

FRANCHISE DISCLOSURE DOCUMENT

Baymont Franchise Systems, Inc.
A Delaware corporation
22 Sylvan Way
Parsippany, New Jersey 07054
(800) 758-8999
https://development.wyndhamhotels.com

The franchisee will operate a Baymont Inn & Suites® guest lodging facility offering overnight accommodations and related services.

The total investment necessary to begin operation of a Baymont Inn & Suites franchise for a 74-room new construction facility ranges from \$7,598,317 to \$10,549,711. The total investment necessary to begin operation of a Baymont Inn & Suites franchise for a 100-room conversion facility ranges from \$224,948 to \$4,079,286. Land acquisition costs are not included in these ranges. The above amounts include a range of \$33,950 to \$62,450 that must be paid to the franchisor or an affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Franchise Development Department, Baymont Franchise Systems, Inc., 22 Sylvan Way, Parsippany, NJ 07054 or call (800) 758-8999.

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

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

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

Issuance Date: March 31, 2025, as amended April 11, 2025

Table of Contents

ITEM 1.	THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES	11
ITEM 2.	BUSINESS EXPERIENCE	19
ITEM 3.	LITIGATION	23
ITEM 4.	BANKRUPTCY	29
ITEM 5.	INITIAL FEES	30
ITEM 6.	OTHER FEES	33
ITEM 7.	ESTIMATED INITIAL INVESTMENT	47
ITEM 8.	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	55
ITEM 9.	FRANCHISEE'S OBLIGATIONS	58
ITEM 10.	FINANCING	61
ITEM 11.	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND	
	TRAINING	63
ITEM 12.	TERRITORY	76
ITEM 13.	TRADEMARKS	77
ITEM 14.	PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	79
ITEM 15.	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANC	HISE
	BUSINESS	81
ITEM 16.	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	81
ITEM 17.	RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	82
ITEM 18.	PUBLIC FIGURES	<u>87</u> <u>86</u>
ITEM 19.	FINANCIAL PERFORMANCE REPRESENTATIONS	87
ITEM 20.	OUTLETS AND FRANCHISEE INFORMATION	89
ITEM 21.	FINANCIAL STATEMENTS	98
ITEM 22.	CONTRACTS	98
ITEM 23.	RECEIPTS	98

ITEM 18. PUBLIC FIGURES

We do not use any public figure to promote the sale of franchises.

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 this 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.

Lodging facilities report performance for a time period on the basis of Average Daily Room Rate ("ADR") (gross room revenue divided by the number of occupied guest rooms), "Occupancy Rate" (the percentage of available guest rooms actually occupied by guests), and "RevPAR" or gross room revenue per available room (Occupancy Rate multiplied by Average Daily Room Rate). Our Chain also reports on Central Reservation System activity, such as the percentage of gross room revenue generated from reservations booked through the Central Reservation System or by members of our loyalty program. In calculating gross room revenue in this Item 19, we take the price paid by the consumer for the room, after all discounts, credits and allowances, and subtract all applicable taxes.

The information contained in this Item 19 is a historic financial performance representation about our Chain's existing franchised Facilities in the United States (including the continental United States, Alaska, and Hawaii) and Canada. The Chain Facilities included in the samples in this Item 19 do not differ materially from those of prospective franchisees to whom we may offer franchises under this Disclosure Document. All the Chain Facilities whose information is represented in this Item 19 were operated by franchisees as of December 31, 2024. This Item 19 contains financial performance representations relating to 2024. The financial performance representations do not include information from any Chain Facilities that were open on January 1, 2024 but left the System on or before December 31, 2024. During 2024, 29 franchised Chain Facilities left the System; 2 of the 29 Chain Facilities that left the System during 2024 were open in the System less than 12 months.

Some facilities have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

Average and Median ADR, Occupancy Rate, and RevPAR²

The <u>following</u> table-<u>below</u> sets forth the average and median ADR, Occupancy Rate, and RevPAR for Qualified Chain Facilities for the period from January 1, 2024 through December 31, 2024. "Qualified Chain Facilities" means those Chain Facilities in the United States and Canada that opened before January 1, 2023, achieved a "Comparable Social Review Score³²" but excluding those yet to receive a

Revenue information from Canadian Facilities was converted into U.S. dollars based on the average OANDA exchange rate each month.

² If a Chain Facility changed ownership during 2024, then the ADR, Occupancy Rate and RevPAR information contained in this section for the Facility is only reflected from the date of the subsequent owner's acquisition of the Facility through the end of the year.

³² A "Comparable Social Review Score" means that, during 2024, a Chain Facility (i) received at least ten total reviews via Medallia, which aggregates reviews from Tripadvisor, major online travel agencies, and other online social review

quality assurance inspection prior to December 31, 2024. The total number of Chain Facilities in the United States and Canada as of December 31, 2024 was 555. Of those 555 Chain Facilities, 265 were Qualified Chain Facilities.

	2024	Av	erage Da	ily Room	Rate		Occupa	ncy Rate	,		Rev	PAR	
	# of Qualified Chain Facilities	Avg.	# Meet or Exceed Avg.	% Meet or Exceed Avg.	Median	Avg.	# Meet or Exceed Avg.	% Meet or Exceed Avg.	Median	Avg.	# Meet or Exceed Avg.	% Meet or Exceed Avg.	Median
Total	265	\$ 88.02 <u>89.47</u>	124 <u>1</u> 20	46.8% 45.3%	\$ 87.35 <u>87.62</u>	54.2%	128	48.3%	53.6%	\$47.73 <u>48.5</u> <u>2</u>	123	46.4%	\$46.68 47.12

The information above was obtained from the monthly revenue reports of Chain Facilities submitted by franchisees and represents the most reliable information available to us. For any months in which Chain Facilities did not submit revenue reports, Occupancy Rate and ADR were computed based upon actual data sent to us each night by the Facility's property management system. You set your own room rates.

Central Reservation System and Wyndham Rewards Activity

The following section provides revenue contribution information for Chain Facilities from reservations generated by the Central Reservation System and the Wyndham Rewards loyalty program. The "Central Reservation System" means reservations processed via our and the Lodging Affiliates' call centers ("Call Centers"), our and the Lodging Affiliates' brand websites ("Brand Websites"), other electronic channels such as the global distribution systems ("GDS"), the Wyndham Rewards loyalty program, third party websites, and certain reservations by the Global Sales Organization. Reservations by Wyndham Rewards members were made through the Call centers, the Brand Websites, other electronic channels and directly with Chain Facilities. Contribution information is reported to us by all franchised Chain Facilities in the System.⁴³

The following table sets forth "Central Reservation System Contribution" and "Wyndham Rewards Contribution" for all 555 Chain Facilities in the United States and Canada that were part of the System as of December 31, 2024 (the "Contribution Group"). The Central Reservation System Contribution is calculated by dividing the gross room revenue from reservations generated by the Central Reservation System (including by Wyndham Rewards members) at the Contribution Group from January 1, 2024 through December 31, 2024 by all gross room revenue at the Contribution Group from the same period, expressed as a percentage. The Wyndham Rewards Contribution is calculated by dividing the gross room revenue from reservations generated by members of the Wyndham Rewards loyalty program at the Contribution Group from January 1, 2024 through December 31, 2024 by all gross room revenue at the Contribution Group from the same period, expressed as a percentage.

via Medallia, which aggregates reviews from Tripadvisor, major online travel agencies, and other online social review sites, and (ii) achieved an average score from such reviews of 3.5 or above (out of a possible maximum score of 5.0).

⁴³ If a Chain Facility was operated pursuant to an agreement with one of the Lodging Affiliates on January 1, 2024 but converted to our Chain during 2024, then the totals in this section include contribution information for that Chain Facility for all of 2024.

⁵⁴ As used in this paragraph, reservations in 2024 include room nights from stays with an arrival between January 1, 2024 and December 31, 2024. For greater clarity, these reservations may include room nights after December 31, 2024, provided the first night of occupancy for such stays occurred on or before December 31, 2024.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW

The following provisions supersede the Franchise Disclosure Document and apply to all licenses or franchises offered and sold in the State of Maryland:

- 1. Notwithstanding any provision in the Franchise Disclosure Document or the Franchise Agreement to the contrary, a franchisee may bring a lawsuit in Maryland against us for claims arising under the Maryland Franchise Registration and Disclosure Law.
- 2. The fourth sentence of the third paragraph under the heading "Advertising" in Item 11 is deleted and replaced with the following:

Franchisees who are Maryland residents or will operate a Facility in Maryland may receive an accounting of expenditures from the Fund by contacting our Treasurer in writing.

- 3. Item 17 of the Franchise Disclosure Document states that the Franchise Agreement will automatically terminate upon the bankruptcy of franchisee. This provision may not be enforceable under current Federal bankruptcy law (11 U.S.C. Section 101 et seq.).
- 4. Items 17(c) and 17(m) are revised to provide that, pursuant to COMAR 02.02.08.16L, the general release required as a condition to renewal, sale or consent to assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- 5. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.
- 6. The Franchise Agreement states that New Jersey law generally applies. However, the conditions under which your franchise can be terminated and your rights upon nonrenewal may be affected by Maryland laws, and we will comply with that law in Maryland.
- 7. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.
- 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.

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

The following provisions supersede the Franchise Disclosure Document and apply to all licenses or franchises offered and sold in the State of Minnesota:

- 1. Minnesota law provides franchisees with certain termination, non-renewal and transfer rights. Minnesota Statutes, Section 80C.14, Subdivisions 3, 4 and 5 require, except in certain specified cases, that the franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement and that consent to the transfer of the franchise will not be unreasonably withheld.
- 2. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release from liability imposed by Minnesota Statutes, Chapter 80C; provided, that this shall not bar the voluntary settlement of disputes.
- 3. With respect to franchises governed by Minnesota law, we will comply with Minnesota Statutes Section 604.113, which prohibits us from charging more than \$30 for insufficient funds charges or returned check fees.
- 3.4. The following language is added at the end of Item 17 of the Franchise Disclosure Document:

Minnesota Statutes, Section 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. Nothing in the Franchise Disclosure Document or the Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of Minnesota.

4.5. Item 13 is revised to include the following language:

To the extent required by the Minnesota Franchise Act, we will protect your rights to use the trademarks, service marks, trade names, logo types or other commercial symbols related to the trademarks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the trademarks, provided you are using the names and marks in accordance with the Franchise Agreement.

- 5.6. Item 17(c) and 17(m) are revised to provide that we cannot require you to sign a release of claims under the Minnesota Franchise Act as a condition to renewal or assignment.
- 6.7. With respect to franchises governed by Minnesota law, we will comply with Minnesota Statutes, Section 80C.17, Subd. 5 with respect to limitation of claims.
- 7.8. 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.

ADDENDUM TO THE FRANCHISE AGREEMENT PURSUANT TO THE MINNESOTA FRANCHISE INVESTMENT LAW

Inis Addendum to the Franchise Agreement by and between Baymont Franchise Systems Inc. ("we," "our" or "us") and ("you") is dated, 20
Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions shall supersede and apply:
1. In compliance with Minnesota Rule 2860.4400J, the eleventh sentence in Subsection 11.4 of the Franchise Agreement is amended to read as follows:
You recognize that any use of the System not in accord with this Agreement will cause us irreparable harm for which there is no adequate remedy at law, entitling us to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, which may require us to post a bond.

In addition, the following language is added at the end of Section 17.6.3 of the Franchise Agreement:

Minnesota Statutes, Section 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. Nothing in the Franchise Disclosure Document or this Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of Minnesota.

- 2. Minnesota law provides franchisees with certain termination, non-renewal and transfer 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 and that consent to the transfer of the franchise will not be unreasonably withheld.
- 3. We will not require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.
- 4. You understand that Minnesota law limits you to a three year period from the date a claim accrues in which to bring any claim against us for a violation of Minnesota Statutes, Section 80C.17.
- 5. Minnesota Statutes 604.113 prohibits us from charging more than \$30 for insufficient funds charges or returned check fees.

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 Dates				
California	March 31, 2025				
Hawaii	Pending				
Illinois	March 31, 2025				
Indiana	March 31, 2025				
Maryland	Pending April 1, 2025, as amended April				
iviai yiaiiu	11, 2025				
Michigan	March 31, 2025				
Minnesota	Pending				
New York	March 31, 2025				
North Dakota	Pending				
Rhode Island	Pending April 1, 2025, as amended April				
Kiloue Islanu	<u>11, 2025</u>				
South Dakota	March 31, 2025				
Virginia	Pending				
Washington	PendingApril 1, 2025				
Wisconsin	March 31, 2025, as amended April 11, 2025				

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 disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Baymont Franchise Systems, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days* before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Baymont Franchise Systems, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit B.

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

Date of Issuance: March 31, 2025, as amended April 11, 2025

See Exhibit B for our registered agents authorized to receive service of process.

I received a disclosure document dated March 31, <u>2025</u>, as amended April 11, <u>2025</u> that included the following Exhibits:

A	C	A 11 1
Α	State	Addenda

- B Regulatory Authorities; Registered Agents for Service of Process
- C-1 Franchise Agreement; Guaranty; Initial Fee Note; Development Incentive Note; Assignment and Assumption Agreement; State Addenda and Franchise Application
- C-2 Master Information Technology Agreement
- C-3 Elavon Hosted Services Agreement for Hosted Gateway Services
- C-4 Three Party Agreement; Request For Three Party Agreement; Lender Notification

Agreement; Request For Lender Notification Agreement

- C-5 Termination and Release Agreement
- C-6 Signature Reservation Services Agreement
- C-7 Hotel Revenue Management Agreement
- C-8 Remote Sales Services Agreement
- D Financial Statements and Guaranty of Performance of Wyndham Hotels & Resorts, Inc.
- E-1 List of Facilities in the United States as of December 31, 2024
- E-2 List of Facilities in the United States which Voluntarily or Involuntarily left the Baymont System from January 1, 2024 to December 31, 2024 which did not communicate with us

during the ten-week period preceding the date of the Disclosure Document

F Tables of Content for Standards of Operation and Design Manual and Wyndham Front Desk Guide

* In Iowa, Baymont Franchise Systems, Inc. is required to give you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. In Michigan, Baymont Franchise Systems, Inc. is required to give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. In New York, Baymont Franchise Systems, Inc. is required give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution

1

Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Baymont Franchise Systems, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days* before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Baymont Franchise Systems, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit B.

Date of Issuance: March 31, 2025, as amended April 11, 2025.

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

See Exhibit B for our registered agents authorized to receive service of process.

I received a disclosure document dated March 31, <u>2025</u>, as amended April 11, <u>2025</u> that included the following Exhibits:

A	State Addenda
В	Regulatory Authorities; Registered Agents for Service of Process
C-1	Franchise Agreement; Guaranty; Initial Fee Note; Development Incentive Note; Assignment
	and Assumption Agreement; State Addenda and Franchise Application
C-2	Master Information Technology Agreement
C-3	Elavon Hosted Services Agreement for Hosted Gateway Services
C-4	Three Party Agreement; Request For Three Party Agreement; Lender Notification
	Agreement; Request For Lender Notification Agreement
C-5	Termination and Release Agreement
C-6	Signature Reservation Services Agreement
C-7	Hotel Revenue Management Agreement
C-8	Remote Sales Services Agreement

E-1 List of Facilities in the United States as of December 31, 2024

E-2 List of Facilities in the United States which Voluntarily or Involuntarily left the Baymont System from January 1, 2024 to December 31, 2024 which did not communicate with us during the ten week period preceding the date of the Disclosure Document

Tables of Content for Standards of Operation and Design Manual and Wyndham Front Desk Guide

Financial Statements and Guaranty of Performance of Wyndham Hotels & Resorts, Inc.

* In Iowa, Baymont Franchise Systems, Inc. is required to give you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. In Michigan, Baymont Franchise Systems, Inc. is required to give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. In New York, Baymont Franchise Systems, Inc. is required give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

1

D

F