolvency proceeding or other proceeding contemplating settlement claims against or winding up of the affairs of Debtor, Debtor's cessation of active business affairs or tire making by Debtor of a transfer of a material portion of Debtor's assets or inventory not in the ordinary course of business; (f) the occurrence of an event described in (c), (d), or (e) s to a guarantor of other surety of Debtor's obligations hereunder, (g) any misrepresentation of a material fact in connection herewith by or on behalf of Debtor: (h) Debtor's default under a lease or agreement providing financial accommodation with a third party or (i) creditor shall in good faith deem itself insecure as a result of a material adverse change in Debtor's financial condition or otherwise.
- 17. REMEDIES. Upon the occurrence of an event of default Creditor shall have the right, options, duties and remedies of a secured party, and Debtor shall have the rights and duties of a Debtor, under the Uniform Commercial Code (regardless of whether such Code or a law similar tfieeeto has been enacted in a jurisdiction wherein the rights or remedies are asserted) and in connection therewith Creditor may: (a) declare the Casualty Value or such lesser amount as may be set by law immediately due and payable with respect to any or all Items of Collateral without notice or demand to Debtor; (b) take possession of and, if deemed appropriate, render unusable any or all Items of Collateral, without demand or notice, wherever located, without any process of law and without liability for any damages occasioned by such taking of possession including damages to contents; (c) require Debtor io assemble any or all Items of Collateral at a location in reasonable proximity io their designated location hereunder, (d) upon notice to Debtor required by law, sell or otherwise dispose of any Items of Collateral, whether or not in Creditor's possession, in a commercially reasonable manner at public or private sale and apply the net proceeds of such sale after deducting all costs of such sale, including, but not limited to, costs of transportation, repossession, storage, refurbishing, advertising and brokers fees, to the obligations of Debtor hereunder with Debtor remaining liable for any deficiency and with any excess being returned to Debtor or (e) utilize any other remedy available under the Uniform Commercial code or otherwise to Creditor. All remedies are cumulative. Any sale may be adjourned by announcement at the time and place

appointed for such sale without further published notice, and Creditor may if permitted by law

bid and become the purchaser at any such sale.

- 18. LITIGATION EXPENSES. Debtor shall pay Creditor its costs and expenses not offset as provided in paragraph 17, including repossession and attorneys' fees and court costs, incurred by Creditor in enforcing this agreement. This obligason includes the payment of such amounts whether an action is filed and whether an action which is filed is dismissed.
- 19. ASSIGNMENT. Without the prior written consent of Creditor, Debtor shall not sell, lease or create or allow any lien other than Creditor's security interest against an Item of Collateral or assign any of Debtor's obligations hereunder. Debtor's obligations are not assignable by operation of law. Consent to any of the foregoing applies only in the given instance.

Creditor may assign, pledge or otherwise transfer any of its rights but none of its obligations hereunder without notice to Debtor. If Debtor is given notice of any such assignment, Debtor shall acknowledge receipt thereof in writing and shall thereafter pay any amounts due hereunder as directed in the notice. The rights of an assignee to amounts due hereunder shall be free of any claim or defense Debtor may have against Creditor, and Debtor agrees not to assert against an assignee any claim or defense which Debtor may have against Creditor.

Subject to the foregoing, this agreement inures to the benefit of, and is binding upon, the heirs, legatees, personal representatives, successors and assigns of the parties.

- 20. MARKINGS; PERSONAL PROPERTY. Debtor shall mark the Collateral or its location as requested by Creditor to indicate Creditor's security interest. As between the parties the Collateral shall at all times be deemed personal. Debtor will provide Creditor any real property waivers requested by Creditor as to the real property where an Item of Collateral is or is to be located.
- 21. LATE PAYMENT. If Debtor fails to pay any amount to be paid hereunder within Three (3) days of when due, Debtor agree to pay us (a) eighteen percent (48%) of each such late payment (to the ertent pemitted by law) (b) amounts Creditor pays others in connection with the collection of the payment and (c) interest on such unpaid amount from the date due until paid at the lesser of eighteen percent (18%) per annum or the highest rate permitted by applicable law. No more than a single charge under subparagraph (a) will be due in any given month.
- 22. SECURITY INTEREST RELEASE. At such time as there is no outstanding obligation secured hereby (including obligations under other agreements contemplated under paragraph 1) Creditor shall provide Debtor such termination statements related to the Collateral as Debtor shall reasonably request. Debtor shall be responsible for the filing of each such termination statement.
- 23. ADDITIONAL DOCUMENTS. Debtor shall provide to Creditor such financing statements and similar documents as Creditor shall request. Debtor authorizes Creditor where permitted by law to make filings of such documents without Debtor's signature. Debtor further shall furnish Creditor (a) a fiscal year end financial statement including balance sheet and profit and loss statement within one hundred twenty (120) days of the close of each fiscal year and (b) such other information and documents not specifically mentioned herein relative to this agreement as Creditor may request. Debtor shall reimburse Creditor for all search and filing fees incurred by Creditor related hereto.
- 24. NOTICES. Notices shall be in writing, and su&cient if mailed to the party involved, United States mail first class postage prepaid, at its respective address set forth above or at such other address as such *party* may provide on notice in accordance herewith. Notice so given shall be effective when mailed. Debtor shall promptly notify Creditor of any change

in Debtor's

- 25. GENERAL. This agreement constitutes the entire agreement of the parties as to the subject matter and shall not be amended, altered or changed except by a written agreement signed by the parties. Any waiver by Creditor must be in writing, and forbearance shall not Constitute a waiver. Whenever the context of this agreement requires, the neuter includes the masculine or feminine and the singular includes the plural. If there is more than one Debtor named in this agreement, the liability of each shall be joint and several. The titles to the paragraphs of this agreement are solely for the convenience of the parties and are not an aid in the interpretation. This agreement shall be governed by the law of the State of California. Venue for any action related to this agreement shail be in an appropriate court in Orange County, California or the home county and state of anyone holding Creditor's interest as it may be assigned from time to time, to which Debtor consents, or in an appropriate court in another jurisdiction selected by Creditor which has jurisdiction over the parties. Any provision declared invalid shall be deemed severable from the remaining provisions which shall remain in full force and effect. Time is of the essence of this agreement. The obligations of Debtor shall survive the release of the security interest in the Collateral.
- 26. DEBTOR'S WARRANTIES. DEBTOR CERTIFIES AND WARRANTS:(a) THE FINANCIAL AND **OTHER** INFORMATION WHICH **DEBTOR** HAS **SUBMITTED**, **OR WILL SUBMIT, TO CREDITOR** IN CONNECTION WITH THIS **AGREEMENT IS, OR** SHALL BE AT **TIME** OF SUBMISSION, TRUE AND COMPLETE; (b) THIS AGREEMENT HAS BEEN DULY AUTHORIZED BY **DEBTOR** AND UPON EXECUTION **BY DEBTOR** SHALL CONSTITUTE THE LEGAL, VALID AND BINDING OBLIGATION, CONTRACT AND AGREEMENT OF DEBTOR ENFORCEABLE AGAINST DEBTOR IN **ACCORDANCE** WITH **ITS TERMS**; AND (c) EACH SHOWING PROVIDED BY DEBTOR IN CONNECTION HEREWITH MAY BE FULLY **RELIED** UPON BY CREDITOR NOTWITHSTANDING ANY TECHNICAL DEFICIENCY IN ATTESTATION OR **OTHERWISE**. THE **PERSON** EXECUTING THIS AGREEMENT ON BEHALF OF DEBTOR WARRANTS THAT PERSON'S DUE AUTHORITY TO DO SO. DEBTOR FURTHER WARRANTS THAT EACH ITEM OF COLLATERAL SHALL AT THE TIME **CREDITOR** FUNDS THE TOTAL **ADVANCE BE OWNED BY DEBTOR** FREE AND CLEAR OF LIENS OR ENCUMBRANCES AND BE IN GOOD CONDITION AND WORKING ORDER.
- 27. Counterparts and Facsimile Signatures. If this Agreement was sent electronically, Debtor hereby wamnts that this Agreement has not been altered in any way. Any alteration or revision to any part of this Agreement or any attached documents will make all alterations or revisions non-binding and void. Only one counterpart of this Agreement anfi of each Schedule, Addenda, or Eahibit attached hereto shall bear our ink signed signature and shall be marked "Original". To the extent that any Equipment Financing Agreement, Schedule, Addenda or Exhibit hereto constitute chattel paper (as that tertn is defined by the Uniform Commercial Code), a security interest may only be created in this Agreement, Schedule, Addenda or Exhibit that bears our ink signed signature and is marked "Original".

EFA244C

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#### C A P I T A L

#### DISBURSEMENT AUTHORIZATION

Payee Name Example Vendor			

#### kQUIPMENT - SEE EXHIBIT "A" ATTACHED HKRETO ANB MADE A ¥'ART HERE€1F.

The undersigned recognizes that by executing this Delivery and Acceptance Certificate the undersigned's non-terminable installment payment obligation under the Agreement will commence. The undersigned reaffirms its understanding that the Agreement is solely a financing agreement and that, accordingly, you have made no express warranties as to the Equipment of any other matter and that there are no related implied warranties created by law and further that, accordingly, the undersigned's obligation to pay amounts due under the Agreement will not be affected by any problems the undersigned experiences with the Equipment or any similar or dissimilar occurrence as also set forth in the Agreement.

<u>fDate</u> )	
I hereby authorizesubject to Equipment Finance Agreement # 000-000	to orally verify my/our acceptance of the equipin my absence
"Delivery of this accument bearing a facsimile signature or sig bore an orig	natures shall have tire same force an6 effect as if tire doc inal signature."
Debtor Name: Example Docs LLC	
Debtor Name: Example Docs LLC	

**EFA302** 

#### C A P I T A L

# EXHIBIT 'A' EQUIPMENT DESCRIPTION

The following invoice(s) are referenced, and hereby incorporated, for the purpose of describing the equipment subject to Equipment Financing Agreement ("Agreement") Number 000-000 . By signing below, I, the debtor, acknowledge that I choose to finance the equipment listed on the invoice(s) per the payment schedule and the terms and conditions set out in the agreement, which is the governing document to this equipment financing regardless of the price and terms (if any) indicated on the invoice(s).

**EQUIPMENT DESCRIPTION** 

INVOICE #

INVOICE

VENDOR NAME

Equipment Financing Agreement Number 000-000
Debtor Name ExdmpleDocs LLC
Name: John Johnson
Title: Manaeine Member
Bate: <u>03/05/14</u>
Page 1 of 1

"Delivery of this document bearing a facsimile signature or signatures shall have the same force and effect as if the document bore an original signature."

EFA248B

# **COPY OF DRIYERS LICENSE**

Equipment Finan	cing Agreement Number: 000-000			
Debtor Name: E	Example Docs LLC			
Please include a cowith signature.	py of your driver's license; with picture and signat	ure, or another form of photo identification		
Please provide a co	ppy from the following individuals:			
		SignOf		
		PG 1	John	Johnson
		PG 2	John	
		PG 3		
		PG 4		
			Iane	Iohnson

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Pla



#### PERSONAL GUARANTY

Eq	uipment	<b>Financing</b>	Agreement #	000-000

THIS PERSONAL GUARANTY CREATES SPECIFIC LEGAL OBLIGATIONS. When we use the words you and your in this Personal Guaranty, we mean the Personal Guarantor (s) indicated below. When we use the words we, us and our in this Personal Guaranty, we mean BALBOA CAPITAL CORPORATION, its successors and assigns.

In consideration of our entering into the equipment financing agreement above ("EFA"), you unconditionally and irrevocably guarantee to us, our successors and assigns, the prompt payment and performance of any and all obligations of the Customer ("Debtor") under the EFA and any other financial transaction of any kind whatsoever, whether now existing or hereafter arising with us. You agree that this is a guaranty of payment and not of collection, and that we can proceed directly against you without first proceeding against the Debtor or against the Equipment covered by the EFA or against any collateral or security held by us. You waive all defenses and notices, including those of protest, presentment and demand. You agree that we can renew, extend or otherwise modify the terms of the EFA and you will be bound by such changes. If the Debtor defaults under the EFA, you will immediately perform all obligations of the Debtor under the EFA, including, but not limited to, paying all amounts due under the EFA. You will pay to us all expenses (including attorneys' fees) incurred by us in enforcing our rights against you or the Debtor. This is a continuing guaranty that will not be discharged or affected by your death and will bind your heirs and personal representatives. You waive any rights to seek repayment from the Debtor in the event you pay us. If more than one personal guarantor has signed this Personal Guaranty, each. of you agree that your liability is joint and several. You authorize us or any of our affiliates to obtain credit bureau reports regarding your personal credit, and make other credit inquiries that we determine are necessary.

THIS PERSONAL GUARANTY IS GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA. YOU CONSENT TO THE JURISDICTION OF THE COUNTY OF ORANGE IN THE STATE OF CALIFORNIA. YOU HEREBY EXPRESSLY WAIVE THE RIGHT TO TRIAL BY JURY.

"Delivery of this document bearing a facsimile signature or signatures shall have the same force and effect as if the document bore an original signature."

John Johnson Name	03/05/14 Date
Owatonna, MN 55060	
Home Street Address, City, State, Zip Code	

#### PERSONAL GUARANTY

Equipment Financing Agreement #_000-000
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THIS PERSONAL GUARANTY CREATES SPECIFIC LEGAL OBLIGATIONS. When we use the words you and your in this Personal Guaranty, we mean the Personal Guarantor (s) indicated below. When we use the words we, us and our in this Personal Guaranty, we mean BALBOA CAPITAL CORPORATION, its successors and assigns.

In consideration of our entering into the equipment financing agreement above ("EFA"), you unconditionally and irrevocably guarantee to us, our successors and assigns, the prompt payment and performance of any and all obligations of the Customer ("Debtor") under the EFA and any other financial transaction of any kind whatsoever, whether now existing or hereafter arising with us. You agree that this is a guaranty of payment and not of collection, and that we can proceed directly against you without first proceeding against the Debtor or against the Equipment covered by the EFA or against any collateral or security held by us. You waive all defenses and notices, including those of protest, presentment and demand. You agree that we can renew, extend or otherwise modify the terms of the EFA and you will be bound by such changes. If the Debtor defaults under the EFA, you will immediately perform all obligations of the Debtor under the EFA, including, but not limited to, paying all amounts due under the EFA. You will pay to us all expenses (including attorneys' fees) incurred by us in enforcing our rights against you or the Debtor. This is a continuing guaranty that will not be discharged or affected by your death and will bind your heirs and personal representatives. You waive any rights to seek repayment from the Debtor in the event you pay us. If more than one personal guarantor has signed this Personal Guaranty, each of you agree that your liability is joint and several. You authorize us or any of our affiliates to obtain credit bureau reports regarding your personal credit, and make other credit inquiries that we determine are necessary.

THIS PERSONAL GUARANTY IS GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA. YOU CONSENT TO THE JURISDICTION OF THE COUNTY OF ORANGE IN THE STATE OF CALIFORNIA. YOU HEREBY EXPRESSLY WAIVE THE RIGHT TO TRIAL BY JURY.

"Delivery of this document bearing a facsimile signature or signatures shall have the same force and effect as if the document bore an original signature."

Jane Johnson		03/05/14
Name		Date
S.	Oak A•ze	
Owatonna, MN 55060		
Home Street Address, City, State, Zip Code		

# NOTE

SBA Loan #	
SBA Loan Name	
Loon Amount	
Interest Rate	
Lender	

## 1. PROMISE TO PAY:

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# 2. DEFINITIONS:

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M. **Becnmo** the **subject** of t civil tir criminal action that Lender helixes eiay materially affect

#### S. LENDER'S RIGHTS IF THHRE IS A DEFAULT:

- A. Requim immedintn piyme t of dl amoulits owing under this Note;
- c. filln unit and obtnin judgmerit;
- D. Takn **poaaassioa** of **eav** Collateral; or
- E. Scj1, t•••s, or oflzsrwtso dispose of', «ay Colbtersl ct pnblic or privets sale, with or witbo\c

#### 6. LENDER'S GENERAL POWERS:

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- A. Bid on or buy tbc Co)laicrat ct io ealc a tbc sslc of aaodur licâko)dcr, at «ay price it clu>oaali
- B. Incur **cxp0asas** to col1sctamouats due uzutor this Noto, cafarcc tbc t¢mH a£tbia Nok ar **any** other Loao Document, and preserve or dJspoae oftba Coilstcrs1. Azaoog otbnr ztziogs, the ¢spass¢ zziay

coal and mesrinable attnrucy'i face and certs. If Lender incun such exposes, it stay befriend iinlfiediate ieptynent from Borrower or add the expeiocs to tire principal balance;

C. Relents anYonu obligated to pay this Note:

- D. CoaiHomim, raleaec, re•cw, extend or nubstituk any of the Collateral; cmd
- E. Take any action neceataly to protect the Collstersl or collect amouna owinp on thii Write.

#### 7. WHEN FEDERAL LAW APPLIES:

WI en SBA in the holder, this Note will tie interpmted rind enforced under fedoml few, including SBA

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#### 8. SUCCESSORS AND ASSIGI'JS:

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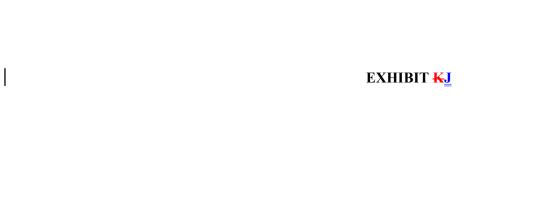
#### 9. OENERAL PROVISIONS:

- A. All iodivlduib sod eatltiei aigiñng this Note src jointly and sevemlly liable.
- C. aoinwnr trust sign n)l documents rieceaiaryat aay time to comply with the Loan Documents and to aoiblo Lmdor to enqui-, perfect, or maintain Lmdor's flans on CollataraL
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- E. Borrower mny not uge e;u <zel sktcmont of Lendtr or SBA tn contradict or altur die written tnnzis of this Note.
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Collateral at n sn)e.

## BO' RROWS ER



#### 100 Introduction

# Country Inn & Suites Rules and Regulations

# Table of Contents (2/20/2025)

**100 Introduction** 

200 Personnel and General Manager Responsibilities 300 Guest Satisfaction

400 Training

500 Brand Visual Identity Standards

600 Marketing/Customer Relationship Management

(CRM) 700 Distribution

800 Sales

900 Safety, Security, and Insurance 1000 Fees &

Accounting C Control Commissions 1100 Housekeeping

1200 Front Office

1300 Property Operations and Maintenance &

Management 1400 Food and& Beverage

1500 Data Privacy and Information Security

# EXHIBIT **LK**

# FAIR FRANCHISING POLICY

(Updated January 20232025)

Choice Hotels International, Inc. ("Choice," "we," or "us") and our franchisee(s) ("Franchisee", "Franchisees", or "you") share substantial interests in the success of our brands, as well as the worldwide lodging system they comprise ("System"). Choice and its Franchisees all benefit when Choice considers System interests first when making policies. For these reasons, Choice has adopted the following guiding principles, which may be modified from time to time inat our sole discretion. Any substantive changes to this policy will be conducted in consultation with our Franchisee Associations.

#### **Mission Statement**

Both Choice and our Franchisees have a responsibility to build and maintain the System. At the individual property level, it is your responsibility to represent your hotel's brand in a manner that continually builds brand equity; and we are responsible for confirming that general System and individual brand standards are met throughout the entire Choice franchise System.

Even under the best of circumstances, however, we realize that situations can arise that may create conflict between Choice and our Franchisees. Accordingly, Choice maintains this fair franchising policy ("Fair Franchising Policy") to help us mutually address these situations. The Fair Franchising Policy contains standards relating to the System and is available for review at any time. We also have an Ombudsperson and Vice President of Owner & Portfolio Strategy dedicated to addressing any conflicts between Choice and Franchisees in a manner that is fair and non-retaliatory to all parties concerned. We encourage you to contact any member of our Fair Franchising Department to discuss the Fair Franchising Policy or any concerns that you have regarding your relationship with Choice.

#### **Impact**

Choice and Franchisees agree that every Choice brand, each property, and the entire System benefit from strategic growth and strong brand awareness.

**Impact Policy.** In some cases, a Franchisee may believe that a third party's application for a new Choice franchise is too close in proximity to the Franchisee's existing property. To address this concern, Choice has instituted an incremental impact policy ("Impact Policy"), which has been benchmarked with our competitors and tailored to carefully balance the rights of existing Franchisees with the need for growth that benefits our entire System. The Impact Policy permits a Franchisee (in good standing) to object to the grant of a same-brand franchise, if the applying franchise is within a specified radius of the existing Franchisee's property.

Under the Impact Policy, we will notify both your designated representative and the general manager of your property: (i) by electronic mail, if we have received an application for a hotel of a different brand than your hotel, the proposed hotel is within 5 miles of your existing property, and your existing brand is covered by the Impact Policy; (ii) in writing (via express mail to the designated representative and via first-class mail to the general manager), if we have accepted an application for a same-brand hotel and the applying franchise is within a specified radius of your property; or (iii) by telephone, if you are an applicant and we have received an additional application for a same-brand hotel to be located within the Area of *Enhanced Protection (as defined more fully* in the Impact Policy) of your proposed hotel.

First opportunity to develop in franchisee's Area of Enhanced Protection (AOEP). In addition to the

<u>1</u> As of the date of this Fair Franchising Policy, the Impact Policy applies only to the following brands: Clarion, Comfort, Econo Lodge, MainStay Suites, Quality, Rodeway Inn, and Sleep Inn.

objection rights described above, each existing franchisee in good standing with Choice will have the option of submitting an application for a new same-brand hotel within its AOEP before Choice will approve a same-brand application within that AOEP from another prospective franchisee. Specifically, Choice will permit existing franchisees to submit an application for a same-brand property within 15-calendar days of being notified of a proposed application by another prospective franchisee, and the existing franchisee will receive preference in the application for a same-brand property. In making a final decision, however, we will also consider other factors, such as site location, financing, relative strength of each application and Choice's past experience with the existing franchisee. Finally, our Franchise Development team will inform the existing franchisee of our decision before we grant final approval of an application for a same-brand hotel within that franchisee's AOEP.

**Consultation.** As has been our practice, we will continue to consult with our Franchisees on amendments and modifications to the Impact Policy. For more information, please refer to our **Impact Policy**, at <a href="https://www.choicecentral.com">www.choicecentral.com</a> or call the Fair Franchising Department for a detailed explanation of our Impact Policy.

#### **Exercise of Contractual Outs**

**Company Philosophy.** Choice is committed to meeting the evolving needs of its guests across all of its brands and driving continued brand equity. It is imperative that each hotel delivers a top-notch, consistent experience to every guest, every time. Our brands are as strong as their weakest performer, so if a guest has a bad experience at one hotel, it adversely impacts us all and the System. Not only should each hotel be clean, in good condition and in working order, they should be modern, up-to-date, and competitive within their markets. Choice's contractual out evaluation process was created to ensure that we all meet these objectives.

**Contractual Out Evaluation Process.** For some brands the franchise agreement may include a mutual right to terminate the franchise agreement on the 5th, 10th, or 15th anniversary of the Opening Date by providing advance written notice. Choice reviews every active property prior to these anniversaries and evaluates the following aspects of the hotel:

- How well does the hotel meet guest expectations as measured by Guest Insight System ("GIS") scores and customer complaints?
- How do the hotel's GIS scores and guest complaints compare to other hotels within its brand?
- How strongly does the hotel compete in its local market as determined by Smith Travel Research (STR) reports compared to both local competitive set and tract chain scale?
- What is the hotel's historic pass/fail rate for Quality Assurance ("QA") inspections?
- Has the hotel been defaulted in the past for any reason, including but not limited to QA, After Entering System ("AES"), credit or legal reasons?
- How does the physical plant of the hotel compare to its competitive set within its market?
- How does the physical plant of the hotel compare to other hotels within its brand?
- If there are gaps between the property and its competitive set or peers, can the property be updated cost-effectively?

<sup>2</sup> As of the date of this Fair Franchising Policy, there is no mutual right of termination in the standard form of franchise agreement for Woodspring. For Comfort, the standard form of franchise agreement includes a mutual right of termination on the 5th anniversary of the Opening Date for only conversion properties. For Cambria, the standard form of franchise agreement provides for a mutual right of termination on the 10th and 15th anniversary of the Opening Date. Similarly, the Mainstay and Sleep form of franchise agreements provide for the same mutual termination right but these apply only to new construction properties. For Rodeway, the standard form of franchise agreement includes an annual mutual termination right on each anniversary of the Opening Date.

**Risk Factors.** In keeping with Choice's philosophy, we review in detail the aggregate results of these questions referenced above for each hotel. In particular, we take into account any unique aspects of the

hotel's market or its guest base. There is no standardized formula that is applied to every hotel and each

<sup>2</sup> As of the date of this Fair Franchising Policy, there is no mutual right of termination in our standard WoodSpring franchise agreement. For our Comfort brands, the standard franchise agreement includes an out on the 5th anniversary of the Opening Date for conversion properties only. For Cambria, the standard form franchise agreement includes outs at the 10th and 15th anniversary of the Opening Date for Mainstay and Sleep, the standard franchise agreement includes an out on the 10<sup>th</sup> and 15<sup>th</sup> anniversaries of the Opening Date for new construction properties only. For Rodeway, the standard franchise agreement includes annual outs on the anniversary of the Opening Date. situation is evaluated independently. Furthermore, typically Choice reserves the right under the franchise agreement to exercise its contractual out for any reason or no reason at all, subject to state law. There are certain factors, however, that place a property at greater risk that Choice typically will exercise its contractual out, including but not limited to (subject to state law):

- The property's Likelihood to Recommend ("LTR") score places it in the bottom third of its brand for the most recent 12 month period.
- The property has guest complaints per thousand ("CPT") higher than the brand average for the most recent 12 month period.
- The property has a history of shifting between passing and failing scores on QA inspections.
- The property passes its QA inspections but only minimally.
- The property performs below the tract chain scale as determined by STR.
- The physical plant of the property is outdated, worn, and/or in poor condition.

Note on Comfort Inn: To achieve the brand's goal of becoming one of the top 3 brands in the Midscale without Food & Beverage segment, all Comfort Inn properties must be held to a higher standard in terms of both guest satisfaction and physical representation. For example, the outside appearance of the hotel must meet or be able to achieve a consistent, above-average guest experience when compared to other hotels within the brand and to its national competitive set, which includes Holiday Inn Express and Fairfield Inn.

If the physical plant of a Comfort Inn property resembles economy-level competitors in the market due to its room size, lobby size, public space, corridor type (interior v. exterior), single loaded v. double loaded, or other aspects, then Choice may elect to exercise its contractual out or, if desirable, discuss the potential for the property to reposition to another Choice brand.

**Management Committee.** Due to the importance of these decisions and their impact on both Choice and the Franchisee, no single person at Choice has the ability to exercise a contractual out. All decisions to exercise this right are made by a Committee and must be unanimously supported by each member of that Committee. The Management Committee is comprised of representatives from:

- Fair Franchising
- Owner & Portfolio Strategy
- Legal
- Development
- Services
- Credit

**Contractual Out Notification Process.** Approximately eighteen (18) months prior to a contractual out, a representative from Choice will contact the Franchisee's Designated Representative if:

- 1. Choice is considering whether to exercise its contractual out and feels that a Product Improvement Plan ("PIP") is necessary to continue the relationship.
  - The Franchisee's Designated Representative will receive a letter explaining Choice's position and the PIP process. A copy of the letter will be sent to the hotel's General Manager.
  - Once the PIP is prepared, the Franchisee's Designated Representative will receive a phone call
    from a member of Choice's Owner & Portfolio Strategy department to discuss the scope of work
    to update the property. (See below)
- 2. Choice has decided to exercise its contractual out.
  - The Franchisee's Designated Representative will receive a phone call from Choice to discuss the decision.
  - If Choice is unable to reach the Franchisee's Designated Representative by phone, Choice will send a letter notifying the hotel of its attempts to contact the Designated Representative by phone and requesting the hotel contact Choice immediately. If Choice is unsuccessful in contacting the Franchisee, then Choice will release a formal Notice of Termination letter generally twelve (12) months prior to the contractual out date. Individual franchise agreements may contain different notice periods. If that is the case, those notice periods will apply, however Choice will attempt to provide as much notice as is reasonably possible.

Please note that each Franchisee is obligated to maintain accurate contact information with Choice. If the Franchisee's Designated Representative name, address, or telephone number on file is no longer valid, then Choice cannot be held responsible for any resulting delays in reaching the Franchisee.

**Product Improvement Plans.** In many cases, Choice will agree to continue its relationship based on an agreed scope of work to update and refresh the property and/or additional training. These requirements will be detailed in the PIP. If Choice and the Franchisee's Designated Representative cannot finalize and execute the PIP twelve (12) months prior to the contractual out date, then Choice may issue a Notice of Termination to the Franchisee's Designated Representative.

This Notice of Termination can be rescinded if subsequent discussions result in a mutually agreeable PIP Addendum that is executed by both parties within 30 days of the Notice of Termination letter.

**Options Available to Properties.** There are 4 options available to properties where Choice has exercised its contractual out:

1. Reposition to Another Choice Brand

In many cases, there will be another Choice brand available in the market for the hotel to consider. There may be many financial benefits to remaining with the Choice System rather than exiting the System completely. When Choice calls the Franchisee's Designated Representative to inform them that Choice is exercising its contractual out, he or she will discuss the availability of this option.

2. Replace the Existing Hotel

Many owners prefer to replace their hotel with a newer product in their market. Please let a Choice representative know your interest in this option and the appropriate person will contact you.

3. Appeal the Decision

If a Franchisee's Designated Representative would like to appeal a contractual out decision, then a letter detailing the request and the reasons for appeal should be emailed to the contact person on the termination notice. Upon receipt of the appeal request, a confirmation email will be sent within approximately 48 hours. The Management Committee will generally review the appeal within 7-10 business days following the receipt confirmation. The Franchisee's Designated Representative will receive the results of the Committee review via email.

4. Early Termination following Choice's exercise of a window.

When Choice exercises its option to terminate a franchise agreement at a contractual out, and a franchisee in good standing wishes to leave the Choice system before the agreed-upon termination date, Choice will take special consideration, on a case-by-case basis, in reviewing a franchisee's request to discount or waive any liquidated damages that may be owed due to the early termination.

**Non-retaliation.** In deciding whether to exercise our contractual out, Choice will not discriminate or retaliate against a property that has requested or is in the process of requesting an impact study or has challenged some other action taken by Choice.

#### **Marketing and Reservation Services Funds:**

**Consultation.** Choice is committed to the practice of consulting with its applicable franchisee association(s) on certain marketing campaigns the company undertakes and generally on the use of monthly fees designated for marketing, and reservation services. The franchise associations also are consulted on changing the amounts of those fees.

**Disclosure.** Upon request, Choice will make available to Franchisees its unaudited financial statements for those portions of the Marketing and Reservation Feefees that are designated for marketing and reservation services purposes. Choice has no obligation to separate incomes or expenditures between Choice brands. Moreover, as a public company, Choice will continue to report its Marketing and Reservation Feefees (including marketing and reservations fees) in accordance with GAAP (generally accepted accounting principles) on its income statements, which are reviewed and published quarterly.

#### **Corporate Ethics:**

**Ethical Conduct.** Choice expects all Choice associates, franchisees, and vendors to practice "good faith and fair dealing" in all business matters. All Choice associates are subject to a corporate ethics policy that mandates certain standards of conduct. In addition, your franchise agreement contains provisions that require you to operate your franchise in a manner that does not negatively impact Choice and the brand or violate any laws.

#### **Termination for Cause:**

Liquidated Damages. For most brands, if the standard franchise agreement is terminated before the end of its term, we have generally capped both pre-opening and post-opening liquated damages at 36 months of historical royalty fees (membership fees for Ascend properties) and the formula applicable to each brand. In addition, under certain circumstances and for certain brands, a 20% discount on liquidated damages will be applied as an incentive for quickly settling accounts unless the franchise agreement was terminated due to your abandonment of the hotel or your cessation of operating the hotel as our brand. Moreover, The collection of liquidated damages is to account for Choice's approach to liquidated damages seeks only to recoup future lost royalty. Fees, not lost Marketing and Reservation fees. Individual franchise agreements may contain different terms, and your agreement will control the amount of liquidated damages you will have to pay.

**Extraordinary Circumstances.** If you encounter extraordinary, unforeseen circumstances (such as the death of franchisee, environmental issues, permanent disabilities, etc.) that affect your ability to operate your franchise in good standing, it is your responsibility to contact us in a timely manner to work towards

<sup>&</sup>lt;sup>3</sup> Typically, 60 months of historical royalty fees for Cambria. In addition, typically 60 months historical royalty fees for Post-Opening liquidated damages for Suburban and MainStay Hotels.

possible resolutions. In these instances, we will attempt in good faith to find a mutually acceptable resolution to the particular situation.

#### **Transfers:**

**Family Transfer.** If you wish to transfer your franchise to a close adult family member (e.g., current spouse, parent, child, sibling, grandchild or grandparent) ("Close Family Member"), that Close Family Member must demonstrate to us that he or she has both the financial ability and experience necessary to operate your franchise in accordance with Choice standards before we will approve a transfer, among other requirements. If the transfer to a Close Family Member occurs outside of circumstances involving death and/or mental incapacity, you must pay an application fee (not to exceed \$7,500), which will be fully refunded if we do not approve the transfer. The terms of your franchise agreement may differ and, in that

<sup>3</sup> Typically, 60 months of historical royalty fees for Cambria. In addition, typically 60 months historical royalty fees for Post-Opening liquidated damages for Suburban and MainStay Hotels.

<sup>4</sup>Ascend Membership Agreements allow a transfer to a close family member for estate planning purposes and does not include a transfer to a Close Family Member based on death and mental incapacity. case, the terms of your agreement may override the family transfer provision described above.

#### **Supplier Options:**

**Vendor Exclusivity.** Our Procurement Services Department maintains a list of "Qualified Vendors" of products and services for our franchisees. Certain Qualified Vendors are designated in the Rules and Regulations as exclusive suppliers. Unless required by the Rules and Regulations, you do not have to purchase products that otherwise meet brand standards from Qualified Vendors. We frequently solicit feedback from the elected members of our franchisee associations before implementing new brand standards or vendor requirements. Additionally, for most products and services, we attempt to identify 3 or more vendors who are capable of meeting our brand standards.

#### **Building Brand Equity:**

**Quality Assurance Reviews.** Our entire System benefits from positive brand equity. Building brand equity begins at the local level with how you operate your hotel and also includes Brand Standards or Rules and Regulations that we communicate to you in order to ensure that each of our hotels is meeting or exceeding customer expectations.

Brand Standards or Rules and Regulations, as applicable, change from time to time to reflect changing customer trends and in response to our competition. Where applicable, we will consult with the various brand associations regarding significant changes contemplated for the Brand Standards/Rules and Regulations before implementation, and we will provide our franchisees with a reasonable period to absorb such changes financially.

In addition, each of us has an obligation to your guests to require that your hotel meets or exceeds our brand-specific performance and quality standards. In that regard, we will continue to apply our Quality Assurance process in a fair and impartial manner. If at any time you wish to dispute your Quality Assurance scores, you may make an appeal to the Brand Standards & Compliance.

<sup>&</sup>lt;u>Ascend Membership Agreements allow a transfer to a close family member for estate planning purposes and does not include a transfer to a Close Family Member based on death and mental incapacity.</u>

#### **Database Information:**

**Prohibited Uses.** We have agreed not to share individual, hotel-specific property reservation data for the sole purpose of selling new franchises.

#### **Dispute Resolution:**

There are two mechanisms for handling disputes. The first is an informal process, and the second is through arbitration.

**Informal Process.** We have found that certain disputes with our franchisees can be handled locally or through our established organizational structure. Our Ombudsperson and Vice President of Owner & Portfolio Strategy both provide a retribution-free outlet for our franchisees to share their concerns regarding fairness.

**Arbitration.** The terms of the franchise agreement (which control) generally require all franchise disputes to be resolved by submitting the claim to binding arbitration before the American Arbitration Association or alternative arbitration groups.

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### Franchisee Hotel Street Address Hotel City Hotel State Hotel Zipcode Contact phone number

			<u> </u>		
<u>Franchisee</u>	<u>Hotel Address</u>	<u>Hotel City</u>	<u>Hotel State</u>	Zip Cod e	Contact phone number
Jay Hospitality LLC	485 Wildwood Circle North	Homewood	<u>Alabama</u>	<u>35209</u>	<u>2054514000</u>
Gala1, LLC	1130 Joaneen Dr	Saraland	<u>Alabama</u>	<u>36571</u>	
Kiran K. patel & Mithlesh K. Patel	101 Westchester Drive	Madison	<u>Alabama</u>	<u>35758</u>	<u>2563749021</u>
SII LLC	4801 McFarland Boulevard East	Tuscaloosa	<u>Alabama</u>	<u>35405</u>	205-246-6650
CI NLR Hotels, LLC	120 W. Pershing Blvd.	North Little Rock	<u>Arkansas</u>	<u>72114</u>	3372122714
Ashok Desai and Animesh Patel	750 Amity Road	<u>Conway</u>	<u>Arkansas</u>	<u>72032</u>	<u>1-501-952-6574</u>
Hot Springs Host, Inc.	4307 Central Avenue	Hot Springs	<u>Arkansas</u>	<u>71913</u>	<u>501-525-2225</u>
El Dorado West Development, LLC	2413 W Hillsboro St	El Dorado	<u>Arkansas</u>	<u>71730</u>	870-863-7042
Rogers Hospitality, LLC	4304 W Walnut St	Rogers	<u>Arkansas</u>	<u>72756</u>	<u>630-519-3025</u>
Jay Jalaram LLC	2915 Main Street	<u>Bryant</u>	<u>Arkansas</u>	72022	<u>501-847-0900</u>
Chetna Hospitality LLC	224 S. Mikes Pike St.	Flagstaff	<u>Arizona</u>	<u>86001</u>	4808331231
The Amin Family Trust	6650 E. Superstition Springs Blvd	<u>Mesa</u>	<u>Arizona</u>	<u>85206</u>	<u>818-706-2169</u>
Blue Star Management, Inc.	880 Haul Road	<u>Page</u>	<u>Arizona</u>	86040	9286452406
RR Hotels Phoenix, LLC	4702 E University Dr	<u>Phoenix</u>	<u>Arizona</u>	<u>85034</u>	<u>1-503-639-5800</u>
Yoog Hospitality Inc.	3501 East Lockett Road	Flagstaff	<u>Arizona</u>	86004	928-526-1878
CIS Hotel, LLC	705 North Freeway	Tucson	<u>Arizona</u>	<u>85745</u>	<u>520-260-8158</u>
Progressive Hospitality LLC	6681 South Tucson Blvd	Tucson	<u>Arizona</u>	<u>85756</u>	<u>425-232-1551</u>
Vanmali, Inc.	251 El Camino Real	San Carlos	<u>California</u>	94070	<u>6505081800</u>
Satya Hotels, Inc.	4342 Salida Blvd	<u>Salida</u>	<u>California</u>	<u>95368</u>	209-543-7800
Marina Hotels CI LLC	3280 Dunes Drive	<u>Marina</u>	<u>California</u>	93933	337-212-2714
CP Capital Group Inc.	155 Dorset Drive	Dixon	<u>California</u>	<u>95620</u>	707-676-5000
Panion Group, LLC	1350 N 4th Street	San Jose	California	<u>95112</u>	1-408-467-1789
RP Golden State MGT, LLC	2310 Wible Rd	Bakersfield	California	93304	<u>661-833-6066</u>
Vallejo Hospitality LLC	1000 Admiral Callaghan Lane	<u>Vallejo</u>	<u>California</u>	94591	
Kainth Brothers, Inc	6065 N Thesta St	Fresno	California	93710	2093830333
S.D. Infinity, LLC	4674 Ontario Mills Pkwy	<u>Ontario</u>	California	91764	9099108866
Loveland Hospitality LLC	2501 West 29th Street	Greeley	<u>Colorado</u>	80631	970-206-4597

Jay Hospitality LLC	485 Wildwood Circle North	Homewood	Alabama	<del>35209</del>	<del>2054514000</del>
Kiran K. patel & Mithlesh K. Patel	101 Westchester Drive	Madison	Alabama	<del>35758</del>	<del>2563749021</del>
Gala1, LLC	<del>1130 Joaneen Dr</del>	Saraland	Alabama	<del>36571</del>	000-000-0000
	4801 McFarland Boulevard				
SII-LLC	<del>East</del>	<del>Tuscaloosa</del>	Alabama	<del>35405</del>	<del>205-246-6650</del>
Chetna Hospitality LLC	224 S. Mikes Pike St.	Flagstaff	<del>Arizona</del>	<del>86001</del>	4808331231
Yoog Hospitality Inc.	3501 East Lockett Road	Flagstaff	<del>Arizona</del>	<del>86004</del>	<del>928-526-1878</del>
	6650 E. Superstition Spring				
The Amin Family Trust	Blvd	Mesa	<del>Arizona</del>	<del>85206</del>	<del>818-706-2169</del>
Blue Star Management, Inc.	880 Haul Road	<del>Page</del>	<del>Arizona</del>	<del>86040</del>	<del>9286452406</del>
		-1 .			<del>1-503-639-</del>
RR Hotels Phoenix, LLC	4702 E University Dr	Phoenix	Arizona	<del>85034</del>	<del>5800</del>
CIS Hotel, LLC	705 North Freeway	Tucson	Arizona	<del>85745</del>	<del>520-260-8158</del>
Progressive Hospitality LLC	6681 South Tucson Blvd	Tucson	<del>Arizona</del>	<del>85756</del>	<del>425-232-1551</del>
<del>Jay Jalaram LLC</del>	<del>2915 Main Street</del>	<del>Bryant</del>	Arkansas	<del>72022</del>	501-847-0900
					<del>1-501-952-</del>
Ashok Desai and Animesh Patel	750 Amity Road	Conway	Arkansas	<del>73032</del>	6574
El Dorado West Development, LLC	<del>2413 W Hillsboro St</del>	El Dorado	Arkansas	71730	<del>870-863-7042</del>
Hot Springs Host, Inc.	4307 Central Avenue	Hot Springs	<del>Arkansas</del>	<del>71913</del>	<del>501-525-2225</del>
CI NLR Hotels, LLC	120 W. Pershing Blvd.	North Little Rock	Arkansas	<del>72114</del>	3372122714
Rogers Hospitality, LLC	4304 W Walnut St	Rogers	Arkansas	<del>72756</del>	630-519-3025
RP Golden State MGT, LLC	<del>2310 Wible Rd</del>	<b>Bakersfield</b>	California	<del>93304</del>	661-833-6066
CP Capital Group Inc.	155 Dorset Drive	Dixon	California	<del>95620</del>	707-676-5000
Kainth Brothers, Inc	6065 N Thesta St	<del>Fresno</del>	California	<del>93710</del>	<del>2093830333</del>
Marina Hotels CI LLC	3280 Dunes Drive	Marina	California	93933	337-212-2714
S.D. Infinity, LLC	4674 Ontario Mills Pkwy	Ontario	California	91764	9099108866
Sonorl LLC	1650 Industrial Park Ave	Redlands	California	92374	6193353244
<del>Vanmali, Inc.</del>	251 El Camino Real	<del>San Carlos</del>	California	9407 0	6505081800
Panion Group, LLC	1350 N 4th Street	<del>San Jose</del>	California	9511 2	1-408-467- 1789
Vallejo Hospitality LLC	1000 Admiral Callaghan Lane	<del>Vallejo</del>	California	9459 1	θ
Loveland Hospitality LLC	2501 West 29th Street	Greeley	Colorado	8063 1	0
OCEAN III GROUP, LLC	20891 Coastal Hwy	Rehoboth Beach	Delaware	19971	4433731789

Roop, LLC	5945 Youngerman Circle E	Jacksonville	<u>Florida</u>	<u>32244</u>	9042342509
Tampa AA Hotel, LLC	4750 N Dale Mabry Hwy	Tampa	Florida	33614	<u>248-705-1025</u>
Santram, LLC	3096 N. Monroe Street	<u>Tallahassee</u>	<u>Florida</u>	<u>32303</u>	4355925066
<del>764 Laxmi LLC</del>	<del>5610 Manor Hill Ln</del>	Bradenton	<del>Florida</del>	3420 3	<del>1-201-780-</del> <del>7232</del>
Portview Inn & Suites, LLC	9009 Astronaut Blvd	Cape Canaveral	Florida	32920	2186280311
South Plano Enterprise, LLC	2607 Wilde Lake Blvd.	<u>Pensacola</u>	<u>Florida</u>	<u>32526</u>	<u>5165033775</u>
2203 Yogi Panama Management LLC	2203 Harrison Avenue	Panama City	<u>Florida</u>	<u>32405</u>	404-667-3568
Shree Goym hotel, LLC	235 Rasberry Road	Crestview	<del>Florida</del>	<del>3253</del> <del>6</del>	<del>1-850-306-</del> <del>2020</del>
JAI Sachchidanand Hospitality Inc	4015 SW 43rd St	Gainesville	<del>Florida</del>	3260 8	<del>3867545944</del>
Roop, LLC	5945 Youngerman Circle E	<del>Jacksonville</del>	<del>Florida</del>	<del>3224</del> 4	775-741-4049
KB Hospitality, LLC	7035 Commonwealth Ave	Jacksonville	<del>Florida</del>	3222 0	9122538867
SANA Hospitality, LLC	85 River Park Dr	Midway	<del>Florida</del>	3234 3	<del>4077210750</del>
JSK Hospitality LLC	3720 SW College Road	Ocala	Florida	34474	<del>352-361-4479</del> 352-361-4479
T&T Management, Inc.	5802 Journeys End Way	Port Orange	<u>Florida</u>	<u>32127</u>	<u>772-221-2700</u>
Yamu Hospitality, LLC J&M	8050 US Hwy 19 N		<u>Florida</u>	33781	7273699997
Enterprises of St. Augustine, Inc.,	231 San Marco Ave	Saint Augustine	<u>Florida</u>	<u>32084</u>	904-827-1766
CIS CORPORATE CT, LLC	24244 Corporate Court	Port Charlotte	<u>Florida</u>	<u>33954</u>	1149233682929
Shree Goym hotel, LLC	235 Rasberry Road	Crestview	<u>Florida</u>	<u>32536</u>	<u>1-850-306-2020</u>
CNI THL OPS, LLC	5440 Forbes PI	Orlando	Florida	32812	<del>0</del> 412.903.2100
2203 Yogi Panama Management	2203 Harrison Avenue	Panama City	<del>Florida</del>	3240 5	404-667-3568
Shri Gautam Swami, Inc.	10241 Clarence St	Panama City Beach	Florida	32407	8507855050
KB Hospitality, LLC	7035 Commonwealth Ave	<u>Jacksonville</u>	<u>Florida</u>	<u>32220</u>	9122538867
South Plano Enterprise, LLC	2607 Wilde Lake Blvd.	Pensacola	<del>Florida</del>	3252 6	<del>5165033775</del>
YamuJAI Sachchidanand	8050 US Hwy 19 N4015 SW 43rd St	<u>Pinellas</u>	Florida	33781 <u>3</u> 2608	7273699997 <u>3</u> 863651157

Hospitality, LLCInc		<del>Park</del> Gainesville			
					11492336829
CIS CORPORATE CT, LLC	24244 Corporate Court	Port Charlotte	Florida	<del>3395</del> 4	<del>29</del>
T&T Management, Inc.	5802 Journeys End Way	Port Orange	Florida	3212 7	772-221-2700
J&M Enterprises of St. Augustine, Inc.,	231 San Marco Ave	Saint Augustine	Florida	<del>3208</del> 4	904-827-1766
Santram, LLC	3096 N. Monroe Street	Tallahassee	Florida	3230 3	4355925066
Tampa AA Hotel, LLC	4750 N Dale Mabry Hwy	Tampa	Florida	3361 4	<del>248-705-1025</del>
Makhan LLC	8109 Benjamin Rd	Tampa	Florida	33634	<del>954-614-7383</del> 954-614-7383
764 Laxmi LLC	5610 Manor Hill Ln	<u>Bradenton</u>	Florida	34203	1-201-780-7232
SANA Hospitality, LLC	85 River Park Dr	Midway	Florida	32343	4077210750
KMD Hotel Group, LLC	915 South Falkenburg Road	Tampa	Florida	33619	<del>201-696-7687</del> 201-696-7687
Sagu, LLC	2809 Nottingham Way	Albany	Georgia	3170 7	<del>(229) 291-</del> <del>3555</del>
SAAJ LLC	3000 Mansell Rd.	Alpharetta	Georgia	30022	<del>770-645-6060</del> 7702564562
SURI INVESTMENTS, LLP	16 Gateway Boulevard East	Savannah	Georgia	<u>31419</u>	8435240773
SB Clemmons Acquisitions, LLC	236 Old Epps Bridge Road	Athens	Georgia	<del>30606</del>	000-000-0000
Bhagywanti, Inc.	759 Pollard Blvd SW	<del>Atlanta</del>	Georgia	<del>30315</del>	<del>1-404-456-</del> <del>6390</del>
4500, LLC	4500 Circle 75 Pkwy	Atlanta	Georgia	<del>30339</del>	<del>770-956-9787</del>
Shree Ambe, LLC	103 Sherwood Dr	Augusta	Georgia	<del>30909</del>	<del>803-629-9950</del>
KS & J Level One, LLC	<del>925 Highway 124</del>	Braselton	Georgia	<del>30517</del>	<del>202-775-8130</del>
Sunone Income Properties LLC	211 Gateway Center Blvd	Brunswick	Georgia	<del>31525</del>	604-684-0444
<del>SM2, LLC</del>	1395 Mall of Georgia Blvd	Buford	Georgia	<del>30519</del>	<del>7702351123</del>
Ishani Host Ventures, LLC	705 Transit Ave	Canton	Georgia	30114	<del>1-770-345-</del> <del>6800</del> 1-770-345 <u>-6800</u>
INTERNATIONAL LODGING GROUP, INC.	70 Enterprise Path	<u>Hiram</u>	<u>Georgia</u>	<u>30141</u>	7702220456
Shade Hospitality LLC	989 Duluth Highway	Lawrenceville	<u>Georgia</u>	<u>30043</u>	7065491530
SM2, LLC	1395 Mall of Georgia Blvd	<u>Buford</u>	<u>Georgia</u>		<u>7702351123</u>

CIS Hospitality, LLC	1365 Hardin Avenue	East Point	Georgia	<u>30344</u>	4043728219
Bhakti Krupa, LLC	21 Yvette Johnson Hagins Dr	<u>Savannah</u>	Georgia	31408	912-446-3641
BCP Hotels Inc	7576 White Bluff Road	<u>Savannah</u>	<u>Georgia</u>	<u>31406</u>	
HSNT Lodging LLC	2175 Church Road SE	<u>Smyrna</u>	<u>Georgia</u>	<u>30080</u>	<u>678-238-1980</u>
Triangle Lodging, Inc.	3915 Arkwright Rd.	<u>Macon</u>	<u>Georgia</u>	<u>31210</u>	<u>478-714-8078</u>
Akoo Investments, LLC	115 East Greenwood Road	<u>McDonough</u>	<u>Georgia</u>	<u>30253</u>	<u>770-375-3356</u>
Hayley Sheth Investments, LLC	200 Raley Road	Port Wentworth	<u>Georgia</u>	<u>31407</u>	<u>912-234-5748</u>
Bluekrishna Hotel Investment, LLC	15 Hobson Way	Rome	<u>Georgia</u>	<u>30161</u>	4783189918
VAA, Inc	1720 Fountain Court	Columbus	<u>Georgia</u>	<u>31904</u>	7068642338
Keval Investments Inc	915 Buford Highway	Cumming	<u>Georgia</u>	<u>30041</u>	<u>1-678-514-1913</u>
Krishna Nitin Investment, LLC	1312 Old Covington Hwy SE	<u>Conyers</u>	<u>Georgia</u>	<u>30012</u>	<u>770-265-5275</u>
Om Hospitality LLC	903 West Bridge Rd	<u>Dalton</u>	<u>Georgia</u>	<u>30720</u>	
Williams Investment Company	1308 N St. Augustine Road	<u>Valdosta</u>	<u>Georgia</u>	<u>31601</u>	2298964511
AAPV LLC	220 Margie Drive	Warner Robins	<u>Georgia</u>	<u>31088</u>	<u>123-456-7896</u>
Bhagywanti, Inc.	759 Pollard Blvd SW	<u>Atlanta</u>	<u>Georgia</u>	<u>30315</u>	<u>1-404-456-6390</u>
SB Clemmons Acquisitions, LLC	236 Old Epps Bridge Road	<u>Athens</u>	<u>Georgia</u>	<u>30606</u>	
MJC Atlanta Airport LLC	5100 West Fayetteville Road	College Park	Georgia	<del>30349</del>	000-000-0000
<del>VAA, Inc</del>	1720 Fountain Court	Columbus	Georgia	31904	7068642338
OMH Laxmi Narayan, LLC	1720 Fountain Court 30539 US Highway 441	Commerce	Georgia Georgia	31904 30529	7068642338 4044083474
					4044083474 770-265-5275
OMH Laxmi Narayan, LLC Krishna Nitin Investment, LLC	30539 US Highway 441 1312 Old Covington Hwy SE	Commerce Conyers	Georgia Georgia	30529 30012	4044083474 770-265-5275 1-678-514-
OMH Laxmi Narayan, LLC  Krishna Nitin Investment, LLC  Keval Investments Inc	30539 US Highway 441 1312 Old Covington Hwy SE 915 Buford Highway	Commerce Conyers Cumming	Georgia Georgia Georgia	30529 30012 30041	4044083474 770-265-5275 1-678-514- 1913
OMH Laxmi Narayan, LLC  Krishna Nitin Investment, LLC  Keval Investments Inc Om Hospitality LLC	30539 US Highway 441 1312 Old Covington Hwy SE 915 Buford Highway 903 West Bridge Rd	Commerce Conyers Cumming Dalton	Georgia Georgia Georgia Georgia	30529 30012 30041 30720	4044083474 770-265-5275 1-678-514- 1913 0
OMH Laxmi Narayan, LLC Krishna Nitin Investment, LLC  Keval Investments Inc Om Hospitality LLC CIS Hospitality, LLC	30539 US Highway 441 1312 Old Covington Hwy SE  915 Buford Highway 903 West Bridge Rd 1365 Hardin Avenue	Commerce Conyers  Cumming Dalton East Point	Georgia Georgia Georgia Georgia Georgia	30529 30012 30041 30720 30344	4044083474 770-265-5275 1-678-514- 1913 0 404-768-2789
OMH Laxmi Narayan, LLC Krishna Nitin Investment, LLC  Keval Investments Inc Om Hospitality LLC CIS Hospitality, LLC OMNS Lodging LLC	30539 US Highway 441 1312 Old Covington Hwy SE  915 Buford Highway 903 West Bridge Rd 1365 Hardin Avenue 1900 North Expressway	Commerce Conyers  Cumming Dalton East Point Griffin	Georgia Georgia Georgia Georgia Georgia Georgia Georgia	30529 30012 30041 30720 30344 30223	4044083474 770-265-5275 1-678-514- 1913 0 404-768-2789 9494395964
OMH Laxmi Narayan, LLC Krishna Nitin Investment, LLC  Keval Investments Inc Om Hospitality LLC CIS Hospitality, LLC OMNS Lodging LLC 877 Hospitality LLC	30539 US Highway 441 1312 Old Covington Hwy SE  915 Buford Highway 903 West Bridge Rd 1365 Hardin Avenue 1900 North Expressway 877 Edelweiss Strasse	Commerce Conyers  Cumming Dalton East Point Griffin Helen	Georgia Georgia Georgia Georgia Georgia Georgia Georgia Georgia	30529 30012 30041 30720 30344 30223 30545	4044083474 770-265-5275 1-678-514- 1913 0 404-768-2789 9494395964 4783631606
OMH Laxmi Narayan, LLC Krishna Nitin Investment, LLC  Keval Investments Inc Om Hospitality LLC CIS Hospitality, LLC OMNS Lodging LLC 877 Hospitality LLC 1970 Hinesville LLC	30539 US Highway 441 1312 Old Covington Hwy SE  915 Buford Highway 903 West Bridge Rd 1365 Hardin Avenue 1900 North Expressway 877 Edelweiss Strasse 742 E. General Stewart Way	Commerce Conyers  Cumming Dalton East Point Griffin Helen Hinesville	Georgia Georgia Georgia Georgia Georgia Georgia Georgia Georgia Georgia	30529 30012 30041 30720 30344 30223 30545 31313	4044083474 770-265-5275 1-678-514- 1913 0 404-768-2789 9494395964 4783631606 2523999042
OMH Laxmi Narayan, LLC Krishna Nitin Investment, LLC  Keval Investments Inc Om Hospitality LLC CIS Hospitality, LLC OMNS Lodging LLC 877 Hospitality LLC 1970 Hinesville LLC INTERNATIONAL LODGING GROUP,	30539 US Highway 441 1312 Old Covington Hwy SE  915 Buford Highway 903 West Bridge Rd 1365 Hardin Avenue 1900 North Expressway 877 Edelweiss Strasse	Commerce Conyers  Cumming Dalton East Point Griffin Helen	Georgia Georgia Georgia Georgia Georgia Georgia Georgia Georgia	30529 30012 30041 30720 30344 30223 30545	4044083474 770-265-5275 1-678-514- 1913 0 404-768-2789 9494395964 4783631606
OMH Laxmi Narayan, LLC Krishna Nitin Investment, LLC  Keval Investments Inc Om Hospitality LLC CIS Hospitality, LLC OMNS Lodging LLC 877 Hospitality LLC 1970 Hinesville LLC INTERNATIONAL LODGING GROUP, INC.	30539 US Highway 441 1312 Old Covington Hwy SE  915 Buford Highway 903 West Bridge Rd 1365 Hardin Avenue 1900 North Expressway 877 Edelweiss Strasse 742 E. General Stewart Way 70 Enterprise Path	Commerce Conyers  Cumming Dalton East Point Griffin Helen Hinesville Hiram	Georgia	30529 30012 30041 30720 30344 30223 30545 31313 30141	4044083474 770-265-5275 1-678-514- 1913 0 404-768-2789 9494395964 4783631606 2523999042 7702220456
OMH Laxmi Narayan, LLC Krishna Nitin Investment, LLC  Keval Investments Inc Om Hospitality LLC CIS Hospitality, LLC OMNS Lodging LLC 877 Hospitality LLC 1970 Hinesville LLC INTERNATIONAL LODGING GROUP, INC. Namish, LLC	30539 US Highway 441  1312 Old Covington Hwy SE  915 Buford Highway  903 West Bridge Rd  1365 Hardin Avenue  1900 North Expressway  877 Edelweiss Strasse  742 E. General Stewart Way  70 Enterprise Path  135 The Lakes Boulevard	Commerce Conyers  Cumming Dalton East Point Griffin Helen Hinesville	Georgia	30529 30012 30041 30720 30344 30223 30545 31313 30141 31548	4044083474 770-265-5275 1-678-514- 1913 0 404-768-2789 9494395964 4783631606 2523999042
OMH Laxmi Narayan, LLC Krishna Nitin Investment, LLC  Keval Investments Inc Om Hospitality LLC CIS Hospitality, LLC OMNS Lodging LLC 877 Hospitality LLC 1970 Hinesville LLC INTERNATIONAL LODGING GROUP, INC.	30539 US Highway 441 1312 Old Covington Hwy SE  915 Buford Highway 903 West Bridge Rd 1365 Hardin Avenue 1900 North Expressway 877 Edelweiss Strasse 742 E. General Stewart Way 70 Enterprise Path	Commerce Conyers  Cumming Dalton East Point Griffin Helen Hinesville Hiram	Georgia	30529 30012 30041 30720 30344 30223 30545 31313 30141	4044083474 770-265-5275 1-678-514- 1913 0 404-768-2789 9494395964 4783631606 2523999042 7702220456 912-216-3777
OMH Laxmi Narayan, LLC Krishna Nitin Investment, LLC  Keval Investments Inc Om Hospitality LLC CIS Hospitality, LLC OMNS Lodging LLC 877 Hospitality LLC 1970 Hinesville LLC INTERNATIONAL LODGING GROUP, INC. Namish, LLC	30539 US Highway 441  1312 Old Covington Hwy SE  915 Buford Highway  903 West Bridge Rd  1365 Hardin Avenue  1900 North Expressway  877 Edelweiss Strasse  742 E. General Stewart Way  70 Enterprise Path  135 The Lakes Boulevard	Commerce Conyers  Cumming Dalton East Point Griffin Helen Hinesville Hiram  Kingsland	Georgia	30529 30012 30041 30720 30344 30223 30545 31313 30141 31548	4044083474 770-265-5275 1-678-514- 1913 0 404-768-2789 9494395964 4783631606 2523999042 7702220456 912-216-3777 912-216-3777
OMH Laxmi Narayan, LLC Krishna Nitin Investment, LLC  Keval Investments Inc Om Hospitality LLC CIS Hospitality, LLC OMNS Lodging LLC 877 Hospitality LLC 1970 Hinesville LLC INTERNATIONAL LODGING GROUP, INC. Namish, LLC	30539 US Highway 441 1312 Old Covington Hwy SE  915 Buford Highway 903 West Bridge Rd 1365 Hardin Avenue 1900 North Expressway 877 Edelweiss Strasse 742 E. General Stewart Way 70 Enterprise Path  135 The Lakes Boulevard 2809 Nottingham Way	Commerce Conyers  Cumming Dalton East Point Griffin Helen Hinesville Hiram  Kingsland  Albany	Georgia	30529 30012 30041 30720 30344 30223 30545 31313 30141 31548	4044083474 770-265-5275 1-678-514- 1913 0 404-768-2789 9494395964 4783631606 2523999042 7702220456 912-216-3777 912-216-3777 (229) 291-3555

877 Hospitality LLC	877 Edelweiss Strasse	Helen	Georgia	30545	4783631606
1970 Hinesville LLC	742 E. General Stewart Way	Hinesville	Georgia	31313	2523999042
MJC Atlanta Airport LLC	5100 West Fayetteville Road	College Park	Georgia	30349	
Shree Ambe, LLC	103 Sherwood Dr	Augusta	Georgia	30909	803-629-9950
4500, LLC	4500 Circle 75 Pkwy	Atlanta	Georgia	30339	770-956-9787
Tridev, LLC	1125 Newnan Crossing Blvd	Newnan	Georgia	30265	6154001967
Krishna Krupa, LLC	2192 Mount Zion Pkwy	Morrow	Georgia	30260	2054826687
Shreemay Hospitality, LLC	5970 Jimmy Carter Boulevard	Norcross	<u>Georgia</u>	30071	9083972403
Mid-Beach, LLC	4717 Chambers Rd	Macon	Georgia	31206	478-335-0801
Sunone Income Properties LLC	211 Gateway Center Blvd	Brunswick	Georgia	31525	604-684-0444
KS & J Level One, LLC	925 Highway 124	Braselton	Georgia	<u>30517</u>	<u>202-775-8130</u>
Jay Swami Hotels LLC	2605 SE 16th Street	Ames	<u>lowa</u>	<u>50010</u>	8473440925
CR Airport Hotel Associates, LLC	9100 Atlantic Drive SW	Cedar Rapids	<u>lowa</u>	<u>52404</u>	3194495121
Pleasant Hotels, LLC	2571 Heartland Place	<u>Coralville</u>	<u>lowa</u>	<u>52241</u>	<u>3193516131</u>
Mason City Inns, LLC	4082 4th Street SW	Mason City	<u>lowa</u>	<u>50401</u>	<u>763-553-0914</u>
Shahana Hospitality, L.L.C.	2224 Lincoln Way	Clinton	<u>lowa</u>	<u>52732</u>	1-563-321-4299
Arena Way, LLC	17 Arena Way	Council Bluffs	<u>lowa</u>	<u>51501</u>	1-402-292-2221
S&S Hotels Inc	140 East 55th Street	<u>Davenport</u>	<u>lowa</u>	<u>52806</u>	<u>319-512-9039</u>
Lodging Partners, LLC	2042 State Highway 9	<u>Decorah</u>	<u>lowa</u>	<u>52101</u>	
CSM Clive, LLC	1350 NW 118th Street	Clive	<u>lowa</u>	<u>50325</u>	<u>612-395-7100</u>
OM Waterloo LLC	4025 Hammond Ave	<u>Waterloo</u>	<u>lowa</u>	<u>50701</u>	<u>4237991010</u>
Indianola IA Lodging, LLC	501 East Trail Ridge Avenue	<u>Indianola</u>	<u>lowa</u>	<u>50125</u>	3202023100
Ram Hospitality LLC	315 Roosevelt Rd	<u>Pella</u>	<u>lowa</u>	<u>50219</u>	4025178902
Lodging Partners, LLC	2510 SE Tones Dr	Ankeny	<u>lowa</u>	<u>50021</u>	
Maa V Hospitality LLC	1710 West Street South	Grinnell	<u>lowa</u>	<u>50112</u>	<u>3194315869</u>
Express Hotels LLC	1315 Associates Dr	<u>Dubuque</u>	<u>lowa</u>	<u>52002</u>	<u>3193516131</u>
OM Cedar Falls LLC	2910 S. Main St.	Cedar Falls	<u>lowa</u>	<u>50613</u>	<u>4237991010</u>
Maple 15 Investments LLC	2210 Abbot Dr	Carter Lake	<u>lowa</u>	<u>51510</u>	4052025292
Shade Hospitality LLC	989 Duluth Highway	<del>Lawrenceville</del>	Georgia	30043	<del>7065491530</del>
Triangle Lodging, Inc.	<del>3915 Arkwright Rd.</del>	<del>Macon</del>	<del>Georgia</del>	<del>31210</del>	<del>478-714-8078</del>
Mid-Beach, LLC	4717 Chambers Rd	Macon	<del>Georgia</del>	<del>31206</del>	<del>478 335 0801</del>
Akoo Investments, LLC	115 East Greenwood Road	McDonough	<del>Georgia</del>	<del>30253</del>	<del>770-375-3356</del>
Krishna Krupa, LLC	2192 Mount Zion Pkwy	Morrow	<del>Georgia</del>	<del>30260</del>	<del>2054826687</del>
<del>Tridev, LLC</del>	1125 Newnan Crossing Blvd	<del>Newnan</del>	Georgia	<del>30265</del>	6154001967
Shreemay Hospitality, LLC	5970 Jimmy Carter Boulevard	Norcross	Georgia	30071	9083972403
Hayley Sheth Investments, LLC	<del>200 Raley Road</del>	Port Wentworth	<del>Georgia</del>	<del>31407</del>	<del>912-234-5748</del>

Bluekrishna Hotel Investment, LLC	15 Hobson Way	Rome	Georgia	<del>30161</del>	4783189918
					<del>(912) 920-</del>
SURI INVESTMENTS, LLP	16 Gateway Boulevard East	Savannah	Georgia	<del>31419</del>	<del>3200</del>
Bhakti Krupa, LLC	21 Yvette Johnson Hagins Dr	Savannah	Georgia	<del>31408</del>	912-446-3641
BCP Hotels Inc	7576 White Bluff Road	<del>Savannah</del>	<del>Georgia</del>	<del>31406</del>	9123549374
HSNT Lodging LLC	2175 Church Road SE	<del>Smyrna</del>	Georgia	<del>30080</del>	678-238-1980
Radhasoami Investment, Inc.	1852 Rockbridge Road SW	Stone Mountain	Georgia	<del>30087</del>	770-564-2815
Williams Investment Company	310 S Virginia Ave	Tifton	Georgia	<del>31794</del>	<del>2298964511</del>
Williams Investment Company	1308 N St. Augustine Road	<del>Valdosta</del>	Georgia	<del>31601</del>	<del>2298964511</del>
AAPV LLC	<del>220 Margie Drive</del>	Warner Robins	Georgia	<del>31088</del>	<del>123-456-7896</del>
Boise Hotel Enterprises, LLC	3355 East Pine Avenue	Meridian	Idaho	83642	<del>320-656-5244</del> 320-656-5244
Bensenville Hospitality, LLC	777 E. Grand Ave.	Bensenville	Illinois	60106	9894224000
Landmark Hospitality Group, LLC	923 Maple Hill Road	Bloomington	Illinois	61704	309.828.7177
<del>Sofisiya LLC</del>	2403 E Empire St	Bloomington	Illinois	<del>61704</del>	309-363-0947
S&G 3901 Holdings, LLC	602 West Marketview Drive	Champaign	Illinois	<del>61822</del>	406.207.2123
Yoga Properties LLC	600 Tracy Trail	Crystal Lake	Illinois	60014	8473404779
	5150 Hickory Point Frontage				
D & G Hospitality, LLC	Road	<del>Decatur</del>	Illinois	<del>62526</del>	0
VHS Properties Inc.	1200 North Raney Street	Effingham Property of the Effingham	Illinois	<del>62401</del>	<del>270-804-1497</del>
SRO Elgin, Inc.	<del>2270 Point Blvd</del>	<del>Elgin</del>	<del>Illinois</del>	<del>60123</del>	<del>5515800770</del>
JJS Hospitality, Inc.	1160 W Devon Ave	Elk Grove Village	<del>Illinois</del>	<del>60007</del>	<del>8475253215</del>
UGGS Hospitality LLC	140 Ludwig Drive	Fairview Heights	Illinois	<del>62208</del>	6015025594
Hi Corporation	1710 S Dirck Drive	<del>Freeport</del>	Illinois	<del>61032</del>	6412576700
Galena Lodging Ventures, Inc	11334 Oldenburg Lane	<del>Galena</del>	Illinois	<del>61036</del>	<del>630-235-8582</del>
<del>Varni Inc</del>	<del>5420 Grand Avenue</del>	Gurnee	Illinois	<del>60031</del>	<del>269-544-9517</del>
Anitej Hotel Corp.	2280 Barrington Road	Hoffman Estates	Illinois	<del>60195</del>	8478774476
NNDYM IL, Inc.	380 South Cypress Drive	Manteno	Illinois	60950	<del>949-292-5925</del> 949-292-5925
HRK4 HOTELS LLC,	225 W. South Frontage Rd	Bolingbrook	<u>Illinois</u>	<u>60440</u>	412-818-6952
Anitej Hotel Corp.	2280 Barrington Road	Hoffman Estates	Illinois	60195	8478774476
D & G Hospitality, LLC	5150 Hickory Point Frontage Road	<u>Decatur</u>	<u>Illinois</u>	62526	2178536138
Jigar Properties, LLC	200 Dillon Ave	Stockton	Illinois	61085	847-877-4476
UGGS Hospitality LLC	140 Ludwig Drive	Fairview Heights	Illinois	62208	6015025594
JJS Hospitality, Inc.	1160 W Devon Ave				8475253215
VHS Properties Inc.	1200 North Raney Street	<u>Effingham</u>	<u>Illinois</u>	62401	270-804-1497

Sabrina Hospitality LLC	1450 South Peace Road	Sycamore	Illinois	60178	8476778700
Petersen Hotels, LLC	5309 W. Landens Way	Peoria	Illinois	<u>61615</u>	309-369-3846
Cedar Alphie, LLC	1401 N. Roselle Road	Schaumburg	Illinois	60195	3126134000
Springfield Lodging, LLC	3092 Adlai Stevenson Drive	Springfield	Illinois	62703	320-202-3100
Anitej Hospitality LLC	2106 1st Ave.	Rock Falls	Illinois	61071	847-456-5530
Windson Hospitality LLC	1265 Lakeview Drive	Romeoville	Illinois	60446	847-903-3599
Yoga Properties LLC	600 Tracy Trail	<u>Crystal Lake</u>	<u>Illinois</u>	<u>60014</u>	<u>8473404779</u>
Bensenville Hospitality, LLC	777 E. Grand Ave.	<u>Bensenville</u>	<u>Illinois</u>	<u>60106</u>	9894224000
Hi Corporation	1710 S Dirck Drive	<u>Freeport</u>	<u>Illinois</u>	<u>61032</u>	6412576700
Galena Lodging Ventures, Inc	11334 Oldenburg Lane	<u>Galena</u>	<u>Illinois</u>	<u>61036</u>	630-235-8582
Varni Inc	5420 Grand Avenue		Illinois	60031	2628937316
Sky Hospitality, Inc.	18315 South La Grange Rd.	Tinley Park	Illinois	60487	3197527400
SRO Elgin, Inc.	2270 Point Blvd	Elgin	Illinois	60123	5515800770
J&J Hospitality, LLC	2721 69th Avenue Court	Moline	Illinois	61265	3092691587
JC Skyline, LLC	1306 Halfway Rd.	Marion	Illinois	62959	6189973320
Landmark Hospitality Group, LLC	923 Maple Hill Road	Bloomington	Illinois	61704	309.828.7177
S&G 3901 Holdings, LLC	602 West Marketview Drive	Champaign	Illinois	61822	406.207.2123
Sofisiya LLC	2403 E Empire St	Bloomington	Illinois	61704	309-363-0947
<del>JC Skyline, LLC</del>	1306 Halfway Rd.	Marion	Illinois	62959	6189973320
J&J Hospitality, LLC	2721 69th Avenue Court	Moline	Illinois	<del>61265</del>	3092691587
Petersen Hotels, LLC	<del>5309 W. Landens Way</del>	<del>Peoria</del>	Illinois	<del>61615</del>	<del>309-369-3846</del>
Anitej Hospitality LLC	2106 1st Ave.	Rock Falls	Illinois	<del>61071</del>	847-456-5530
Windson Hospitality LLC	1265 Lakeview Drive	Romeoville	<del>Illinois</del>	<del>60446</del>	<del>702-672-0576</del>
Cedar Alphie, LLC	1401 N. Roselle Road	Schaumburg	<del>Illinois</del>	<del>60195</del>	<del>3126134000</del>
Springfield Lodging, LLC	3092 Adlai Stevenson Drive	<del>Springfield</del>	<del>Illinois</del>	<del>62703</del>	<del>320-202-3100</del>
<del>Jigar Properties, LLC</del>	<del>200 Dillon Ave</del>	Stockton	Illinois	<del>61085</del>	<del>847-877-4476</del>
Sabrina Hospitality LLC	1450 South Peace Road	<del>Sycamore</del>	Illinois	60178	<del>8476778700</del>
Sky Hospitality, Inc.	18315 South La Grange Rd.	<del>Tinley Park</del>	Illinois	<del>60487</del>	<del>3197527400</del>
Performance Hospitality Group LLC	404 Touring Dr	Auburn	<del>Indiana</del>	<del>46706</del>	614-288-9657
Shree Hanuman LLC	<del>3250 Northview Dr</del>	Elkhart	<del>Indiana</del>	<del>46514</del>	<del>574-206-8488</del>
					<del>1-812-760-</del>
<del>Jai Santoshi Ma Hospitality, Inc</del>	<del>301 Circle Front Drive</del>	<del>Evansville</del>	<del>Indiana</del>	<del>47715</del>	<del>9011</del>
Everest Hotel Group Inc	<del>2070 N. State St</del>	Greenfield	<del>Indiana</del>	<del>46140</del>	<del>574-307-2255</del>
Rain Hospitality, LLC	5630 Flight School Drive	Indianapolis	<del>Indiana</del>	<del>46221</del>	<del>219-331-5561</del>
Arya Infotech Hotels IN LLC	7610 Old Trails Road	Indianapolis	<del>Indiana</del>	<del>46219</del>	630-958-2044
Seven Hospitality Inc.	4325 Southport Crossings Way	Indianapolis	<del>Indiana</del>	<del>46237</del>	<del>219-331-5561</del>

AADI 95 Corp.	<del>8311 Ohio St</del>	Merrillville	<del>Indiana</del>	<del>46410</del>	847-477-0134
Sharma Hotel Developers, LLC	3805 Frontage Road	Michigan City	<del>Indiana</del>	<del>46360</del>	2198799190
Midwest Hotel Management, Inc	420 W University Drive	Mishawaka	Indiana	46545	4198671144
Sharma Hotel Developers, LLC	3805 Frontage Road	Michigan City	<u>Indiana</u>	46360	2198799190
AADI 95 Corp.	8311 Ohio St	Merrillville	<u>Indiana</u>	<u>46410</u>	847-477-0134
Duneside Hospitality, LLC	1630 Olmsted Drive	Portage	Indiana	46368	<del>708-243-9925</del> 708-243-9925
Jai Santoshi Ma Hospitality, Inc	301 Circle Front Drive	<u>Evansville</u>	<u>Indiana</u>	<u>47715</u>	<u>1-812-760-9011</u>
Vinayak Hospitality LLC	2020 LaPorte Avenue	Valparaiso	Indiana	46383	219-462-0689 219-462-0689
Rain Hospitality, LLC	5630 Flight School Drive	<u>Indianapolis</u>	<u>Indiana</u>	<u>46221</u>	<u>219-331-5561</u>
Arya Infotech Hotels IN LLC	7610 Old Trails Road	<u>Indianapolis</u>	<u>Indiana</u>	<u>46219</u>	630-958-2044
Seven Hospitality Inc.	4325 Southport Crossings Way	<u>Indianapolis</u>	<u>Indiana</u>	<u>46237</u>	<u>219-331-5561</u>
Everest Hotel Group Inc	2070 N. State St	Greenfield	<u>Indiana</u>	<u>46140</u>	574-307-2255
Shree Hanuman LLC	3250 Northview Dr	Elkhart	<u>Indiana</u>	<u>46514</u>	574-206-8488
Performance Hospitality Group LLC	404 Touring Dr	Auburn	<u>Indiana</u>	<u>46706</u>	614-288-9657
Hari Hospitality INC	3888 Mimosa Dr	Columbus	<u>Indiana</u>	47201	616-724-7788
Laxmi KS Inc.	6020 S.W. 10th Street	<u>Topeka</u>	Kansas	<u>66615</u>	(785) 554-6700
Webb Douglas LLC	333 S Webb Rd.	<u>Wichita</u>	Kansas	67207	702-894-7182
<del>Jay Swami Hotels LLC</del>	2605 SE 16th Street	Ames	<del>lowa</del>	<del>50010</del>	8473440925
Lodging Partners, LLC	<del>2510 SE Tones Dr</del>	Ankeny	<del>lowa</del>	<del>50021</del>	0
Maple 15 Investments LLC	<del>2210 Abbot Dr</del>	Carter Lake	<del>lowa</del>	<del>51510</del>	4052025292
OM Cedar Falls LLC	<del>2910 S. Main St.</del>	Cedar Falls	<del>lowa</del>	<del>50613</del>	4237991010
CR Airport Hotel Associates, LLC	9100 Atlantic Drive SW	Cedar Rapids	<del>lowa</del>	<del>52404</del>	3194495121
Shahana Hospitality, L.L.C.	2224 Lincoln Way	Clinton	<del>lowa</del>	<del>52732</del>	<del>1-563-321-</del> 4 <del>299</del>
CSM Clive, LLC	1350 NW 118th Street	Clive	<del>lowa</del>	<del>50325</del>	612-395-7100
Pleasant Hotels, LLC	2571 Heartland Place	Coralville	<del>lowa</del>	<del>52241</del>	3193516131
Arena Way, LLC	17 Arena Way	Council Bluffs	<del>lowa</del>	<del>51501</del>	<del>1-402-292-</del> <del>2221</del>
<del>S&amp;S Hotels Inc</del>	140 East 55th Street	<del>Davenport</del>	<del>lowa</del>	<del>5280</del> <del>6</del>	0
Lodging Partners, LLC	<del>2042 State Highway 9</del>	Decorah	<del>lowa</del>	<del>5210</del> <del>1</del>	Ф
Express Hotels LLC	1315 Associates Dr	<del>Dubuque</del>	lowa	<del>5200</del> <del>2</del>	<del>3193516131</del>
Shreeji Hospitality, Inc.	3259 5th Avenue South	Fort Dodge	<del>lowa</del>	<del>5050</del>	847-401-4016

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Maa V Hospitality LLC	1710 West Street South	Grinnell	<del>lowa</del>	5011 2	<del>3194315869</del>
Indianola IA Lodging, LLC	501 East Trail Ridge Avenue	<del>Indianola</del>	<del>lowa</del>	<del>5012</del> <del>5</del>	320-202-3100
Mason City Inns, LLC	4082 4th Street SW	Mason City	<del>lowa</del>	<del>5040</del> <del>1</del>	<del>763-553-0914</del>
Worth County Hospitality, LLC	711 Diamond Jo Lane	Northwood	<del>lowa</del>	<del>5045</del> 9	6058681347
Ram Hospitality LLC	315 Roosevelt Rd	<del>Pella</del>	lowa	5021 9	4025178902
OM Waterloo LLC	4025 Hammond Ave	Waterloo	lowa	5070 1	4237991010
Om-NA, LLC	2502 E Kansas Ave	Garden City	Kansas	67846	2149981515 <u>9</u> 095692474
Pacific Investment, Inc	2760 S. 9th St.	<u>Salina</u>	<u>Kansas</u>	<u>67401</u>	(805) 657-0468
Sand Dollar Hospitality 2, LLC	1805 North 110th Street	Kansas City	Kansas	66111	<del>701-306-4866</del> 701-306-4866
Cave Inn, LLC	2176 East 23rd Street	Lawrence	Kansas	66046	785-640-3321
Pacific Investment, Inc	<del>2760 S. 9th St.</del>	<del>Salina</del>	<del>Kansas</del>	<del>6740</del> <del>1</del>	805-657-0468
Laxmi KS Inc.	6020 S.W. 10th Street	<del>Topeka</del>	Kansas	<del>6660</del> 4	785-554-6700
Webb Douglas LLC	<del>333 S Webb Rd.</del>	Wichita	Kansas	<del>6720</del> <del>7</del>	702-894-7182
Kiyan Hospitality LLC	<del>535 Wall Street</del>	Bowling Green	Kentucky	<del>4210</del> <del>3</del>	615-428-7679
HI-9764, LLC	107 Buffalo Creek Drive	Elizabethtown	Kentucky	4270 1	<del>270-307-3385</del>
Welcome Hotels of KY, Inc.	630 Donaldson Highway	Erlanger	Kentucky	41018	9807224326
STAR GLOBAL HOTELS, LLC	145 McBride Lane	<u>Paducah</u>	Kentucky	42001	2702010366
Kiyan Hospitality LLC	535 Wall Street	Bowling Green	<u>Kentucky</u>	<u>42103</u>	615-428-7679
Dhani LLC	131 Darby Drive	Georgetown	Kentucky	4 0 3 2 4	<del>8595190033</del>
Shihasi Starwind Airport, LLC	759 Petersburg Road	Hebron	Kentucky	4 1	229-938-7314

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Leena Enterprises LLC	2297 Executive Drive	Lexington	<del>Kentucky</del>	4	8592998844
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Krishna Lodging Inc	2035 West Highway 192	London	Kentucky	40741	8655825178
Shree Krishan, LLC	1241 Kentucky Mills Drive	Louisville	Kentucky	40299	5024120876
STAR GLOBAL HOTELS, LLC	145 McBride Lane	<del>Paducah</del>	<del>Kentucky</del>	4	<del>2702010366</del>
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Sai Maysville LLC	400 Paroquet Springs Drive	Shepherdsville	Kentucky	40165	<del>256-595-3760</del>
Leave Fatamaia a III O	0007 F	Landa atom	IZtl.	40505	<u>256-595-3760</u>
Leena Enterprises LLC	2297 Executive Drive	<u>Lexington</u>	Kentucky	<u>40505</u>	8592998844
Shihasi Starwind Airport, LLC	759 Petersburg Road	<u>Hebron</u>	<u>Kentucky</u>	<u>41048</u>	<u>1-513-683-1333</u>
<u>HI-9764, LLC</u>	107 Buffalo Creek Drive		<u>Kentucky</u>	<u>42701</u>	<u>270-307-3385</u>
Dhani LLC	131 Darby Drive	<u>Georgetown</u>	<u>Kentucky</u>	<u>40324</u>	<u>8595190033</u>
CIS NOLA, LLC	5801 Read Blvd.	New Orleans	<u>Louisiana</u>	<u>70127</u>	
Shreveport Hotel LLC	5020 Hollywood Avenue	Shreveport	<u>Louisiana</u>	<u>71109</u>	8476919212
BRLA Enterprises, LLC	7959 Essen Park Ave	Baton Rouge	Louisiana	70809	9316441445
Primrose Path LLC	2713 N. Causeway Blvd.	Metairie	Louisiana	70002	504-887-1143
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JJ Hospitality Group, LLC	130 Holiday Boulevard	Covington	Louisiana	70433	<del>0467</del> 1-985-809
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Primrose Path LLC	2713 N. Causeway Blvd.	Metairie	Louisiana	7	504-887-1143
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CIS NOLA, LLC	5801 Read Blvd.	New Orleans	Louisiana	7	<del>5044274585</del>
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YC Pineville HotelBreeze Point Hospitality, LLC	2727 Monroe Hwy #165	Pineville	Louisiana	71360	<del>775-829-4611</del> 3183521700
Ashutosh, LLC	50 Christy's Drive	Brockton	Massachusetts	02301	5085590099
Shreveport Hotel LLC	5020 Hollywood Avenue	Shreveport	Louisiana	71109	<del>8476919212</del>
LDM USA, Incorporated	<del>2600 Housley Rd</del>	Annapolis	Maryland	<del>21401</del>	000-000-0000
Baltimore North Hotel LLC	8825 Yellow Brick Road	Baltimore	Maryland	<del>21237</del>	0
Mansi Enterprises, Inc.	1435 Handlir Drive	Bel Air	Maryland	<del>21015</del>	7177551966
Sudha Investments, Inc of California	44941 Worth Lane	California	Maryland	<del>20619</del>	5402875954
<del>Shashikant Patel, et al</del>	4950 Mercedes Blvd	Camp Springs	Maryland	<del>20746</del>	0
Goldwater Hospitality, LLC	8850 Hampton Mall Dr. North	Capitol Heights	Maryland	20743	2404726727
Jai BWI Airport, LLC	1717 West Nursery Road	Linthicum Heights	Maryland	21090	
LILA Enterprises, LLC	1804 Sweetbay Drive	Salisbury	Maryland	21804	4432356600
Shashikant Patel, et al	4950 Mercedes Blvd	Camp Springs	Maryland	20746	4102121440
Sudha Investments, Inc of California	44941 Worth Lane	California	Maryland	20619	5402875954
Mansi Enterprises, Inc.	1435 Handlir Drive	Bel Air	Maryland	21015	7177551966
North Ocean City Hospitality, LLC	12303 Coastal Highway	Ocean City	Maryland	21842	4433731789
Longman Properties, LLC	5579 Spectrum Dr	Frederick	Maryland	21703	1 917 885 5713 1-917-885 -5713
LDM USA, Incorporated	2600 Housley Rd	<u>Annapolis</u>	Maryland	<u>21401</u>	703-338-7925
Maverick Hospitality LLC	17612 Valley Mall Road	Hagerstown	Maryland	21740	3015825003
Jai BWI Airport, Baltimore North Hotel LLC	1717 West Nursery 8825 Yellow Brick Road	<del>Linthicum</del> <del>Heights<u>Baltimore</u></del>	Maryland	21090 21237	<del>0</del> 5712159839
Sherman Boulevard Hospitality, Inc.	1675 E. Sherman Blvd.	<u>Muskegon</u>	<u>Michigan</u>	<u>49444</u>	<u>616-405-9847</u>
North Ocean City Hospitality, LLC	12303 Coastal Highway	Ocean City	Maryland	<del>21842</del>	4433731789
LILA Enterprises, LLC	1804 Sweetbay Drive	<del>Salisbury</del>	Maryland	<del>21804</del>	4432356600
Ashutosh, LLC	50 Christy's Drive	Brockton	Massachusett s	02301	θ
CAPITAL AVE HOSPITALITY, LLC	2590 Capital Avenue SW	Battle Creek	Michigan	49015	2698769773 <u>2</u> 016681537
Best Stay Benton Harbor Inc.	<del>2276 Pipestone Road</del>	Benton Harbor	Michigan	49022	248-862-2844
Jackson Superior Cherry Hospitality, IncLLC	15344 Waldron Way420 Munson Avenue	Big Rapids Traverse City	Michigan	<del>49307</del> <u>49686</u>	<del>0</del> 269-352-7303
Birch Run Lodging, Inc	12112 South Beyer Rd	Birch Run	Michigan	<del>48415</del>	<del>1-989-624-</del> <del>8000</del>
Dearborn Hospitality Hotels II, LLC	24555 Michigan Avenue	Dearborn	Michigan	48124	4192505211

Novi Inn & Suites, Inc.	21625 Haggerty Road	Novi	<u>Michigan</u>	<u>48375</u>	2482814168
Dundee Superior Hospitality LLC	665 Tecumseh St	<del>Dundee</del>	Michigan	<del>48131</del>	2482495600
K & E Hotels LLC	3251 Deposit Drive NE	Grand Rapids	<del>Michigan</del>	<del>49546</del>	<del>616-457-2370</del>
Shawn Hospitality Inc	5399 28th Street Court SE	Grand Rapids	Michigan	<del>49546</del>	6165417444
Pranam Inc	3825 28th Street SW	Grandville	<del>Michigan</del>	<del>49418</del>	<del>6167279448</del>
SCA Hotels Corp.	12260 James Street	Holland	<del>Michigan</del>	49424	0
Zenith Asset Company, LLC	919 Razorback Drive	Houghton	Michigan	<del>49931</del>	9258583124
SCA Hotels Corp. Kalamazoo Twins Hospitality Group	12260 James Street	<u>Holland</u>	<u>Michigan</u>	<u>49424</u>	
Inc.	1912 E Kilgore Service Rd	Kalamazoo	Michigan	49002	2698769773
Best Stay Benton Harbor Inc.	2276 Pipestone Road	Benton Harbor	<u>Michigan</u>	<u>49022</u>	<u>248-862-2844</u>
Country Lodge Inc	6511 Centurion Drive	Lansing	Michigan	48917	2487983828
Sherman Boulevard Hospitality, Inc.	<del>1675 E. Sherman Blvd.</del>	Muskegon	<del>Michigan</del>	49444	000000000
Novi Inn & Suites, LLC	<del>21625 Haggerty Road</del>	Novi	<del>Michigan</del>	<del>48375</del>	<del>2482814168</del>
SCA South Haven Corp	1741 Phoenix Street	South Haven	Michigan	49090	0
Birch Run Lodging, Inc	12112 South Beyer Rd	Birch Run	<u>Michigan</u>	<u>48415</u>	<u>1-989-624-8000</u>
K & E Hotels LLC	3251 Deposit Drive NE	Grand Rapids	<u>Michigan</u>	<u>49546</u>	<u>616-457-2370</u>
Shawn Hospitality Inc	5399 28th Street Court SE	Grand Rapids	<u>Michigan</u>	<u>49546</u>	<u>6165417444</u>
Pranam Inc	3825 28th Street SW	<u>Grandville</u>	<u>Michigan</u>	<u>49418</u>	<u>9894444455</u>
Zenith Asset Company, LLC	919 Razorback Drive	<u>Houghton</u>	<u>Michigan</u>	<u>49931</u>	(925) 858-3124
Dundee Superior Hospitality LLC	665 Tecumseh St	<u>Dundee</u>	<u>Michigan</u>	<u>48131</u>	2482495600
Jackson Superior Hospitality, Inc	15344 Waldron Way	Big Rapids	<u>Michigan</u>	<u>49307</u>	
Eagan Commercial, LLC	3035 Holiday Lane	<u>Eagan</u>	<u>Minnesota</u>	<u>55121</u>	<u>2152374875</u>
Woodbury Hospitality, LLC	6003 Hudson Road	<u>Woodbury</u>	<u>Minnesota</u>	<u>55125</u>	<u>215-237-4875</u>
Cozy Hospitality, LLC	2000 Washington Avenue	<u>Stillwater</u>	<u>Minnesota</u>	<u>55082</u>	<u>651-275-1401</u>
Mahman Hotel Group, Inc.	1204 Ramsey Street	<u>Shakopee</u>	<u>Minnesota</u>	<u>55379</u>	<u>515-729-0253</u>
IGO Legacy Hotel Group, LLC	5995 Rice Creek Parkway	Shoreview	Minnesota	<u>55126</u>	7634210321
Kabir Pramukh RMN Hospitality LLC	4323 Highway 52 North	Rochester	Minnesota	<u>55901</u>	815-451-4288
Chanhassen Lodging, LLC	591 West 78 Street	Chanhassen	Minnesota	<u>55317</u>	3202604474
ChiKo Lodging, LLC	18894 Dodge Street NW	Elk River	Minnesota	<u>55330</u>	651-308-7828
YOGI MQT, LLC	155 Coon Rapids Blvd. NW	Coon Rapids	<u>Minnesota</u>	<u>55433</u>	727-686-7127
GG&O Enterprises LLC	209 16th Street Northeast	<u>Little Falls</u>	Minnesota	<u>56345</u>	218-444-6900
LOF Plymouth TRS, LLC	210 Carlson Parkway	Plymouth	Minnesota	55447	701-281-7122
Roseville Hospitality, LLC	2740 Snelling Ave N	Roseville	Minnesota	<u>55113</u>	3202023100
St. Cloud East Lodging, LLC	120 Seventh Avenue Southeast	St. Cloud	Minnesota	56304	320-202-3100
Mankato Lodging, LLC	1900 Premier Drive	Mankato	Minnesota	<u>56001</u>	320-202-3100

Red Wing Hotel Group, LLC	4275 Highway 61 West	Red Wing	Minnesota	55066	952-932-9987
Rochester MN South Lodging LLC	77 Woodlake Drive Southeast	Rochester	Minnesota	55904	320-202-3100
Basera Hospitality, Inc	8350 East Point Douglas Road	Cottage Grove	Minnesota	<u>55016</u>	1-320-267-7927
Cherry Hospitality LLC	420 Munson Avenue	Traverse City	Michigan	<del>4968</del> <del>6</del>	<del>269-352-7303</del>
IGO Legacy Hotel Group Coralville, LLC	2214 E Main St	Albert Lea	Minnesota	<del>5600</del> <del>7</del>	<del>7634210321</del>
Albertville Lodging, LLC	6554 Lamplight Dr	Albertville	<del>Minnesota</del>	5530 1	320-202-3100
IGO Legacy Hotel Group, LLC	15058 Dellwood Dr	Baxter	<del>Minnesota</del>	<del>5640</del> <del>1</del>	<del>7634210321</del>
Bemidji Lodging LLC	927 Lake Shore Dr NE	<del>Bemidji</del>	Minnesota	<del>5660</del> <del>1</del>	<del>763-760-4333</del>
Buffalo Lodging, LLC	1002 Highway 55 East	Buffalo	<del>Minnesota</del>	5531 3	763-553-0914
Chanhassen Lodging, LLC	591 West 78 Street	Chanhassen	Minnesota	5531 7	<del>3202604474</del>
<del>YOGI MQT, LLC</del>	155 Coon Rapids Blvd. NW	Coon Rapids	Minnesota	<del>5543</del> 3	<del>727-686-7127</del>
Basera Hospitality, Inc	8350 East Point Douglas Road	Cottage Grove	Minnesota	<del>5501</del> <del>6</del>	<del>1-320-267-</del> <del>7927</del>
DL Hotel Group LLC	1330 Highway 10	Detroit Lakes	Minnesota	<del>5650</del> <del>1</del>	<del>2187662940</del>
IGO Legacy Hotel Group Duluth, LLC	4257 Haines Rd	Duluth	<del>Minnesota</del>	5581 1	<del>7634210321</del>
Eagan Commercial, LLC	3035 Holiday Lane	Eagan	<del>Minnesota</del>	5512 1	<del>2152374875</del>
ChiKo Lodging, LLC	18894 Dodge Street NW	Elk River	Minnesota	5533 0	<del>651-308-7828</del>
Fergus Falls Lodging, LLC	925 Western Ave	Fergus Falls	Minnesota	56537	<del>763-553-0914</del> 763-553-0914
Greischar and Torgerson Partnership, LLP	201 28th Ave SE	Willmar	<u>Minnesota</u>	<u>56201</u>	<u>6127473770</u>
S & S Hospitality, Inc.,	1954 Broadway Ave W	Forest Lake	Minnesota	55025	3204911984
Hariom Hospitality Four LLC	<del>2601 US 169</del>	Grand Rapids	Minnesota	55 74 4	<del>2188317976</del>
GG&O Enterprises LLC	209 16th Street Northeast	Little Falls	Minnesota	<del>56</del> <del>34</del>	218-444-6900

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Mankato Lodging, LLC	1900 Premier Drive	Mankato	Minnesota	<del>56</del>	<del>320-202-3100</del>
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Summit Hagnitality II C	200 Couth Highway 2	Northfield	Minnesota	<del>1</del> 55057	5076052286
Summit Hospitality, LLC  Midwest Heritage Inn of Owatonna,	300 South Highway 3	Northlield	wiinnesota	55057	5076052266
Inc.	130 Allan Ave	Owatonna	Minnesota	55060	7012351060
IGO Legacy Hotel Group Coralville,					
LLC	<u>2214 E Main St</u>	Albert Lea	<u>Minnesota</u>	<u>56007</u>	<u>7634210321</u>
LOF Plymouth TRS, LLC	210 Carlson Parkway	Plymouth	<del>Minnesota</del>	<del>55</del>	<del>701-281-7122</del>
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Ded Wing Hetal Crown LLC	4275 Highway C1 West	Dod Wine	Minnonto	7	052 022 0007
Red Wing Hotel Group, LLC	4275 Highway 61 West	Red Wing	<del>Minnesota</del>	<del>55</del> <del>06</del>	952-932-9987
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Kabir Pramukh RMN Hospitality LLC	4323 Highway 52 North	Rochester	Minnesota	<del>55</del>	815-451-4288
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Rochester MN SouthAlbertville	77 Woodlake Drive	RochesterAlbertville	Minnesota	55904	<del>320-202-3100</del>
Lodging, LLC	Southeast 6554 Lamplight Dr			<u>55301</u>	<u>3202023100</u>
Roseville Hospitality, LLC	2740 Snelling Ave N	Roseville	Minnesota	<del>55</del>	<del>320-202-3100</del>
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Mahman Hotel Group, Inc.	1204 Ramsey Street	<del>Shakopee</del>	<del>Minnesota</del>	# <del>N/</del>	<del>515-729-0253</del>
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IGO Legacy Hotel Group, LLC	5995 Rice Creek Parkway	Shoreview	<del>Minnesota</del>	55 12	<del>7634210321</del>
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St. Cloud MN West Lodging, LLC	235 Park Avenue South	St Cloud	Minnesota	56301	320-202-3100
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DL Hotel Group LLC	1330 Highway 10	Detroit Lakes	Minnesota	<u>56501</u>	2187662940
IGO Legacy Hotel Group Duluth,					
LLC	4257 Haines Rd	<u>Duluth</u>	<u>Minnesota</u>	<u>55811</u>	<u>7634210321</u>
IGO Legacy Hotel Group, LLC	15058 Dellwood Dr	<u>Baxter</u>	<u>Minnesota</u>	<u>56401</u>	<u>7634210321</u>
Bemidji Lodging LLC	927 Lake Shore Dr NE	<u>Bemidji</u>	<u>Minnesota</u>	<u>56601</u>	<u>763-760-4333</u>
LIBOR Mangement, LLC	2550 Freeway Boulevard	Brooklyn Center	<u>Minnesota</u>	<u>55430</u>	<u>763-381-4762</u>
St. Cloud East Buffalo Lodging, LLC	120 Seventh Avenue	St. CloudBuffalo	Minnesota	<del>56304</del>	<del>320-202-3100</del>
	Southeast 1002 Highway 55 East			<u>55313</u>	<u>763-553-0914</u>
Hariom Hospitality Four LLC	<u>2601 US 169</u>	Grand Rapids	<u>Minnesota</u>	<u>55744</u>	<u>2188317976</u>

NCI Operation, LLC	2520 E. Austin Blvd	<u>Nevada</u>	<u>Missouri</u>	<u>64772</u>	<u>9139087661</u>
MMP Keene Inc.	817 North Keene Street	<u>Columbia</u>	Missouri	<u>65201</u>	7853755975
OM Shivaay Hospitality Inc.	3877 Veterans Memorial Pkwy	Saint Peters	Missouri	63376	271-306-1544
Water Works Hotel Development					(0.00)
Group, LLC	1190 South Main Street	Saint Charles	Missouri	<u>66301</u>	(999) 999-9999
Cozy Hospitality, LLC	2000 Washington Avenue	Stillwater	Minnesota	<del>55082</del>	651-275-1401
Greischar and Torgerson Partnership, LLP	201 28th Ave SE	Willmar	Minnesota	<del>56201</del>	6127473770
Woodbury Hospitality, LLC	6003 Hudson Road	Woodbury	Minnesota	<del>55125</del>	215-237-4875
Byram Hospitality LLC		Byram	Mississippi	39272	2697532089
Byrain 1103pitality LLO	5760 I-55 South Frontage Road	Dyrain	Ινιιοοιοοιρρι	<del>39565-</del>	2091332009
Jay & Swara LLC	13900 Wilfred Seymour Rd.	Ocean Springs	<del>Mississippi</del>	<del>9671</del>	<del>9795515011</del>
Oomesh Parshotam	3051 White Blvd	Pearl	Mississippi	39208	6014202244
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Jay & Swara LLC	13900 Wilfred Seymour Rd.	Ocean Springs	Mississippi	9671	6062712218
MMP Keene Inc.	817 North Keene Street	Columbia	Missouri	65201	7853755975
NCI Operation, LLC	2520 E. Austin Blvd	Nevada	Missouri	64772	9139087661
Water Works Hotel Development					
Group, LLC	1190 South Main Street	Saint Charles	Missouri	<del>63301</del>	999-999-9999
OM Shivaay Hospitality Inc.	3877 Veterans Memorial Pkwy	Saint Peters	Missouri	63376	<del>271-306-1544</del>
OM Shivaay Hospitality Inc. Billings Hospitality, LLC	<del>3877 Veterans Memorial Pkwy</del> 231 Main St	Saint Peters Billings	Missouri Montana	<del>63376</del> 59105	<del>271-306-1544</del> <del>0</del> 3202023100
, , ,	,				<del>0</del> 3202023100 <del>320-202-3100</del>
Billings Hospitality, LLC	231 Main St	Billings	Montana	59105 59715	<del>0</del> 3202023100
Billings Hospitality, LLC Bozeman Lodging, LLC	231 Main St 5997 East Valley Center Road	Billings Bozeman	Montana Montana	59105 59715 <u>28334-</u>	<del>0</del> 3202023100 <del>320-202-3100</del> 3202023100
Billings Hospitality, LLC Bozeman Lodging, LLC  Kali Hospitality LLC	231 Main St 5997 East Valley Center Road  900 E Pearsall St	Billings Bozeman  Dunn	Montana Montana  North Carolina	59105 59715 28334- 5150	<del>0</del> 3202023100 <del>320-202-3100</del> 3202023100 551-998-4037
Billings Hospitality, LLC Bozeman Lodging, LLC  Kali Hospitality LLC HEER INVESTMENTS, LLC	231 Main St 5997 East Valley Center Road  900 E Pearsall St 101 Hampton Boulevard	Billings Bozeman  Dunn Roanoke Rapids	Montana  Montana  North Carolina  North Carolina	59105 59715 28334- 5150 27870	93202023100 320-202-3100 3202023100 551-998-4037 252-410-1005
Billings Hospitality, LLC Bozeman Lodging, LLC  Kali Hospitality LLC HEER INVESTMENTS, LLC Shri Ashta Vinayak, LLC	231 Main St 5997 East Valley Center Road  900 E Pearsall St 101 Hampton Boulevard 16617 Statesville Road	Billings Bozeman  Dunn	Montana  Montana  North Carolina  North Carolina  North Carolina	59105 59715 28334- 5150 27870 28078	93202023100 320-202-3100 3202023100 551-998-4037 252-410-1005 8283205700
Billings Hospitality, LLC Bozeman Lodging, LLC  Kali Hospitality LLC HEER INVESTMENTS, LLC	231 Main St 5997 East Valley Center Road  900 E Pearsall St 101 Hampton Boulevard 16617 Statesville Road 201 Airgate Dr	Billings Bozeman  Dunn Roanoke Rapids Huntersville	Montana Montana  North Carolina North Carolina North Carolina North Carolina	59105 59715 28334- 5150 27870 28078 27560	93202023100 320-202-3100 3202023100 551-998-4037 252-410-1005 8283205700 7043953600
Billings Hospitality, LLC Bozeman Lodging, LLC  Kali Hospitality LLC HEER INVESTMENTS, LLC Shri Ashta Vinayak, LLC Opal Hotels - RDU Airport, LLC Milan Hospitality, Inc. Capital Investment Associates,	231 Main St 5997 East Valley Center Road  900 E Pearsall St 101 Hampton Boulevard 16617 Statesville Road 201 Airgate Dr 199 Tunnel Road	Billings Bozeman  Dunn Roanoke Rapids Huntersville Morrisville Asheville	Montana Montana  North Carolina North Carolina North Carolina North Carolina North Carolina North Carolina	59105 59715 28334- 5150 27870 28078 27560 28805	93202023100 320-202-3100 3202023100 551-998-4037 252-410-1005 8283205700 7043953600 704-968-2612
Billings Hospitality, LLC Bozeman Lodging, LLC  Kali Hospitality LLC HEER INVESTMENTS, LLC Shri Ashta Vinayak, LLC Opal Hotels - RDU Airport, LLC Milan Hospitality, Inc. Capital Investment Associates, L.L.C.	231 Main St 5997 East Valley Center Road  900 E Pearsall St 101 Hampton Boulevard 16617 Statesville Road 201 Airgate Dr	Billings Bozeman  Dunn Roanoke Rapids Huntersville Morrisville	Montana Montana  North Carolina North Carolina North Carolina North Carolina	59105 59715 28334- 5150 27870 28078 27560	93202023100 320-202-3100 3202023100 551-998-4037 252-410-1005 8283205700 7043953600
Billings Hospitality, LLC Bozeman Lodging, LLC  Kali Hospitality LLC HEER INVESTMENTS, LLC Shri Ashta Vinayak, LLC Opal Hotels - RDU Airport, LLC Milan Hospitality, Inc. Capital Investment Associates, L.L.C. LUMBERTON HOTELS 1 LLC	231 Main St 5997 East Valley Center Road  900 E Pearsall St 101 Hampton Boulevard 16617 Statesville Road 201 Airgate Dr 199 Tunnel Road  2001-A E Dixon Blvd 3010 North Roberts Avenue	Billings Bozeman  Dunn Roanoke Rapids Huntersville Morrisville Asheville Shelby Lumberton	Montana Montana  North Carolina	59105 59715 28334- 5150 27870 28078 27560 28805 28152 28360	93202023100 320-202-3100 3202023100 551-998-4037 252-410-1005 8283205700 7043953600 704-968-2612 919-696-8688 (910) 978-8504
Billings Hospitality, LLC Bozeman Lodging, LLC  Kali Hospitality LLC HEER INVESTMENTS, LLC Shri Ashta Vinayak, LLC Opal Hotels - RDU Airport, LLC Milan Hospitality, Inc. Capital Investment Associates, L.L.C.	231 Main St 5997 East Valley Center Road  900 E Pearsall St 101 Hampton Boulevard 16617 Statesville Road 201 Airgate Dr 199 Tunnel Road 2001-A E Dixon Blvd	Billings Bozeman  Dunn Roanoke Rapids Huntersville Morrisville Asheville Shelby	Montana Montana  North Carolina North Carolina North Carolina North Carolina North Carolina North Carolina	59105 59715 28334- 5150 27870 28078 27560 28805 28152	93202023100 320-202-3100 3202023100 551-998-4037 252-410-1005 8283205700 7043953600 704-968-2612 919-696-8688
Billings Hospitality, LLC Bozeman Lodging, LLC  Kali Hospitality LLC HEER INVESTMENTS, LLC Shri Ashta Vinayak, LLC Opal Hotels - RDU Airport, LLC Milan Hospitality, Inc. Capital Investment Associates, L.L.C. LUMBERTON HOTELS 1 LLC	231 Main St 5997 East Valley Center Road  900 E Pearsall St 101 Hampton Boulevard 16617 Statesville Road 201 Airgate Dr 199 Tunnel Road  2001-A E Dixon Blvd 3010 North Roberts Avenue	Billings Bozeman  Dunn Roanoke Rapids Huntersville Morrisville Asheville Shelby Lumberton	Montana Montana  North Carolina	59105 59715 28334- 5150 27870 28078 27560 28805 28152 28360	93202023100 320-202-3100 3202023100 551-998-4037 252-410-1005 8283205700 7043953600 704-968-2612 919-696-8688 (910) 978-8504
Billings Hospitality, LLC Bozeman Lodging, LLC  Kali Hospitality LLC HEER INVESTMENTS, LLC Shri Ashta Vinayak, LLC Opal Hotels - RDU Airport, LLC Milan Hospitality, Inc. Capital Investment Associates, L.L.C. LUMBERTON HOTELS 1 LLC Ranchhod LLC	231 Main St 5997 East Valley Center Road  900 E Pearsall St 101 Hampton Boulevard 16617 Statesville Road 201 Airgate Dr 199 Tunnel Road  2001-A E Dixon Blvd 3010 North Roberts Avenue 250 N Equity Drive	Billings Bozeman  Dunn Roanoke Rapids Huntersville Morrisville Asheville Shelby Lumberton Smithfield	Montana Montana  North Carolina	59105 59715 28334- 5150 27870 28078 27560 28805 28152 28360 27577	93202023100 320-202-3100 3202023100 551-998-4037 252-410-1005 8283205700 7043953600 704-968-2612 919-696-8688 (910) 978-8504 9197387511
Billings Hospitality, LLC Bozeman Lodging, LLC  Kali Hospitality LLC HEER INVESTMENTS, LLC Shri Ashta Vinayak, LLC Opal Hotels - RDU Airport, LLC Milan Hospitality, Inc. Capital Investment Associates, L.L.C. LUMBERTON HOTELS 1 LLC Ranchhod LLC OM GANESH, L.L.C.	231 Main St 5997 East Valley Center Road  900 E Pearsall St 101 Hampton Boulevard 16617 Statesville Road 201 Airgate Dr 199 Tunnel Road  2001-A E Dixon Blvd 3010 North Roberts Avenue 250 N Equity Drive 845 Brevard Rd	Billings Bozeman  Dunn Roanoke Rapids Huntersville Morrisville Asheville Shelby Lumberton Smithfield Asheville	Montana Montana  North Carolina	59105 59715 28334- 5150 27870 28078 27560 28805 28152 28360 27577 28806	93202023100 320-202-3100 3202023100 551-998-4037 252-410-1005 8283205700 7043953600 704-968-2612 919-696-8688 (910) 978-8504 9197387511 828-736-2741
Billings Hospitality, LLC Bozeman Lodging, LLC  Kali Hospitality LLC HEER INVESTMENTS, LLC Shri Ashta Vinayak, LLC Opal Hotels - RDU Airport, LLC Milan Hospitality, Inc. Capital Investment Associates, L.L.C. LUMBERTON HOTELS 1 LLC Ranchhod LLC OM GANESH, L.L.C. Delta Hospitality Group LLC	231 Main St 5997 East Valley Center Road  900 E Pearsall St 101 Hampton Boulevard 16617 Statesville Road 201 Airgate Dr 199 Tunnel Road  2001-A E Dixon Blvd 3010 North Roberts Avenue 250 N Equity Drive 845 Brevard Rd 3314 Isler Street	Billings Bozeman  Dunn Roanoke Rapids Huntersville Morrisville Asheville Shelby Lumberton Smithfield Asheville Greensboro	Montana Montana  North Carolina	59105 59715 28334- 5150 27870 28078 27560 28805 28152 28360 27577 28806 27407	93202023100 320-202-3100 3202023100 551-998-4037 252-410-1005 8283205700 7043953600 704-968-2612 919-696-8688 (910) 978-8504 9197387511 828-736-2741 336-772-2343

Chance Atlantic Hospitality, LLC	580 Dickens Place	Concord	North Carolina	<u>28025</u>	1-704-793-6777
Gokul, LLC	4706 New Centre Drive	Wilmington	North Carolina	<u>28405</u>	<u>763-212-4104</u>
Sandhu?s Hospitality, LLC	4910 Hayes Place	Wilson	North Carolina	<u>27896</u>	<u>919-750-4046</u>
Vitthal, LLC	1925 Cedar Creek Road	<u>Fayetteville</u>	North Carolina	<u>28312</u>	(919) 738-7511
Cl Interstate Hotels LLC	1914 Old Haywood Rd	<u>Asheville</u>	North Carolina	<u>28806</u>	<u>434-483-2050</u>
AARTI Inc	2302 Norwood Avenue	<u>Goldsboro</u>	North Carolina	<u>27534</u>	(919) 738-7511
Jai Mahadev Investments LLC	3900 S. Memorial Drive	Winterville	North Carolina	<u>28590</u>	<u>2527210775</u>
Westgate Hospitality, LLC	22 Westgate Pkwy	Asheville	North Carolina	28806	828-252-0218
Millennium Hospitality, LLC	3211 Wilson Drive	Burlington	North Carolina	<u>27215</u>	9194608700
SUNRISE HOTEL BOONE, INC.	818 E King Street	Boone	North Carolina	28607	8435772224
Fargo Sunrise Hotel, LLC	3316 13th Avenue South	<u>Fargo</u>	North Dakota	<u>58103</u>	8473404779
Portage LLC	3101 S 42nd St	Grand Forks	North Dakota	<u>58201</u>	<u>7017460600</u>
CONAR, LLC	1900 22nd Avenue SW	<u>Minot</u>	North Dakota	<u>58701</u>	1-701-721-2512
Gayatri Hospitality LLC	3205 North 14th Street	<u>Bismarck</u>	North Dakota	<u>58503</u>	978-885-3068
LOF Lincoln TRS, LLC	5353 N. 27th Street	<u>Lincoln</u>	<u>Nebraska</u>	<u>68521</u>	<u>0</u>
180 Hotels LLC	664 Chase Boulevard	<u>Sidney</u>	<u>Nebraska</u>	<u>69162</u>	(307) 299-7595
Level 5, LLC	105 Talmadge Street	<u>Kearney</u>	<u>Nebraska</u>	68847	(308) 338-1475
Candid Hospitality, LLC	1301 West Bond Circle	<u>Lincoln</u>	<u>Nebraska</u>	<u>68521</u>	(303) 653-2763
JNR Fund I SPE Bedford NH LLC	250 South River Road	<u>Bedford</u>	<u>New</u> <u>Hampshire</u>	<u>03110</u>	<u>781-454-5396</u>

WAKITA PROPERTIES, LLC	1130 State Route 9	Queensbury	New York	<u>12804</u>	
CNI THL PropCo FE, LLC	105 East Mall Road	<u>Horseheads</u>	New York	<u>14845</u>	412.903.2100
2835 Monroe Hotel, LLC	2835 Monroe Avenue	Rochester	New York	<u>14618</u>	<u>585-271-1111</u>
JEFFREY A. DOVE	1100 Danby Road Route 96b	<u>Ithaca</u>	New York	<u>14850</u>	3154137112
The Marty Coporation	130 N Main St	Mt. Morris	New York	<u>14510</u>	<u>5856584080</u>
CI Ridge, LLC	164B Slade Avenue	West Seneca	New York	<u>14224</u>	7168540060
Harhar Mahadev Inc	8277 Yankee Street	<u>Dayton</u>	<u>Ohio</u>	<u>45458</u>	<u>614-264-1216</u>
Kubera Operations, LLC	3760 E. State Road	Port Clinton	<u>Ohio</u>	43452	<u>614-332-2390</u>
Infinity Group Hospitality, LLC	1899 Winderly Lane	<u>Pickerington</u>	<u>Ohio</u>	<u>43147</u>	<u>8592651680</u>
Level 5, LLC	105 Talmadge Street	<del>Kearney</del>	<del>Nebraska</del>	68847	<del>308-338-1475</del>
LOF Lincoln TRS, LLC	5353 N. 27th Street	Lincoln	Nebraska	68521	0
Candid Hospitality, LLC	1301 West Bond Circle	Lincoln	Nebraska	<del>68521</del>	<del>303-653-2763</del>
180 Hotels LLC	664 Chase Boulevard	Sidney	Nebraska	<del>69162</del>	307-299-7595
			New Hampshire		

JNR Fund I SPE Bedford NH LLC	250 South River Road	Bedford		03110	781-454-5396
Kamal Kalaria and Sushil Kalaria	100 E White Horse Pike	<del>Galloway</del>	New Jersey	#N/A	609-892-8631
CNI THL PropCo FE, LLC	105 East Mall Road	Horseheads	New York	14845	0
JEFFREY A. DOVE	1100 Danby Road Route 96b	<del>Ithaca</del>	New York	14850	3154137112
The Marty Coporation	130 N Main St	Mt. Morris	New York	14510	5856584080
WAKITA PROPERTIES, LLC	1130 State Route 9	Queensbury	New York	12804	<del>5187961287</del>
2835 Monroe Hotel, LLC	<del>2835 Monroe Avenue</del>	Rochester	New York	<del>14618</del>	<del>585-271-1111</del>
Cl Ridge, LLC	164B Slade Avenue	West Seneca	New York	14224	7168540060
			North		
<del>OM GANESH, L.L.C.</del>	<del>845 Brevard Rd</del>	<u>Asheville</u>	<del>Carolina</del>	<del>28806</del>	<del>828-736-2741</del>
			North		
Westgate Hospitality, LLC	22 Westgate Pkwy	Asheville	Carolina	<del>28806</del>	828-252-0218
			North		
SUNRISE HOTEL BOONE, INC.	818 E King Street	Boone	<del>Carolina</del>	<del>28607</del>	8435772224
			North		
Millennium Hospitality, LLC	3211 Wilson Drive	Burlington	Carolina	<del>27215</del>	9194608700
			North		
Ye?s Hotels Inc	2541 Little Rock Road	Charlotte	Carolina	<del>28214</del>	704-706-5066
			North		
McCullough 131, LLC	131 East McCullough Drive	Charlotte	Carolina	<del>28262</del>	7045494544
			North		1-704-793-
Chance Atlantic Hospitality, LLC	580 Dickens Place	Concord	Carolina	<del>28025</del>	<del>6777</del>
			North	<del>28334-</del>	
Kali Hospitality LLC	900 E Pearsall St	Dunn	Carolina	<del>5150</del>	<del>551-998-4037</del>
,			North		(919) 738-
Vitthal, LLC	1925 Cedar Creek Road	Fayetteville	Carolina	<del>28312</del>	<del>7511</del>
			North		<del>(919) 738-</del>
AARTI Inc	2302 Norwood Avenue	Goldsboro	Carolina	<del>27534</del>	<del>7511</del>
			North		
Delta Hospitality Group LLC	<del>3314 Isler Street</del>	Greensboro	<del>Carolina</del>	<del>27407</del>	336-772-2343
			North		
Shri AshtaVinayak, LLC	16617 Statesville Road	Huntersville	Carolina	<del>28078</del>	8283205700
			North		(910) 978-
Neeshi, Inc	3010 North Roberts Avenue	Lumberton	Carolina	<del>28360</del>	<del>8504</del>
			North		
Opal Hotels - RDU Airport, LLC	<del>201 Airgate Dr</del>	Morrisville	Carolina	<del>27560</del>	763-212-4104
			North		
HEER INVESTMENTS, LLC	101 Hampton Boulevard	Roanoke Rapids	Carolina	<del>27870</del>	252-410-1005
			North Carolina	+	<del>(919) 738-</del>

Paradise LLC	<del>250 N Equity Drive</del>	Smithfield		<del>27577</del>	<del>7511</del>
Gokul, LLC	4706 New Centre Drive	Wilmington	North Carolina	<del>28405</del>	<del>763-212-410</del> 4
Sandhu?s Hospitality, LLC	4910 Hayes Place	Wilson	North Carolina	<del>27896</del>	919-750-404 6
			North Carolina		
Jai Mahadev Investments LLC	3900 S. Memorial Drive	Winterville		<del>28590</del>	<del>2527210775</del>
Gayatri Hospitality LLC	<del>3205 North 14th Street</del>	<del>Bismarck</del>	North Dakota	<del>58503</del>	<del>978-885-306</del>
Fargo Sunrise Hotel, LLC	3316 13th Avenue South	<del>Fargo</del>	North Dakota	<del>58103</del>	<del>8</del> <del>8473404779</del>
Portage LLC	3101 S 42nd St	Grand Forks	North Dakota	58201	<del>8473404779</del>
CONAR, LLC	1900 22nd Avenue SW	Minot	North Dakota	58701	1-701-721- 2512
Payal Development, LLC	3971 Colonel Glenn Hwy	Beavercreek	Ohio	45324	<del>937-609-0936</del> <u>937-609-0936</u>
CNI THL PropCo FE, LLC	2900 Airport Drive	Columbus	<del>Ohio</del>	<del>43219</del>	0
<del>Jai Vaibhav Laxmi LLC</del>	1155 Evans Way Court	Columbus	Ohio	43228	000000000 0
Shree Dutta Partnership, LTD	<del>1420 Main Street</del>	Cuyahoga Falls	<del>Ohio</del>	<del>44221</del>	3303530893
Harhar Mahadev Inc	8277 Yankee Street	Dayton	Ohio	<del>45458</del>	<del>614-264-121</del> <del>6</del>
Whitson Hospitality Operations, LLC	<del>903 Interstate Dr</del>	Findlay	Ohio	<del>45840</del>	419-306-403 1
CJ Lodging Inc	804 South Leonard Avenue	Lima	<del>Ohio</del>	45804	2488660505
LAXMI 7820 Hospitality LLC	7820 Capital Blvd	Macedonia	Ohio	44056	8048220839
CJ Lodging Inc	804 South Leonard Avenue	<u>Lima</u>	Ohio	<u>45804</u>	2488660505
Dahibba Marion LLC	2091 Marion Mt. Gilead Road	Marion	Ohio	43302	4082424728
CNI THL PropCo FE, LLC	2900 Airport Drive	Columbus	<u>Ohio</u>	<u>43219</u>	412.903.2100
Jai Vaibhav Laxmi LLC	1155 Evans Way Court	Columbus	<u>Ohio</u>	43228	0000000000
Whitson Hospitality Operations, LLC	903 Interstate Dr	<u>Findlay</u>	<u>Ohio</u>	<u>45840</u>	<u>419-306-4031</u>
CNI THL PropCo FE, LLC	1751 West 1st Street	<u>Springfield</u>	<u>Ohio</u>	<u>45504</u>	<u>412.903.2100</u>
North Coast Inn IV LLC	11600 US 250	<u>Milan</u>	<u>Ohio</u>	<u>44846</u>	<u>419-202-1354</u>
Heritage Inn & Suites of Toledo, Inc.	541 W Dussel Dr	Maumee	Ohio	43537	<del>701-235-5770</del> <u>701-235-5770</u>
North Coast Inn IV LLC	<del>11600 US 250</del>	Milan	Ohio	44846	4 <del>19-202-135</del> 4

Kubera Operations, LLC	<del>3760 E. State Road</del>	Port Clinton	<del>Ohio</del>	<del>43452</del>	614-332-239 0
Rossford Hotels, LLC	9790 Clark Drive	Rossford	Ohio	43460	407-352-8700 407-352-8700
CNI THL PropCo FE, LLC	1751 West 1st Street	<del>Springfield</del>	<del>Ohio</del>	45504	0
Hari OM, Inc/ID I	710 Mill Run Road	<del>Enid</del>	Oklahoma	<del>73703</del>	580-216-283 8
Sooner Lodging, LLC	960 Ed Noble Parkway	Norman	Oklahoma	73020	8136891261
Hari OM, Inc/ID I	710 Mill Run Road	<u>Enid</u>	<u>Oklahoma</u>	<u>73703</u>	(580) 216-2838
Ayann Mahadev, LLC	1034 North Garnett Road	<u>Tulsa</u>	<u>Oklahoma</u>	<u>74116</u>	<u>510-393-5008</u>
Jai Hotel, LLC and Chandra, Inc.	2415 S. Meridian Avenue	Oklahoma City	Oklahoma	73108	8136891261
Immanuel Properties, LLC	3141 Northwest Expy	Oklahoma City	Oklahoma	73112	4053655500( 405) 365-5500
S.R. Hotels, Inc.	13501 W Memorial Park Dr	Oklahoma City	Oklahoma	73120	40547608384 05-749-8658
BRICKTOWN OKC JOSEPH INVESTMENTS, LLC	931 E Reno Avenue	Oklahoma City	Oklahoma	73104 <u>7</u> 73104	8066838685
Ayann Mahadev, LLC	1034 North Garnett Road	Tulsa	Oklahoma	<del>74116</del>	<del>510-393-500</del> <del>8</del>
Pacific Northwest Petroleum, Inc	62065 SE 27th Street	<del>Bend</del>	<del>Oregon</del>	97701	503 358 655 5
DELTA INN INC	9930 North Whitaker Road	<del>Portland</del>	<del>Oregon</del>	97217	5032891800
Virk Hospitality Portland Airport, LLC	7025 N.E. Alderwood Road	Portland	Oregon	97218	5419280921
Pacific Northwest Petroleum, Inc	62065 SE 27th Street	<u>Bend</u>	<u>Oregon</u>	<u>97701</u>	<u>5036395800</u>
DELTA INN INC	9930 North Whitaker Road	<u>Portland</u>	<u>Oregon</u>	<u>97217</u>	5032891800

Prineville Hospitality, LLC	1773 Northeast 3rd Street	Prineville	Oregon	97754	<del>1-503-639-</del> <del>5800</del> 1-503-639 -5800
1529 Commerce Avenue, LLC	1529 Commerce Ave	<del>Carlisle</del>	Pennsylvania	<del>17015</del>	717-877-1105
Gurkrupa Hospitality LLC	<del>399 Beddington Blvd</del>	<del>Chambersburg</del>	<del>Pennsylvania</del>	<del>17201</del>	<del>1-610-573-</del> <del>0638</del>
SCOTT'S ECONO INN, INC.	8050 Peach Street	Erie	Pennsylvania	16509	8148689500
Ami P. Shah and Nimesh R, Shah et.	1857 Gettysburg Village Drive	Gettysburg	Pennsylvania	<del>17325</del>	<del>1-650-281-</del> <del>6866</del>
HNE Hotel Associates LLC	8000 Jonestown Road	Harrisburg	Pennsylvania	17112	<del>717-540-5679</del> 717-540-5679
Pink Sky Realty LLC	1025 Peiffers Lane	Harrisburg	Pennsylvania	<del>17109</del>	732-718-3366

Shri Narayan Lancaster LP	2260 Lincoln Highway East	<del>Lancaster</del>	Pennsylvania	<del>17602</del>	<del>2014077732</del>
Interchange Development Company,					
Inc	1619 Interchange Road	Lehighton	Pennsylvania	18235	6103795066
Shri Narayan Lancaster LP	2260 Lincoln Highway East	<u>Lancaster</u>	<u>Pennsylvania</u>	<u>17602</u>	<u>2014077732</u>
Kelly Associates	134 Walter Drive	Lewisburg	Pennsylvania	17837	<del>570-522-6435</del>
					<u>570-522-6435</u>
Gurkrupa Hospitality LLC	399 Beddington Blvd	<u>Chambersburg</u>	<u>Pennsylvania</u>	<u>17201</u>	<u>1-610-573-0638</u>
Meadowlands Hospitality, Inc.	245 Meadowlands Blvd	<u>Washington</u>	<u>Pennsylvania</u>	<u>15301</u>	<u>724-321-6808</u>
Regal Partners LP	4943 Gettysburg Road	Mechanicsburg	<del>Pennsylvania</del>	<del>17055</del>	<del>6502816866</del>
PNG Enterprises, Inc.	100 Keystone Blvd E	Pottsville	Pennsylvania	17901	717-469-5364
					<u>717-469-5364</u>
Dasnudas, LLC	245 St. Charles Way	<u>York</u>	<u>Pennsylvania</u>	<u>17402</u>	<u>703-568-1316</u>
Pink Sky Realty LLC	1025 Peiffers Lane	<u>Harrisburg</u>	<u>Pennsylvania</u>	<u>17109</u>	<u>732-718-3366</u>
Ami P. Shah and Nimesh R, Shah et.	1857 Gettysburg Village Drive	<u>Gettysburg</u>	<u>Pennsylvania</u>	<u>17325</u>	<u>1-650-281-6866</u>
Highland Holding Group Inc.	1357 East College Avenue	State College	Pennsylvania	16801	8142374400
Regal Partners LP	4943 Gettysburg Road	Mechanicsburg	<u>Pennsylvania</u>	<u>17055</u>	6502816866
1529 Commerce Avenue, LLC	1529 Commerce Ave	<u>Carlisle</u>	<u>Pennsylvania</u>	<u>17015</u>	<u>7178771105</u>
Divya Hotels LLC	2 Convention Center Dr	<u>Altoona</u>	<u>Pennsylvania</u>	<u>16602</u>	814-421-3022
Bhavani Enterprise, Inc.	7429 Stafford Rd	North Charleston	South Carolina	29406	8435720083
				<u>29501-</u>	
Select Hotels, Inc.	1739 Mandeville Road	<u>Florence</u>	South Carolina	<u>7026</u>	<u>8436674630</u>
AMBE Corporation	2245 Airport Blvd	<u>Cayce</u>	South Carolina	<u>29033</u>	8036293390
Taus Hospitality LLC	865 Patriot Parkway	Rock Hill	South Carolina	<u>29730</u>	<u>770-313-0016</u>
Shivam Investents, Inc	220 East Exchange Boulevard	<u>Columbia</u>	South Carolina	<u>29209</u>	1-803-463-7352
Piney Grove Investments, Inc.	414 Piney Grove Road	<u>Columbia</u>	South Carolina	<u>29210</u>	<u>1-803-463-7352</u>
Aiken Hospitality Group, LLC	3270 Whiskey Rd	<u>Aiken</u>	South Carolina	<u>29803</u>	000-000-0000
Seneca Hotel Group, LLC	116 Interstate Blvd	Anderson	South Carolina	29621	864-375-0037
New Murrells, LLC	1303-A Tadlock Drive	Murrells Inlet	South Carolina	29576	6789642420
Sheetal LLC of Beaufort	2450 Boundary St	Beaufort	South Carolina	29906	8433794000
mhGHM Port Huron Abajeebapa,					
LLC	3516 Waccamaw Boulevard	Myrtle Beach	South Carolina	<u>29579</u>	<u>2486355466</u>
PRAMUKHRAJ PIERRE II LLC	110 East Sioux Avenue	<u>Irving</u>	<u>Texas</u>	<u>75063</u>	<u>7606170800</u>
3400 Watertown Holdings Inc	3400 8th Ave SE				<u>6056952575</u>

Meadowlands Hospitality, Inc.	245 Meadowlands Blvd	Washington	<del>Pennsylvania</del>	<del>15301</del>	<del>724-321-6808</del>
<del>Dasnudas, LLC</del>	245 St. Charles Way	<del>York</del>	<del>Pennsylvania</del>	<del>17402</del>	<del>703-568-1316</del>
Aiken Hospitality Group, LLC	<del>3270 Whiskey Rd</del>	<del>Aiken</del>	South Carolina	<del>29803</del>	000-000-0000

Seneca Hotel Group, LLC	116 Interstate Blvd	Anderson	South Carolina	<del>29621</del>	<del>864-375-0037</del>
Sheetal LLC of Beaufort	<del>2450 Boundary St</del>	Beaufort	South Carolina	<del>29906</del>	8433794000
AMBE Corporation	2245 Airport Blvd	Cayce	South Carolina	<del>29033</del>	8036293390
Shivam Investents, Inc	220 East Exchange Boulevard	Columbia	South Carolina	<del>29209</del>	<del>1-803-463-</del> <del>7352</del>
Piney Grove Investments, Inc.	414 Piney Grove Road	Columbia	South Carolina	<del>29210</del>	<del>1 803 463 7352</del>
Select Hotels, Inc.	1739 Mandeville Road	Florence	South Carolina	<del>29501-</del> <del>7026</del>	8436674630
New Murrells, LLC	1303-A Tadlock Drive	Murrells Inlet	South Carolina	<del>29576</del>	<del>6789642420</del>
mhGHM Port Huron Abajeebapa, LLC	3516 Waccamaw Boulevard	Myrtle Beach	South Carolina	<del>29579</del>	<del>2486355466</del>
Bhavani Enterprise, Inc.	7429 Stafford Rd	North Charleston	South Carolina	<del>29406</del>	<del>8435720083</del>
Umang Properties, LLC	<del>731 Citadel Rd</del>	Orangeburg	South Carolina	<del>29118</del>	<del>307-745-6702</del>
Taus Hospitality LLC	<del>865 Patriot Parkway</del>	Rock Hill	South Carolina	<del>29730</del>	<del>770-313-0016</del>
Umang Properties, LLC	<del>220 Holiday Drive</del>	Summerville	South Carolina	<del>29483</del>	<del>307-745-6702</del>
Jaygoga Hospitality LLC	3000 Lefevre Drive	Brookings	South Dakota	57006	<del>229-200-0262</del> <u>229-200-0262</u>
Sand Dollar Hospitality 3 LLC	200 East 8th Street	Sioux Falls	South Dakota	<u>57104</u>	<u>832-250-2709</u>
Wisdom, Inc.	2321 North Lacrosse Street	Rapid City	South Dakota	<u>57701</u>	605-342-8970
Maruti Hospitality, L.L.C.	151 Tower Road	North Sioux City	South Dakota	<u>57049</u>	<u>7322777570</u>
Maruti Hospitality, L.L.C.	<del>151 Tower Road</del>	North Sioux City	South Dakota	<del>57049</del>	<del>7322777570</del>
PRAMUKHRAJ PIERRE II LLC	110 East Sioux Avenue	<del>Pierre</del>	South Dakota	<del>57501</del>	<del>7606170800</del>
Wisdom, Inc.	2321 North Lacrosse Street	Rapid City	South Dakota	<del>57701</del>	605-342-8970
Sand Dollar Hospitality 3 LLC	200 East 8th Street	Sioux Falls	South Dakota	<del>57104</del>	832-250-2709
3400 Watertown Holdings Inc	3400-8th Ave SE	Watertown	South Dakota	<del>57201</del>	6056952575
Om Lookout Mtn, LLC	3725 Modern Industries Parkway	Chattanooga	<del>Tennessee</del>	<del>37419</del>	<del>4237991010</del>
Montgomery Hospitality Partnership	3075 Wilma Rudolph Boulevard	Clarksville	Tennessee	37040	2706407299
Mukam Hotels, LLC	590 Donelson Pike	<u>Nashville</u>	Tennessee	<u>37214</u>	<u>6155790800</u>
Shyam-Ghanshyam Cookeville, LLC	1151 South Jefferson Ave.	Cookeville	Tennessee	38506	27064071702 703486467
Paradigm Hospitality Nashville Airport LLC	3423 Percy Priest Drive	<u>Nashville</u>	<u>Tennessee</u>	<u>37214</u>	6159692951
Jabareshwar Maharaj, Inc.	2863 Winfield Dunn Pkwy	<u>Kodak</u>	Tennessee	<u>37764</u>	8656742573
Magan Hospitality LLC	2270 N. Germantown Parkway	Cordova	Tennessee	38016	516-784-8806 516-784-8806
				37738-	

Bloom Lodging Inc.	421 Reagan Lane	Gatlinburg	Tennessee	3310	<del>865-437-8699</del> 865-437-8699
Om Lookout Mtn, LLC	3725 Modern Industries Parkway	<u>Chattanooga</u>	Tennessee	<u>37419</u>	4237991010
Laxmi 55 LLC	641 Wade Circle	Goodlettsville	Tennessee	<del>37072</del>	6154069955
Trinity Hospitality Management TN, LLC	1935 Emporium Drive	Jackson	Tennessee	38305	<del>201-403-8879</del> 201-403-8879
Laxmi 37 LLC	210 Rudy Circle	Nashville	Tennessee	32714	6154069955
Umamaya, Inc.	4215 Parkway	Pigeon Forge	Tennessee	37863	18039316393
Arya Hospitality TN, LLC	376 East Jackson Blvd	Jonesborough	Tennessee	37659	<del>704-526-7760</del> 704-526-7760
EHotels, LLC	9137 Cross Park Drive	Knoxville	Tennessee	37923	<del>000-000-0000</del> <u>000-000-0000</u>
Alliance Hospitality, LLC	805 N Campbell Station Road	Knoxville	Tennessee	37932	<del>000-000-0000</del> <u>000-000-0000</u>
Laxmi 55 LLC	641 Wade Circle	Goodlettsville	Tennessee	<u>37072</u>	<u>6154069955</u>
<del>Jabareshwar Maharaj, Inc.</del>	2863 Winfield Dunn Pkwy	Kodak	Tennessee	<del>37764</del>	<del>8656742573</del>
Mukam Hotels, LLC	590 Donelson Pike	Nashville	<del>Tennessee</del>	<del>37214</del>	6155790800
Paradigm Hospitality Nashville Airport LLC	3423 Percy Priest Drive	Nashville Nashville	<del>Tennessee</del>	<del>37214</del>	6159692951
<del>Laxmi 37 LLC</del>	210 Rudy Circle	Nashville	<del>Tennessee</del>	<del>37214</del>	<del>6154069955</del>
<del>Umamaya, Inc.</del>	4215 Parkway	Pigeon Forge	Tennessee	37 86 3	<del>18039316393</del>
Ross Osage Hotels, LP	<del>2000 Soncy Road</del>	Amarillo	Texas	79 12 1	<del>806-676-0176</del>
Mangat Hospitality Inc	14620 North IH35	Austin	Texas	78728	602-684-0711 602-684-0711
Ross Osage Hotels, LP	2000 Soncy Road	<u>Amarillo</u>	<u>Texas</u>	<u>79121</u>	<u>806-676-0176</u>
SV Hospitality College Station, LLC	1010 Southwest Parkway East	College Station	Texas	<del>77</del> <del>84</del>	<del>3038620739</del>
Customer 1 LLC	5209 Blanche Moore Drive	Corpus Christi	Texas	9 78 41 1	9095382321
Ganapati Enterprises LLC	2730 S. Cherry Lane	Fort Worth	Texas	76116	9724709440 <u>8</u> 175604200

Trishna Enterprises, LLC	2200 Mercado Drive	Fort Worth	<del>Texas</del>	<del>76</del>	817-831-9200
Trisilia Enterprises, Ele	2200 Wichado Brive	TOTE WOTEH	TCAUS	10	017 031 3200
				6	
Guru Ramdass Corporation	2818 Avenue R 1/2	Galveston	Texas	77	4095991642
Gara hamaass corporation	2010 / Wende N 1/2	Garveston	техаз	<del>55</del>	4033331042
				0	
AMCO Partners Ltd	<del>2050 N. Hwy 360</del>	Grand Prairie	<del>Texas</del>	<del>75</del>	9729888989
7 6			. chao	<del>05</del>	0,200000
				0	
Saarosh Properties LLC	3825 S. Expressway 83	Harlingen	Texas	78550	9564541230
Saibaba DFW Lodging, LLC	2000 Hard Rock Road	Irving	Texas	75061	2142133777
MKJK Hospitality Group LLC	12915 FM 1960 Road West	Houston	Texas	77	832-478-9937
				<del>06</del>	
				<del>5</del>	
VD PATEL FAMILY COMPANY LLC	2451 Hayes Rd	Houston	Texas	77077	2813702727
TXHP Humble Opco, L.L.C.	20611 Highway 59 North	Humble	<del>Texas</del>	77	7012351060
				33	
				8	
Saibaba DFW Lodging, LLC	2000 Hard Rock Road	Irving	Texas	<del>75</del>	606-271-2218
				<del>06</del>	
				1	
Keivans LLC	25218 Market Place Dr	Katy	Texas	77494	<del>281-392-1000</del>
					<u>281-392-1000</u>
Dave Hotels, LLC	<u>5806 I-27</u>	<u>Lubbock</u>	<u>Texas</u>	<u>79404</u>	000000000
The Hotel Group, LLC	1918 University Avenue	<u>Texarkana</u>	<u>Texas</u>	<u>75501</u>	(903) 716-9600
				<u>75067-</u>	
MNT Hospitality LLC	755D 5 Viete Didee Mell De	LiiII-	T	<del>75067</del> 8340	065 654 0050
WINT HOSpitality LEO	755B E Vista Ridge Mall Dr	Lewisville	Texas	0340	<del>965-651-0058</del> 965-651-0058
Frostwoods Hospitality LLC	8318 W Interstate 10	San Antonio	<u>Texas</u>	<u>78230</u>	(832) 755-2250
Dave Hotels, LLC	<del>5806 I-27</del>	Lubbock	Texas	<del>79</del>	000000000
				40	
				4	
K2 Hospitality LLC	6225 62nd Street	Lubbock	Texas	79424	8064419927
Oakwood Hospitality, LLC	<del>1483 IH-35 N.</del>	New Braunfels	<del>Texas</del>	<del>7813</del>	830-708-1431
				0	
Portland Properties, Inc.	1705 North Highway 181	Portland	Texas	78374	<del>361-779-6666</del>
	<u> </u>				<u>361-779-6666</u>
Falcon Hospitality, Inc.	1560 North I35	Round Rock 78681	Texas	78681	512-828-3800
	<del>-</del>				512-828-3800

SV Hospitality College Station, LLC	1010 Southwest Parkway East	College Station	Texas	77840	3038620739
Frostwoods MKJK Hospitality Group LLC	8318 W Interstate 1012915 FM 1960 Road West	San Antonio Houston	Texas	<del>78230</del> 77 065	<del>(832) 755-</del> <del>2250</del> 832-478- 9937
TXHP Humble Opco, L.L.C.	20611 Highway 59 North	<u>Humble</u>	<u>Texas</u>	<u>77338</u>	7012351060
Trishna Enterprises, LLC	2200 Mercado Drive	Fort Worth	<u>Texas</u>	<u>76106</u>	<u>817-831-9200</u>
Decorum Lackland, LLC	6502 Enrique M Barrera Parkway	San Antonio	Texas	78227	5127666116
Oakwood Hospitality, LLC	<u>1483 IH-35 N.</u>	New Braunfels	<u>Texas</u>	<u>78130</u>	<u>830-708-1431</u>
The Hotel Group, LLC	1918 University Avenue	Texarkana	Texas	7550 1	<del>(903) 276-</del> <del>3630</del>
Chardi Kala Hospitality, Inc.	3422 South Decker Lake Drive	West Valley City	Utah	84119	8019080311
NMN, LLC	1069 J. Clyde Morris Blvd	Newport News	<u>Virginia</u>	<u>23602</u>	<u>8042755900</u>
Abingdon Hotel Group, LLC	940 East Main Street	Abingdon	<del>Virginia</del>	<del>2421</del> <del>0</del>	301-468-0080
Sane Hotels LLC	11600 Lakeridge Parkway	Ashland	Virginia	2300 5	8046595566
BBP Charlottesville Hotel, LLC	1600 Emmet Street	Charlottesville	Virginia	22901	000000000
Chester Lodging, LLC	2406 West Hundred Road	Chester	<del>Virginia</del>	<del>23831</del>	<del>5402901050</del>
<del>Janam, LLC</del>	16250 International Street	Doswell	<del>Virginia</del>	<del>23047</del>	<del>7175528191</del>
Kishna Emporia LLC	107 Sadler Lane	Emporia	Virginia	23847	<del>951-973-4200</del> 951-973-4200
Sun Group Management LLC	656 Warrenton Road	Fredericksburg	<del>Virginia</del>	<del>22406</del>	<del>540-899-3180</del>
Danville Development Corporation	10358 Patriot Highway	Fredericksburg	<del>Virginia</del>	<del>22408</del>	<del>301-515-8855</del>
<del>Daydream Corporation</del>	<del>27 Covenant Drive</del>	Harrisonburg	<del>Virginia</del>	<del>22801</del>	<del>(540) 433-</del> <del>2400</del>
A&H Hospitality, Inc	4755 James Madison Parkway	King George	<del>Virginia</del>	<del>22485</del>	<del>7579124611</del>
Gandhi, Inc.	875 North Lee Highway	Lexington	Virginia	24450	5408170101
NMN, LLC	1069 J. Clyde Morris Blvd	Newport News	<del>Virginia</del>	<del>23602</del>	8042755900
<del>Vraj Enterprise LLC</del>	<del>130 Wagner Road</del>	Petersburg	<del>Virginia</del>	<del>23805</del>	<del>404-768-2789</del>
West End Hospitality, LLC	8010 West Broad Street	Richmond	Virginia	23294	5402901050
Mars Partnership	2401 Willis Road	Richmond	Virginia	23237	<del>757-621-8243</del> <u>757-621-8243</u>
Plantation Hotel LLC	7860 Plantation Road	Roanoke	Virginia	24019 <u>Mail</u>	540-290-1050 540-290-1050
Chester Lodging, LLC	2406 West Hundred Road	Chester	<u>Virginia</u>	<u>23831</u>	<u>5402901050</u>

A&H Hospitality, Inc	4755 James Madison Parkway	King George	<u>Virginia</u>	22485	7579124611
					<del>(703) 732-</del>
PramukhRaj Hotel, LLC	45620 Falke Plaza	Sterling	<del>Virginia</del>	<del>20166</del>	<del>5120</del>
Ocean One, Inc	1801 Atlantic Avenue	Virginia Beach	Virginia	23451	7572134380
Shantinath CIS, LLC	7135 Pocahontas Trail	Williamsburg	<del>Virginia</del>	23185	7573293737
Jackalope Properties LLC	400 Bypass Road	Williamsburg	Virginia	23185	7572597990
Homestyle Hospitality LLC	141 Kernstown Commons Blvd	Winchester	Virginia	22602	0
Aram LLC	2621 Prince William Parkway	Woodbridge	<del>Virginia</del>	<del>22192</del>	<del>(571) 572-</del> <del>3226</del>
Innovative Hospitality 1 LLC	697 Peppers Ferry Road	Wytheville	Virginia	24382	<del>610-703-8271</del> 0
Daydream Corporation	27 Covenant Drive	Harrisonburg	<u>Virginia</u>	<u>22801</u>	540-433-2400
Vraj Enterprise LLC	130 Wagner Road	Petersburg	<u>Virginia</u>	23805	4043728219
Abingdon Hotel Group, LLC	940 East Main Street	Abingdon	<u>Virginia</u>	<u>24210</u>	301-468-0080
Sun Group Management LLC	656 Warrenton Road	Fredericksburg	Virginia	22406	540-899-3180
Danville Development Corporation	10358 Patriot Highway	Fredericksburg	Virginia	22408	301-515-8855
PramukhRaj Hotel, LLC	45620 Falke Plaza	<u>Sterling</u>	<u>Virginia</u>	<u>20166</u>	<u>(703) 732-5120</u>
Sane Hotels LLC	11600 Lakeridge Parkway	<u>Ashland</u>	<u>Virginia</u>	<u>23005</u>	8046595566
Janam, LLC	16250 International Street	<u>Doswell</u>	<u>Virginia</u>	<u>23047</u>	<u>7175528191</u>
192nd St. Hotel Partners, LP	3100 South 192nd Street	Seattle	Washington	98188	2535203333
WI Hotels Group, Inc.	737 Avon Road	<u>Sparta</u>	Wisconsin	<u>54656</u>	<u>319-830-2292</u>
Sand Dollar Hospitality 3 LLC	850 Kepler Drive Suite A	Green Bay	Wisconsin	<u>54311</u>	832-250-2709
Fitchburg Hotel Group LLC	6275 Nesbitt Road	<u>Madison</u>	Wisconsin	<u>53719</u>	<u>2624128065</u>
Airborne Hospitality LLC	121 Merwin Way	Fond Du Lac	Wisconsin	<u>54937</u>	608-408-9392
Pride Hotels LLC	2110 Rose Street	<u>La Crosse</u>	Wisconsin	<u>54603</u>	6087180700
Appleton Hospitality LLC	130 Patriot Drive	Little Chute	Wisconsin	<u>54140</u>	<u>0</u>
Dream Hospitality LLC	1520 Metro Drive	Schofield	Wisconsin	<u>54476</u>	<u>715-355-5501</u>
Middleton Hotel Associates LLC	2212 Deming Way	<u>Middleton</u>	Wisconsin	<u>53562</u>	3194495121
Chippewa Lodging, LLC	1021 West Park Avenue	Chippewa Falls	Wisconsin	<u>54729</u>	<u>0</u>
Unique Hotels, LLC	2000 Gateway Court	West Bend	Wisconsin	53095	6087180700
Fort Atkinson Hotel Group 2 LLC	1650 Doris Dr	Fort Atkinson	Wisconsin	53538	6088462631
TPM2021 LLC	1801 Cabelas Ln	Prairie Du Chien	Wisconsin	<u>53821</u>	608-326-5700
Platteville Lodging, LLC	630 S Water St	<u>Platteville</u>	Wisconsin	<u>53818</u>	763-553-0914
HKM Hotel LLC	7011 122nd Avenue	Kenosha	Wisconsin	<u>53142</u>	262-880-4759
Hospitality Investors Green Bay LLC	2308 Lineville Rd	Green Bay	Wisconsin	<u>54313</u>	7634210321
IGO Legacy Hotel Group, LLC	355 Fox River Drive	<u>Appleton</u>	Wisconsin	<u>54913</u>	7634210321

Strategic Hospitality Group Inc	W 188 North 11020 Maple Road	<u>Germantown</u>	<u>Wisconsin</u>	<u>53022</u>	<u>771011381700</u>
Stevens Point Hotel Group, LLC	301 Division Street North	Stevens Point	Wisconsin	<u>54481</u>	<u>507-457-0977</u>
Noble Hospitality LLC	2945 Allied St	Green Bay	Wisconsin	<u>54304</u>	7155565518
DEV Hotel, LLC	6200 South 13th Street	<u>Milwaukee</u>	Wisconsin	53221	4143318769
IGO Legacy Hotel Group Madison,					
LLC	400 River PI	<u>Monona</u>	Wisconsin	<u>53716</u>	<u>7634210321</u>
Elite Hotels, LLC CSM Country Inn	13339 Hospitality Court	Mount Pleasant	<u>Wisconsin</u>		<u>6087180700</u>
Milwaukee West, LLC	1250 S Moorland Road	Brookfield	Wisconsin	53005	612-395-7100
DUNBAR PLAZA, INC.	1007 Dunbar Ave Building A	Dunbar	West Virginia	25064	3044193385
American Pride, LLC	111 Halls Ridge Road	Princeton	West Virginia	24740	304-487-6050
Silver Hospitality LLC	105 Alex Ln	Charleston	West Virginia	25304	3044870216
Royal Hospitality, LLC	2120 Harper Rd	Beckley	West Virginia	<del>25801</del>	<del>3044870216</del>
Silver Hospitality LLC	105 Alex Ln	Charleston	West Virginia	<del>25304</del>	<del>3044870216</del>
American Pride, LLC	111 Halls Ridge Road	Princeton	West Virginia	<del>24740</del>	<del>304-487-6050</del>
IGO Legacy Hotel Group, LLC	355 Fox River Drive	Appleton	Wisconsin	54913	<del>7634210321</del>
CSM Country Inn Milwaukee West,	1250 S Moorland Road	Brookfield	Wisconsin	<del>53005</del>	612-395-7100
LLC	1230 3 Woorland Road	brookneid	Wisconsin	33003	012 333 7100
Chippewa Lodging, LLC	1021 West Park Avenue	Chippewa Falls	Wisconsin	54729	0
Airborne Hospitality LLC	121 Merwin Way	Fond Du Lac	Wisconsin	<del>54937</del>	414-704-4089
Fort Atkinson Hotel Group 2 LLC	1650 Doris Dr	Fort Atkinson	Wisconsin	53538	6088462631
	W 188 North 11020 Maple				<del>77101138170</del>
Strategic Hospitality Group Inc	Road	Germantown	Wisconsin	<del>53022</del>	0
Sand Dollar Hospitality 3 LLC	850 Kepler Drive Suite A	Green Bay	Wisconsin	<del>54311</del>	832-250-2709
Hospitality Investors Green Bay LLC	2308 Lineville Rd	Green Bay	Wisconsin	<del>54313</del>	<del>7634210321</del>
Noble Hospitality LLC	<del>2945 Allied St</del>	Green Bay	Wisconsin 54304		7155565518
HKM Hotel LLC	7011 122nd Avenue	<del>Kenosha</del>	Wisconsin	<del>53142</del>	<del>262-880-4759</del>
Pride Hotels LLC	2110 Rose Street	<del>La Crosse</del>	Wisconsin	<del>54603</del>	6087180700
Appleton Hospitality LLC	130 Patriot Drive	Little Chute	Wisconsin	<del>54140</del>	0
Fitchburg Hotel Group LLC	6275 Nesbitt Road	Madison	Wisconsin	53719	<del>2624128065</del>
Middleton Hotel Associates LLC 2212 Deming Way		Middleton	Wisconsin	<del>53562</del>	3194495121
DEV Hotel, LLC	6200 South 13th Street	Milwaukee	Wisconsin	<del>53221</del>	4143318769
IGO Legacy Hotel Group Madison, LLC	400 River Pl	Monona	Wisconsin	<del>53716</del>	<del>7634210321</del>
Elite Hotels, LLC	13339 Hospitality Court	Mount Pleasant	Wisconsin	<del>53177</del>	6087180700
Platteville Lodging, LLC	<del>630 S Water St</del>	Platteville	Wisconsin	<del>53818</del>	<del>763-553-091</del> 4
TPM2021 LLC	1801 Cabelas Ln	Prairie Du Chien	Wisconsin	<del>53821</del>	608-326-5700
Dream Hospitality LLC	1520 Metro Drive	Schofield	Wisconsin	<del>54476</del>	715-355-5501

WI Hotels Group, Inc.	<del>737 Avon Road</del>	<del>Sparta</del>	Wisconsin	<del>54656</del>	<del>715-315-9945</del>
Stevens Point Hotel Group, LLC	301 Division Street North	Stevens Point	Wisconsin	<del>54481</del>	<del>507-457-0977</del>
Unique Hotels, LLC	<del>2000 Gateway Court</del>	West Bend	Wisconsin	<del>53095</del>	6087180700
KCIS-Gillette LLC	2597 South Douglas Highway	Gillette	Wyoming	<del>82718</del>	<del>307-682-5105</del>

Royal Hospitality, LLC 2120 Harper Rd Beckley West Virginia 25801 3044870216

Franchisees who have signed Franchise Agreements for Hotels that were not yet operational as of as of December 31, 2023 2024

## Franchisee Hotel Street Address Hotel City Hotel State Hotel Zipcode Contact phone number

			Licensee Rep			Lic	censee Rep	Licensee Rep
<u>Franchisee</u>								
Vijay Patel	4500 Ashe Drive		Huntsville	Alabama		35	802	2566030861
Vijay Patel	4500 Ashe Drive		Huntsville	Alabama		35	802	2566030861
IIK, LLC	9106 brenham court		Montgomery	Alabama		36	5117	3342246596
KRISTA R CORPORATION	PO Box 207		Flagstaff	Arizona		86	002	0
Gold Country Hospitality, Inc.	7858 Cook Riolo Ro	ad	Antelope	California		95	843	9167183285
Surya Hospitality Inc.	8092 Branding Iron I	_ane	Riverside	California	l	92	2503	<del>951-255-6193</del> 951-255-6193
Satya Hotels, Inc.	251 El Camino Real		San Carlos	California		94070	)	<del>209 543 7800</del>
SJOZB2 LLC	10815 Turnleaf Lane	9	Tustin	California	1	92	782	<del>714-552-5543</del> 714-552-5543
Lodging Decisions, Inc	102 Riverside Drive,	# <del>806</del>	Cocoa	Florida		32922	<u> </u>	<del>216-970-6599</del>
' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' '	ore Hotel 4690 lisbury Road <u>LLC</u>	2827 Fores	t Mill Lane	Jacksonvill e	Florida		32250 32257	
Karunaben Desai	2174 Wynnton Point		Duluth	Georgia		30	097	7703100065
Xenia Stone Castle, LLC	2083 North Corsey V	Vay	Eagle	Idaho		83	616	4088599527
Hotel Developers Idaho Falls #1 LLC	4477 East 49th North	<u>h</u>	Idaho Falls	<u>ldaho</u>		<u>83</u>	<u> 401</u>	<u>2086810156</u>
Shawn Tabeling and Anddrew Hatch	1826 Patton Drive #4	4	<u>Mahomet</u>	<u>Illinois</u>		<u>61</u>	<u>853</u>	<u>217-722-9374</u>
Tulsi Narayan Hospitality, LLC	2712 SW Lagito Drive	9	East Peoria	Illinois		61611		θ

Prairie Rock Enterprises HRJ Hospitality, LLC	2229 North Michigan Street	Plymouth	Indiana	46563	616-433-5799 616-433-5799
Pravin Desai	Springwood Inc. 4725 State Ave.	Kansas City	Kansas	66102	8163056056
Boolean Operations LLC	2855 Sanford Avenue SW #45180	<u>Grandville</u>	<u>Michigan</u>	<u>49418</u>	<u>510-681-5333</u>
Rochester Hills Lodging, Inc.	31100 Stephenson Highway	Madiso n Heights	Michigan	48071	2482814168
Sterling Anderson	1299 Farnam Street	<u>Omaha</u>	<u>Nebraska</u>	<u>68102</u>	(402) 808-5824
JPS Inc	308 White Iris Loop	Cary	North Carolina	<u>27519</u>	<u>508-596-2195</u>
Bad Donkey Development, LLC	355 East Spring Street	Neosho	Missouri	64850	<del>417-825-1613</del>
Next Generation, LLC	9365 Waterstone Boulevard	Cincinnati	Ohio	45249	2169728665
Sharma Broadmoor, LLC	2846 Hastings Road	Silver Lake	<del>Ohio</del>	44224	<del>3302344051</del>
Sharma Cadiz, LLC	2846 Hastings Road	Silver Lake	Ohio	44224	3302344051
Hazleton Hotels Inc	488 West 3rd Street	<u>Mifflinville</u>	Pennsylvania	<u>18631</u>	570-854-4193
Mark-V Hospitality LLC	450 West 3rd Street	Mifflinville	Pennsylvania	18631	5708544193
Clarks Summit Hotel Holdings, LLC	1185 Pennsylvania 315	Wilkes-Barre	<u>Pennsylvania</u>	<u>18702</u>	570-906-1707
Newburg Hospitality, LLC	222 Woodlake Drive	Spartanburg	South Carolina	29301	8644311656
Reshma Maradia	257 Allen Road	Goodlettsville	Tennessee	37072	615-294-4421
Samir Zaveri	909 Conference Dr	Goodlettsville	Tennessee	37072	6154791500
Nishant Meraiya & Arund Meraiya	113 Eston Way	Mt. Juliet	Tennessee	37122	<del>931-252-0042</del> 931-252-0042
Willow Hotels, LLC	2101 East Interstate 40	Amarillo	Texas	79102	<del>806-420-0286</del> 806-420-0286
Joshi Properties, LLC	2204 Sullenberger Way	Flower Mound	Texas	75028	<del>214-592-3244</del> <u>214-592-3244</u>
Abdul Karriem Hampton Hospitality Limited Partnership	P.O BOX 3151	Houston	Texas	77231	<del>214-780-7128</del> 214-780-7128
Kalpesh Patel	806 Pennsylvania Avenue	Kennedale	Texas	76060	<del>682-465-3247</del> 682-465-3247
Kalpesh Patel	806 Pennsylvania Avenue	Kennedale	Texas	76060	<del>682 465 3247</del> 682-465-3247
DPN Properties, LLC	625 Sam Houston Street	New Boston	Texas	75570	9037169600( 903) 716-9600
DPN Properties, LLC	625 Sam Houston Street	New Boston	Texas	75570	9037169600( 903) 716-9600
Page Hotel LLC	7251 South 300 West Midvale	<u>Midvale</u>	<u>Utah</u>	84047	4357030737

Delicate Arch Lodging, LLC	838 Westwood Blvd	Price	Utah	84501	6019887023
Amitkumar Patel	2202 Rowling Rd	De Pere	Wisconsin	<u>54115</u>	(701) 837-7900
Bhavesh Patel and Anil Patel	<del>2321 Willis Road</del>	North	<del>Virginia</del>	<del>23237</del>	8042831974
		Chesterfield			
DUNBAR PLAZA, INC.	1007 Dunbar Avenue	<del>Dunbar</del>	West Virginia		0

EXHIBIT NM

## Franchisees that left the System during Fiscal Year Ending December 31, 2023 2024

# Franchisee Licensee Rep Street Address Licensee Rep City Licensee Rep State Licensee Rep number

JMS INVESTMENTS LLC	<del>1237 U.S. Hwy. 431 South</del>	Abbeville	Alabama	<del>36310</del>	33444
Country Host, LLC	1306 North Highway 27	Rock Spring	Georgia	<del>30739</del>	606-37
					7
MARWI, LLC	46702 Michigan 26	Houghton	Michigan	<del>49931</del>	<del>906-48</del>
					0
Manaslu CIS Hospitality Inc	14102 Autumnwood Way	Rosemount	Minnesota	<del>55068</del>	<del>28144</del> :
Glacier Lodge Hospitality LP	3577 U.S. 93 N	Kalispell	Montana	<del>59901</del>	40675
Pinnacle Holdings-XI, LLC	18 W. Olive Street	Westville	New Jersey	08093	<del>85674</del> :
Brighton Lodging Associates,	11751 East Corning Road	Corning	New York	14830	607-96
<del>LLC</del>					8
De Novo Hospitality, LLC	<del>5417 Randolph Road</del>	<b>Charlotte</b>	North Carolina	<del>28211</del>	000-00
					0
Pramukhprit & Adinathay, LLC	105 Marengo Dr	Morrisville	North Carolina	<del>27560</del>	<del>26724</del> :
Shenandoah Hotels LLC	<del>18456 I-45</del>	Shenandoah	<del>Texas</del>	77384	41729
DNC Hotels, LLC	249 Marsh Island Drive	Chesapeake	<del>Virginia</del>	<del>23320</del>	75722

<u>Franchisee</u>	<u>Licensee Rep Address</u>	License e Rep City	Licensee Rep State	Lice e Re Zip Cod
Sonorl LLC	6965 El Camino Real, Ste 105-478	Carlsbad	California	9200
5209 Corpus LLC	8300 Northwest 123rd Way	<u>Parkland</u>	<u>Florida</u>	330
OMH Laxmi Narayan, LLC	1545 Red Cedar Road	Commerce	Georgia	3053
Shreeji Hospitality, Inc.	310 North Pleasant Drive	Schaumburg	<u>Illinois</u>	<u>6019</u>
Kamal Kalaria and Sushil Kalaria	701 White Horse Pike	Absecon	New Jersey	0820
Shree Dutta Partnership, LTD	1420 Main Street	Cuyahog a Falls	<u>Ohio</u>	4422
Umang Properties, LLC	220 Holiday Drive	Summerville	South Carolina	2948
Umang Properties, LLC	220 Holiday Drive	Summerville	South Carolina	<u>2948</u>
Worth County Hospitality, LLC	15 8th Ave SE	<u>Watertown</u>	South Dakota	<u>572</u> 0
Guru Ramdass Corporation	2818 Avenue R 1/2	Galveston	Texas	775

AMCO Partners Ltd	2050 North Highway 360	Grand Prairie	<u>Texas</u>	<u>75050</u>	9729888989
					(571) 572-
Aram LLC	2621 Prince William Parkway	<u>Woodbridge</u>	<u>Virginia</u>	<u>22192</u>	<u>3226</u>
KCIS Gillette LLC	109 North US Highway 14-16	Gillette	Wyoming	82716	307-682-5105



Lender Name Lender Address Lender Address Attention: Lender contact name/title

Re: «Contract\_Brand» «Contract\_Product» «Contract\_Legal\_Sec\_Name» («Contract\_Property» - «Contract\_Contract\_ID») 
«Contract\_Property\_Address\_for\_ChoiceMap» (the "Hotel")

#### Dear Lender:

Choice Hotels International, Inc. ("Franchisor") and **«Customer\_Customer\_Name»** ("Franchisee") are parties to a Franchise Agreement dated **«Contract\_EffectiveExecution\_Date»** (as amended, the "Franchise Agreement"). The Franchise Agreement permits Franchisee to operate the Hotel as a **«Contract\_Brand» «Contract\_Product»**® hotel.

As of the date of this letter agreement, the Franchise Agreement is in full force and effect, Franchisee is in good standing with Franchisor, and Franchisor has not issued a notice of default under the Franchise Agreement which has not been cured; and to the best of Franchisor's knowledge and belief, Franchisee is not currently in default of the Franchise Agreement. "Franchisor's knowledge" means the actual knowledge of obvious Hotel development, construction, and operational matters regularly reviewed by company employees who have given their attention to such matters in the ordinary course of business and does not include any investigation by those employees or others of other matters or beyond their usual and customary reviews of the Hotel, nor does it include constructive notice of matters or information located in public or Hotel records. "Default" means matters which have been the subject of an actual notice of default under the Franchise Agreement and does not include matters which are or may be in process, under discussion, or otherwise addressed.

("Lender") and Franchisee have informed Franchisor that Lender has issued a commitment to loan funds (the "Loan") to Franchisee to be used for the direct benefit of the Hotel and secured by the Hotel.

Lender and Franchisee have requested that Franchisor enter into this letter agreement (the "Comfort Letter") and have submitted the nonrefundable current processing fee. The undersigned parties agree as follows:

### 1. Opportunity to Cure Defaults.

- (a) <u>Notice and Cure Period</u>. Franchisor will copy Lender on any notice of default or termination issued to Franchisee under the Franchise Agreement. To the extent any default is curable, Lender shall have the right, but not the obligation, to cure the default within a cure period of fifteen (15) calendar days for monetary defaults or forty-five (45) days for non-monetary defaults beyond the expiration of the cure period, if any, given to Franchisee ("Lender's Cure Period"). For non-monetary default, Lender must provide notice to Franchisor of Lender's intended method to cure the non-monetary default.
- (b) <u>Non-Monetary Default Requiring Possession to Cure</u>. In the event of a non-monetary default, Lender must obtain Franchisor's prior written consent to apply for the right to acquire the Hotel (the "Acquisition"). Lender must provide notice to Franchisor in accordance with Section 1(a) of this Comfort Letter, and has, upon request, one hundred eighty (180) calendar days ("Additional Period")

commencing at the expiration of Lender's Cure Period to complete the Acquisition, through foreclosure or other appropriate proceedings. To request the Additional Period, Lender must: (i) notify Franchisor no later than the date it commences proceedings (or promptly after action is stayed or enjoined) that Lender wants the Additional Period; (ii) commence proceedings within Lender's Cure Period and diligently prosecutes such proceedings to completion; and (iii) comply with the obligations of Franchisee under the Franchisee Agreement not being performed by Franchisee during the Additional Period, including payment of all monetary obligations but excluding those obligations that can only be performed by Franchisee or which Lender cannot perform without ownership of the Hotel. If requested by Lender, Franchisor may extend the Additional Period, at Franchisor's determination taking into consideration the period of time that may be necessary to complete the foreclosure or other proceeding in the applicable jurisdiction and any period of time during which such action has been stayed or enjoined. If Lender fails to timely request the Additional Period, Lender acknowledges that the Franchise Agreement terminates pursuant to Franchisor's notice of default and termination.

- (c) Foreclosure. If Lender commences a foreclosure or other proceeding intended to result in the Acquisition but Franchisor has not issued a default notice to Franchisee or Lender has cured Franchisee's default during Lender's Cure Period, Lender may exercise the rights under this Comfort Letter if Lender (i) notifies Franchisor of its proceeding as required by this Comfort Letter and confirms its intention to proceed under the terms of this Comfort Letter and (ii) subsequently completes its Acquisition within one hundred eighty (180) calendar days of the date Lender commenced its proceeding (as such one hundred eighty (180) day period may be extended by Franchisor in its determination if requested by Lender, which determination shall take into consideration the period of time required to complete a foreclosure in the applicable jurisdiction, and any period of time in which Lender's action has been stayed or enjoined). Lender must also comply with the obligations in Paragraph 1(b)(iii) while the Acquisition is pending. Franchisor acknowledges and agrees that an Acquisition shall not be deemed a sale or lease of the Hotel under the Franchise Agreement, nor a violation of any control or transfer provisions of the Franchise Agreement, and shall not be subject to any right of first refusal or right of first offer contained in the Franchise Agreement.
- (d) <u>Franchisor's Rights to Terminate Franchise Agreement</u>. Notwithstanding any other provision of this Comfort Letter, and without limiting Franchisor's right to terminate the Franchise Agreement, Franchisor may terminate the Franchise Agreement if any of the following occur:
- (i) Franchisee's default or any subsequent default, in the sole opinion of Franchisor, damages the image or reputation of Franchisor or any brand name owned and/or licensed by Franchisor; (ii) Franchisor is required to terminate the Franchise Agreement by court order or action of any trustee in bankruptcy or debtor in possession of the Hotel; (iii) the Additional Period expires without other arrangements, satisfactory to Franchisor in its sole discretion, having been entered into between Franchisor and Lender; or (iv), as applicable, Franchisor has the right to terminate the Franchise Agreement without cause under Section 3 of the Franchise Agreement.
- (e) <u>Expiration of Franchise Agreement</u>. Nothing in this Comfort Letter will extend the Franchise Agreement beyond its stated Term.

#### 2. Elections Upon Lender Acquisition.

(a) <u>Election Not to Operate</u>. If Lender completes its Acquisition before the expiration of the applicable time periods set forth in Paragraph 1, Lender may elect not to continue operating the Hotel under the terms of the Franchise Agreement. In such event, Lender must give written notice to Franchisor within thirty (30) calendar days after the Acquisition of its election not to operate. Upon receipt by Franchisor of such notice, Franchisor shall terminate the Franchise Agreement in accordance with the terms thereof. Upon such termination of the Franchise Agreement pursuant to this Paragraph, Lender shall not be liable for any termination fees or liquidated damages for early termination. Lender shall be solely liable for all fees and obligations of Franchisee that accrued during the time period from the date of

the Acquisition through the date of Lender's notice not to operate, and Lender shall be responsible for complying with the de-identification obligations contained in the Franchise Agreement.

(b) <u>Election to Operate</u>. If Lender completes its Acquisition before the expiration of the applicable time periods set forth in Paragraph 1 and Lender elects to continue operating the Hotel as a **«Contract\_Brand» «Contract\_Product»** hotel, Lender may, by notice and payment to Franchisor of an affiliation fee in the amount of \$15,000 by no later than thirty (30) days after the Acquisition and, enter into a new franchise agreement on Franchisor's then-current form. Lender and Franchisor will execute the new franchise agreement within thirty (30) days of Lender's Acquisition. Such franchise agreement shall be dated as of the later of (i) the date that Lender acquired the Hotel or (ii) the date that we sign the new franchise agreement.

The conditions contained in the Section 9 transfer provisions of the Franchise Agreement relevant to a new franchisee as determined appropriate by Franchisor shall apply with respect to the transfer to Lender, including but not limited to submission by Lender of its ownership structure, evidence of ADA compliance and evidence of insurance. Any renovation requirements imposed by Franchisor will not exceed those which Franchisor could have imposed had Franchisee remained as the Franchisee under the Franchise Agreement. Lender must diligently cure all defaults which it could not cure before the Acquisition under the terms of Paragraph 1(b), except for personal and non-curable defaults as defined below, within the time period determined by Franchisor based on the nature of the default and/or the condition of the Hotel at the time of Lender's Acquisition. The term "personal and non-curable defaults" as used in this Paragraph shall mean such defaults that (i) occurred before the date of Lender's Acquisition; (ii) are non-curable; (iii) are purely personal to Franchisee (e.g., failure to provide adequate notice or past failure to maintain Franchisee's company status); and (iv) are unrelated to the operation of the Hotel. However, Lender shall not be liable for any termination fees or liquidated damages.

- **Receivership.** If a receiver is appointed by court order to operate the Hotel, and Lender desires the Hotel to continue to be operated as a **«Contract\_Brand» «Contract\_Product»** hotel, Lender may, by notice and payment to Franchisor of a non-refundable \$7,500 administrative fee within thirty (30) days of receiver's appointment and subject to Paragraph 2(b) above, elect to have receiver enter into an assumption of the franchise agreement on Franchisor's then-current form. The receiver must execute an assumption of the Franchise Agreement within thirty (30) days of receiver's appointment. Before Franchisor approves such assumption of the Franchise Agreement pursuant to this Paragraph 3, (i) Franchisor, Lender and receiver must reach agreement concerning the cure of any quality, service or other deficiencies in Franchisee's prior performance of its obligations under the Franchise Agreement, including any deficiencies under any other agreements with Franchisor and/or its affiliates relating to the Hotel but excluding liquidated damages; (ii) receiver must enter into an assumption of the Franchise Agreement containing all terms required by Franchisor, which will be dated as of receiver's possession date; and (iii) receiver must specifically be authorized by court order to operate the Hotel and enter into and comply with the agreements referenced in subsection (ii) above.
- 4. <u>Notifications to Franchisor</u>. Lender agrees to notify Franchisor: (i) contemporaneously with commencement of foreclosure proceedings regarding the Hotel; (ii) contemporaneously with the filing of any petition for appointment of a receiver, to obtain the entry of an order for relief, or take any action under federal or state bankruptcy laws or similar laws with regard to the Hotel; (iii) contemporaneously with the acceptance of a deed for the Hotel in lieu of foreclosure; and (iv) promptly, after taking ownership, possession or control of the Hotel, directly or indirectly, in any manner. Lender's notice to Franchisor must identify the court in which any such action referred to in subsection (i) or subsection (ii) is or will be filed. Lender shall promptly notify Franchisor in writing of the commencement by another party of foreclosure proceedings or the filing of an action for the appointment of a receiver or petition for relief under state or federal bankruptcy laws after Lender receives notice of commencement of such proceedings.
- **5. No Consent to Assignment of Franchise Agreement.** Lender and Franchisee acknowledge and agree that any current and any future collateral assignment, pledge, grant of a security interest or other

transfer to Lender or its Affiliates of any interest in the Franchise Agreement: (i) has not been and will not be consented to by Franchisor; (ii) does not and will not affect Franchisor's rights under the Franchise Agreement; (iii) does not and will not grant Lender or any person gaining ownership or possession of the Hotel any rights under the Franchise Agreement or with respect to the license granted thereunder, including the right to operate the Hotel as a **«Contract\_Brand» «Contract\_Product»** hotel; and (iv) is and will be limited by the terms and conditions of this Comfort Letter. If the Hotel is acquired by anyone other than Lender neither Lender nor Franchisee will have the right or authority to sell, convey, assign or in any manner transfer any rights under this Comfort Letter or under the Franchise Agreement without the prior written consent of Franchisor. Lender's only rights with respect to the Franchise Agreement and the license granted thereunder, including the right to operate the Hotel as a **«Contract\_Brand» «Contract\_Product»** hotel, are stated in this Comfort Letter.

- **Subsequent Sale.** Any subsequent sale, assignment or transfer of the Hotel by Lender to a third party who desires to continue to operate the Hotel as a **«Contract\_Brand» «Contract\_Product»** Hotel must be in accordance with the transfer and assignment provisions of the Franchise Agreement, which require, among other things, submission of a relicensing application, payment of an affiliation fee, and payment of all amounts due to Franchisor. Franchisor will require the transfer applicant to sign the thencurrent form of franchise agreement, which will include a new property improvement plan.
- 7. No Claims. Franchisor may discuss with Lender or its designee the status of the Hotel, the Franchise Agreement, the terms of any agreement contemplated by this Comfort Letter and any of the matters to which Lender is entitled to notice. Franchisor and its respective owners, affiliates, agents, employees, officers, directors, successors, assigns and representatives ("Released Persons") shall not be liable to any person for taking any action or providing any information required or contemplated by this Comfort Letter ("Comfort Letter Acts") and Franchisee, on behalf of itself and its owners, affiliates, agents, officers, directors, employees, representatives, successors and assigns, hereby releases the Released Persons of and from any and all actions, causes of action, suits, claims, demands, contingencies, debts, accounts and judgments whatsoever, at law or in equity, for any Comfort Letter Acts.
- **8.** <u>Notices.</u> All notices required under this Comfort Letter shall be in writing, sent by certified mail, return receipt requested, or by Federal Express or other national express delivery service and addressed, if to Lender, to:

Lender name Lender address Lender address Attention: Lender contact/title if to

Franchisee, to:

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«Customer_Customer_Name» «Licensee_Rep_Account_Billing_Address_Li» «Licensee_Rep_Account_Billing_Address_Li1» «Licensee_Rep_Account_Billing_Address_Li2» «Licensee_Rep_Account_City», «Licensee_Rep_Account_StateProvince» «Licensee_Rep_Account_ZipPostal_Code» Attention: «Licensee_Rep_Contact»
```

If to Franchisor, to:

Choice Hotels International, Inc. 915 Meeting Street, Suite 600

North Bethesda, Maryland 20852 Attention: Legal Department

Any notice sent pursuant to this Comfort Letter shall be deemed to be given three (3) days after mailing or on the next business day after such notice is deposited with a national express delivery service.

9. Franchisee Estoppel and Release. As consideration for this Comfort Letter relating to the Loan,

### Franchisee hereby:

- (a) certifies to Franchisor that the Franchise Agreement is in full force and effect, and no default, claim, breach, offset, defense to full and strict enforcement, waiver, or estoppel (collectively, a "Claim"), or condition that could with passage of time, giving notice or otherwise become a Claim, currently exists or has existed against Franchisor under the Franchise Agreement;
- (b) agrees that this Comfort Letter will remain in full force and effect in favor of Lender with respect to the Loan, as the Loan may periodically be modified, amended, extended, supplemented, or restated:
  - (c) agrees that this Comfort Letter was provided to Lender at Franchisee's request; and
- (d) fully and forever releases, discharges, and agrees to indemnify, defend, and hold harmless Franchisor, its predecessors, successors and assigns and each of their respective former and present officers, employees, directors, shareholders, partners, members, parents, subsidiaries, affiliates, alter egos, representatives, agents, and attorneys (collectively, the "Released Parties"), from any and all Claims, demands, liens, actions, agreements, suits, causes of action, obligations, controversies, debts, costs, attorney's fees, expenses, damages, judgments, orders, and liabilities of whatever kind or nature in law, equity, or otherwise, whether now known or suspected which have, may or do exist ("Released Claims"), based on any facts, events, or omissions occurring before the execution of this Comfort Letter which arise out of, concern, pertain, or relate in any way to the subject matter of this Comfort Letter. Franchisee acknowledges that it may hereafter discover Claims presently unknown or unsuspected, or facts in addition to or different from those which it now knows or believes to be true, with respect to the matters released by this Comfort Letter. Nevertheless, Franchisee fully and finally settles and releases all such matters, and all Claims relative thereto, which do now exist, may exist or have existed between the Released Parties and Franchisee.
- **10.** <u>Lender Estoppel and Release</u>. As consideration for this Comfort Letter relating to the Loan, Lender hereby:
- (a) certifies to Franchisor that Lender is not a Sanctioned Person. "Sanctioned Person" means any person or entity (including financial institutions) who is: (i) or is controlled by or acting on behalf of the Government of any country subject to comprehensive U.S. sanctions in force and which currently include the Government of Cuba, Iran, North Korea, Sudan, and Syria ("Sanctioned Countries"); (ii) located in, organized under the laws of or ordinarily resident in Sanctioned Countries; and/or (iii) identified by any government or legal authority under applicable Trade Restrictions as a person with whom dealings and transactions by Lender and/or its affiliates are prohibited or restricted, including but not limited to persons designated under United Nations Security Council Resolutions, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") List of Specially Designated Nationals and Other Blocked Persons; the U.S. Department of State's lists of persons subject to non-proliferation sanctions; the European Union Financial Sanctions List; persons and entities subject to Special Measures regulations under Section 311 of the USA PATRIOT Act and the Bank Secrecy Act;
- (b) agrees that this Comfort Letter shall remain in full force and effect in favor of Lender with respect to the Loan, as the Loan may periodically be modified, amended, extended, supplemented or restated; and
- (c) fully and forever releases and discharges the Released Parties from any and all Released Claims by or through Lender based on any facts, events, or omissions occurring before the execution of this Comfort Letter which arise out of, concern, pertain, or relate in any way to this Comfort Letter.
- 11. <u>No Representations or Warranties</u>. In no event shall this Comfort Letter or any other circumstances surrounding the provision of financing by Lender be construed to involve: (i) any

representation by Franchisor that Franchisor endorses, approves, recommends or otherwise concurs in the financing; (ii) any guarantee or assurance by Franchisor that Franchisee or any other party to the Loan will be able to repay the Loan in accordance with its terms; (iii) any endorsement, approval, recommendation or concurrence in any financial projections submitted to Lender in connection with the Loan; or (iv) any endorsement, approval or recommendation of Franchisee's character or reputation. Franchisor's representation in the second paragraph of this Comfort Letter regarding the status of the Franchise Agreement pertains to the status of the Franchise Agreement as of the date of this Comfort Letter only. As a result, Lender acknowledges that Franchisor makes no representation that it has or has not issued any default notice after the date hereof, and Lender is not relying on any such representation (or absence of a representation) in making any decision or representation or warranty in connection with any material modification, securitization, or sale of the Loan.

- 12. Replacement Comfort Letter. Franchisor will issue a replacement comfort letter, substantially similar in form to Franchisor's then current comfort letter and then current fee if Lender (a)(i) appoints a third-party loan servicing agent to service the Loan, (ii) transfers the Loan to a successor mortgagee that is a financial institution in the business of routinely financing real estate transactions, or (iii) designates a trustee of a trust established in connection with the securitization of the Loan, provided that such transferee, designee, or appointee is not a Competitor, an affiliate of a Competitor, or a Person as defined in Section 19(k) of the Franchise Agreement (the "Anti-Terrorism/Anti-Bribery Laws"), and is not an affiliate of Franchisee, and (b) Franchisor receives a written request to issue a replacement comfort letter within sixty
- (60) days of the date of such appointment or transfer, setting forth the name, address of the entity for which the replacement comfort letter is requested, the name, address, telephone number and email address for the contact person for such entity, and the date of such appointment or transfer.

"Competitor" means an individual person who directly, or indirectly through an affiliate, owns or controls a hotel brand (or brands) and brands hotels through branded management, licensing and/or franchising (or similar means) for at least ten (10) hotels; provided, however, that a financial investor (such as an investment bank, private equity fund, pension fund, hedge fund or similar institution or any investor therein) shall not be deemed a competitor solely because of its financial investment in any competitor so long as either such financing investor is a passive investor or such financial investor is not actively involved in the day-to-day business operations of the brand and an appropriate and sufficient barrier is established to prevent such financial investor from receiving any confidential information of Franchisee, as applicable. In addition, a bank or other institutional lender that provides commercial financing to a competitor shall not be deemed a competitor solely because in the ordinary course of business it has financed a competitor, whether or not such financing results in, or has the potential to result in, such lender having control of a competitor as a result of the enforcement of remedies in the applicable financing documents, provided that such lender does not assume active management of the day to day operations of such competitor. Franchisor reserves the right to require representations and warranties or certifications that the conditions in this Paragraph are satisfied prior to issuing any replacement comfort letter. Any such replacement comfort letter shall supersede and replace this Comfort Letter.

13. Possession of the Hotel. If Lender owns, controls or possesses the Hotel after termination of the Franchise Agreement for any reason and Lender has not entered into a franchise agreement with Franchisor pursuant to Paragraph 2(b) herein, Lender will (i) upon Franchisor's request immediately perform the requirements of the Franchise Agreement with respect to de-identifying the Hotel as a «Contract\_Brand» «Contract\_Product» hotel and (ii) indemnify, defend and hold harmless Franchisor and its affiliates from and against any loss, claim or other liability of any kind arising from or in connection with the operation of the Hotel as a «Contract\_Brand» «Contract\_Product» hotel during such ownership, control or possession. Lender's obligations under this Paragraph shall survive termination of this Comfort Letter, and nothing herein shall limit Franchisor's rights to seek legal redress for any unauthorized use of Franchisor's trademarks, service marks, or systems.

- **14. Termination.** This Comfort Letter shall terminate and Lender shall have no rights hereunder if:
  - (i) Lender has been taken over in any manner by any state or federal agency or is in a receivership, conservatorship, reorganization, or liquidation, or Lender or any of its officers or directors has entered into or is subject to a cease and desist order or any other formal or informal written agreement with a federal or state regulatory agency;
  - (ii) Lender no longer holds a valid first mortgage or security deed for the Hotel unless (a) Lender has acquired the Hotel by foreclosure, deed in lieu of foreclosure, or any other exercise of its rights as a secured lender, in which case Lender will have the rights stated in Paragraph 2 for the period stated in such Paragraph, or (b) there has been a securitization or transfer of the Loan, in which case Lender will have the rights stated in Paragraph 12 for the period stated in such Paragraph;
  - (iii) the Franchise Agreement has expired or the Franchisee has exercised its right to terminate:
  - (iv) the Franchise Agreement has been terminated, unless such a termination is the result of the timely exercise of Lender's rights under Paragraph 2 or Paragraph 3, in which case this comfort letter will terminate on the exercise or expiration of such rights, but in no event later than forty-five (45) days after such termination of the Franchise Agreement; or
  - (v) Lender breaches this Comfort Letter.
- 15. <u>Confidentiality</u>. You agree to keep the grant of modifications contained in the Comfort Letter in strict confidence and to not disclose them to any persons other than your directors, officers, partners, employees, agents and advisors who have a need to know for the sole purpose of the servicing, sale, administration, or securitization of the Loan. Any unauthorized disclosure is a default under the terms of the Comfort Letter, and we may, at our option, immediately terminate the Comfort Letter upon notice to you. The modifications outlined in this Comfort Letter are for the Hotel only and do not indicate that other hotels owned by you or by others will receive similar modifications. You acknowledge and agree that nothing in the Comfort Letter prohibits us from disclosing the terms of the Comfort Letter to any vendors, lenders, or other third parties as we determine in our reasonable discretion.
- **16.** <u>Final Agreement.</u> Except as otherwise expressly set forth, this Comfort Letter is the final integration of the agreements between the parties with respect to the matters covered by it and supersedes any prior understanding or agreement, oral or written, with respect to the matters covered by the Comfort Letter.
- 17. <u>Effectiveness</u>. Franchisor shall have no obligations hereunder unless Lender and Franchisee have executed and delivered to the other parties this Comfort Letter, which may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes and all of which shall constitute, collectively, one and the same letter agreement. Delivery of an executed signature page to this Comfort Letter by electronic transmission is as effective as delivery of an original signed counterpart. This Comfort Letter is effective as of the date the Franchisor signs the letter agreement. Franchisor's offer to enter into this Comfort Letter will be automatically withdrawn if (i) Franchisor does not receive signed copies from lender and Franchisee within 30 days of the date on page 1 herein, or (ii) Franchisor does not receive proof of the date of Loan closing within 60 days of the date on page 1 herein.

Very truly yours,

CHOICE HOTELS INTERNATIONAL. INC.

	Ву:	Name: Iris Figueroa Rosario
	Date:	
	(signatures continue on following page)	
FRANCHISEE:		
«Customer_Customer_Name	e»	
By: Name:	<u>_</u>	
Title:		
Date:		
LENDER:		
Ву:		
Name:		
Title:		
Date:		

# EXHIBIT PO FRANCHISE DISCLOSURE ACKNOWLEDGMENT FORM

<u>Do not sign this Acknowledgment Form</u> if you are a <u>California</u>, Maryland, or <u>California Washington</u> resident or the franchise is located (or to be located) in either <u>California</u>, Maryland, or <u>California Washington</u>. If any California franchisee completes this Acknowledgment Form, it is against California public policy and it will be void and unenforceable, and Choice Hotels International, Inc. will destroy, disregard and will not rely on this Acknowledgment Form.

Choice Hotels International, Inc. ("Choice") and you are preparing to enter into a Franchise Agreement for a hotel operating under the Choice system. The purpose of this Acknowledgment Form is to confirm that you are making an informed investment decision and to determine whether any improper statements or promises were made to you that Choice has not authorized. Please review each of the following acknowledgments carefully and provide your initials to indicate your understanding of, and agreement with, the statements made.

1.	You acknowledge and agree that you received a copy of the Franchise Disclosure Document at least 14 calenda days before you signed any agreement with Choice or made any payment to Choice.	
		Initial
2.	You acknowledge and agree that you received and personally reviewed the Franchise Agreeme attachments.	nt and each of its
		Initial
3.	You acknowledge and agree that you consulted an attorney before signing the Franchise Agree voluntarily declined to do so.	ment, or that you

4. You acknowledge and agree that you understand the risks of operating a hotel under the Choice system and understand that the success or failure of your business will depend in large part upon on a number of factors, including your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply

Initial

	costs, the overall economy, and other economic and business factors.
	Initial
5.	You acknowledge and agree that no Choice employee or representative has made any oral, written or visual claim or representation concerning the revenues, profits or earnings of a hotel (or hotels) operating in the Choice system that is different from or inconsistent with the information contained in the Franchise Disclosure Document.
	Initial
6.	You acknowledge and agree that no Choice employee or representative has made any oral, written or visual promise or guaranty regarding the amount of money you may earn, the amount of revenue a hotel operating under the Choice system may generate, or the likelihood of your success.
	Initial
7.	You acknowledge and agree that no Choice employee or representative has made any oral, written or visual statement or promise concerning the advertising, marketing, training, support service or other assistance that Choice will furnish to you that is different from or inconsistent with the information contained in the Franchise Disclosure Document.
	Initial
8.	If the Franchisee is a corporation, partnership, limited liability or other entity, you acknowledge and agree that (a) you have the authority to bind the entity for purposes of this Acknowledgment Form, and (b) you have discussed this Acknowledgment Form with all principal owners and have obtained their oral or written agreement with the statements made in this Acknowledgment Form.
	Initial

This Acknowledgment Form is not intended to disclaim any representations made in the Franchise Disclosure Document that was furnished to you. This Acknowledgment Form is not intended nor will it act as a release, estoppel, or waiver of any liability incurred under the Illinois Franchise Disclosure Act or the Maryland Franchise Registration and Disclosure Law.

and truthfulness of your acknowledgments as a condition of signing the Franchise Agreement.

You understand that this Acknowledgment Form is important to Choice and that we are relying on the accuracy

9.

# EXHIBIT QP 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	April 1,
	<del>2024</del>
	Pending
Hawaii	See
	<del>Separat</del>
	e
	<del>FDD</del> P
	ending
Illinois	April 1,
	<del>2024</del>
	Pending
Indiana	August
	<del>21,</del>
	<del>202</del> 4
36 1 1	Pending
Maryland	April 4,
	2024
Michigan	Pending
Michigan	April 1, 20242025
Minnesota	April
	<del>24,</del> <del>202</del> 4
New York	Pending April 1,
INCW TOIK	2024
	Pending
North Dakota	April
North Dakota	10,
	2024
	Pending
Rhode Island	June 5,
	2024
	<b>202</b> 1

	Pending
South Dakota	April 1,
	$\frac{2024}{2024}$
	Pending
Virginia	<del>April</del>
	<del>11,</del>
	<del>2024</del>
	Pending
Washington	<del>May 15,</del>
	<del>20</del> 24
	Pending
Wisconsin	April 1, <del>2024</del> <u>2025</u>

Other states may require registration, filing or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller- assisted marketing plans.

#### RECEIPT

This Country Inn & Suites Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Country Inn & Suites Disclosure Document and all agreements carefully.

If Choice Hotels International, Inc. ("Choice") offers you a franchise, it must provide this Country Inn & Suites Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Choice or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that Choice gives you this Country Inn & Suites Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Choice gives you this Country Inn & Suites Disclosure Document at the earlier of 10 business days before the execution of any binding franchise agreement or the payment of any consideration.

If Choice does not deliver this Country Inn & Suites 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 state agency listed in Exhibit B.

Franchise Seller(s): Jason Cowan and/or

isclosure Document is for use in all states and the District of Columbia (see s	
a Pages; (B) Regulatory Authorities; Registered Agents for Service of Process; chise Agreement, Personal Guaranty and State Addenda; (E) choiceADVANTAGeall ForwardingResConnect Terms of Use; (G) Gift Card Enrollment FormPromissory Note; (I) Incentive Promissory Note; (J) Lender Documents; (KJ) Rules tts; (LK) Fair Franchising Policy; (L) List of Franchisees; (M) List of Former Franchisees; (O) Comfort Letter; (PO) Franchise Disclosure Acknowledgement of Processing Policy: (PO) Franchise Disclosure Acknowledgement Processing Policy: (PO) Franchise Disclosure Acknowledgement Process; (PO) Comfort Letter; (PO) Franchise Disclosure Acknowledgement Process; (PO) Comfort Letter; (PO) Franchise Disclosure Process; (PO) Comfort Process; (	(C) EE® sory and mer
rested:(City, Stat	te)
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Print Name:	
Title:	
Signature	
signing a Franchise Agreement must sign Receipt (Owners, Partners, Members)	
Signature:	
Name:	
	nc. North 1.592.5000  025  gents and/or state agencies identified in Exhibit B to receive service of process for bisclosure Document is for use in all states and the District of Columbia (see sing of this document).  & Suites disclosure document dated April 1, 20242025 that included the following a Pages; (B) Regulatory Authorities; Registered Agents for Service of Process; inchise Agreement, Personal Guaranty and State Addenda; (E) choiceADVANTAG all ForwardingResConnect Terms of Use; (G) Gift Card Enrollment FormPromissory Note; (I) Incentive Promissory Note; (J) Lender Documents; (K_D) Rules ats; (LK) Fair Franchising Policy; (L) List of Franchisees; (M) List of Former Franchisees; (O) Comfort Letter; (PQ) Franchise Disclosure Acknowledgene e Dates and Receipt Page.  Entity Name:

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Choice Hotels International, Inc. 915 Meeting Street, Suite 600 North Bethesda, Maryland 20852 301.592.5000  Issuance Date: April 1, 20242025  We authorize the respective agents and/or state agencies identified in Exhibit B to receive service of process fo This Country Inn & Suites Disclosure Document is for use in all states and the District of Columbia (see Effective Dates at the beginning of this document).  I have received a Country Inn & Suites disclosure document dated April 1, 20242025 that included the following (A) State-Specific Addenda Pages; (B) Regulatory Authorities; Registered Agents for Service of Process; Financial Statements; (D) Franchise Agreement, Personal Guaranty and State Addenda; (E) choiceADVANTAC Software Terms of Use; (F) Call ForwardingResConnect Terms of Use; (G) Gift Card Enrollment FormPromis Note; (H) Incentive Promissory Note; (I) Incentive Promissory Note; (I) Lender Documents; (KJ) Rules Regulations Table of Contents; (LK) Fair Franchising Policy; (L) List of Franchisees; (M) List of Formactive Frome; Franchisees; (N) List of Formactive Promissory Note; (D) Comfort Letter; (PQ) Franchise Disclosure Acknowledger Form; and (QP) State Effective Dates and Receipt Page.  Location in which you are interested:	
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Document comparison by Workshare Compare on Friday, April 4, 2025 11:29:09 AM

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Document 1 ID	file://C:\Users\castiltn\Desktop\Choice Hotels 2025\5. For redlining\FINAL 2024 Country Inn FDD issued 4.1.2024(63473044.7).pdf
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Document 2 ID	file://C:\Users\castiltn\Desktop\Choice Hotels 2025\5. For redlining\FINAL 2025 Country Inn FDD(65691995.2).pdf
Description	FINAL 2025 Country Inn FDD(65691995.2)
Rendering set	Standard

Legend:	
Insertion	
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Inserted cell	
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Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	3516
Deletions	3353
Moved from	595
Moved to	595
Style changes	0
Format changes	0
Total changes	8059

and Sleep Inn.

Aggregate or Average