

SPECIAL RISKS TO CONSIDER ABOUT THIS FRANCHISE Certain states require that the following risk(s) be highlighted:

1. **Out-if-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by litigation only in Wisconsin. Out-of-state 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 Wisconsin than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
4. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
5. **Unregistered Trademark.** The primary logo that you will use in your business is not federally-registered. If the Franchisor's ability to use this trademark in your area is challenged, you may have to identify your business and its products/services by a different name. This change can be expensive and may reduce brand recognition of the products and services you offer

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.

Our affiliate, Slate Hospitality Group, LLC (SHG) is a Wisconsin limited liability company formed on June 29, 2021. Its principal business address is the same as ours. SHG provides management and operational services to hotel and motel owners. SHG does not offer and has never offered franchises in any other line of business. You may, but are not required to, use the services of SHG in the operation of your business.

Our affiliate, SHG Management, LLC (“SHGM”) is a Wisconsin limited liability company formed on June 29, 2021. Its principal business address is the same as ours. SHGM provides management and operational services to hotel and motel owners. SHGM does not offer and has never offered franchises in any other line of business. You may, but are not required to, use the services of SHGM in the operation of your business.

All of our affiliates provide or may provide services to each other and our franchisees. Consequently, our internal departments and personnel may provide substantially similar services to lodging facilities owned, operated, managed and franchised by our affiliates and may provide such services on a combined basis (i.e. combined system support, reservations systems, marketing programs).

The Franchised Business

Recognizing a need for high quality lodging facilities in underserved markets, we offer to qualified individuals and entities the right to own and operate a Cobblestone Lodging Facility franchise at an agreed-upon location under our standard form franchise agreement, attached to this disclosure document as Exhibit D (the “Franchise Agreement”). We offer the opportunity for you to build a new Cobblestone Lodging Facility or to convert an existing hotel property.

Cobblestone Lodging Facilities are upper-midscale, high-quality lodging and accommodation services meeting the needs of communities all over the country. They are commonly located in communities with populations in excess of 3,000 that are lacking quality accommodations, as well as in the suburbs of larger communities. Current Cobblestone Lodging Facilities are available in different sizes with the minimum number of required guest rooms being 35. There is no maximum guest room requirement. The market for your services will depend upon the location of your Cobblestone Lodging Facility as well as its size and other amenities. You will offer services to a broad range of the travelers, customers and businesses, local community members, and will solicit business from conventions and tour and travel groups. At any time during the term of the Franchise Agreement, we have the right to require you to hire a management company approved by us to manage and operate your hotel.

Competition

The businesses with which you will have to compete include national chains and franchises, as well as independently owned hotels and motels offering similar facilities to the same business and leisure travelers. The market for hotel and motel services is developed and the lodging industry is highly competitive. ~~Your ability to compete in your market will depend upon certain factors, including: the location of your hotel, the location of competing lodging properties, your financial and managerial capabilities, general economic conditions, and other factors.~~ Depending upon the location of your lodging facility, your sales may be seasonal.

Industry Specific Laws and Regulations

Cobblestone Lodging Facilities are subject to laws and regulations which generally apply to all businesses, and it will be your obligation to investigate those laws and regulations and abide by them. In addition, you will need to investigate and abide by all federal and state laws regarding the operation of motels and hotels, including those laws relating to: the liability of innkeepers, the posting of room rates, the registration of guests, and the accessibility to and use of motels and hotels

by persons with disabilities. You will also be required to comply with laws and regulations regarding food storage, handling, and preparation. In addition, the payment card industry Data Security Standard is the current standard of security requirements for all merchants or service providers that store, process, or transmit cardholder data. You are responsible for compliance with this standard. You will also need to investigate and determine the existence of local laws and regulations which may apply to your hotel, and which may affect the cost to you of constructing and/or operating your lodging facility. Consult with your lawyer about all laws that will apply to you and your lodging facility. Discuss with your architect the requirements of the Americans with Disabilities Act and all state and local accessible facilities laws.

ITEM 2: BUSINESS EXPERIENCE

Co-Owner & Chief Financial Officer – Kim Wogernese

Ms. Wogernese has served as ~~our~~the Chief Financial Officer of our affiliate, Cobblestone Hotel Group, LLC since 2007– and has served as our Chief Financial Officer since our creation in 2012.

Co-Owner – Jeremy Griesbach

Mr. Griesbach has been our co-owner since November 2017. Mr. Griesbach has also served as the President of Development for our affiliate, BriMark, since February of 2015. Prior to that, Mr. Griesbach was a Regional Developer for BriMark since 2011.

Brand President – Josie Kilgore

Ms. Kilgore has served as Brand President since January 2018. Prior to that, Ms. Kilgore served as our Vice President of Franchise Services since February of 2012. Prior to January of 2016, Ms. Kilgore was also our Vice President of Procurement since February of 2012. Prior to that Ms. Kilgore served in various roles for us since 2007.

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5: INITIAL FEES

Initial Fee and Application Fee

Upon signing the franchise agreement (the “Franchise Agreement”), you must pay us an initial fee of \$40,000 (the “Initial Fee”) for a Cobblestone Lodging Facility. All prospective franchisees must complete an application (the “Application”) and forward it to us for our review. A copy of the Application is attached to this disclosure document as Exhibit A. When you submit your Application to us, you must pay us an application fee of \$2,500. (the “Application Fee”). The Application Fee is non-refundable; however, if we approve your Application, the Application Fee

outside the estimated ranges provided. Unusually high development fees or prevailing wage rates 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.

Note 4: The estimated cost for furniture, fixtures, and equipment excludes the Property Management System.

Note 5: This estimate is for inventory items such as towels, linens, guest room amenities, paper good and maintenance supplies and equipment.

Note 6: If you use our standard interior design package, you will not be charged any additional fees for us to review.

Note 7: If you wish to use exterior signage that is not our standard in size, width, height, location, or type (i.e. monument, pole, chain letters), we may charge you up to \$5,000 to pay for the expense of an architect and market specialist to evaluate whether the proposed signage is acceptable. This fee is typically not refundable. If charged, this fee is due prior to receiving the services.

Note 8: If, due to inspections of your construction site, variations in your plans and specifications from our standards, the necessity to involve our architects, continual delays in the construction schedule, or your request that we review your construction documents and/or visit your construction site, we incur expenses associated with the construction of your lodging facility we may charge you up to \$20,000 to review your construction plans and specifications and monitor construction progress to ensure that our standards are being met by your contractor. This fee is typically not refundable. In addition to the Construction Review Fee you must also pay all travel, wages, lodging and other related expenses for our staff when they conduct on-site progress inspections. If charged, this fee is due prior to receiving the services.

Note 9: If you are converting an existing lodging facility, we do not anticipate that you will incur any additional funds during the first three-months that you do not normally incur in the continuing operation of your lodging facility. If you are constructing a new lodging facility, the estimated additional funds are based on our affiliates' experience of owning, operating, and managing Cobblestone Lodging Facilities, of your pre-opening expenses related to supplies and utilities, including travel, wages, lodging, and other related expenses, and working capital requirements for the first 3 months after your Cobblestone Lodging Facility opens for business. Working capital for the first 3 months includes general operating expenses such as lease payments, payroll, payroll expenses, facility expenses, pest control, security, and maintenance. ~~Your actual costs will depend on factors which include your management skill, experience and business acumen; local economic conditions; the prevailing wage rates; competition in the marketplace; and sales levels reached during the start-up phase of your business.~~ These amounts do not include any estimates for debt service.

Note 10: We do not offer direct or indirect financing. We do not guarantee your note, lease or obligations (See Item 10).

~~**Except as otherwise noted, none of these costs and expenses are refundable. These costs and expenses associated with converting or building a Cobblestone Lodging Facility are only estimates and your costs may be higher depending on your particular circumstances. You should review these figures carefully with a business advisor, accountant, or attorney before making any decision to purchase a franchise.~~

Addendum (see Exhibit E to this disclosure document) and you must pay us the Reservation Fees described in Item 6 of this disclosure document. The CRS services include connectivity to global distribution systems (GDS), online travel agents, website and mobile booking engines, reservation call centers, managing rates and content and revenue management. You must participate in third party reservation systems that we make available, including AMADEUS, GALILEO/APOLLO, SABRE, WORLDSPAN, various Internet reservation services (any of which may change), and all third party reservation services, which include direct connections into our central reservation system. ~~As of the date of this disclosure document~~ Currently, Synxis is the only approved supplier of the CRS services. Neither we nor any affiliate is an approved supplier of this CRS service. No alternative suppliers of the CRS will be considered and there are no criteria for approving alternative suppliers.

Property Management System

You must use the property management system provider that we select. Currently, we require the franchisees to use Stayntouch™, but we may change providers at any time. In exchange for us arranging for these services to be provided to you, you must execute a Property Management System Technology Addendum (see Exhibit F to this disclosure document) and you must pay us the Property Management Fees described in Item 6 of this disclosure document. The PMS may include but is not limited to property management services, point of sale service, CRM services, reservation management, hotel interfaces, and housekeeping management. ~~As of the date of this disclosure document~~ Currently, Stayntouch™ is the only approved supplier of the PMS services. Neither we nor any affiliate is an approved supplier of the PMS services. No alternative suppliers of the PMS will be considered and there are no criteria for approving alternative suppliers.

Call Center Reservation Services

You must use the Call Center Reservation Services provider that we select. Currently, we require the franchisees to use Sabre, but we may change providers at any time. In exchange for us arranging for these services to be provided to you, you must execute a Call Center Reservation Services Technology Addendum (see Exhibit G to this disclosure document) and you must pay us the Call Center Reservation Service Fees described in Item 6 of this disclosure document. The CCR services include all inbound and outbound calls in. ~~As of the date of this disclosure document~~ Currently, Sabre is the only approved supplier of the CCR services. Neither we nor any affiliate is an approved supplier of the CCR services. No alternative suppliers of the CCR will be considered and there are no criteria for approving alternative suppliers.

Cobblestone Rewards Program

You must participate in the Cobblestone Rewards Program. We administer the Rewards Program. In exchange for us administering the Rewards Program, you must execute a Cobblestone Rewards Program Technology Addendum (see Exhibit H to this disclosure document) and you must pay us the Cobblestone Rewards Program Fees described in Item 6 of this disclosure document. The Rewards Program services include administration and management of guest points and redemptions. ~~As of the date of this disclosure document~~ Currently, Cendyn is the only approved supplier of the Rewards Program services. Neither we nor any affiliate is an approved supplier of the Rewards Program services. No alternative suppliers of the Rewards Program will be considered and there are no criteria for approving alternative suppliers.

Contactless Check-In and Digital Authorizations

~~As of the date of this disclosure document~~ Currently, Contactless Check-In and Digital Authorizations are optional services, but we may make them mandatory at any time. There is currently no preferred provided for these services, but we may designate one at any time. Neither we nor any affiliate is an approved supplier of Contactless Check-In and Digital Authorization

Services. No alternative suppliers of the Contactless Check-In and Digital Authorizations will be considered and there are no criteria for approving alternative suppliers.

Credit Card Processing & Payment Gateway System

You must use the credit card processing and payment gateway system provider that we select. In exchange for us arranging for these services to be provided to you must pay the fees described in Item 6 of this disclosure document. ~~As of the date of this disclosure document~~ Currently, Shift4 is the only approved supplier of credit card processing services, but we change providers at any time. Neither we nor any affiliate is an approved supplier of the credit card processing services. No alternative suppliers of the credit card processing will be considered and there are no criteria for approving alternative suppliers.

Hardware and Software

You are required to have computer hardware at your Cobblestone Lodging Facility to use the CRS, CCR, PMS, Rewards Program, Contactless Check-In and Digital Authorizations, and credit card processing system; however we do not currently require that this be purchased or leased from us, our affiliates, or an approved supplier. At a minimum the computer hardware you are required to purchase consists of one (1) computer terminal for every 50 rooms. These terminals can be used for the CRS, CCR, PMS, Rewards Program, Contactless Check-In and Digital Authorizations, and credit card processing system (described above).

Proportion of Your Initial Investment and Ongoing Expenses

We estimate that your required purchases and leases from the approved and designated suppliers of the Cobblestone Rewards Program, Central Reservation System, Property Management System and Call Center Reservation Services will represent (i) approximately 0.1% to 0.5% of your initial investment for a newly constructed hotel and approximately 1.5% to 18% for a conversion; and (ii) approximately 15% to 30% of your ongoing monthly expense for either a newly constructed hotel or a conversion.

Items We Derive Revenue From

For the year ended December 31, 2023, our revenues and our affiliates revenues from the sale of goods and services to franchisees was \$3,368,675, or 40.83% of our total revenues of \$8,250,061. Except for the Cobblestone Rewards Program, the CRS, the CCR, and the PMS, you do not have to purchase or lease anything from us.

Other than as disclosed above, we derived no revenue or other material consideration as a result of required franchisee purchases or leases during the fiscal year ended December 31, 2023. Similarly, other than as disclosed above, no suppliers make payments to us from franchisee purchases.

If we do receive funds from unaffiliated third-party suppliers as a result of purchases franchisees are required to make, it will be used to offset the expenses of our Annual Conference.

Purchasing or Distribution Cooperatives

Neither we nor our franchisees have established any purchasing or distribution cooperatives ad of the fiscal year ended December 31, 2023.

Material Benefits

We attempt to negotiate purchase arrangements with third party suppliers (including price terms) for the benefit of all Cobblestone Lodging Facilities, “Boarders Inn & Suites by Cobblestone[®]”, “Key West[™]”, “Centerstone[™]”, and “Riverstone Suites by Cobblestone Hotels [™]” branded lodging facilities. We do not provide material benefits to you (including renewal rights or the right to open additional Cobblestone Lodging Facilities) based on your purchase of particular goods and services

(4) We may, in our discretion, hold annual conferences and/or training and motivational programs designed to generate and foster employee awareness, sensitivity, and responsiveness to the customers who patronize your Cobblestone Lodging Facility. Your General Manager is required to attend our conference. You must pay the registration fees established by us for these conferences and programs regardless of whether you attend. Currently the cost for each person to attend our conference is \$899. In addition, you must pay all of the travel, living, and employment-related expenses for you or your staff attending these conferences and programs. These conferences and programs will be held at the location or locations selected by us in our discretion (Franchise Agreement §11(A)).

(5) We may, in our discretion, sponsor one or more loyalty programs to promote and reward the frequent and regular guests of Cobblestone Lodging Facilities. You must, at your expense, participate in all these programs, including our current program, “Cobblestone Rewards” (Franchise Agreement §6(C)).

(6) We will, upon your request, provide you with advisory services related to guest service, property sales, and the operation of your Cobblestone Lodging Facility. You must reimburse us for all reasonable administrative and out-of-pocket expenses incurred by us in providing these services and provide lodging to our representatives at no charge (Franchise Agreement §12(A)).

(7) We will provide you with access to a central reservation system, (comprised of certain centralized reservation services, including Global Distribution Services, email/Internet, generic voice reservation services for your hotel and credit card processing. (Franchise Agreement §6(V)(1) - (3)).

(8) We reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum or other pricing requirements with respect to the prices you may charge for products and services. You must participate in and honor the terms of any discount or promotional program (including any room discounts or discount rate codes) that are applicable to your Cobblestone Lodging Facility, or any other lodging facilities we own, operate, manage or franchise, 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 will take all action necessary to participate in any discount or promotional programs (Franchise Agreement §6(J)).

(9) We will provide you with information regarding our standards of quality and uniformity upon request by a supplier or you (Franchise Agreement §6(K)).

Time of Opening

We estimate the time from the date you sign the Franchise Agreement to the date you open your Cobblestone Lodging Facility for business to be between 15 to 18 months if your facility is to be newly constructed and 2 to 4 months if you are converting an existing hotel to a Cobblestone Lodging Facility. However, this time estimate may vary depending on numerous factors, including location, construction or renovation schedules, permits, zoning and local ordinances, weather conditions, shortages, delayed installation of equipment, fixtures, and signage, and financing. Your Cobblestone Lodging Facility must be open for business within 4 months of signing your Franchise Agreement if you are converting an existing hotel and within 18 months of signing your Franchise Agreement if you are constructing a new hotel. We may grant you an extension of completion in our discretion.

Training

Your General Manager must successfully complete our full Training Program ~~to our satisfaction~~ before you open your hotel for business. If your General Manager oversees more than one hotel, one or more assistant managers must also successfully complete our Training Program. You or other individuals you designate may also attend the Training Program but are not required to do so. The

Training Program consists of up to five (5) days of classroom and on-the-job training for your General Manager on the basic management and operations of a Cobblestone Lodging Facility, including CARE training. Currently we charge \$499 per person for the Opening Training that is conducted at our corporate headquarters and \$500 per day for on-site training, which can be up to 9 days. You are responsible for all travel, wages, lodging, and other related expenses for the trainees and, during on-site training, our staff (Franchise Agreement §11(A)).

~~As of the date of this disclosure document~~Currently, training is conducted under the supervision of our Brand Services Team. Members of our Brand Services team have no less than 3 years' experience in the operation of lodging facilities. The materials used in the Training Program currently include our Rules and Regulations Manual. Our Training Program must be completed by your General Manager no more than one hundred twenty (120) days prior to the opening of your Cobblestone Lodging Facility and requires that your General Manager be present at our corporate headquarters for up to 5 days.

After your Cobblestone Lodging Facility opens for business, we may require additional training on an as-needed basis if your Cobblestone Lodging Facility is not operating in compliance with our standards, we institute new standards, or you hire employees that are unfamiliar with our standards.

Our Training Program consists of the following:

OPENING TRAINING

TRAINING PROGRAM	Hours of Classroom Training	Hours of On-The-Job Training	Location
Subject Taught			
Front Desk Application	16	Up to 20	On Property
Building Management & Operations	2	Up to 5	On Property
Safety and Security	1	Up to 2	On Property
Revenue Management	2	Up to 4	On Property
Guest Relations	4	Up to 5	On Property
Brand Standards	4	Up to 8	On Property
Total Hours	29	Up to 44	On Property

GENERAL MANAGER BRAND TRAINING (Including CARE Training)

Subject Taught	Hours of Classroom Training	Hours of On-The-Job Training	Location
Systems	24	NA	On Property
Building Management	30 min	NA	On Property
Safety and Security	1	NA	On Property
Revenue Management	8	NA	On Property
Guest Relation	4	NA	On Property

Oklahoma	1	0	0
South Dakota	0	0	0
Tennessee	0	1	0
Texas	1	2	0
Utah	1	2	0
Washington	1	1	0
Wisconsin	2	2	0
Wyoming	1	2	0
TOTAL	12	22	0

The names, addresses and telephone numbers of all current and former (terminated or cancelled) franchisees are disclosed on Exhibit L of this disclosure document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

There are no franchisees who have signed a confidentiality agreement that restricts a current or former franchisee from discussing his or her experience as a franchisee in the Cobblestone Lodging Facilities System during the last 3 years.

There are no franchisee organizations sponsored or endorsed by us and there are no independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21: FINANCIAL STATEMENTS

The ending date of our fiscal year is December 31. Attached to this disclosure document as Exhibit C are our audited financial statements for the fiscal years ended December 31, 2021, December 31, 2022 and December 31, 2023. Also included in Exhibit C are our unaudited financial statements as of July 23, 2024.

ITEM 22: CONTRACTS

The following attachments to this disclosure document contain the contracts:

- Exhibit D Franchise Agreement with Attachments
- Exhibit E Central Reservation System Technology Addendum
- Exhibit F Property Management System Technology Addendum
- Exhibit G Call Center Reservation Services Technology Addendum
- Exhibit H Cobblestone Rewards Program Technology Addendum
- Exhibit I Sojern Marketing Platform Agreement
- Exhibit J State Specific Addenda to the Franchise Disclosure Document and the Franchise Agreement
- Exhibit M General Release Form

ITEM 23: RECEIPTS

You will find copies of a detachable receipt in Exhibit N at the very end of this disclosure document.

<Remainder of Page Intentionally Left Blank>

UNAUDITED FINANCIALS STATEMENTS

AS OF JULY 23, 2024

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT**

Illinois law shall apply to and govern the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisee's right upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

Item 5 of this Franchise Disclosure is amended to include the following language:

Payment of all Initial Franchise Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's Financial condition.

-Remainder of Page Intentionally Blank-

**AMENDMENT TO THE COBBLESTONE HOTELS FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS**

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS §§ 705/1 et seq. (1987) (the “Act”), which govern the attached Board and Brush Creative Studio Franchise Agreement (the “Franchise Agreement”), the parties thereto agree as follows:

1. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

“Section 4 of the Act provides that no franchisee shall be required to litigate any cause of action, with the exception of arbitration proceedings, arising under the Franchise Agreement or the Act outside of the State of Illinois.”

2. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

“Illinois law governs the terms of this Franchise Agreement.”

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

“Section 41 of the Act provides that any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Act, or any other Illinois law is void. The foregoing requirement, however, shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act, and shall not prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.”

4. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

“To the extent any provision regarding termination or renewal of the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act §§ 815 ILCS §§ 705/19 and 705/20, the provisions of these sections of the Act will control.”

5. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Amendment.

6. No statement, questionnaire, or ~~acknowledgement~~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.

~~Remainder of Page Intentionally Blank~~ 7. Payment of all Initial Franchise Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has

commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's Financial condition.

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

FRANCHISOR:

COBBLESTONE HOTELS, LLC

By: _____

(Print Name, Title)

FRANCHISEE:

By: _____

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MARYLAND

The Office of Attorney General for the State of Maryland requires that certain provisions contained in franchise documents be amended to be consistent with Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated under the Act (collectively the “Maryland Franchise Law”). To the extent that this Disclosure Document or Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. No requirement that you agree to any release, assignment, novation, estoppel or waiver of liability as a condition to your purchasing a Cobblestone Hotels franchise shall act as a release, estoppel or waiver of any liability under the Maryland Franchise Law.
2. Item 17 is amended to state:
 - (a) Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.
 - (b) Any general release required by the terms and conditions of the Franchise Agreement as a condition of renewal, assignment or transfer shall not apply to any liability under the Maryland Franchise Law.
 - (c) Our right to terminate you upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq.*).
 - (d) Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

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 REGISTRATION OF THIS FRANCHISE DISCLOSURE DOCUMENT WITH MARYLAND SECURITIES DIVISION OF THE OFFICE OF ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE SECURITIES COMMISSIONER.

**AMENDMENT TO THE COBBLESTONE HOTELS, LLC FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MARYLAND**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated thereunder, the parties to the attached Cobblestone Hotels Franchise Agreement (the “Franchise Agreement”) agree as follows:

1. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a franchisee’s assent to a release of liability under that Law as a condition for the sale, renewal, assignment or transfer of the franchise. To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

2. To the extent of any inconsistencies, Section 17.1 of the Franchise Agreement is hereby amended to further state:

“Our right to terminate you upon your bankruptcy, however, may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq.*)”

3. To the extent of any inconsistencies, Section 20.3 of the Franchise Agreement is hereby amended to further state:

“Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.”

4. To the extent of any inconsistencies, Section 20.6 of the Franchise Agreement is hereby amended to further state:

“Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.”

5. 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.

6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., are met independently without reference to this Amendment.

7. 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 hereto have duly executed this Maryland Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

COBBLESTONE HOTELS, LLC

By: _____

(Print Name, Title)

FRANCHISEE:

By: _____

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

**ADDENDUM TO
COBBLESTONE HOTELS, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA**

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17.h. of the Franchise Disclosure Document for Cobblestone Hotels, LLC is supplemented by the following:

“Under 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.”

“Any securities offered or sold by the Investor Franchisee as part of the Cobblestone Hotels, LLC Franchise must either be registered or exempt from registration under Section 13.1-514 of the Virginia Securities Act.”

2. Estimate Initial Investment. The franchisee will be required to make an estimate initial investment ranging from \$5,369,999 to \$23,992,003. This amount exceeds the franchisor’s stockholders’ equity as of December 31, 2023, which is \$258,627.

3. 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.

COBBLESTONE HOTELS, LLC
DISCLOSURE DOCUMENT STATE EFFECTIVE DATES AND RECEIPTS

EXHIBIT N TO THE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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
Illinois	Pending <u>July 31, 2024</u>
Indiana	Exempt
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending <u>August 5, 2024</u>
Rhode Island	Pending <u>May 1, 2024</u>
South Dakota	Pending <u>June 17, 2024</u>
Virginia	Pending <u>July 24, 2024</u>
Washington	Pending
Wisconsin	Pending <u>June 14, 2024</u>

Other states may require registration, filing, or exemption of a franchise under the laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.