

FRANCHISE DISCLOSURE DOCUMENT



Received
LA Mailroom

JUL 25 2016

Department of
Business Oversight

VANTAGE FRANCHISING, INC.
(A Florida corporation)
3300 N. University Drive, Suite 500
Coral Springs, Florida 33065
Telephone Number: 954-575-2668
www.JoinVantageHotels.com/CountryHearth
development@joinvantagehotels.com

The franchise is for the operation of lodging facilities in the budget lodging segment, under the trademark Country Hearth Inn® and certain other proprietary marks.

The total investment to convert an existing lodging facility into a 50-room Country Hearth Inn is \$58,000 to \$483,000. This estimate includes the \$11,000 to \$17,000 that must be paid to our affiliate or us.

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, please contact the Development Coordinator at Vantage Franchising, Inc., 3300 N. University Drive, Suite 500, Coral Springs, Florida 33065, 954-575-2668, or at development@joinvantagehotels.com.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You also can 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 also may be laws on franchising in your state. Ask your state agencies about them.

The date of issuance of this disclosure document is: July 18, 2016.

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN FLORIDA. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN FLORIDA THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT FLORIDA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. ANY INDIVIDUALS OWNING 20% OR GREATER LEGAL OR BENEFICIAL INTEREST IN THE FRANCHISEE ARE REQUIRED TO SIGN A GUARANTY OF YOUR OBLIGATIONS AND BE BOUND BY THE PROVISIONS OF OUR FRANCHISE AGREEMENT. THE SPOUSES OF THE GUARANTORS MAY ALSO BE REQUIRED TO CONSENT TO THE GUARANTY, WHICH PLACES THE SPOUSES' MARITAL ASSETS AT RISK.

4. THIS FRANCHISE AGREEMENT PROVIDES THAT IT WOULD BE DIFFICULT IF NOT IMPOSSIBLE TO DETERMINE THE AMOUNT OF CERTAIN DAMAGES THAT WE WOULD SUFFER IF THIS AGREEMENT IS TERMINATED. THEREFORE, FRANCHISEE AGREES TO A PREDETERMINED AMOUNT TO COVER CERTAIN DAMAGES.

5. THIS FRANCHISE AGREEMENT PROVIDES THAT YOU AGREE THAT WE WILL NOT BE REQUIRED TO POST A BOND TO OBTAIN INJUNCTIVE RELIEF AND THAT YOUR ONLY REMEDY IF AN INJUNCTION IS ENTERED AGAINST YOU WILL BE THE DISSOLUTION OF THAT INJUNCTION, IF WARRANTED, UPON DUE HEARING, AND YOU HEREBY EXPRESSLY WAIVE ANY CLAIM FOR DAMAGES CAUSED BY SUCH INJUNCTION.

6. WHILE THE FRANCHISE AGREEMENT HAS A TERM OF THREE YEARS, THE FRANCHISE AGREEMENT PROVIDES FOR A TERMINATION WITHOUT CAUSE BY EITHER PARTY AS OF THE FIRST ANNIVERSARY OF THE BILLING START DATE OF THE FRANCHISE AGREEMENT.

7. THIS FRANCHISE AGREEMENT PROVIDES THAT BOTH PARTIES WAIVE THE RIGHT TO A TRIAL BY JURY.

8. THE TERRITORY IS NOT EXCLUSIVE. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS FRANCHISOR CONTROLS.

9. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that the 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 disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California effective date: _____, 2016

Hawaii effective date: _____, 2016

Illinois effective date: _____, 2016

Indiana effective date: _____, 2016

Maryland effective date: _____, 2016

Michigan effective date: July 18, 2016

Minnesota effective date: _____, 2016

New York effective date: _____, 2016

North Dakota effective date: _____, 2016

Rhode Island effective date: _____, 2016

South Dakota effective date: _____, 2016

Virginia effective date: _____, 2016

Washington effective date: _____, 2016

Wisconsin effective date: _____, 2016

In all other states that do not require registration, the effective date of this disclosure document is the issuance date of July 18, 2016.

THE FOLLOWING APPLY TO
TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY

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

- (a) A prohibition on 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 the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 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 first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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:

Michigan Attorney General's Office
Consumer Protection Division
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
Telephone Number: 517-373-7117

Note: Despite subparagraph (f) above, we intend, and we and you agree to fully enforce the arbitration provisions of the franchise agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions. You acknowledge that we will seek to enforce this section as written.

Table of Contents

ITEM 1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	1
ITEM 2. BUSINESS EXPERIENCE	4
ITEM 3. LITIGATION	7
ITEM 4. BANKRUPTCY	8
ITEM 5. INITIAL FEES	8
ITEM 6. OTHER FEES	9
ITEM 7. ESTIMATED INITIAL INVESTMENT	12
ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	15
ITEM 9. FRANCHISEE'S OBLIGATIONS	18
ITEM 10. FINANCING	19
ITEM 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	19
ITEM 12. TERRITORY	27
ITEM 13. TRADEMARKS	29
ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	31
ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	31
ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	32
ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	32
ITEM 18. PUBLIC FIGURES	36
ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS	36
ITEM 20. OUTLETS AND FRANCHISEE INFORMATION	37
ITEM 21. FINANCIAL STATEMENTS	43
ITEM 22. CONTRACTS	43
ITEM 23. RECEIPTS	43

EXHIBITS:

Exhibit A –	List of State Administrators/Agents for Service of Process
Exhibit B –	Membership Agreement
Exhibit C –	Application
Exhibit D –	Representations and Acknowledgement Statement
Exhibit E –	Financial Statements
Exhibit F –	Guarantee of Performance
Exhibit G –	List of Current Franchisee Outlets
Exhibit H –	List of Franchisee Outlets Terminated, Not Renewed or Who Otherwise Left the System
Exhibit I –	Sample General Release
Exhibit J –	State Addenda and Agreement Riders
Exhibit K –	Receipts

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

To simplify the language in this disclosure document, "Vantage" means Vantage Franchising, Inc., the franchisor. References to the "Country Hearth brand" or "Brand" mean Country Hearth Inn, including its brand extensions (for example, Country Hearth Inn & Suites®, Country Hearth Suites, and such other brand extensions as we may authorize). "We," "us," and "our" also refer to Vantage Franchising, Inc. "You" and "your" mean the person or entity that buys the franchise, the franchisee. Once you have become a franchisee, you also will be known as a "Brand Member." We use the terms "franchisor" and "franchisee" in this disclosure document where required or suggested by franchising laws, regulations, or guidelines. Use of those terms does not diminish the brand membership nature of our relationship.

If the purchaser of the franchise is a partnership, corporation, limited liability company, or other entity, "you" includes those persons that have a 20% or greater legal or beneficial ownership interest in the franchisee entity, who will have to guarantee your obligations and be bound by the provisions of your franchise agreement (which we call a "Membership Agreement"), the form of which is attached as Exhibit B to this disclosure document, and other agreements as described in this disclosure document. The spouse of each guarantor also may be required to acknowledge the guaranty.

Our Corporate Information

We are a Florida corporation, incorporated on September 10, 2012 and were formerly known as Lexington Franchising, Inc. Our principal business address is 3300 N. University Drive, Suite 500, Coral Springs, Florida 33065.

Our agents for service of process are listed on Exhibit A to this disclosure document.

Parents and Predecessors

Vantage Hospitality Group, Inc. ("Vantage Hospitality") is our parent. Vantage Hospitality is a Florida corporation organized on June 24, 1999. It shares our principal business address. Vantage Hospitality performs certain of our obligations under your Membership Agreement on our behalf, and provides various support services to Brand Members.

Vantage Hospitality never has offered franchises in any business. However, Vantage Hospitality has engaged in the hospitality industry since June 24, 1999. From 1999 to 2004, it operated in the United States under the name Best Value Inn Brand Membership, Inc., and offered brand affiliation in what it refers to as a "membership" model under the name "Best Value Inn." In 2004, the company changed its name from Best Value Inn Brand Membership, Inc., to Vantage Hospitality Group, Inc., and commenced offering memberships in the "Americas Best Value Inn®" brand. At that time, existing member properties also changed their name from "Best Value Inn" to "Americas Best Value Inn." Vantage Hospitality ceased offering memberships in the Americas Best Value Inn brand in early March 2015.

The brands in which Vantage Hospitality has offered membership include its limited service brands (Americas Best Value Inn, Canadas Best Value Inn, Value Inn Worldwide, and certain extensions of those brands, collectively known as the "Best Value" brand). As of December 31, 2015, there were a total of 861 non-franchised Best Value brand members (open or under contract) in the United States, but no Best Value brand franchised units under agreement with Vantage Hospitality.

Vantage Hospitality also offered membership in the Lexington® by Vantage brand (the "Lexington brand") from 2005 through mid-November 2013. During that period, 54 members enrolled in the Lexington brand in the United States and 1 enrolled in Canada. As of December 31, 2015, there were a total of 20 non-franchised Lexington brand members open or under contract with Vantage Hospitality.

On January 15, 2015, Vantage Hospitality acquired certain intellectual property from America's Best Franchising, Inc. ("ABFI"), including the intellectual property related to the following franchise systems and brands: *Jameson Inn*; *Country Hearth Inn*; *America's Best Inns & Suites*; and *Signature Inn*. Also on January 15, 2015, Vantage Hospitality's wholly-owned subsidiary, LHINDI, Inc., a Florida corporation ("LHINDI"), acquired the operating assets, including the license agreements (these franchise systems referred to franchise agreements as license agreements), relating to the franchise systems from ABFI, Jameson Inn, Inc., Country Hearth Inn, Inc., and America's Best Inn, Inc. Since the acquisition on January 15, 2015, LHINDI has acted as the licensor under the existing license agreements for each of these brands, but has not offered and will not offer new franchises under any of these franchise systems. Although LHINDI is the licensor, Vantage Hospitality has agreed to manage the Jameson Inn, Country Hearth Inn and America's Best Inns & Suites brands and provides services to the licensees of such brands. At the time of acquisition, there were 25 Jameson Inn franchised units, 85 America's Best Inns & Suites franchised units and no Signature Inn franchised units. Additionally, on December 31, 2015, Vantage Hospitality acquired from ABFI the intellectual property related to the 3 Palms Hotels & Resorts brand and LHINDI acquired the operating assets relating to the 3 Palms Hotels & Resorts brand. At the time of acquisition, there were four licensed 3 Palms Hotels and Resorts; LHINDI is the licensor under those license agreements. Neither Vantage Hospitality nor we nor LHINDI intend to offer or sell franchises under the 3 Palms Hotels and Resorts brand or the America's Best Inns & Suites brand.

We have no other predecessors from whom we acquired, directly or indirectly, the major portion of our assets within the past 10-year period.

Affiliates Providing Goods or Services to Franchisees

The following affiliates provide or offer goods or services to our Brand Members: (a) Vantage Hospitality licenses us rights to certain of the Proprietary Marks (defined in Item 13) in the United States (which we then license to Brand Members), performs many of our post-sale obligations to Brand Members, and provides various support services to Brand Members with respect to the operation of the Lodging Facility; (b) Brown Nester Hospitality Services, Inc. ("Brown Nester"), whose principal business address is 2393 Townsgate Road, Suite 100, Westlake Village, California 91361, provides hotel brokerage and related consulting and valuation services; (c) BrownNester-Florida, LLC ("BrownNester-Florida") provides hotel brokerage and developer consulting services; (d) Vantage Insurance Services, Inc. ("VISI") is a full-service insurance agency specializing in hoteliers' insurance needs; and (e) Cal-Vegas Limited dba Vantage Hotel Management ("VHM") provides hotel management services. Other than Brown Nester, all of these affiliates share our principal business address located in Coral Springs, Florida. Brown Nester shares space with us in our Westlake Village, California office.

Affiliates Offering Franchises

Other than as follows, none of our affiliates offers franchises for any line of business: (a) Vantage Franchising (Canada) Inc. ("Vantage Canada"), formerly known as Canadas BV Inn Inc., has been offering franchises for the operation of lodging facilities in Canada under the

Canadas Best Value Inn brand since 2009, and as of December 31, 2015, 37 lodging facilities had joined that brand; (b) Van Asia (Korea) Limited entered into a master licensing agreement in 2012 to offer in South Korea the Value Inn Worldwide and Value Hotel Worldwide brands (as the Lexington brand is known in South Korea) and as of December 31, 2015, five hotels had joined that brand; and (c) Van Asia Limited entered into a master license agreement under which the master licensee offers membership in the Value Inn Worldwide and Value Hotel Worldwide brands throughout India and, as of December 31, 2015, had not yet enrolled any members. All of these affiliates share our principal business address.

Franchisor's Business

We began offering franchises for Country Hearth-branded Lodging Facilities (defined below) as of March 11, 2015. Since December 2013, we have offered franchises for Lexington-branded lodging facilities. Also as of March 11, 2015, we began offering franchises for lodging facilities under the brand names Jameson Inn, Signature Inn, and Americas Best Value Inn, each under a separate franchise disclosure document. We have not offered franchises for any other line of business. We do business as Vantage Franchising, Inc. We do not do business or currently intend to do business under any other name. We have not conducted the type of business that a franchisee will operate. As of December 31, 2015, there were 7 Lexington-branded franchised units open or under contract with us, 3 Jameson Inn-branded franchised units open or under contract with us, 4 Signature Inn-branded franchised units open or under contract with us, and 45 Americas Best Value Inn-branded franchised units open or under contract with us.

The Franchise

A franchise grants you the right to operate a Country Hearth-branded lodging facility ("Lodging Facility") involving a distinctive brand that is part of an innovative family of brands. The franchise concept allows hotel operators greater autonomy in their operations than conventional hotel franchises, while also providing brand standards that may be less elaborate or rigid compared to conventional hotel franchises, as well as "A Voice and A Vote[®]" in many of the Brand's policies and directions. Although Lodging Facilities previously operated in the upper economy to lower midscale lodging segments, during the 2015 fiscal year we repositioned the Country Hearth brand to operate in the budget lodging segment going forward. Currently, we only offer franchises for existing lodging facilities to convert into a Lodging Facility.

Each Lodging Facility must have at least 30 Guest Rooms, unless we approve otherwise, and offer complimentary WiFi in the lobby. Although continental breakfast is not required, if it is provided, it must meet AAA 1-diamond standards. In all cases, we expect the properties to offer clean affordable lodging and courteous and professional service, and otherwise be run according to our Brand Standards. The "Brand Standards" include all of our mandatory policies, procedures, specifications, standards, operating procedures, service standards and rules we periodically prescribe for operating a Lodging Facility, whether described in our resource guides, policy statements, and program manuals (if any) (our "Brand Manuals") or otherwise provided in writing, and our "Trade Dress" (which means the business design and image owned by us and our affiliates pertaining to Country Hearth-branded Lodging Facilities), and other Proprietary Property (as defined in Item 14), all of which may be further revised and developed by us.

General Market and Competition

The market for budget lodging facilities is well-established. These properties generally appeal to both leisure and business travelers. Seasonality depends in large part on the location of an individual Lodging Facility. For example, a Lodging Facility in a ski area may be more sensitive to seasonal fluctuations than a Lodging Facility near a military base. Similarly, sales to groups (whether social, such as a traveling sports team, or business, such as an inventory audit team) depend, in part, on the location of the Lodging Facility, as well as the services and amenities you provide.

The hospitality industry is highly competitive. Country Hearth properties compete with all types of facilities that offer transient guest lodging to the public. The primary competition on a nationwide basis is from lodging facilities affiliated with other major chains, including Vantage Hospitality's and our other brands, as well as independently-owned and operated hotels and motels. The Country Hearth brand generally competes with established lodging chains in the budget lodging segment of the industry. Some of those competitors are more established and better known than Country Hearth. Your ability to compete in your market will depend in large part on: room rates; service levels; your geographic area and site location; quality of accommodations; marketing; the skill, expertise, and dedication of your management and employees; and general economic conditions.

Industry Regulations

You must comply with a number of federal, state and local laws and regulations that apply to businesses generally, as well as to the construction, maintenance, and operation of lodging facilities. You must secure and maintain in force all required licenses, permits and certificates relating to the operation of your Lodging Facility and the other licenses applicable to your employees. These include: privacy laws; environmental laws; innkeeper liability laws; laws regarding the posting of hotel room rates and identification of guests; food handling, preparation and service regulations (if food is served at the premises); minimum wage and labor laws; the Americans with Disabilities Act; and the Occupational, Health and Safety Act. It will be your responsibility to research all applicable laws, and we strongly advise that you consult with a local attorney and contact local, state and federal agencies before signing your Membership Agreement, to determine your legal obligations and evaluate the possible effects on your costs and operations.

ITEM 2. BUSINESS EXPERIENCE

Roger J. Bloss: President & CEO, Chairman of the Board

Roger Bloss has served as our President and Chief Executive Officer, and has been our Chairman of the Board of Directors since our formation in September 2012. He founded Vantage Hospitality in 1999, and has continued to serve as Vantage Hospitality's President and Chief Executive Officer since that time. Mr. Bloss became Chairman of Vantage Hospitality's Board of Directors in June 2009. He also is a director and officer of certain of our other affiliates as follows: Director and President of Thirty-Eight Street, Inc. ("TESI") since April 1987; Director of VISI since January 2008; Director and Vice President, Marketing, of Brown Nester since March 2011; Director, President and Chief Executive Officer of Vantage Hospitality (Canada) Inc. ("Vantage Hospitality (Canada)") since June 2009; Director, President and Chief Executive Officer of Vantage Canada since June 2009; Director and President of LHINDI since August 2012; Director of Van Asia (Korea), Ltd. since September 2012; Director of Van Asia, Ltd. since

August 2012; Director and President of VantaCruise, Inc. ("VantaCruise") since September 2013; Manager of Cruise Inn Holdings, LLC ("Cruise Inn Holdings") since 2013; Manager of Cruise Inn Membership, LLC ("Cruise Inn Membership") since 2013; and, President, Chief Executive Officer and Director of VAPAC, Inc. ("VAPAC") since December 2010. Mr. Bloss is based in Vantage Hospitality's Westlake Village, California office.

Bernard ("Bernie") T. Moyle: COO & CFO, Member of the Board

Bernie Moyle has served as our Chief Operating Officer and Chief Financial Officer, and has been a Member of the Board of Directors, since our formation in September 2012. He co-founded Vantage Hospitality in 1999, and has continued to serve as Vantage Hospitality's Chief Operating Officer and Chief Financial Officer since that time. He has been a director of Vantage Hospitality since June 1999 and also has served as the Vice-President, Secretary and Treasurer of Vantage Hospitality since June 1999. Mr. Moyle also is a director and officer of certain of our other affiliates as follows: Director, Vice-President, Secretary and Treasurer of TESI since April 1987; Director and Secretary of VISI since January 2008; Director, Secretary and Treasurer of Brown Nester since March 2011; Director, Chief Operating Officer, Vice-President, Secretary and Treasurer of Vantage Hospitality (Canada) since June 2009; Director, Chief Operating Officer, Vice-President, Secretary and Treasurer of Vantage Canada since June 2009; Director, Vice-President and Secretary of LHINDI since August 2012; Director of Van Asia (Korea), Ltd. since September 2012; Director of Van Asia, Ltd. since August 2012; Director, Vice-President and Treasurer of VantaCruise since September 2013; Chief Operating Officer, Secretary, Treasurer and Director of VAPAC since December 2010; Manager of VAPAC Jacksonville, LLC since October 2015; Manager of VCC Flock, LLC since 2010; Manager of VCC Pro Shop LLC since 2012; President of LexDevCoJax, LLC since June 2015; Manager of ACC Strategies, LLC since 2009; President of The Country Club of Coral Springs, Inc. since 2011; President and Secretary of The Country Club of Coral Springs Golf Academy, Inc. since 2011; Manager of Cruise Inn Holdings since 2013; and, Manager of Cruise Inn Membership since 2013. He also is the President of Bernard T. Moyle, P.A., located in Coral Springs, Florida. Mr. Moyle is based in Vantage Hospitality's Coral Springs, Florida office.

Louis B. Fisher, III: Member of the Board (Vantage Hospitality)

Louis Fisher has served as a member of the Board of Directors of our affiliates Vantage Hospitality and TESI since their respective formations. From 2008 to 2012, Mr. Fisher was the President of Ameribid, LLC, located in St. Augustine, Florida, and from 2001 through the present he has been a National Director for Sperry Van Ness Auction Services, LLC located in St. Augustine, Florida. Since its formation in 2003, Mr. Fisher also has been the President of Louis B. Fisher, III, Inc., located in St. Augustine, Florida.

Patrick Mullinix: Group President, Value Brands (Vantage Hospitality)

Patrick Mullinix joined Vantage Hospitality in 2002 and has held various positions, including Senior Director of Development and Executive Vice President of Development, and since September 2013 has served as the Group President of Value Brands. Mr. Mullinix is based in Lakeview, Texas.

Peter Frantz: Marketing Director and Member of the Board (Vantage Hospitality)

Peter Frantz has served as Vantage Hospitality's Marketing Director, and has been a Member of the Board of Directors of Vantage Hospitality, since its inception in 1999. Since its

formation in March 2011, he also has been a Member of the Board of Directors of Brown Nester. Since February 1995, he also has served as the President of JCF Marketing, Inc., located in Chagrin Falls, Ohio. Mr. Frantz is based in Vantage Hospitality's Chagrin Falls, Ohio office.

Jordan Langlois: VP, Brand Management

Jordan Langlois joined Vantage Hospitality in 2002 as a Brand Manager, was promoted to Senior Brand Manager in 2005, and has served as its Vice President of Brand Management since 2007. He has served as our Vice President of Brand Management since 2014 and as Vice President of Brand Management for Vantage Canada since 2015. Mr. Langlois is based in Vantage Hospitality's Coral Springs, Florida office.

Peter Casey: Director of Brand Management, Value Brands (Vantage Hospitality)

Peter Casey joined Vantage Hospitality in 2008 and has been its Director of Brand Management of the Value Brands since February 2015. From May 2013 to February 2015, he was a Brand Manager for Vantage Hospitality, and from November 2008 to May 2013 he was a Member Care Manager for Vantage Hospitality. Mr. Casey is based in Vantage Hospitality's Coral Springs, Florida office.

Taylor Goff: Manager of Member Development (Vantage Hospitality)

Taylor Goff joined Vantage Hospitality in 2011 and has been its Manager of Member Development since January 2013. From May 2012 to May 2013, he was Sales Coordinator and from May 2011 to May 2012, he was a Member Care Manager. Prior to that, from January 2010 to May 2011, Mr. Goff was a Front Desk Manager for an Americas Best Value Inn located in St. Clairsville, Ohio. Mr. Goff is based in Columbus, Ohio.

Judith ("Judi") A. Jarvis: VP, Legal Affairs and CLO

Judi Jarvis joined Vantage Hospitality in 2008 as its Vice President of Legal Affairs and Chief Legal Officer. Ms. Jarvis also has served as our Vice President of Legal Affairs and Chief Legal Officer since April 2015. Prior to that time, she was (and still is) president of The Law Offices of Judith A. Jarvis, P.A., located in Coral Springs, Florida. Ms. Jarvis is based in Vantage Hospitality's Coral Springs, Florida office.

Andrew Kraemer: VP, IT and Electronic Distribution (Vantage Hospitality)

Andrew Kraemer joined Vantage Hospitality in July 2015 as its Vice President of IT and Electronic Distribution. Since October 2010, Mr. Kraemer has been a member of RevGenie, LLC in Middlesex, New Jersey. From April 2009 to May 2011, Mr. Kraemer was a Business Agent with Mphasis in Parsippany, New Jersey. Mr. Kraemer is based out of Vantage Hospitality's Coral Springs, Florida office.

Timothy ("Tim") F. Liston: Controller (Vantage Hospitality)

Tim Liston has served as Vantage Hospitality's Controller since he joined the company in 2005. Mr. Liston is based in Vantage Hospitality's Coral Springs, Florida office.

Maxine Lockhart: VP, Sales and New Business Development (Vantage Hospitality)

Maxine Lockhart joined Vantage Hospitality in 2009 and has served as its Vice President of Sales and New Business Development since July 2015. Prior to that, Ms. Lockhart served as its Vice President of Groups, Meetings and Incentives from January 2012 to July 2015 and its Director of Groups, Meetings and Incentives from January 2009 to January 2012. Ms. Lockhart is based in Vantage Hospitality's Coral Springs, Florida office.

James ("Jim") Maguire: VP, Guest Relations (Vantage Hospitality)

James Maguire joined Vantage Hospitality in September 2014 as its Vice President of Guest Relations. Mr. Maguire also has served as a director and officer of The Country Club of Coral Springs, Inc., in Coral Springs, Florida, as follows: President during 2010, Director during 2011, and Secretary since 2012. From September 2012 to September 2014, Mr. Maguire was the Director of Operations for iQor in Fort Lauderdale, Florida. During the month of August 2012, Mr. Maguire spent time traveling. From April 2005 to July 2012, Mr. Maguire was the Director of Operations for Cross Country Home Services in Sunrise, Florida.

Jesse Ostrum: VP, Revenue Management (Vantage Hospitality)

Jesse Ostrum joined Vantage Hospitality in 2009 and has served as its Vice President of Revenue Management since October 2012. Prior to that, Mr. Ostrum served as its Director of Revenue Management from February 2009 to October 2012. Mr. Ostrum is based in Vantage Hospitality's Coral Springs, Florida office.

ITEM 3. LITIGATION

Pending

Ashok Daftary et al. vs. Vantage Hospitality Group, Inc., Case No. 32-SC-16-00015 (Justice Court, Precinct 3, Place 2, Collin County, Texas). On January 26, 2016, Ashok Daftary and Jain Hospitality Co. (together, "Daftary") filed a small claims lawsuit against Vantage Hospitality seeking the return of a \$1,500 application fee and damages in the amount \$1,500. Daftary claims that Vantage Hospitality breached its contract with Daftary and violated the Deceptive Trade Practices Act. Daftary completed and submitted a membership application to Vantage Hospitality in January 2015, along with the non-refundable \$1,500 application fee; however, it never entered into a membership agreement with Vantage Hospitality. Vantage Hospitality has filed an answer denying all claims by Daftary and intends to seek a date for trial before the Justice of the Peace.

Vantage Hospitality Group, Inc. v. LWMW Management, LLC, Case No. 48,459-A (42nd Judicial District Court, Taylor County, State of Texas). On July 24, 2013, Vantage Hospitality filed a lawsuit in the 42nd Judicial District Court in Taylor County, Texas against LWMW Management, LLC for breach of contract as a result of LWMW Management's failure to pay Vantage Hospitality amounts due under a membership agreement between the parties. On August 19, 2013, LWMW Management filed an answer and counterclaims alleging that Vantage Hospitality had breached the membership agreement, was unjustly enriched, made false representations and engaged in deceptive trade practices. On October 31, 2014, Vantage Hospitality filed an amended complaint increasing the amount of the monetary relief sought. As of the date of this disclosure document, no trial date has been set.

Completed

In October 2008, Vantage Hospitality agreed with the South Dakota Department of Revenue & Regulation that Vantage Hospitality would: (a) refrain from offering any new memberships in South Dakota unless and until Vantage Hospitality registers Americas Best Value Inn as a franchise in that state; and (b) offer each then current member a right of rescission. This was in response to an investigation that did not result in formal proceedings against Vantage Hospitality. All of the then current members rejected the rescission offer.

Other than the above actions, no litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

When you complete your application, you will pay us an application fee of \$1,000.

When you sign your Membership Agreement, you will pay us an initial fee equal to the sum of (a) \$10,000 plus (b) the product of \$100 times the number of Guest Rooms in excess of 50. By way of example, if your Lodging Facility has 60 Guest Rooms, the initial fee will be \$11,000 (\$10,000 plus \$100 times 10).

If you propose to purchase signage bearing any Proprietary Marks from any supplier that is not a member of Vantage Hospitality's preferred vendor network, you will pay us a signage approval fee before we review the proposed vendor (currently \$3,000; we may increase it up to a maximum amount of \$5,000 in the future).

If you choose to have us develop your Lodging Facility-specific website we will charge you between \$1,200 and \$2,000, depending on how content-rich the website is.

If we issue you a Property Improvement Plan ("PIP") to which you must agree as a condition of approval that sets forth a list of items you must perform to conform your Lodging Facility to the Brand Standards prior to your Opening Date, you will pay us a \$1,000 fee, before we approve you as a Brand Member, to cover the cost of preparing or verifying completion of that PIP (the "PIP Fee"). "Opening Date" means the date the Lodging Facility opens for business under the brand.

If we issue you a PIP as a condition of approval and, within five days of delivery of that PIP, you notify us in writing that you will not comply with the requirements of that PIP, we will refund the initial fee only (as long as you are not otherwise in default of the Membership Agreement and you and your owners have executed a general release in a form satisfactory to us), and we will retain the application fee. Further, if we decline to accept your application because we believe it would negatively impact an existing Brand Member, we will refund your application fee, initial fee and PIP Fee. Otherwise, none of the payments described in this Item is refundable.

ITEM 6. OTHER FEES

TYPE OF FEE ^{1,2}	AMOUNT	DUE DATE ³	REMARKS
Membership Fee	The sum of (x) \$17.50 per Guest Room for the first 50 Guest Rooms, (y) \$13.50 per Guest Room for Guest Rooms 51 to 75, and (z) \$12.50 per Guest Room for any Guest Rooms in excess of 75.	Monthly upon delivery of invoice	You will pay a minimum monthly Membership Fee of \$700. This fee may be periodically increased by us upon the affirmative vote of at least 60% of the Brand Members voting in person at our Brand Conference or at a telephonic or web meeting of the Brand Members convened by us (the "Voting Members"); however, we may increase the Membership Fee by the most recently published National Consumer Price Index-All Urban Consumers-All Items (1982-1984 = 100) as most recently published by the U.S. Department of Labor, or a successor index ("CPI"), without the approval of the Voting Members.
Marketing Fee	The product of \$12 times the number of Guest Rooms.	Monthly upon delivery of invoice	You will pay a minimum monthly Marketing Fee of \$480. This fee may be periodically increased by us upon the affirmative vote of at least 60% of the Voting Members; however, we may increase the Marketing Fee by the most recently published CPI without the approval of the Voting Members.
Revenue Support Fee	\$149 to \$199 per month	Monthly upon delivery of invoice	You will pay us this continuing monthly fee for (i) your participation in the Vantage Competitive Intelligence Program, our revenue management program required of all Brand Members, and (ii) a property management system ("PMS")-to-central reservation system ("CRS") connectivity fee charged by our CRS, which will be invoiced and collected by us, and remitted to the CRS provider. This fee is subject to increase as the third-party fees increase.
Conference Fee	\$75 per month	Monthly upon delivery of invoice	If you timely pay all of your Conference Fees, one of your representatives may attend our Brand Conference for no additional registration fee. In addition, you must pay your attendees' expenses of travel, lodging, certain meals, and other out-of-pocket costs. Other than any registration fees, these fees are paid to third parties. We may periodically increase the Conference Fee.

TYPE OF FEE ^{1,2}	AMOUNT	DUE DATE ³	REMARKS
PMS Interface Set Up Fee	\$395	At implementation of interface	This is a one-time fee charged by Sabre Hospitality Solutions, Inc. ("Sabre"), our third-party CRS provider, for setting up an interface with your PMS. This is in addition to any software development fee that may be charged by the CRS if you select a PMS that does not currently interface with the CRS. This fee will be invoiced and collected by us and remitted to Sabre. As of the date of this disclosure document, it is Sabre's practice to waive this fee if you use Sabre's PMS.
Signage Approval Fee	Currently, \$3,000	Upon demand, if applicable	If you propose to purchase any signage bearing any Proprietary Marks from a supplier that is not a member of Vantage Hospitality's preferred vendor network, you will pay us our then current signage approval fee. Our current fee is \$3,000 but we may increase it up to a maximum amount of \$5,000 in the future.
Vantage Rewards Program Fee	Currently we do not charge a fee in connection with the Vantage Rewards program. ⁴	Upon delivery of invoice, if applicable	You will be required to participate in the Vantage Rewards program (described in detail in Item 11). Under the Vantage Rewards program, you will give a 15% discount to participating guests, subject to availability.
Transfer Fee	Currently, a minimum of \$5,000	Before transfer	Your transferee or you must pay us a transfer fee in the amount of 50% of the then-applicable initial fee for new Brand Members if you transfer your Lodging Facility. Based on the current initial fee and assuming a Lodging Facility has 50 or fewer Guest Rooms, the transfer fee is currently \$5,000. This is in lieu of your transferee paying an application fee or an initial fee.
Late Payment Charge	The greater of (a) \$25 or (b) 1.5% of the overdue amount	Upon demand	Imposed if any payment you owe us is overdue.
PIP Re-inspection Fee	Currently, \$1,000	Upon demand	If we issue you a PIP as a condition of renewal or transfer, or as a result of a quality assurance inspection of the Lodging Facility, or at any other time, and we re-inspect your Lodging Facility to verify it for compliance, you will pay us our then current PIP re-inspection fee, provide our representatives with complimentary lodging, and reimburse us for all expenses in connection with the inspection, including travel costs.
Guest Satisfaction Fee	Our standard administrative fee (currently \$75, but subject to change); plus reimbursement of our costs.	Upon demand	If you fail or refuse to promptly resolve a guest complaint to our satisfaction and we deem it necessary to resolve a guest complaint due to your failure or refusal to do so, you must pay for the cost of resolution (including our administrative fee).

TYPE OF FEE ^{1,2}	AMOUNT	DUE DATE ³	REMARKS
E-mail Fee	Currently, \$0	As incurred	Beginning with your second year of operation, we may charge you a reasonable fee for the three email addresses we provide to you.
Business Generation Commission	Up to 10% of the then-applicable best available rate.	Monthly upon delivery of invoice	We may collect a commission for any groups, meetings or similar "travel industry sales" we generate that stays at your Lodging Facility. The then-applicable best available rate is determined based upon the standard non-negotiated rate for the room booked at the time of booking. The commission is intended to partially reimburse us for the administrative costs we incur to generate the business.
Indemnification	Amount of damages suffered	Upon demand	You must indemnify us and our affiliates, and our and their respective officers, directors, owners, employees and representatives for all damages any of those parties suffers and costs any of those parties incur relating in any manner to your ownership or operation of your Lodging Facility, including enforcement costs.
Performance of Obligations Expenses	Varies	Upon demand	If you default in performing any of your obligations under the Membership Agreement and we choose to perform your obligations for you, you will immediately reimburse us for the actual costs of so performing.
Accelerated Fees Upon Early Termination Following your Default or Termination by you Without Cause	See Note 5	Upon early termination of your Membership Agreement	See Note 5
Failure to De-Identify	\$500 per day	Upon demand	If you fail to comply with all of your de-identification obligations within 30 days after the expiration or early termination of your Membership Agreement, you must pay us this fee for each day in which you are in breach of your obligations. You need not pay these amounts if you can demonstrate to our satisfaction that it was impossible for you to timely cease or cause the cessation of any use of any Proprietary Marks we assert has not been timely ceased. This is in addition to other damages and remedies to which we may be entitled under applicable law.

¹ Except as indicated otherwise, all fees are payable to us, are nonrefundable, and are uniformly imposed.

² You must pay us by means of an automated payment system using pre-authorized transfers from your operating account, through the use of electronic fund transfers, or any other automated payment system we designate. We may process the transfers at the time any payment is due and owing.

³ The obligation to make monthly payments for the Membership Fee, Marketing Fee, Revenue Support Fee, and Conference Fee will begin on the Billing Start Date. The "Billing Start Date" is the first day of the calendar month that is one full calendar month after the date on which you and we sign the Membership Agreement, unless you and we agree to a different date in writing. For example, if you and we sign the Membership Agreement on October 20, the Billing Start Date will be December 1. Notwithstanding the foregoing, you are obligated to pay booking fees, reservation fees, and commissions as incurred.

⁴ Although we currently do not charge a fee in connection with the Vantage Rewards program, we are contemplating adding a points-based component to the Vantage Rewards program under which we anticipate that we would charge you approximately 7% of the Gross Rooms Revenue for any reservation as to which guests are awarded points. We also anticipate that you will receive 85% of the then-applicable best available rate for any reservation for which points are redeemed. Reservations under the Vantage Rewards program are available only through certain channels that offer the least expensive booking fees and are not available through online travel agencies or other third-party booking sites.

⁵ If we terminate your Membership Agreement for cause, or you terminate your Membership Agreement without cause (but not on an anniversary of the Billing Start Date ("BSD Anniversary")), you must pay us accelerated fees as a lump-sum equal to the Membership Fees, Marketing Fees, Revenue Support Fees, and Conference Fees payable for the period from the termination date through the end of the term. These accelerated fees are in addition to any other damages and remedies to which we may be entitled under applicable law.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT ¹				
TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Application Fee	\$1,000	Lump sum	Upon submission of your Application.	Us
Initial Fee ²	\$10,000	Lump sum	Upon your signing of the Membership Agreement.	Us
Conversion Remodeling Expenses ³	\$10,000 to \$80,000	As arranged by you	Before opening	Contractors, vendors and suppliers
Furniture, Fixtures and Equipment ⁴	\$10,000 to \$300,000	As arranged by you	As incurred	Vendors and suppliers
Signage ⁵	\$5,000 to \$30,000	As arranged by you	As incurred	Vendors and suppliers
Signage Approval Fee ⁶	\$0 to \$3,000	Lump sum	Upon invoice	Us
Communications Equipment ⁷	\$2,000	As arranged by you	As incurred	Vendors and suppliers
Computer System ⁸	\$2,000 to \$6,000	As arranged by you	As incurred	Vendors and suppliers
Inventory/Supplies to Begin Operating ⁹	\$500 to \$5,000	As incurred	Before opening	Vendors and suppliers

YOUR ESTIMATED INITIAL INVESTMENT ¹				
TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Other Pre-Opening Expenses ¹⁰	\$2,500 to \$5,000	As arranged by you	Before opening	Vendors, suppliers, other third parties
PIP Fee ¹¹	\$0 to \$1,000	Lump sum	Before we approve you as a Brand Member	Us
Grand Re-opening Advertising ¹²	\$0 to \$5,000	Lump sum	Before opening	Vendors and suppliers
Website Development ¹³	\$0 to \$5,000	As arranged by you	As incurred	Vendors and suppliers, or us
Additional Funds (3 month initial phase) ¹⁴	\$15,000 to \$30,000	Various	As incurred	Employees, suppliers, etc.
Total ¹⁵	\$58,000 to \$483,000			

¹ The Application Fee, Initial Fee and PIP Fee are refundable under certain circumstances (see Item 5). Otherwise, none of the fees you pay to us or our affiliates are refundable under any circumstances. Whether fees payable to third parties are refundable is a matter you will have to discuss and negotiate with them.

² The initial fee is \$10,000, based on the assumption that the Lodging Facility has 50 rooms. The initial fee is refundable if a PIP is issued prior to your opening date and within 5 days of receiving such PIP you notify us in writing that you will not comply with the requirements of such PIP and we terminate the Membership Agreement, as long as you are not otherwise in default of the Membership Agreement and you and your owners have executed a general release in a form satisfactory to us.

³ This item includes expenses normally incurred in connection with the remodeling of an existing hotel property to conform to our Brand Standards. We assume that you already own or lease your facility. Accordingly, any financing or lease payments are not included. This item includes expenses normally incurred in connection with the conversion of a 50-room budget lodging facility. The cost of remodeling will vary depending on numerous factors, including (a) the condition of the Lodging Facility, (b) the size and configuration of the premises, (c) the cost of materials and labor, and (d) the location of the premises and local conditions.

⁴ These amounts include the estimated costs of furniture, fixtures and equipment such as carpeting, drapes, and telephone equipment, but exclude the costs of computer systems. These costs will vary greatly depending on the quality of the existing furniture, fixtures and equipment and how specific they are to a prior brand. The high end of this estimate was based on a hotel in need of complete refitting of furniture, soft goods, artwork, etc.

⁵ These amounts include the estimated cost for interior and exterior signage. Exterior sign expenses, including pole signs, may vary significantly depending on local building code requirements. These amounts also do not include installation, which will vary depending upon your market location. If you lease the property, your actual costs may also be affected by any restrictions placed by your landlord on interior and exterior signage.

⁶ If you propose to purchase any signage bearing any Proprietary Marks from a supplier that is not a member of Vantage Hospitality's preferred vendor network, you must pay us this fee to reimburse us for our expenses in connection with confirming the signage complies with Brand Standards.

⁷ These amounts include estimates for the cost of a telephone switch and other telephone and communications equipment, including the cost of high-speed Internet access equipment, if you do not already have such equipment.

⁸ These amounts include the computer hardware and software necessary to operate your Lodging Facility. The exact cost of your computer system will depend on the options you select, and on the systems, including the PMS, you already own. You also should read the section entitled, "Computer Systems," under Item 11 in this disclosure document.

⁹ These amounts include the estimated costs for inventory items such as towels, linens, guest room amenities, paper goods and maintenance supplies and equipment. The actual costs may be significantly less, depending on the condition and quantity of stock on hand at the time of conversion.

¹⁰ These amounts include additional estimated expenses for the approximate three-month period prior to your Opening Date, including labor costs, pre-opening marketing costs and costs of professional advisors.

¹¹ If we issue you a PIP that sets forth a list of all items you must perform prior to your Opening Date to conform your Lodging Facility to the Brand Standards, you will pay us a \$1,000 fee to cover the cost of preparing or verifying completion of that PIP.

¹² We do not require you to spend any amount on grand re-opening advertising (although we encourage you to actively do so).

¹³ If you choose to maintain a property-specific website (in addition to your Lodging Facility's presence on the brand's website), you should expect to spend up to \$5,000 on its development, with the upper end estimated to cover the creation of a content-rich hotel site. In addition, you will have to pay a monthly hosting-fee (typically \$60 to \$70 per month). Alternatively, you may pay us to develop your website, which will cost \$1,200-\$2,000. In either case, you may only use our booking engine, which we will provide to you at no additional cost (other than standard booking fees). Please see Item 11 for additional information about domain names.

¹⁴ The additional funds represent certain expenses that you will incur in the operation of the business. You may need these funds to operating the Lodging Facility during its three-month initial phase following activation in our CRS. The estimated amount covers items such as payroll costs, rent, utilities, on-going advertising, facility expenses, security, and maintenance - but does not include any salary or allowance for an owner's draw, any amounts you must pay us, or any additional inventory you may need after your initial inventory is consumed. The actual amount of additional funds you will need during the initial phase of operating will depend on factors such as: the size and location of your Lodging Facility; how much you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your Lodging Facility; competition; and other factors.

¹⁵ This total assumes that your existing facility is in good condition. We relied on our management's past experience, as well as industry trends, to compile these estimates. You

should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not finance any portion of your initial investment.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Authorized Specifications and Suppliers

We may dictate the manufacturers, vendors or suppliers from which you will purchase or lease equipment, supplies, inventory, advertising materials, or any other products or services used to operate the Lodging Facility. We reserve the right to modify and add approved vendors or suppliers. We periodically may require you to enter into and comply with all of the provisions of agreements with (or terms and conditions required by) certain designated suppliers or vendors (each, a "Third Party Agreement"). The Third Party Agreements may be with providers of discount or promotional programs (including room discounts, rewards programs, frequent traveler programs, photographic or virtual tour programs, and gift card programs). We currently require you to sign, prior to opening for business as a Country Hearth-branded Lodging Facility, a travel agent commission settlement agreement (TACS Agreement), which includes a mandatory pay-by-ACH form. The terms of each Third Party Agreement may be subject to change. Further, if you propose to purchase any signage bearing any Proprietary Marks from a supplier that is not a member of Vantage Hospitality's preferred vendor network, you must pay us our then current signage approval fee (currently \$3,000, but we may increase it up to a maximum amount of \$5,000). You may not use any booking engine for your Lodging Facility other than ours (which we will provide to you at no additional cost, other than standard booking fees); you may not enter into any other representation agreements or similar arrangements; and you may not enter into any agreements with forward distribution channels (such as online travel agencies) without our consent. If we enter into a brand-level or corporate level agreement with any distribution channel, we also will enter into a sub-agreement or participation agreement with such distribution channel on your behalf. You will be responsible for all booking fees payable to third parties for reservations made for your Lodging Facility through our booking engine.

Vantage Hospitality has developed a preferred vendor list that we will supply to you. You may request that a vendor be added to the preferred vendor list (or, if we require you to purchase goods and services from designated suppliers, the designated supplier list) by having such supplier submit a written request to us for our approval. We have the right to require as a condition of our approval that our representatives are permitted to inspect the vendor's facilities, and that the vendor attend our Brand Conference and enter into our then-applicable vendor agreement. Other than our signage approval fee, we do not currently charge a fee for the vendor approval process, but we may do so in the future. We will notify you in writing of approval or disapproval of your request within a reasonable time (generally not more than 30 days) after receiving your written submission. Vendors must demonstrate, to our continuing satisfaction, that they possess: (a) the ability to meet our reasonable standards and specifications for the services or items; and (b) adequate quality controls and capacity to supply your needs promptly and reliably. When considering whether to grant preferred status or approve suppliers for our Brand Members, we may consider any other relevant factors, including any factors relating to the price and quality of the products or services, the reliability of the supplier, and the economic benefits and incentives the supplier may provide to us. We may approve a single supplier for any product or service. We may concentrate purchases with one or more suppliers to obtain the lowest prices or the best advertising support or services for any group of Brand Members. We may revoke approval or preferred status upon the supplier's failure to continue to meet our standards and specifications, and will notify you in writing of such revocation. We will provide you with our approval criteria upon request.

We currently require you to purchase our logoed items from vendors on the preferred vendor list. If a Brand Member identifies another vendor willing to provide this product to our specifications, the Brand Member may submit the vendor for addition to the preferred vendor list.

Neither we nor any of our affiliates currently is an exclusive supplier of any product or service used to operate your Lodging Facility, although we reserve the right to designate ourselves or an affiliate as an exclusive provider. Currently, our affiliates, Brown Nester and BrownNester-Florida, are approved vendors of hotel brokerage services, our affiliate, VISI, is an approved vendor of insurance services, and our affiliate, VHM, is an approved vendor of hotel management services. Our President and Chief Executive Officer, Roger Bloss, and our Chief Operating Officer and Chief Financial Officer, Bernie Moyle, each have minority ownership interests in VHM, VISI and Brown Nester. Vantage Hospitality's Marketing Director, Peter Frantz, is an owner of JCF Marketing, Inc., which provides public relations and marketing for Vantage Hospitality and its affiliates, and is an approved vendor of public relations, marketing, and social media services for our Brand Members. Other than as identified in this Item, none of our officers owns an interest in any authorized or recommended suppliers.

Computer System

Before commencing operation of the Lodging Facility, you must purchase an approved PMS from a member of Vantage Hospitality's designated vendor list and ensure that it is installed at your Lodging Facility in compliance with the specifications described in the Brand Manuals or otherwise in writing. The specifications include the requirement to maintain and use full two-way connectivity between the CRS and PMS, and providing us and Vantage Hospitality with remote access to your PMS. You must also use SynXis from Sabre Hospitality Solutions, the brand-specified CRS, required for representation in the global distribution system, exclusively.

Insurance

You must procure and maintain insurance coverage in the amounts we periodically require, in addition to any other insurance that may be required by applicable law or otherwise. At a minimum, such policies include the following (liability limits for primary and excess/umbrella policies may be in any combination as long as the total minimum limit requirements are met):

- commercial general liability (CGL) insurance for any claims or losses arising or resulting from the operations/premises of the Lodging Facility with combined single limits of \$1,000,000 per occurrence for bodily injury and property damage liability and a general aggregate limit not less than \$2,000,000, which limits may be met by a combination of CGL and umbrella or excess liability insurance policies on a follow form basis;
- property and contents insurance (or builder's risk insurance during any period of construction) on all building(s) and contents against loss or damage by fire, lightning and all other risks associated and covered by the "all risks" policy form, all in an amount not less than 90% of the replacement cost;
- boiler and machinery insurance against loss or damage from explosion of boilers or pressure vessels, to the extent applicable;

- business interruption insurance covering at least 12 months loss of profits and necessary continuing expenses for interruptions caused by a covered occurrence;
- workers' compensation insurance in statutory amounts for all your employees and employer's liability insurance in amounts not less than \$100,000 per accident or disease;
- liquor liability (applicable only when or if you distribute, sell, serve, or furnish alcoholic beverages) for combined single limits of bodily injury and property damage liability of not less than \$1,000,000 per occurrence;
- automobile liability insurance including owned, non-owned and hired vehicles for combined single limits of bodily injury and property damage of not less than \$1,000,000 per occurrence;
- garage-keeper's liability to the extent that Lodging Facility operations include parking operations, with a limit adequate to cover the full actual value of all automobiles that are in your care, custody, and control at any one time; and
- fidelity bond coverage or crime insurance on all employees in an amount not less than \$100,000.

In addition, we strongly recommend that you carry employment practice liability insurance. Each insurance policy for liability coverage must name us, Vantage Hospitality and our and its affiliates, and our and their respective officers, directors and employees as additional named insureds. We must receive copies of certificates of insurance, policy endorsements and proof of payment for all insurance policies no later than 10 days from the date you sign your Membership Agreement and on an annual basis.

Revenue Derived from Required Purchases and Leases

In 2015, neither we nor our affiliates derived any revenue from franchisee purchases.

The cost of purchases from designated sources or according to our specifications is estimated to represent less than 5% of your total purchases in connection with the establishment of your Lodging Facility. After you open, the cost of purchases from designated sources or according to our specifications is estimated to represent less than 2% of your total purchases to operate your Lodging Facility.

Supplier Rebates

Certain of Vantage Hospitality's preferred vendors may provide Vantage Hospitality with benefits as a result of your purchases from them. Our affiliates or we currently may receive 2% to 3% of revenue from franchisee purchases from vendors of furniture, fixtures, equipment, supplies, services, and technology products and services. In 2015, the aggregate amount of such rebates that Vantage Hospitality received was \$141,729, from both franchisees and non-franchisee brand members of all Vantage Hotels brands. We and Vantage Hospitality intend to use these monetary rebates solely to support the Brand Conference and other educational opportunities made available to Brand Members (and members of all of the Vantage Hospitality brands); however, there is no restriction on our use of these funds. In addition, Vantage

Hospitality may receive non-monetary benefits such as advertising and marketing support or services. We did not receive any rebates in 2015 based on franchisee or non-franchisee brand member purchases. Neither Vantage Hospitality nor we provide material benefits to you based upon your use of preferred vendors. "Vantage Hotels" refers to all lodging facilities that we or our affiliates franchise, license or operate at any time, including lodging facilities under any of the following brands and their various extensions: Lexington by Vantage, Jameson Inn, Signature Inn, Americas Best Value Inn, Country Hearth Inn, America's Best Inns & Suites, 3 Palms Hotels and Resorts, Canadas Best Value Inn, Value Hotel Worldwide and Value Inn Worldwide.

Purchasing or Distribution Cooperatives; Purchase Arrangements

No purchasing or distribution cooperatives exist. However, we may negotiate purchase arrangements (including price terms) with vendors in order to obtain pricing for Brand Members that individual Brand Members may not be able to obtain by dealing directly with the suppliers. As a convenience to Brand Members, Vantage Hospitality or we may purchase certain products (such as logoed items, if any) in bulk, in order to obtain preferential pricing for Brand Members. In such instances, you may choose to purchase such items from Vantage Hospitality or us, and Vantage Hospitality or we, as applicable, expect to resell those products to Brand Members without markups. As of the date of this disclosure document, we had not purchased or sold such products to Brand Members.

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.

FRANCHISEE'S OBLIGATIONS		
Obligation	Section In Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Not applicable	Not applicable
b. Pre-opening purchases/leases	Part II, Section 5.5	Items 7, 8 and 11
c. Site development and other pre-opening requirements	Part II, Sections 5.1 and 5.2	Items 7, 8 and 11
d. Initial and ongoing training	Part II, Sections 3.2 and 3.4	Items 1, 6 and 11
e. Opening	Part II, Sections 5.2 and 5.10	Item 11
f. Fees	Part I, Section 1.3, and Part II, Sections 5.4, 5.7, 5.13, 5.14, 6.1, 6.2, 6.4, 6.5, 6.6, 9.2.d.v, 10.1, 10.4 and 11.2	Items 5, 6, and 7
g. Compliance with standards and policies/operating manual	Part I, Section 1.2, and Part II, Sections 5.1, 5.4, 5.7, 5.8, 5.10, 5.11, 8, 13.2 and 13.5	Items 8 and 11
h. Trademarks and proprietary information	Part II, Articles 7 and 8	Items 13 and 14
i. Restrictions on products/services	Part II, Section 5.7	Item 16

FRANCHISEE'S OBLIGATIONS		
Obligation	Section In Franchise Agreement	Disclosure Document Item
offered		
j. Warranty and customer service requirements	Part II, Sections 5.4 and 5.14	Item 6
k. Territorial development and sales quotas	Not applicable	Not applicable
l. Ongoing product/service purchases	Part II, Sections 5.4, 5.7 and 5.9	Item 8
m. Maintenance, appearance and remodeling requirements	Part II, Sections 2.1.e, 5.1 and 5.4, and Schedule 7, Section a.(ii)	Items 6, 11 and 17
n. Insurance	Part II, Section 5.13 and Schedule 5.13	Item 8
o. Advertising	Part II, Article 4	Items 6, 7 and 11
p. Indemnification	Part II, Section 13.1	Item 6
q. Owner's participation/management/staffing	Part II, Sections 5.6 and 13.13	Item 15
r. Records and reports	Part II, Section 5.5	Item 6
s. Inspections and audits	Part II, Sections 5.1, 5.10, 5.12 and 5.13	Items 6 and 11
t. Transfer	Part II, Section 9.2	Items 6 and 17
u. Renewal	Part II, Section 2.1	Items 6 and 17
v. Post-termination obligations	Part II, Article 11	Item 17
w. Non-competition covenants	Not applicable	Not applicable
x. Dispute resolution	Schedule 13.8	Item 17

ITEM 10. FINANCING

We do not offer direct or indirect financing or guarantee your note, lease or other obligations.

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

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

Pre-Opening Assistance

Before you open your Lodging Facility under the Country Hearth brand, we will provide you the following assistance:

- An introduction to the Brand, which will take place at a location we designate, some of which may take place at the Lodging Facility (Membership Agreement, Part II, Section 3.2);

- Provide you a copy of the Brand Manuals, if any (with periodic revisions as required), which may be provided in an electronic medium, including by download from our website. (Membership Agreement, Part II, Section 3.3); and
- Provide you with a list of equipment, supplies, advertising materials, inventory and other products and services we require you to use to operate your Lodging Facility and a list of approved or recommended suppliers of these items (Membership Agreement, Part II, Section 5.7).

In addition to the assistance described above, we may provide such additional assistance as we deem necessary or appropriate.

Post-Opening Assistance

During the operation of your Lodging Facility, we will:

- Provide you with our mandatory Member-approved Vantage Competitive Intelligence Program. Currently, the fee for this program is included in the monthly Revenue Support Fee (Membership Agreement, Part I, Section 1.3.g);
- Provide you with access to the exclusive brand-designated CRS (Membership Agreement, Part II, Section 3.1);
- Convene a brand conference (no less frequently than every 18 months) at which Brand Members may gather to network and participate in educational seminars (the "Brand Conference") (Membership Agreement, Part II, Section 3.4);
- Maintain, operate and administer a Marketing Program (Membership Agreement, Part II, Section 4.1);
- Establish and host three email addresses for your Lodging Facility (Membership Agreement, Part II, Section 4.3); and
- Provide you with a webpage on the Brand Websites (defined below) that represents your Lodging Facility (Membership Agreement, Part II, Section 4.4).

Site Selection and Lease

We do not lease the premises to you, nor provide assistance with site selection or negotiations of lease.

Marketing and Advertising

Marketing Program

The "Marketing Program" is a special program created by our parent, Vantage Hospitality, for the benefit of brand members of all of the Vantage Hotels brands. You will pay us a non-refundable monthly Marketing Fee equal to the product of \$12 times the number of Guest Rooms, with a minimum monthly Marketing Fee of \$480. This fee may be periodically increased upon the affirmative vote of at least 60% of the Voting Members; however, we may increase any of our fees by the most recently published CPI, without the approval of the Voting Members. Marketing Fees will be paid by Country Hearth Brand Members and company-owned

units (if any) on the same basis. Country Hearth Brand Members may contribute to the Marketing Program at different rates. Brand members of other Vantage Hotels brands also contribute at different rates.

Our affiliates or we have the exclusive right to maintain, operate, and administer the Marketing Program, but we operate with the input of the Boards (defined below), as well as the input of an advisory board comprised of brand members from certain other Vantage Hotels brands. The Marketing Fees will be used to pay for Marketing Program expenses, which may include the expenses that we incur in activities reasonably related to administering or directing the Marketing Program. We may use the Marketing Program to conduct advertising through television, radio, print or Internet, whether nationally, regionally or locally. We may use the services of marketing agencies and other advisors, including the services of an affiliated marketing agency, to create advertising and promotional programs and purchase media. We may make, or refrain from making, any expenditures for marketing and promotional activities. We may allocate all or any portion of the marketing contributions from Brand Members and other Vantage Hotels brand members to support one brand, a select group of brands, or all of the brands within the Vantage Hotels brand family. We may use Marketing Fees to solicit new franchise sales.

In any calendar year, we may spend more or less than that year's marketing contributions made by Brand Members to the Marketing Program. Any amounts not spent will be carried over to the next calendar year. Our affiliates and we exclusively control the concepts and materials and all other matters relating to advertising, public relations, marketing, market research, and promotional campaigns. However, we may spend your Marketing Fees only for the purposes authorized in your Membership Agreement. Your Marketing Fees are intended to maximize general public and industry recognition and acceptance of the Vantage Hotels family of brands as a whole; we do not anticipate engaging in any marketing specifically for your Lodging Facility. In administering the Marketing Program, we need not (i) make expenditures of contributions from members of the Country Hearth brand benefit Country Hearth Brand Members directly, (ii) make expenditures for you that are equivalent or proportionate to your Marketing Fees, or (iii) ensure that you benefit directly or pro rata from advertising or promotions conducted in connection with the Marketing Fees. We are not required to spend any amount on advertising in the area or territory where your Lodging Facility is located or from which its business is sourced. With respect to maintaining, operating, or administering the Marketing Program, neither we nor any affiliate is a trustee or fiduciary and assume no other direct or indirect liability or obligation to you.

The Marketing Program is not independently audited; however, a report of the operations of the Marketing Program is prepared every year, at the expense of the Marketing Program, and is made available to Brand Members on request. We are not obligated to provide you with a periodic (or other) accounting of how advertising or Marketing Fees are spent.

During the fiscal year ended December 31, 2015, we contributed approximately 35% of the funds used in the Marketing Program, and will not seek repayment of such contributions. The allocation of most of the funds used in the Marketing Program was approved by the Boards and the boards of the other Vantage Hotels brands. Pursuant to that approval, in the fiscal year ended December 31, 2015, 22% of the Marketing Program's budget was spent on the production of advertisements and other promotional materials (including research and development); 59% was spent on media placement (including online media, search engine optimization and search engine marketing, as well as research and development); 10% was spent on administrative expenses (including research and development); and 9% (including the

significant portion that did not come from Brand Members) was directed to new franchisee development.

The Marketing Fees may be used to pay the reasonable salaries and benefits of personnel who manage and administer the Marketing Program, the Marketing Program's other administrative costs, travel expenses of personnel while they are on Marketing Program business, meeting costs, overhead relating to Marketing Program business, and other expenses that we incur in activities reasonably related to administering or directing the Marketing Program, including, conducting market research; public relations; preparing advertising, promotion and marketing materials; and collecting and accounting for Marketing Fees contributions. We do not and will not use the Marketing Fees for our general corporate overhead, salaries of personnel not related to the Marketing Program, nor our general administrative expenses.

At any time, we may stop collecting and disbursing Marketing Fees and terminate the Marketing Program. If we do so, we will not disburse the remaining funds, if any.

Boards

One of the hallmarks of our brand is that Brand Members have a significant say in many issues, which we refer to as "A Voice and A Vote®." Members participate primarily through three different avenues: membership voting at the Brand Conference; participation in the Value Group Advisory Board (described below), most of whose members are elected by the brand members participating at the Brand Conference; and participation in the Value Group Advertising Council (described below), most of whose members are elected at the Brand Conference. New initiatives and significant changes to certain Brand Standards or fees require the approval of at least 60% of the Value Group (defined below) membership voting in person. "Value Group" refers to the Americas Best Value Inn, Canadas Best Value Inn, America's Best Inns & Suites, Signature Inn and Country Hearth Inn brands.

The Value Group brand members participate in a combined advisory board and a combined advertising council, called the "Value Group Advisory Board" and "Value Group Advertising Council," respectively. Together the Value Group Advisory Board and Value Group Advertising Council are called the "Boards."

The Value Group Advisory Board consists of ten members, comprised as follows: four representatives, in the aggregate, of the Americas Best Value Inn and Canadas Best Value Inn brand; one member of either the Country Hearth Inn brand or the Signature Inn brand; one representative of the founding brand members; three corporate representatives; and one industry representative. Representatives of the brands will serve for two-year terms (after a transition period through 2018 to provide for staggered terms), other than the founding brand member, who will have an indefinite term. To run for election for the Value Group Advisory Board, a Brand Member must not be in default of its membership agreement. The corporate representatives will also serve indefinite terms. We will appoint the industry representative for one-year terms, and will choose an industry representative who we believe can provide insight on issues impacting the hospitality industry.

The Value Group Advertising Council consists of 14 members comprised as follows: eleven representatives, in the aggregate, of the Americas Best Value Inn and Canadas Best Value Inn brand; one member of the Country Hearth Inn brand; one member of the Signature Inn brand; and one representative of the Preferred Vendors. Representatives of the brands will

serve for two-year terms (after a transition period through 2018 to provide for staggered terms). The Vendor representative will serve for a one-year term. To enter an election for the Value Group Advertising Council, a Brand Member must not be in default of its membership agreement.

We may change or dissolve the Value Group Advisory Board and/or the Value Group Advertising Council, or form other advisory boards or councils.

Local Marketing

You must provide us, for our approval, all materials you intend to use for local marketing (and all other advertising and promotional materials), unless we have already approved them or they consist solely of materials provided by us. We will attempt to review these materials within 10 business days from when we receive them. If you do not receive written approval within those 10 business days, the submitted materials are considered disapproved. All materials on which the Proprietary Marks are used must include the applicable designation of service mark SM, trademark TM, registered trademark ®, copyright ©, or such other designation as we may specify. If, in our judgment, such materials or advertising may injure or harm the Brand, we may notify you to withdraw or discontinue the use of any promotional materials or advertising materials, even if they were previously approved. Within five days after delivery of such notice, you must withdraw and discontinue use of the relevant promotional materials and advertising.

We currently do not require you to join a regional or local advertising cooperative, or any other advertising fund. We have the right to form, change, dissolve or merge cooperatives.

Internet Marketing

We retain the sole right to advertise on the internet, create or operate a website or sites, and use the Proprietary Marks as part of any domain name, with respect to any aspect of our Brand or your Lodging Facility (including the use of the Proprietary Marks). However, you may develop and maintain a website for the Lodging Facility (separate and apart from the webpage on the Brand Websites described below) and you may promote the Lodging Facility through social media (including Facebook®, YouTube®, Instagram®, Twitter® and Pinterest®), as long as you comply with our website and internet policies then in effect. Currently, this includes a requirement that you exclusively use our booking engine on your website; we will provide the booking engine to you at no additional cost (other than normal booking fees charged by third parties). If you choose to develop a website we will license the domain name to you at no additional cost. We also will establish and host three email addresses for your Lodging Facility. You may not use any other email addresses in the operation of your Lodging Facility. We will provide the email addresses to you at no additional cost during the first year of operation of your Lodging Facility; however, we reserve the right to charge a reasonable fee beginning with your second year of operation as a Country Hearth-branded Lodging Facility. You may not register any domain name in any class or category that contains the words "Country Hearth Inn," "Country Hearth Inn & Suites," "Country Hearth Suites," "Country Hearth," "Vantage" or any abbreviation, acronym or variation of such words.

We have established a website to advertise, market and promote the Country Hearth Brand and Country Hearth-branded lodging facilities as well as a "family" website to advertise, market and promote, collectively, all of the Vantage Hotels (jointly, the "Brand Websites"). We will provide you with a webpage on the Brand Websites that represents your Lodging Facility. You must: (i) provide us the information and materials we request to develop, update, and

modify your webpage; and (ii) notify us whenever any information on your webpage is not accurate. We will own all intellectual property and other rights in the Brand Websites, including your webpage, and all information they contain (including, the domain name or URL for your webpage, the log of "hits" by visitors, images of your Lodging Facility, and any personal or business data that visitors supply). We periodically may update and modify the Brand Websites (including your webpage). We have final approval rights over all information on the Brand Websites (including your webpage). We will maintain your webpage on the Brand Websites as long as you are in full compliance with the Membership Agreement and all Brand Standards we implement (including, those relating to the Brand Websites). Without our prior consent, you will not develop, establish, operate, own, license, use or participate in a website on which the Proprietary Marks appear or otherwise use any of the Proprietary Marks on or in connection with the internet, including (a) in domain names (including top level or country code domain names and folder extensions in domain names), (b) in metatags in your website, (c) in social media user names, (d) by publishing, linking or deeplinking to any of our websites in connection with social media websites, (e) in sponsored advertising programs, or (f) in any pay-per-click or similar advertising.

Vantage Rewards Program

All Brand Members must participate in our guest rewards program known as "Vantage Rewards." Formerly known as the Value Club, the Vantage Rewards program was specific to the Americas Best Value Inn and Canadas Best Value Inn brands but now applies to all lodging facilities within the Vantage Hotels family. Guests can enroll in the Vantage Rewards program at no cost to them, and receive a 15% discount off the best available rate, a late checkout and a complimentary room upgrade, subject to availability. Although you generally are required to allocate at least 5% of your room inventory to the Vantage Rewards program, guests are advised that the discounted rate, late checkout and room upgrades are provided only if available. Other than providing a 15% discount to guests and upgrading their rooms, there currently is no cost to you associated with the Vantage Rewards program.

In response to requests from Vantage Hotels brand members, and in response to growing consumer trends, we are considering adding an opportunity for Vantage Rewards participants to earn points towards future stays at all Vantage Hotels. At that time, guests would have the opportunity of either receiving an instant discount of 15% off the best available rate, or earning points towards a future stay, but would not be eligible for both. Although we have not yet determined the cost to Brand Members if we add a points-based component to the Vantage Rewards program, we currently anticipate that you will pay us approximately 7% of the Gross Rooms Revenue associated with a reservation for which the guest earned points, and we will pay you approximately 85% of the then-applicable best available rate when a guest redeems points for a stay at your Lodging Facility.

Computer Systems

Before commencing operation of your Lodging Facility, you must ensure that a PMS is installed at your Lodging Facility in compliance with the specifications described in the Brand Manuals or otherwise in writing, that it is fully operational, and that your staff is properly trained in its use. We periodically may revise the specifications and we may require you to use our designated suppliers.

You must make periodic upgrades and updates to the PMS that we require, including establishing interfaces to new programs that may become Brand Standards in the future. There

are no contractual limitations on the frequency and cost of this requirement. We do not have any obligation to provide ongoing maintenance, repairs, upgrades or updates to your computer system.

We do not currently have any specific hardware requirements. We do not mandate a specific PMS, but your PMS must be acquired from a vendor on our preferred vendor list and it must be internet or cloud-based. Your PMS must at a minimum allow you to book reservations, perform check-in and check-out functions, manage rates and inventory availability, support group bookings, collect guest history and CRM information, automate front desk and operational accounting and record keeping, and have reporting and analysis capabilities. In addition, it must have a full two-way direct interface with our CRS (currently SynXis, by Sabre Hospitality Solutions, Inc.), which you must use to transmit to the CRS all guest reservation information pertaining to reservations that were not processed through the CRS (e.g., walk-ins and other hotel-direct bookings). The PMS also must interface with any guest rewards program we offer, if applicable, and we may require additional interfaces in the future.

Notwithstanding our requirement for a full two-way interface with our CRS, we previously approved some PMS systems offered by our preferred vendors that do not presently have such full two-way interfaces available. However, those preferred vendors have advised us that the required full two-way interface is in development. If you select one of those PMS systems, you must upgrade to their full two-way interface when it becomes available and, in the interim, you must use your best efforts to otherwise provide the required information to the CRS.

Presently, the following preferred vendors provide web or cloud-based systems with full two-way direct interfaces to the CRS: Sabre Hospitality Solutions and SkyTouch. The following preferred vendors offer web or cloud-based systems that presently do not include the required full two-way interface but that you may use subject to the provisions in the preceding paragraph: Auto Clerk (MyHms); RoomKey by RSI Group; and Anand Systems (ASI Front Desk or ASI Cloud). If you wish to use a PMS system other than any of these, you may request our approval. If we approve another PMS at your request, you will be responsible for the cost of developing any required interfaces.

The estimated cost of PMS software varies and is often dependent on the number of rooms at your Lodging Facility, but it is expected to range from \$170/month to \$375/month for a 40-room property to \$450/month to \$685/month for a 100-room property, plus one-time fees (for implementation, training, interfacing with our CRS or otherwise) of up to \$5,000. More elaborate features (which we do not require but that you may select for other reasons) could cost significantly more.

We and Vantage Hospitality have the right to independently access and retrieve any data and information from your PMS. You must provide us and Vantage Hospitality with access and any assistance we or it require to provide us or Vantage Hospitality with this independent access. There are no contractual limits on our or Vantage Hospitality's right to access this information and data.

Time between Signing Your Membership Agreement and Opening the Lodging Facility

The typical length of time between your signing of your Membership Agreement and the opening of your business is expected to be from 45 to 90 days from the date the agreement is signed. Factors that may affect this typical time period include your ability to install equipment,

fixtures, and signage, and recruit competent staff, and to complete any required pre-opening PIP (including obtaining any requisite building permits, if applicable).

Brand Manuals

You will have the opportunity to view the Brand Manuals, if any, before buying a franchise.

Training

Initial Training

Brand Members are expected to be qualified to operate a budget lodging facility or to retain a general manager sufficiently skilled and experienced to do so. We do not provide you with any initial training prior to opening your Lodging Facility. However, we will work with you to familiarize yourself with our brand's culture and resources and our CRS. Brand Members are invited to spend time with key operations personnel at our corporate office prior to, or shortly after, opening, at no additional cost (other than travel, accommodations and incidentals). If any of the brand introduction is held at your Lodging Facility you must provide accommodations for our personnel, at your cost.

TACS Training

Early in your relationship with our brand, you will be provided with training by Dell/TACS. Training in this travel agency commission settlement system, which also is the mechanism by which all booking fees are processed, is conducted by travel agency commission ("TACS") personnel online and by telephone and typically occurs shortly after opening. There is no fee for this training and it is not mandatory, but is strongly recommended, as it will facilitate your staff's ability to review booking fees and commissions, resolve disputes in a timely manner, and generally understand this mandatory settlement process. Training should take less than one hour, depending on your staff's experience and understanding.

Additional or Refresher Training

Contemporaneously with, or shortly after, opening, we also provide non-mandatory training in the CRS (which is provided by webinar and telephone). Initial training in accessing the CRS often is provided by our Brand management team. The duration and details of this training may depend, in part, on your PMS and its connectivity to our CRS.

AHLEI Certification

We strongly recommend, but do not require, that you have a general manager who has earned the Certified Hotel Administrator designation from the American Hotel & Lodging Educational Institute. Brand Members and general managers are offered the opportunity to take the CHA test at Vantage Hospitality Group's Brand Conference. To facilitate this, Vantage Hospitality hires an AHLEI proctor, who conducts a four-hour review session one morning during the Brand Conference. The exam is administered that afternoon, and results are available before the conclusion of the conference. If a Brand Member or general manager passes the test at the Brand Conference, Vantage Hospitality will pay AHLEI's certification fee (currently \$475.60); if the Brand Member or general manager does not pass at that

administration, Vantage Hospitality will pay one half of the certification fee and the Brand Member will be billed for the other half.

Vantage Academy

Throughout their relationship with the brand, Brand Members have the opportunity to participate in optional training provided by Vantage Hospitality's educational program known as Vantage Academy, at no additional charge. Vantage Academy sessions are currently offered approximately 25 times a year at various locations throughout North America, as well as at the Brand Conference. Vantage Academy's curriculum changes year to year and reflects feedback from previous attendees and our assessment of important issues facing members of the Country Hearth brand and other Vantage brands. For example, at the request of brand members of all Vantage Hotels brands in 2015, each Vantage Academy session in 2016 will include a "town hall" session at which brand members are asked to pose questions directly to Roger Bloss, Bernie Moyle, Jordan Langlois, and all other senior executives, and are invited to share their ideas for the betterment of all Vantage Hotels brands.

For all Vantage Academy sessions, you must pay your expenses and each trainee's other expenses, including travel, lodging, and meal expenses, other than lunch during the educational sessions, which is provided by Vantage Hospitality.

Regional Vantage Academy sessions are conducted by Vantage Hospitality's Vice President of Human Resources and Training, Rita Weber, who also supervises Vantage Academy sessions at the Brand Conference. Ms. Weber has been designated a Certified Hospitality Trainer by AHLEI, holds their Certified Hotel Administrator ("CHA") designation, and has 6 years of experience with Vantage Hospitality and over 31 years of experience in the subjects taught. Members of the Sales Support & Assurance Program team often assist Ms. Weber depending on the region and the input from Brand Members prior to the training session, and outside speakers may be invited as the topics warrant. Training material consists primarily of proprietary written material developed from industry sources, including handouts. Sessions may include videos, role playing and other interactive tools.

ITEM 12. TERRITORY

Grant for a Specific Area

Your franchise is granted for the specific location that you will have selected prior to signing your Membership Agreement. We do not permit you to change your location.

Your Rights within Your Territory

You will not receive an exclusive territory. You may face competition from other Brand Members, from outlets that we own, or from channels of distribution or competitive brands we control. We may grant Brand Membership to other persons to operate other licensed units that are in close proximity to your Lodging Facility. However, if the potential new Brand Member's property is located within a three-mile radius of your Lodging Facility, we will provide you with a courtesy notice and a reasonable opportunity (but no more than five days) to submit a written statement explaining the negative market impact that you believe the potential new Brand Member may have on your business. If we do not agree with your statement, you may request immediate review by a panel of Brand Members (one of whom will be selected by you, one of whom will be selected by us, and the third of whom will be selected by the other panel).

members). The panel will promptly issue its opinion of the market impact, which opinion will be considered persuasive (but will not be binding). You and we agree to act in good faith to reach a fair and amicable resolution of any of these matters within 5 days (or such other timeframe as deemed necessary by us to protect the Country Hearth brand) of when you submit your written statement explaining the anticipated negative market impact. The ultimate decision of whether to grant a new Brand Membership will be ours.

Our Rights

In addition to our right to use and grant others the right to use the Proprietary Marks anywhere (regardless how closely located to your Lodging Facility), all rights not expressly granted to you in your Membership Agreement concerning the Proprietary Marks or other matters are reserved by us, including the right to:

- establish, develop, and license or franchise lodging facilities (including the Brand) located anywhere, regardless of how close such business operates to your Lodging Facility; and
- engage in all other activities not expressly prohibited by the Membership Agreement.

Your Membership Agreement does not grant you any options, rights of first refusal, or similar rights to acquire additional franchises.

There are no restrictions on our right to solicit or accept reservations from guests residing in your local market or elsewhere on behalf of you or the affiliates listed above. We need not pay you any compensation for reservations we solicit or accept inside your local market through any distribution channels. We will not restrict you or any other Brand Member from soliciting or accepting guest reservations from inside or outside of your local market as long as you comply with applicable law and book any reservations in compliance with the Brand Standards.

Other Franchise Offerings and Operations of Similar Businesses

We also offer franchise businesses that sell products and services similar to your Lodging Facility under the trademarks Lexington by Vantage, Jameson Inn, Signature Inn, and Americas Best Value Inn, each under a separate franchise disclosure document. Further, our affiliates or we operate the America's Best Inn & Suites brand and provide brand management and related services to licensees of the 3 Palms Hotels & Resorts brand. Lodging facilities operating under such other trademarks may solicit or accept reservations from guests residing in your local market. We do not maintain separate offices or training facilities for each brand.

If any disputes arise between us and any brand members as a result of any perceived disparate treatment among brands, we will consider and analyze the issue. If we determine that there has been disparate treatment to a particular brand member or among brands, then we will take the action we deem appropriate to remove any disparate treatment to the brand member or among brand members of the different franchise systems.

If there are disputes between brand members of the different franchise systems, even if the dispute does not directly involve us our member support services will work with the brand members to resolve the disputes, including working with the brand members to develop co-marketing opportunities when appropriate, to help resolve their dispute. If it becomes necessary,

the brand members will bring their dispute before representatives of the applicable advisory board or advisory boards for a recommended resolution. If the brand members and we do not agree to the recommended resolution to the dispute between the brand members, then the brand members will need to resolve the dispute between them without further intervention from us.

Vantage Hospitality offered a hotel brand affiliation model under its Lexington brand from 2005 through mid-November 2013, and under its Americas Best Value Inn brand from 1999 through early March 2015. VHM has owned lodging facilities within the Americas Best Value Inn brand, as well as other brands and has managed or is currently managing independent lodging facilities as well as lodging facilities under the Americas Best Value Inn and other hotel brands, since 1996. Our affiliate, Cruise Inn Membership, LLC, which shares our principal business address, offers membership affiliation under its Cruise Inns RV Park brand to owners of RV parks, campgrounds and others in the outdoor hospitality industry.

ITEM 13. TRADEMARKS

Principal Trademarks

Under your Membership Agreement, we grant you the non-exclusive right to operate your Lodging Facility under the trademarks displayed below. You may not use the Vantage, Country Hearth Inn, Country Hearth Inn & Suites, Country Hearth Suites, or similar names in your corporate name, however, nor in any internet domain or social media site. These are the principal trademarks used to identify your Lodging Facility and are owned by Vantage Hospitality. We are authorized to use and to sublicense the use of the Proprietary Marks. All rights in and goodwill from the use of the Proprietary Marks accrue to us and our affiliates. The following tables summarize the pertinent information concerning our principal trademarks for which you are granted a license under your Membership Agreement.

TRADEMARKS REGISTERED ON THE U.S. PATENT AND TRADEMARK OFFICE'S PRINCIPAL REGISTER		
TRADEMARK	REGISTRATION NO.	REGISTRATION DATE
Country Hearth Inn	2,724,063	June 10, 2003
Country Heath Inn & Suites	2,724,062	June 10, 2003
Country Hearth Suites	2,724,061	June 10, 2003
	1,393,558	May 13, 1986
	3,488,185	August 19, 2008
	3,488,187	August 19, 2008
	3,488,189	August 19, 2008

TRADEMARKS REGISTERED ON THE U.S. PATENT AND TRADEMARK OFFICE'S PRINCIPAL REGISTER		
TRADEMARK	REGISTRATION NO.	REGISTRATION DATE
As Close to Home as We Can Make It...	2,810,370	February 3, 2004

For each registration noted above, all required affidavits and renewals have been filed.

"Proprietary Marks" means each of the trademarks and service marks listed in the table above, and all other trademarks, service marks, trade names, logos, and commercial symbols that we authorize for the Country Hearth brand.

Currently Effective Trademark Determinations

To our knowledge, there are no currently-effective material determinations of the U.S. 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 principal marks.

Agreements Significantly Limiting Your Rights to Use the Proprietary Marks

There are no agreements that significantly limit our right to use or license the use of our principal marks in a manner material to you, other than as follows:

We entered into a license agreement with Vantage Hospitality on February 1, 2015, under which it granted us the right to use and sublicense the principal trademarks and other intellectual property it owns that are used by us and sublicensed to Brand Members. The license agreement is for a perpetual duration, subject to termination by Vantage Hospitality for cause. This agreement does not significantly limit our right to use or license the use of our principal marks in a manner material to you. In the event that the license is terminated for any reason while you are a Brand Member, your Membership Agreement with us will be assumed by Vantage Hospitality.

Protection of Your Right to Use the Trademarks

We are not required to protect your right to use the Proprietary Marks, or to protect you against claims of infringement or unfair competition arising out of your use of the Proprietary Marks. If you become aware of any claim of infringement, unfair competition, or other challenge to your right to use the Proprietary Marks, you must notify us in writing within seven business days. We will determine whether to take any action in connection with any infringement, challenge or claim, and have the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge or claim.

We are not required to indemnify you for any expenses or damages if you are a party to an administrative or judicial proceeding involving the Proprietary Marks, or if the proceeding is resolved unfavorably to you.

If we believe that it is appropriate to modify or discontinue using any Proprietary Mark or use one or more additional or substitute names or marks, you must, at your cost, modify or discontinue the use of that Proprietary Mark within 30 days of our request (or a longer period that we may allow).

Knowledge of Superior Rights or Infringing Uses

We have no actual knowledge of superior prior rights or infringing uses that could materially affect your use of the principal marks in any state.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents are material to the franchise.

The Brand Manuals, if any, and our websites may be subject to state and federal copyright protection, although we have not filed federal copyright applications for these materials.

There are no determinations of the U.S. Copyright Office (Library of Congress) or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the copyrighted materials which are relevant to their use by our brand members.

No agreements limit our right to use or license the use of our copyrighted materials. We are not obligated under any agreement to protect or defend our copyrights, although we intend to do so. We do not know of any infringing uses of or superior rights in our copyrighted materials.

You must maintain the confidentiality of the Brand Manuals, as well as all knowledge, know-how, technologies, techniques and other proprietary information that we reveal to you as being confidential and treat this information as trade secrets. You must strictly limit access to the Confidential Information to your employees who have a "need to know" in order to perform their jobs. All persons to whom you grant access to the Brand Manuals or any other Confidential Information must be required to comply with the confidentiality provisions of your Membership Agreement.

"Proprietary Property" means the Proprietary Marks, Confidential Information, Brand Standards, and copyrighted (or copyrightable) or trade secret information of our affiliates or of us that you may use under the Membership Agreement. "Confidential Information" means the Brand Standards, our Brand Manuals, and any knowledge, know-how, technologies, processes, techniques, and any other information that we designate as confidential, proprietary, or trade secrets or that is not readily available in the public domain.

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

The owners of the franchise are not required to participate in the actual operation of the Lodging Facility. If you are an individual, we do not make a recommendation that you personally participate. If you do not personally manage your Lodging Facility, you must employ an on-premises general manager that is sufficiently skilled and experienced to operate the Lodging Facility. The general manager is not required to have an ownership interest in you if you are an entity. The general manager must execute an individual undertaking, in a form approved by us, agreeing to protect the Confidential Information from unauthorized use, access or disclosure, and to use the Confidential Information only in the operation of the Lodging Facility.

If you are a corporation, partnership, limited liability company, or other legal entity, any person with a 20% or greater legal or beneficial ownership interest (which may be persons who hold title in the ownership interests, or persons who do not hold title in the ownership interests but enjoy equitable rights) in you must sign the Guaranty and Assumption of Obligations attached as Exhibit A to the Membership Agreement guaranteeing the performance of all of your obligations under the Membership Agreement. The spouse of each guarantor may also be required to consent in writing to his or her spouse's execution of the guaranty, which serves to bind the assets of the marital estate to the guarantor's performance of the Guaranty and Assumption of Obligations, if required in a state to bind the marital assets.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We do not restrict the customers to whom you sell goods and services. You must operate your Lodging Facility in conformity with the Brand Standards, including complying with the terms of all mandatory marketing, reservation, advertising, promotional, training and other operations programs we may periodically implement. You must use the Lodging Facility's premises solely for the operation of a Country Hearth-branded lodging facility. You may not provide any guest service or offer any product except as prescribed in the Brand Manuals or otherwise in writing, and you must offer all Brand-wide products, services and programs we establish or that we determine to be in the best interests of the Brand, including any guest rewards program, loyalty program and any guest relations program. Currently, you are required to participate in the Vantage Rewards program, which is described in detail in Item 11. We have the right to change the types of products and services that we approve or authorize, so long as the products and services are compatible with the franchise system; and, if the change requires a capital improvement or significant expenditure, then the change must be approved by 60% of the Voting Members before it can be imposed.

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.

THE FRANCHISE RELATIONSHIP		
PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	Part I, Section 1.2	Initial term is three years.
b. Renewal or extension of the term	Part II, Section 2.1	If you satisfy the conditions in the Membership Agreement, your Membership Agreement may be automatically renewed for up to three additional terms of three years.

THE FRANCHISE RELATIONSHIP

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
c. Requirements for franchisee to renew or extend	Part II, Section 2.1	Requirements to renew or extend the term of your Membership Agreement include: neither you nor we have provided the other with written notice, at least 90 days prior to the scheduled expiration date, of an intention not to renew the term; must not be in default of the Membership Agreement or any other agreement between you and us or our affiliates or any Third Party Agreement; you execute a general release; perform any required maintenance, refurbishment, renovation or upgrade of the Lodging Facility; and be lawfully entitled to occupy the premises for the entire successor Term.
d. Termination by franchisee	Part II, Section 10.4	Beginning on the first BSD Anniversary, you may terminate your Membership Agreement for any reason or no reason effective as of a BSD Anniversary. You must not be in default of your Membership Agreement as of the applicable BSD Anniversary and you must provide notice of your intention to terminate at least 90 days prior to the intended termination date.
e. Termination by Franchisor without cause	Part II, Section 10.4	We may terminate your Membership Agreement for any reason or no reason effective as of any BSD Anniversary. We will provide notice of our intention to terminate at least 90 days prior to the intended termination date.
f. Termination by Franchisor with cause	Part II, Sections 10.2 and 10.3	We can terminate your Membership Agreement if you default.
g. "Cause" defined-curable defaults	Part II, Section 10.2	You will have 5 days, regardless of any longer period of time that any governmental authority may have given you (or less, if a governmental authority provides for a shorter cure period), to cure a serious or imminent threat or danger to public health or safety results from constructing, maintaining or operating the Lodging Facility. For any other defaults, you will receive a written notice of breach or default and will have 5 days to cure such default, unless a longer cure period was specified in the notice of default, other than for those reasons in Part II, Section 10.3 of your Membership Agreement.

THE FRANCHISE RELATIONSHIP

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
h. "Cause" defined-non-curable defaults	Part II, Section 10.3	Non-curable defaults include: failure to pay any amount due us within 30 days of when such amount is due; you or any of your owners have made or make a material misrepresentation in obtaining the franchise or operating your Lodging Facility; abandoning your Lodging Facility for more than seven consecutive days or 14 days in any calendar year, or losing the right to occupy the premises; you have forfeited the right to do business in the jurisdiction where the Lodging Facility is located; you deny us the right to inspect the Lodging Facility or retrieve information from the PMS; you or any of your officers, directors, owners or managers engage in conduct that is harmful to, or reflects unfavorably on, you, us, or the Brand or engage in conduct that exhibits reckless disregard for the physical or mental well-being of employees, guests, our representatives or the public; excessive guest complaints; unauthorized transfer of your rights or the Membership Agreement; breach of confidentiality covenant; misuse or unauthorized use of the Proprietary Property; failure to procure the required insurance; three or more defaults within a 12 month period, or two or more defaults within a six month period; three or more guest complaints that have not been resolved to our satisfaction; bankruptcy; insolvency; appointment of a receiver; or default by you under any agreement with our affiliates or us, or with third parties that we require you to enter according to your Membership Agreement, after a prior notice and cure period.
i. Franchisee's obligations on termination/non-renewal	Part II, Section 11 and Schedule 11	Obligations include: paying amounts due to our affiliates, us and third parties; ceasing operating business as a Country Hearth-branded lodging facility; removing Country Hearth signage and otherwise de-identifying your Lodging Facility; distinguishing future operations; removing internet references; and ceasing use of and returning all tangible and intangible Proprietary Property in your possession or control.
j. Assignment of contract by Franchisor	Part II, Section 9.1	No restrictions on our right to assign.
k. "Transfer" by franchisee-defined	Part II, Section 9.2	The term "transfer" refers to any sale, assignment, conveyance, or other disposition of—whether voluntarily, involuntarily, directly or indirectly, by operation of law (including transfers upon death) or otherwise—any direct or indirect interest in your Membership Agreement, 33% or more of the ownership or voting interests in you or your owners (if you are, or your owners if such owners are, legal entities), or a material portion of your assets, without our prior written consent.
l. Franchisor's approval of transfer by franchisee	Part II, Section 9.2	We have the right to approve all transfers. However, we will not unreasonably withhold our consent to a proposed transfer if all of the conditions in Part II, Section 9.2 of your Membership Agreement are met.

THE FRANCHISE RELATIONSHIP

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
m. Conditions for Franchisor approval of transfer	Part II, Section 9.2	Conditions include: all your accrued monetary obligations and other obligations to our affiliates and us have been satisfied; you are not in default of the Membership Agreement or any other agreement between you and us, our affiliates or any Third Party Agreement; you have executed a general release; at our option, transferee assumes all your obligations pursuant to an assignment and assumption agreement or signs our then standard form of membership agreement (the terms of which may significantly differ from the terms of your Membership Agreement); transferee or transferor pays us a transfer fee in the amount of 50% of the then-applicable initial fee for new Brand Members; transferee satisfactorily completes our application procedures and meets our criteria for new Brand Members in effect at the time; transferee has or you have performed all required maintenance, refurbishment, renovations and upgrades of the Lodging Facility; the landlord has agreed to the transfer of the lease or sublease of the premises; if your owners or you finance any part of the purchase price, your owners or you agree to subordinate transferee's obligations owed to you to the transferee's obligations to us and our affiliates; you and your owners cease all use of the Proprietary Marks, do not identify yourselves as a current or former Lodging Facility or otherwise suggest an association with us; and transferee and you timely satisfy any other conditions we reasonably impose.
n. Franchisor's right of first refusal to acquire franchisee's business	None	Not Applicable
o. Franchisor's option to purchase franchisee's business	None	Not Applicable
p. Death or disability of franchisee	Part II, Section 9.2	Any transfers occurring upon your death will be considered a "transfer" of your Membership Agreement and will be subject to the conditions to transfer in section m.
q. Non-competition covenants during the term of the franchise	None	Not Applicable
r. Non-competition covenants after the franchise is terminated or expires	None	Not Applicable
s. Modification of the agreement	Part II, Sections 8.2 and 13.3	No modifications unless signed by the party against whom enforcement is sought, but we may unilaterally modify our Brand Standards and you will be bound by such modifications.

THE FRANCHISE RELATIONSHIP		
PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
t. Integration/merger clause	Part II, Section 13.10	Only the terms of the Membership Agreement (together with its schedules and exhibits) are binding (subject to state law). Any representations or promises outside of this disclosure document and the Membership Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Schedule 13.8(a)	We and you must arbitrate all disputes at a location within a 50 mile radius of our then current principal place of business (currently, Coral Springs, Florida).
v. Choice of forum	Part II, Section 13.7 and Schedule 13.8	Litigation must be brought in any court of competent jurisdiction in Broward County, Florida (subject to applicable state law). All arbitration proceedings will be conducted at a location within a 50 mile radius of our then current principal place of business (currently, Coral Springs, Florida). However, we may seek injunctive relief in any jurisdiction that has jurisdiction over you.
w. Choice of law	Part II, Section 13.7	Except to the extent the Lanham Act or Federal Arbitration Act governs, Florida law applies (subject to applicable state law).

Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit J.

ITEM 18. PUBLIC FIGURES

We currently do not use any public figure to promote our franchise system, but we reserve the right to do so in the future.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised lodging facilities. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing Country Hearth-branded lodging facility, however, we may provide you with the actual records of that property. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting our Chief Legal Officer, Judith A. Jarvis, at Vantage Franchising, Inc., 3300 N. University Drive, Suite 500, Coral Springs, Florida 33065, 954-575-2668, or

legal@vantagehospitality.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

The following tables reflect the Lodging Facilities that became Brand Members through a membership agreement with us:

**TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2013 TO 2015^{1,2}**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2013	0	0	0
	2014	0	0	0
	2015	0	6 ³	+6
Company-Owned	2013	0	0	0
	2014	0	0	0
	2015	0	0	0
Total Outlets	2013	0	0	0
	2014	0	0	0
	2015	0	6	+6

¹ The numbers are as of December 31 of each year.

² We did not begin offering franchises for Country Hearth-branded Lodging Facilities until March 11, 2015.

³ Five of the six new outlets were already operating under the Brand; however, they terminated their existing license agreement with LHINDI and signed a new membership agreement with us.

**TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN
VANTAGE HOSPITALITY OR FRANCHISOR)
FOR THE YEARS 2013 TO 2015^{1,2}**

State	Year	Number of Transfers
All states	2013	0
	2014	0
	2015	0
Total Outlets	2013	0
	2014	0
	2015	0

¹ The numbers are as of December 31 of each year.

² We did not begin offering franchises for Country Hearth-branded Lodging Facilities until March 11, 2015.

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2013 TO 2015^{1,2}

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
FL	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
GA	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	2 ³	0	0	0	0	2
IL	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	1 ³	0	0	0	0	1
KY	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	1 ³	0	0	0	0	1
NC	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	1 ³	0	0	0	0	1
Total	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	6	0	0	0	0	6

¹ The numbers are as of December 31 of each year.

² We did not begin offering franchises for Country Hearth-branded Lodging Facilities until March 11, 2015.

³ These outlets were already operating under the Brand; however, they terminated their existing license agreement with LHINDI and signed a new membership agreement with us.

TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2013 TO 2015¹

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
All states	2012	0	0	0	0	0	0
	2013	0	0	0	0	0	0
	2014	0	0	0	0	0	0
Total	2012	0	0	0	0	0	0
	2013	0	0	0	0	0	0
	2014	0	0	0	0	0	0

¹ The numbers are as of December 31 of each year.

TABLE NO. 5
PROJECTED OPENINGS AS OF JANUARY 15, 2015 FOR 2015

State	Membership Agreements Signed But Outlets Not Opened	Projected New Member Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In The Next Fiscal Year
AL	0	1	0
GA	0	1	0
IL	0	1	0
TN	0	1	0
Total	0	4	0

The following tables reflect the Lodging Facilities for which LHINDI acquired the license agreement and continues to act as licensor:

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2013 TO 2015^{1, 2}

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Members	2013	-	71	+71
	2014	71	56	-15
	2015	56	46 ³	-10
Company-Owned	2013	-	0	0
	2014	0	0	0
	2015	0	0	0
Total Outlets	2013	-	71	+71
	2014	71	56	-15
	2015	56	46	-10

¹ The numbers are as of December 31 of each year.

² The numbers in this table for the year 2014 were provided by the prior franchisor and reflect the franchised units acquired by our affiliate, LHINDI, from the prior franchisor. LHINDI is still the licensor to such franchised locations; however, Vantage Hospitality provides services to the licensees of LHINDI. The documentation we received from the prior franchisor was insufficient to provide the information required for the year 2013.

³ This reflects five outlets that terminated their existing license agreement with LHINDI and signed a new membership agreement with us.

TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN
VANTAGE HOSPITALITY OR FRANCHISOR)
FOR THE YEARS 2013 TO 2015^{1,2}

State	Year	Number of Transfers
All States	2013	-
	2014	0
	2015	0
Total Outlets	2013	-
	2014	0
	2015	0

¹ The numbers are as of December 31 of each year.

² The numbers in this table for the year 2014 were provided by the prior franchisor and reflect the franchised units acquired by our affiliate, LHINDI, from the prior franchisor. LHINDI is still the licensor to such franchised locations; however, Vantage Hospitality provides services to the licensees of LHINDI. The documentation we received from the prior franchisor was insufficient to provide the information required for the year 2013.

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2013 TO 2015^{1,2}

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
AL	2013	-	-	-	-	-	-	4
	2014	4	0	0	0	0	0	4
	2015	4	0	0	0	0	0	4
CA	2013	-	-	-	-	-	-	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
GA	2013	-	-	-	-	-	-	13
	2014	13	0	0	0	0	0	13
	2015	13	0	0	0	0	2 ³	11
IL	2013	-	-	-	-	-	-	3
	2014	3	0	1	0	0	0	2
	2015	2	0	0	0	0	1 ³	1
IN	2013	-	-	-	-	-	-	3
	2014	3	0	1	0	0	0	2
	2015	2	0	0	0	0	0	2
KY	2013	-	-	-	-	-	-	8
	2014	8	0	3	0	0	0	5
	2015	5	0	1	0	0	1 ³	3
LA	2013	-	-	-	-	-	-	1
	2014	1	0	1	0	0	0	0
	2015	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
MD	2013	-	-	-	-	-	-	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
MI	2013	-	-	-	-	-	-	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
MO	2013	-	-	-	-	-	-	4
	2014	4	0	1	0	0	0	3
	2015	3	0	0	0	0	0	3
NJ	2013	-	-	-	-	-	-	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
NC	2013	-	-	-	-	-	-	8
	2014	8	0	4	0	0	0	4
	2015	4	0	0	0	0	2 ⁴	2
OH	2013	-	-	-	-	-	-	6
	2014	6	0	0	0	0	0	6
	2015	6	0	0	1	0	0	5
SC	2013	-	-	-	-	-	-	5
	2014	5	0	0	0	0	0	5
	2015	5	0	0	0	0	1	4
TN	2013	-	-	-	-	-	-	7
	2014	7	0	3	0	0	0	4
	2015	4	0	1	0	0	0	3
TX	2013	-	-	-	-	-	-	3
	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
VA	2013	-	-	-	-	-	-	1
	2014	1	0	1	0	0	0	0
	2015	0	0	0	0	0	0	0
WI	2013	-	-	-	-	-	-	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Total	2013	-	-	-	-	-	-	71
	2014	71	0	15	0	0	0	56
	2015	56	0	2	1	0	7	46

¹ The numbers are as of December 31 of each year.

² The numbers in this table for the year 2014 were provided by the prior franchisor and reflect the franchised units acquired by our affiliate, LHINDI, from the prior franchisor. LHINDI is still the licensor to such franchised locations; however, Vantage Hospitality provides services to the licensees of LHINDI. The documentation we received from the prior franchisor was insufficient to provide the information required for the year 2013.

³ These outlets terminated their existing license agreement with LHINDI and signed a new membership agreement with us.

⁴ One of these two outlets terminated their existing license agreement with LHINDI and signed a new membership agreement with us.

TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2013 TO 2015¹

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
All states	2013	-	-	-	-	-	0
	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
Total	2013	-	-	-	-	-	0
	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0

¹ The numbers are as of December 31 of each year.

TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2015 FOR 2016¹

State	Membership Agreements Signed But Outlets Not Opened	Projected New Member Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In The Next Fiscal Year
All states	0	0	0
Total	0	0	0

¹ LHINDI does not offer franchises under the Brand.

A list of the names, addresses and telephone numbers of all our current franchisees and LHINDI's licensees as of December 31, 2015, is attached as Exhibit G to this disclosure document.

A list of the names, city, state and telephone numbers of our franchisees and LHINDI's licensees who have had a franchise agreement terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement with our predecessor during the most recently completed fiscal year or who have not communicated with us or our predecessor within 10 weeks of the disclosure document issuance date, is attached as Exhibit H to this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Confidentiality Clauses

In the last three fiscal years, no franchisees have entered into any confidentiality agreements with us that restrict their ability to speak openly about their experience with our franchise system.

Trademark-Specific Franchisee Organizations

There are no trademark-specific franchisee organizations associated with our franchise system.

ITEM 21. FINANCIAL STATEMENTS

Attached as Exhibit E to this disclosure document are the audited consolidated financial statements of our parent, Vantage Hospitality Group, Inc. and its subsidiaries (which includes us). Such financial statements consist of the consolidated balance sheets of Vantage Hospitality as of December 31, 2015 and December 31, 2014, and the related consolidated statements of income, changes in stockholders' equity, and cash flows as of December 31, 2015, December 31, 2014 and December 31, 2013. These consolidated financial statements include financial statements of other affiliates of Vantage Hospitality that are required to be included for financial reporting purposes. Also attached are the unaudited financial statements of Vantage Hospitality Group, Inc. and its subsidiaries (which includes us), as of April 30, 2016, including the consolidated balance sheet, consolidated statement of income and consolidated statement of cash flows.

Vantage Hospitality guarantees our performance. Attached as Exhibit F to this disclosure document is a copy of the general form of Guarantee of Performance from Vantage Hospitality.

ITEM 22. CONTRACTS

The following contracts are exhibits to this disclosure document:

Exhibit B	Membership Agreement
Exhibit A	Guaranty and Assumption of Obligations
Exhibit C	Application
Exhibit D	Representations and Acknowledgement Statement
Exhibit I	Sample General Release
Exhibit J	State Addenda and Agreement Riders

ITEM 23. RECEIPTS

Exhibit K contains detachable documents acknowledging your receipt of the disclosure document.

EXHIBIT A

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

CALIFORNIA

Department of Business Oversight:
1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013
(213) 576-7505

Sacramento

1515 K Street, Suite 200
Sacramento, California 95814-4052
(916) 445-7205

San Diego

1350 Front Street
San Diego, California 92101
(619) 525-4044

San Francisco

One Sansome Street, Ste. 600
San Francisco, California 94104
(415) 972-8559

HAWAII

(state administrator)

Business Registration Division
Securities Compliance Branch
Department of Commerce and Consumer Affairs
P.O. Box 40
Honolulu, Hawaii 96810
(808) 586-2722

(agent for service of process)

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

ILLINOIS

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

(state administrator)

Indiana Secretary of State
Securities Division, E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

(agent for service of process)

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

MARYLAND

(state administrator)

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(agent for service of process)

Maryland Securities Commissioner
at the Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

(state administrator)

Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
(517) 373-7177

(agent for service of process)

Michigan Department of Commerce,
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

MINNESOTA

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101
(651) 296-6328

NEW YORK

(state administrator)

Office of the New York State Attorney General
Investor Protection Bureau
Franchise Section
120 Broadway, 23rd Floor
New York, NY 10271-0332
(212) 416-8236 Phone
(212) 416-6042 Fax

(agent for service of process)

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

NORTH DAKOTA

(state administrator)

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol - Fifth Floor
Bismarck, North Dakota 58505
(701) 328-4712

(agent for service of process)

Securities Commissioner
600 East Boulevard Avenue
State Capitol - Fifth Floor
Bismarck, North Dakota 58505
(701) 328-4712

OREGON

Department of Business Services Division of
Finance & Corporate Securities
350 Winter Street, NE, Room 410
Salem, Oregon 97310-3881
(503) 378-4387

RHODE ISLAND

Department of Business Regulation
Division of Securities
John O. Pastore Complex Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9645

SOUTH DAKOTA

Department of Labor and Regulation
Division of Securities
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-4823

VIRGINIA

(state administrator)

State Corporation Commission
Division of Securities
and Retail Franchising
1300 East Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

(agent for service of process)

Clerk, State Corporation Commission
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9733

WASHINGTON

(state administrator)

Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

(agent for service of process)

Director
Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501

WISCONSIN

Securities and Franchise Registration
Wisconsin Securities Commission
345 West Washington Avenue, 4th Floor
Madison, Wisconsin 53703
(608) 266-3431

EXHIBIT B

MEMBERSHIP AGREEMENT

Property # _____

Brand Use Only



MEMBERSHIP AGREEMENT

Property Address: _____

Number of Rooms: _____ Exterior/Interior Corridor? _____ Number of Stories _____

Contact Person: _____

Name

Phone Number

Email

Requested Name: _____

(Subject to Brand Approval)

FOR BRAND USE ONLY

Approval Date: _____

Approved Name: _____

Billing Start Date: _____

Required Opening Date: _____

COUNTRY HEARTH MEMBERSHIP AGREEMENT

This MEMBERSHIP AGREEMENT (this "**Agreement**") is entered into by and between VANTAGE FRANCHISING, INC. ("**we**," "**us**" or "**our**"), and _____ ("**you**"), as of the date signed by us and set forth below our signature on this Agreement (the "**Agreement Date**"), and pertains to the lodging facility located (or to be located) at _____ (the "**Property**"). The parties agree as follows:

PART I

1.1 **Trademark Designation.** Subject to the license granted in this Agreement, you will operate the lodging facility located at the Property (the "**Lodging Facility**") under the Country Hearth Inn & Suites brand ("**Country Hearth**") using the following designation:

____ Country Hearth Inn®
____ Country Hearth Suites®
____ Country Hearth Inn & Suites®

1.2 **Term.** The term of this Agreement (the "**Term**") commences on the Agreement Date and expires three years from the Billing Start Date (defined in Part II, Section 6.3), subject to earlier termination as set forth in this Agreement.

1.3 **Fees.** All fees payable to us under this Agreement are fully earned by us upon payment and are non-refundable, except as otherwise expressly provided in this Agreement. You will pay us the following fees:

a. **Application Fee.** Upon the execution of this Agreement you will pay us, or prior to the execution of this Agreement you paid us, an application fee (the "**Application Fee**") of \$1,000.

b. **Initial Fee.** Upon the execution of this Agreement, you will pay us an initial fee equal to the sum of (x) \$10,000 plus (y) the product of \$100 times the number of Guest Rooms (as defined in Part I, Section 1.3.c) in excess of 50 (the "**Initial Fee**"). If we issue you a property improvement plan ("**PIP**") prior to your Opening Date (defined in Part II, Section 3.2), and, within five days of delivery of such PIP, you notify us in writing that you will not comply with the requirements of such PIP and we terminate this Agreement, we will refund the Initial Fee (but not the Application Fee), as long as you are not otherwise in default of this Agreement and you and your owners have executed general releases, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their owners, officers, directors, employees, agents, successors, and assigns.

c. **Membership Fees.** You will pay us a monthly membership fee ("**Membership Fees**") equal to the sum of (x) \$17.50 per Guest Room for the first 50 Guest Rooms, (y) \$13.50 per Guest Room for Guest Rooms 51 to 75, and (z) \$12.50 per Guest Room for any Guest Rooms in excess of 75, subject to minimum monthly Membership Fees of \$700. The Membership Fees are subject to change pursuant to Section 6.1. "**Guest Rooms**" means transient hotel rooms located at the Lodging Facility, and is not dependent upon occupancy of the hotel rooms.

d. **Marketing Fees.** You will pay us a monthly marketing fee ("**Marketing Fees**") equal to the product of \$12 times the number of Guest Rooms, subject to a minimum monthly Marketing Fee of \$480. The Marketing Fees are subject to change pursuant to Section 6.1.

e. **Conference Fee.** You will pay us a conference fee of \$75 per month (the "**Conference Fee**").

f. **PIP Fee; PIP Re-inspection Fee.** If we issue you a PIP that sets forth a list of items you must perform to conform your Lodging Facility to our Brand Standards (defined in Part II, Section 1.1) prior to the Opening Date as a condition of approval, you will pay us our then-current PIP fee to cover the cost of verifying completion of that PIP (currently, \$1,000). In addition, if we issue you a PIP as a condition to renewal or transfer of this Agreement, as a result of a QA Inspection (defined in Part II, Section 5.12) of the Lodging Facility, or at any other time, and we re-inspect your Lodging Facility to verify it for compliance, you will pay us our then current PIP re-inspection fee (currently, \$1,000), provide our representatives with complimentary lodging, and reimburse us for all expenses in connection with the inspection, including travel costs.

g. **Revenue Support Fee.** You will pay us a non-refundable monthly fee of \$149 to \$199 per month (the "**Revenue Support Fee**"). The Revenue Support Fee includes: (i) a fee for your

participation in the Vantage Competitive Intelligence Program, our revenue management program required of all Brand Members; and (ii) a property management system ("**PMS**")-to-central reservation system (the "**CRS**") connectivity fee charged by our third party CRS provider, which we will collect from you and remit to the CRS provider on your behalf. The amount of the Revenue Support Fee you will pay will be based on the number of Guest Rooms at the Lodging Facility and the market in which it is located, as reflected in Schedule 1.3g, and is subject to increase from time to time as the third party fees included in the Revenue Support Fee increase.

h. **Business Generation Commission.** We may collect a commission of up to 10% of the then-applicable best available rate (the standard non-negotiated rate for the room booked at the time of booking) for any groups, meetings or similar "travel industry sales" we generate that stays at your Lodging Facility. If collected, we will issue an invoice for the amount of the commission.

i. **Other Fees.** You will pay us such other fees designated in this Agreement, in the Brand Manuals (defined in Part II, Section 1.1) or otherwise provided to you in writing.

1.4 **Representation and Warranty.** You acknowledge having read Part II (General Terms and Conditions) of this Agreement, which is incorporated into and made a part of this Agreement, and understand fully all the terms, provisions and conditions of this Agreement

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

The parties are executing this Agreement on the date set forth in the first paragraph of this Agreement.

US:

VANTAGE FRANCHISING, INC.

By: _____

Name: _____

Its: _____

*Date: _____

*(Agreement Date of this Agreement)

Address: 3300 N. University Drive, Suite 500
Coral Springs, FL 33065

Attention: Country Hearth Brand Manager

E-mail: _____

YOU:

Sign here if you are an **INDIVIDUAL(S)**
(Note: use these blocks if you are an individual or
a partnership but the partnership is not a separate
legal entity)

Sign here if you are a
**CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP**

Signature

Print Name: _____

Date: _____

Signature

Print Name: _____

Date: _____

Signature

Print Name: _____

Date: _____

Signature

Print Name: _____

Date: _____

Print Name of Legal Entity

By: _____

Signature

Print Name: _____

Title: _____

Date: _____

MANAGEMENT COMPANY JOINDER

The party signing below is the Management Company and agrees that it is jointly and severally liable with you for the timely and complete performance of all your obligations under this Agreement, except with respect to the actual payment of any amounts due to any third parties, our affiliates or us pursuant to this Agreement (however, the Management Company will be obligated to ensure that such payments are made by you), as it may be modified from time to time (with or without the Management Company's consent), and is bound by all the terms of the Agreement as if it were you under this Agreement.

MANAGEMENT COMPANY:

By: _____

Print Name: _____

Its: _____

PART II
GENERAL TERMS AND CONDITIONS

ARTICLE 1
BRAND MEMBERSHIP; GRANT OF LICENSE

1.1 **Brand Membership.** We and our affiliates have developed and own a special system related to the operations, marketing, and distribution of information pertaining to lodging facilities under the name Country Hearth (collectively, the "**Brand**"). The Brand includes all of our mandatory policies, procedures, specifications, standards, operating procedures, service standards and rules we periodically prescribe for operating a lodging facility (the "**Brand Standards**"), which Brand Standards include the standards set forth in our resource guides and program manuals, if any (our "**Brand Manuals**") and our and our affiliates' business design and image for Country Hearth-branded lodging facilities (the "**Trade Dress**"), and other Proprietary Property (as defined in ARTICLE 7), all of which may be further revised and developed by us or our affiliates. Owners of lodging facilities authorized to operate under the Brand are known as "Brand Members." Subject to the terms and conditions contained in this Agreement, you are a Brand Member.

1.2 **Grant of License.** We grant you the right, and you undertake the obligation, to operate the Lodging Facility and to use the Proprietary Property as authorized under this Agreement and in accordance with the Brand Standards (the "**License**"). The Lodging Facility expressly includes only the lodging facility located at the Property and you may not transfer the License to another lodging facility or another location without our prior written permission.

The License granted to you does not include the right to use "Country Hearth" or "Vantage" in your corporate (or other entity) name, in an Internet domain name, social media site, or in any similar manner.

1.3 **Your Rights within Your Territory.** *From time to time*, in our discretion, we may grant to other persons the right to operate other lodging facilities (including lodging facilities using the Brand) that are in close proximity to the Property. You are not obtaining any protected or exclusive territory. However, if we are contemplating accepting an application for the operation of another lodging facility using the Brand, and that lodging facility would be located within a three-mile radius of the Property, we will provide you with a courtesy notice

and a reasonable opportunity (but no more than five days) to submit a written statement explaining the negative market impact that you believe such potential new Brand Member may have on your business. If we do not agree with your statement, you may request immediate review by a panel of Brand Member representatives (one of whom will be selected by you, one of whom will be selected by us, and the third of whom will be selected by the other panel members). The panel will promptly issue its opinion of the market impact, which opinion will be considered persuasive (but will not be binding). You and we agree to act in good faith to reach a fair and amicable resolution of any such matter within 5 days (or such other timeframe as deemed necessary by us to protect the Brand) of when you submit your written statement explaining the anticipated negative market impact; however, the ultimate decision of whether to grant such new Brand Membership will be ours and will be made in our reasonable discretion. You do not have the right to relocate your Lodging Facility.

1.4 **Our Reservation of Rights.** You are not obtaining any protected or exclusive territory. The License of the Brand granted to you is non-exclusive, non-transferable and non-sublicensable. In addition to our right to use and grant others the right to use the Brand anywhere, all rights not expressly granted in this Agreement to you concerning the Brand or other matters are reserved by us (or our affiliates), including, without limitation, the right to establish, develop, and license or franchise lodging facilities (including the Brand or under other trademarks) located anywhere, regardless of how close such business operates to the Property.

ARTICLE 2
RENEWAL

2.1 **Renewals.** The Term will be automatically extended for up to 3 additional 3-year terms (and each extension is included in the definition of Term), if:

a. neither you nor we have provided at least 90 days prior written notice of an intention not to renew the Term prior to the end of the then-current term;

b. you are not in default of any provision of this Agreement, any other agreement between you and us or our affiliates, or any Third Party Agreement;

c. you execute and deliver to us a general release, in a form satisfactory to us, of any and all claims against us and our owners, officers, directors, employees, agents, successors and assigns;

d. you have completed (at least 60 days before the scheduled expiration of the Term) all maintenance, refurbishing, renovating, and upgrading of the Lodging Facility required to conform the Lodging Facility to (i) the Brand Standards then in effect for new Brand Members, and (ii) any applicable PIP; and

e. you are lawfully entitled to continue to use and occupy the Property for the entire following successor term.

ARTICLE 3 OUR DUTIES

We will consult with you, assist you, and provide certain services to you (as long as you are not in default under this Agreement), as follows:

3.1 **Central Reservation System.** We will provide you with access to the brand-designated CRS. The Lodging Facility may not book reservations through any other electronic reservation system, booking engine, unapproved third-party distribution system, or other technology. We reserve the right to change, modify or eliminate the CRS at any time and from time to time. You will pay a one-time reservation implementation fee of \$395 upon the Lodging Facility becoming active in the CRS and a monthly interface fee (currently \$50), both of which are charged by our third-party CRS provider but invoiced and collected by us. At this time, the \$50 monthly interface fee is included in your Revenue Support Fee.

3.2 **Brand Introduction.** We will provide you with an introduction to the Brand, including its culture, resources, CRS and guest rewards program, at a location we designate (the "**Brand Introduction**"), some of which may take place after the Lodging Facility has opened for business under the Brand (the "**Opening Date**"). Your participation in the Brand Introduction is optional. If any part of the Brand Introduction is held at the Property, you will provide accommodations for our personnel, at your own cost. You also are responsible for all expenses your employees incur in connection with attending the Brand Introduction.

3.3 **Brand Manuals.** We will loan you during the Term of this Agreement one copy of any Brand Manuals (with periodic revisions as required) then in use, if any. We may provide the Brand Manuals in

an electronic medium, including by download from our website.

3.4 **Brand Conference.** We will convene a Brand conference (the "**Brand Conference**") no less frequently than every 18 months, at which Brand Members may gather to network and participate in educational seminars. If you have paid all of your Conference Fees in accordance with this Agreement, one of your representatives may attend the Brand Conference for no additional registration fee, and you will be solely responsible for your attendees' expenses of travel, lodging, certain meals, and other out-of-pocket costs (as well as the registration fee for each additional attendee).

3.5 **Duties Solely to You; Delegation of Duties.** All of our obligations under this Agreement are owed solely to you. No other party may rely on, enforce, or obtain relief for breach of such obligations either directly or by subrogation. We may delegate any or all of our duties under this Agreement to a representative, who may be an affiliate or an independent contractor appointed by us.

ARTICLE 4 MARKETING AND ADVERTISING

4.1 **Marketing Program.** The "**Marketing Program**" is a special program created by our parent, Vantage Hospitality Group, Inc. ("**VHGI**"), for the benefit of all Vantage Hotels (defined below) brand members and is operated by our affiliates or us. As between brand members and us, we have the exclusive right to maintain, operate, and administer the Marketing Program. We may allocate all or any portion of the marketing contributions from Brand Members and other Vantage Hotels brand members to support one brand, a select group of brands, or all of the brands within the Vantage Hotels brand family. "**Vantage Hotels**" refers to all lodging facilities that we or our affiliates franchise, license or operate at any time, including lodging facilities under any of the following brands and their various extensions: Lexington, Jameson Inn, Signature, Inn, Americas Best Value Inn, Country Hearth Inn, America's Best Inns & Suites, 3 Palms Hotels and Resorts, Canadas Best Value Inn, Value Hotel Worldwide and Value Inn Worldwide.

With respect to maintaining, operating, or administering the Marketing Program, neither we nor any affiliate is a trustee or fiduciary and assume no other direct or indirect liability or obligation to you. The Marketing Fees will be used to pay for Marketing Program expenses, which may include the expenses that we incur in activities reasonably

related to administering or directing the Marketing Program. The Marketing Fees are not maintained in an account segregated from our general operating funds and we will not prepare an audited statement of the collection and expenditure of Marketing Fees.

4.2 Local Marketing. You must provide us, for our approval, all materials to be used for local marketing (and all other advertising and promotional materials), unless they have already been approved or consist solely of materials provided by us. If, within 10 business days from the date we receive such submitted materials, you do not receive our approval of your proposed materials, they are considered disapproved. All materials on which the Proprietary Marks are used must include the applicable designation service mark SM, trademark TM, registered trademark ®, copyright ©, or such other designation as we may specify. If, in our judgment, such materials or advertising may injure or harm the Brand, we may notify you to withdraw or discontinue the use of any promotional materials or advertising, even if previously approved. Within five days after delivery of such notice, you must withdraw and discontinue use of the relevant promotional materials and advertising.

4.3 Internet Marketing. Except as expressly provided in this Section, we retain the sole right to advertise on the Internet, create or operate a website or sites, and use the Proprietary Marks as part of any domain name, with respect to any aspect of the Brand or the Lodging Facility (including the use of the Proprietary Marks). If you choose to develop and maintain a website for the Lodging Facility or promote the Lodging Facility through social media (including Facebook®, YouTube®, Instagram®, Twitter® and Pinterest®), you must comply with our website and Internet policies in effect from time to time, which include using our booking engine exclusively. We will establish and host three e-mail addresses for your Lodging Facility. You may not use any other e-mail addresses in the operation of your Lodging Facility. We will provide the e-mail addresses to you at no additional cost during the first year of operation of your Lodging Facility; however, we reserve the right to charge a reasonable fee beginning with your second year of operation as a Country Hearth-branded lodging facility. You will not register any domain name in any class or category that contains the words "Country Hearth Inn & Suites," "Country Hearth Inn," "Country Hearth Suites," "Country Hearth," "Vantage" or any abbreviation, acronym or variation of such words.

4.4 Brand Websites. We have established a website to advertise, market and promote the Brand and Country Hearth-branded lodging facilities as well as a "family" website to advertise, market and promote, collectively, all of the Vantage Hotels (jointly, the "**Brand Websites**"). We will provide you with a webpage on the Brand Websites that represents your Lodging Facility. You must: (i) provide us the information and materials we request to develop, update, and modify your webpage; and (ii) notify us whenever any information on your webpage is not accurate. We own all intellectual property and other rights in the Brand Websites, including your webpage, and all information it contains (including, without limitation, the domain name or URL for your webpage, the log of "hits" by visitors, images of your Lodging Facility, and any personal or business data that visitors supply). We periodically may update and modify the Brand Websites (including your webpage). We also may periodically change the Brand Websites' domain name. You acknowledge that we have final approval rights over all information on the Brand Websites (including your webpage). We will maintain your webpage on the Brand Websites as long as you are in full compliance with this Agreement and all Brand Standards we implement (including, without limitation, those relating to the Brand Websites). Except as provided above in Part II, Section 4.3 or as otherwise permitted by our website and Internet policies in effect from time to time, without our prior consent you will not develop, establish, operate, own, license, use or participate in a website on which the Proprietary Marks appear or otherwise use any of the Proprietary Marks on or in connection with the Internet, including (i) in domain names (including top level or country code domain names and folder extensions in domain names), (ii) in metatags in your website, (iii) in social media user names, (iv) by publishing, linking or deeplinking to any of our websites in connection with social media websites, (v) in sponsored advertising programs, or (vi) in any pay-per-click or similar advertising.

ARTICLE 5 YOUR DUTIES

5.1 Lodging Facility Development. You will refurbish, remodel, redecorate, or modify, and maintain the Property to conform to the Brand Standards, including any interior design standards established at that time.

5.2 Conditions Precedent to Opening. You will not operate the Lodging Facility as a Country Hearth-branded lodging facility or otherwise hold yourself out as being affiliated with the Brand until:

a. the Initial Fee and all other amounts due to our affiliates and us prior to opening the Lodging Facility have been paid in full;

b. we have been furnished with current certificates of insurance and policy endorsements, and if we request, copies of all required insurance policies;

c. we have been provided with all requested "transition" documentation, including your executed TACS Agreement referenced in Part II, Section 5.9;

d. if the Property is leased or you otherwise do not hold fee simple title to the Property, we have been provided with an estoppel, recognition, and subordination agreement from your landlord, in form and substance satisfactory to us;

e. we have been provided with the certification referenced in Part II, Section 5.10.b;

f. you have obtained all necessary governmental or regulatory approvals and authorizations;

g. you have provided to us, and otherwise cooperated with us to gather from external sources, on a timely basis, information about your Lodging Facility to enable us to represent your Lodging Facility on the Brand Websites and in the Global Distribution System and other tour and travel distribution outlets; and

h. you satisfy any other conditions that we reasonably impose.

You must comply with all of these requirements and open your Lodging Facility as a Country Hearth within 120 days from the Agreement Date, and we may terminate this Membership Agreement if you do not.

5.3 Use of the Property. Without our consent, you will not use or permit the use of the Property for any purpose other than operating the Lodging Facility and you will not use any trademarks or service marks on the Property or to operate the Lodging Facility other than those designated in Part I, Section 1.1 and any others we may designate in writing.

5.4 Operational Requirements. To ensure that a consistently high degree of quality and service is maintained at Country Hearth properties, you will operate the Lodging Facility in conformity with the Brand Standards (as revised from time to time), including those set forth in the Brand Manuals or otherwise provided in writing. Without limiting the foregoing, you will ensure that the Lodging Facility is clean and in good repair at all times and that the level of service provided to guests and other visitors

is in keeping with the highest standards of hospitality within the budget sector; further, you will actively participate in any guest rewards program and/or loyalty program established for the Brand, all of our brands, or a select group of our brands (including paying program-associated fees that may be imposed by or in connection with the program, and providing guest discounts). Once you have commenced operating the Property as a Country Hearth-branded Lodging Facility, you must actively and continuously operate the Lodging Facility for the entire duration of the Term. You agree to participate in all distribution channels that we deem appropriate and maintain inventory and price parity among the various distribution channels. If VHGI or we maintain a brand-level or corporate-level agreement with any distribution channel (such as Expedia, Travelocity, or any other online travel agency), you may not maintain a separate agreement with that distribution channel; rather, you authorize us to enter into a sub-agreement or participation agreement with any distribution channel on your behalf.

5.5 Property Management System. Before commencing operation of the Lodging Facility, you will ensure that a Brand-authorized PMS is installed at the Property. The PMS must have a direct full two-way interface with our CRS and guest rewards program, if applicable. You must acquire your PMS from a member of our preferred vendor network; provided, however, that if you would like to use a vendor not on the preferred vendor network, we will consider adding it if its PMS meets our requirements and it otherwise qualifies for inclusion. If we change the Brand-authorized PMS in the future you may be required to purchase, lease or license new or modified computer hardware, software and PMS.

The PMS software must provide us and VHGI with complete real-time cloud-based or web-based access (read only). You will provide any assistance we or VHGI require to allow us or VHGI to independently access and retrieve, at any time, such data and information from your PMS as we or VHGI, in our discretion, deem necessary, desirable or advisable, and you expressly authorize us and them to do so. You are exclusively responsible for the cost of such access and retrieval. You acknowledge that we and VHGI have the right to use such data and information (whether we or VHGI retrieve it from your PMS or it is transmitted to the CRS from your PMS) for any lawful purpose so long as we and VHGI comply with all applicable laws and our or their consumer privacy policy then in place. Notwithstanding the foregoing, we and VHGI will not sell or rent such data and information to any third

party without your prior written approval unless it is part of a set of aggregated data that does not identify your Lodging Facility, the data specifically associated with your Lodging Facility or you.

5.6 Employees. You are solely responsible for making and performing all employment decisions and functions, including those related to recruiting, hiring, firing, compensation, work hours and schedules, work assignments, safety and security, training, disciplining, supervising and record keeping. Under no circumstances will your employees or other persons working at the Lodging Facility be deemed to be employees of any of our affiliates or us.

5.7 Approved Specifications and Sources of Supply. We will provide you with a list of any equipment, supplies, inventory, advertising materials and other product requirements and specifications, and any authorized manufacturers, vendors, and suppliers. If you propose to purchase any signage bearing any Proprietary Marks (as defined in ARTICLE 7) from a supplier that is not a member of our preferred vendor network, you will pay us our then current signage approval fee (up to a maximum amount of \$5,000). We may require you to enter into and comply with Third Party Agreements pursuant to Part II, Section 5.9.

5.8 Products and Services the Lodging Facility Offers. You agree that you (1) will offer and sell from your Lodging Facility the products and services that we periodically specify or otherwise authorize; (2) will not offer or sell at your Lodging Facility or any other location any products or services we have not authorized; and (3) will discontinue selling and offering for sale any products or services that we at any time disapprove.

5.9 Third Party Agreements. From time to time we may require you to enter into, and comply with all of the provisions of, agreements with certain designated suppliers or vendors (each, a "**Third Party Agreement**"). We currently require you to execute and deliver, prior to opening for business as a Country Hearth-branded lodging facility, the travel agent commission settlement agreement ("**TACS Agreement**") attached as Exhibit 5.9. The terms of each Third Party Agreement may not be amended by you in any manner and may be subject to change by the third parties without notice.

5.10 Compliance with Laws, Rules and Regulations.

a. You will comply with all applicable federal, state, and local laws, rules and regulations, including, without limitation, antiterrorism laws. You

will timely obtain, maintain, and renew when required any and all permits, certificates, licenses or franchises necessary for the full and proper conduct of the Lodging Facility under this Agreement. No assistance, guidance, standards, or requirements that we provide you constitute a representation or warranty of any kind, express or implied, that your Lodging Facility is compliant with federal, state, or local laws, rules, or regulations.

b. Without limiting the generality of anything in this Part II, Section 5.10, you will comply with the Americans with Disabilities Act ("**ADA**") to the extent it applies to the Property and the improvements constructed thereon. Prior to the Opening Date, and as of each BSD Anniversary (or such other period of time as we may specify in the Brand Manuals or otherwise in writing), you must certify to us (via an architect, general contractor, or recognized ADA standards consultant reasonably acceptable to us), on a form satisfactory to us, that the Property is ADA compliant.

c. We are a member of ECPAT-USA's Tourism Child-Protection Code of Conduct (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 your Lodging Facility, including training all of your employees, to recognize and prevent all forms of human trafficking.

5.11 Information Security. You must implement, at a minimum, all industry-standard administrative, physical and technical safeguards advisable to protect any information that can be used to identify an individual ("**Personal Information**"). No assistance, guidance, standards, or requirements that we provide you constitute a representation or warranty of any kind, express or implied, that your Lodging Facility is compliant with federal, state, or local laws, or acceptable industry standards. If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately and specify the extent to which Personal Information was compromised or disclosed.

5.12 QA Inspections. On at least an annual basis during the Term (an, in our discretion, prior to the Opening Date), we (or our designees) will conduct a quality assurance inspection with respect to the Lodging Facility (each, a "**QA Inspection**"). QA Inspections and follow-up inspections, if necessary, will be conducted, and reports prepared

and scored, and all PIPs issued, if necessary. Our omission of an item to address an existing deficiency on a PIP is not a waiver of our right to include an item to address that particular deficiency on a future PIP. You will provide us access to your Lodging Facility and personnel to conduct the QA Inspections, at our request, and you will provide lodging to our representative conducting the QA Inspection at your expense. We reserve the right to substitute or augment the QA Inspections with a "mystery shopper" or other means of reviewing the quality of the Lodging Facility's condition and service.

5.13 Insurance. You will at all times comply with the insurance requirements set forth in Schedule 5.13.

5.14 Guest Relations. Your staff and you will treat guests and other members of the public with courtesy and respect, and will attempt to resolve all guest complaints promptly and to the guests' reasonable satisfaction. If we become aware of a guest complaint, we will notify you of the same by e-mail; you will have five days from the date of that e-mail to respond with an explanation of the issue and your proposed resolution. If we disagree with your proposal, we may address the guest complaint on your behalf and in the best interests of the Brand. Any costs we incur in doing so will be reimbursed to us by you, along with our then-current standard administrative fee (currently, \$75). Repeated guest complaints (whether or not resolved) may result in suspension or termination. You must respond professionally and courteously on a timely basis to all guest complaints that appear on Internet review sites (such as TripAdvisor® and Yelp®).

5.15 STR Reporting Requirement. You will report your rooms sold and Gross Rooms Revenue to STR (formerly Smith Travel Research) on a monthly basis. "**Gross Rooms Revenue**" means gross receipts attributable to or payable for the rental of Guest Rooms (both taxable and non-taxable revenue) including, without limitation, all credit transactions, whether or not collected, guaranteed no-show revenue net of chargebacks from credit card issuers, and any net business interruption insurance proceeds received by you.

ARTICLE 6 FEES AND PAYMENTS

6.1 Fee Increases. The Membership Fees and the Marketing Fees may be increased from time to time during the Term upon the affirmative vote of at least 60% of the Brand Members voting in person at the Brand Conference (collectively, the "**Voting**

Members"); however, we reserve the right to increase any of our fees by the most recently published National Consumer Price Index-All Urban Consumers-All Items (1982-1984 = 100) as most recently published by the U.S. Department of Labor, or a successor index ("**CPI**"). All optional fees payable to us, as well as the Revenue Support Fee and the Conference Fee, may be increased by us, in our discretion, from time to time throughout the Term; however, we will not increase any such fees by an average of more than 10% per year in any year and no more than 20% during any consecutive three year period, without the approval of at least 60% of the Voting Members, subject to our right to increase our fees based on CPI.

6.2 Third Party Fees. We may periodically require you to pay us fees due from you to third parties, which we will collect on behalf of such third parties and remit to such third parties.

6.3 Payments. Unless otherwise specified in this Agreement (or in a Third Party Agreement, as applicable), your obligation to make any monthly payments required by this Agreement (or any Third Party Agreement) will begin on the Billing Start Date, and you will pay all invoiced amounts within 30 days of the date of the applicable invoice. Unless otherwise stated in this Agreement (including any amendment to this Agreement), the "**Billing Start Date**" is the first day of the calendar month that is one full calendar month after the Agreement Date. For example, if the Agreement Date is October 20, the Billing Start Date is December 1. Notwithstanding the foregoing, you will be obligated to make payments for booking fees, reservation fees and commissions from the time those fees are incurred, regardless of the Billing Start Date.

6.4 Payment System. Unless otherwise directed by us, all payments required to be provided by you to any of our affiliates or us will be effectuated by an automated payment system (the "**Payment System**"). We may process such automated charges at the time any payment is due and owing. You will implement the Payment System prior to activation in the Brand and will cooperate with us to implement and maintain the efficient operation of the Payment System. You will pay all charges imposed by your financial institution and we will pay all the charges imposed by our financial institution.

6.5 No Right of Setoff. Your obligations to make payments in accordance with this Agreement are absolute and unconditional. They are not subject to any setoff for any reason whatsoever.

6.6 **Late Charges.** If any payment under this Agreement or any other agreement between you and us is overdue for any reason you will pay to us on demand a late charge equal to the greater of (a) \$25 or (b) 1.5% of the overdue amount. If a greater amount than may be lawfully collected is inadvertently collected, it will be applied to reduce outstanding amounts owed for Membership Fees, Marketing Fees, Conference Fees or Revenue Support Fees.

6.7 **Booking Fees.** You are responsible for the payment of all booking and reservation fees incurred in connection with the operation of your Lodging Facility, whether payable through TACS or directly to a third party, and agree to timely pay all such fees. A summary of the currently applicable booking fees are set forth on Schedule 6.7. These booking fees are subject to change.

6.8 **Rebates.** You acknowledge that suppliers from which you choose to acquire products or services may pay us rebates, or provide us with other benefits, based on your purchases of those products and services. We will utilize such rebates or benefits solely to subsidize the Brand Conference and other educational opportunities made available to Brand Members.

ARTICLE 7 PROPRIETARY PROPERTY

7.1 **Definitions of Proprietary Marks and Proprietary Property.** "Proprietary Marks" means the service marks Country Hearth Inn & Suites®, Country Hearth Inn®, Country Hearth Suites®, and all other trademarks, service marks, trade names, logos, and commercial symbols that we authorize as part of the Brand. "Proprietary Property" means the Proprietary Marks, Confidential Information (as defined in Part II, Section 8.1), Brand Standards, and copyrighted (or copyrightable) or trade secret information of our affiliates or of us that you may use under this Agreement.

7.2 **Your Use of the Proprietary Property.** You may use the Proprietary Property only in accordance with the Brand Standards and as permitted by this Agreement and the attached Schedule 7.

ARTICLE 8 BRAND MANUALS AND OTHER CONFIDENTIAL INFORMATION

8.1 **Confidential Use.** To protect our reputation and goodwill, you will conduct your Lodging Facility in accordance with the Brand Standards, including those contained in the Brand

Manuals and other writings provided by us. The Brand Standards are an integral part of this Agreement and have the same force and effect as if fully set forth in this Agreement. At all times, you and your owners will treat and maintain the Confidential Information as confidential and as our trade secrets. Without our prior consent, you will not copy, record, or otherwise reproduce any of the Confidential Information, in whole or in part. For purposes of this Agreement, "**Confidential Information**" means the Brand Standards, our Brand Manuals, and any knowledge, know-how, technologies, processes, techniques, and any other information that we designate as confidential, proprietary, or trade secrets or that is not readily available in the public domain.

8.2 **Periodic Revisions.** We may periodically combine, update, amend, revise and change the Brand Standards. You will comply with each new or changed provision and the current version periodically in effect will supersede all prior versions. We may notify you of updates to the Brand Standards by posting them on our intranet, or in any other manner we elect. In the event of any dispute as to the contents of the Brand Standards (including those contained in the Brand Manuals), the terms contained in the standards we maintain at our home office are controlling.

8.3 **Deviation from Brand Standards.** We may, in our discretion and as we may deem in the best interests of all concerned in any specific instance, vary standards for any Brand Member based upon the particular site or circumstances. You are not entitled to any similar variation under this Agreement.

ARTICLE 9 TRANSFERS

9.1 **Transfer by Us.** We maintain a staff to manage and operate the Brand and staff members can change as employees come and go. You represent that you have not signed this Agreement in reliance on any particular manager, owner, director, officer, or employee remaining with us in any capacity. We may change our ownership or form or assign this Agreement and any other agreement to a third party without restriction.

9.2 **Transfer by You.**

a. Unless otherwise expressly permitted by this Agreement, without our prior consent, you may not sell, assign or otherwise dispose of this Agreement or any direct or indirect interest in this Agreement, your Lodging Facility or substantially all of its assets. Any purported or

attempted transfer by you—by operation of law or otherwise—in violation of this Agreement is null and void, and a material breach of this Agreement. Notwithstanding the foregoing, we will not unreasonably withhold, condition, or delay our consent to a transfer if all of the conditions of Part II, Section 9.2d are satisfied.

b. You will provide us with at least five days' prior written notice of any transfer of voting or ownership interests in you if you are a legal entity, or in any of your owners if such owners are legal entities, and a transfer of 33% or more of such voting or ownership interests—individually or in the aggregate, directly or indirectly—is considered a transfer of an interest in this Agreement by you, as is a transfer of a material portion of your assets.

c. Neither you nor your owners (or their respective owners) may create, permit, or suffer a lien against, or pledge, mortgage, hypothecate, grant a security interest in, or in any manner encumber this Agreement (or any interest in this Agreement). Each of the acts described in the foregoing sentence is considered a transfer of an interest by you under Part II, Section 9.2a.

d. Unless you satisfy all the following conditions—any of which we, in our discretion, may waive—we need not consent to a transfer of any interest in this Agreement:

i. all your accrued monetary obligations and all other outstanding obligations to our affiliates and to us have been satisfied;

ii. you are not in default under any provision of this Agreement or any other agreement between you and us, our affiliates, or any Third Party Agreement;

iii. you have executed a general release of all claims against us, our affiliates, and our and their respective officers, directors, owners, representatives, agents and employees;

iv. the transferee enters an assumption agreement, in form and substance satisfactory to us, under which it assumes all of your obligations under this Agreement; or, if we require, the transferee enters the form of membership agreement we then offer to new Brand Members (for a term equal to the then remaining Term of this Agreement) and such other ancillary agreements as we may require;

v. the transferee or you pay us a transfer fee in the amount of 50% of the then-applicable initial fee for new Brand Members (the "Transfer Fee");

vi. the transferee has satisfactorily completed our application procedures and meets

our criteria for new Brand Members in effect at that time;

vii. the transferee has or you have completed all maintenance, refurbishing, renovating, and upgrading of the Lodging Facility required to conform the Lodging Facility to the Brand Standards then in effect (or the transferee has agreed to a PIP with a time-frame for completion acceptable to us);

viii. if the Property is leased, the landlord allows you to transfer the lease or sublease the Property to the transferee;

ix. if your owners or you finance any part of the purchase price, we reserve the right to require that you and/or your owners subordinate any of the transferee's obligations under promissory notes or agreements with you or your security interests reserved in your Lodging Facility, to the transferee's obligation to pay Membership Fees, Marketing Fees, Conference Fees, and other amounts due to us, our affiliates, and third party vendors and otherwise to comply with this Agreement;

x. you and your transferring owners will not directly or indirectly at any time or in any manner (except with respect to other Lodging Facilities you own and operate) identify yourself or themselves or any business as a current or former Lodging Facility or as one of our Brand Members; use any Proprietary Mark, any colorable imitation of a Proprietary Mark, or other indicia of a Lodging Facility in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us; and

xi. the transferee and you timely satisfy any other conditions we reasonably impose.

Our approval of a proposed transfer is not an expression of our opinion concerning the appropriateness or fairness of the terms of the transfer or the likelihood of the transferee's success. Notwithstanding anything in this Agreement to the contrary, you may not make, permit, or suffer any transfer of this Agreement or any interest in this Agreement if you, or any of your direct or indirect owners, are the subject of either a voluntary or involuntary bankruptcy proceeding.

ARTICLE 10 DEFAULT AND TERMINATION

10.1 **Suspension.** If (a) you fail a QA Inspection, or (b) you fail to comply with any obligation or requirement imposed by this

Agreement and you fail to cure such default within two days, unless a longer cure period is specified in a notice of default we deliver to you, then, without any further notice to you, (i) you will immediately be suspended from the CRS, and (ii) we have the right, in our sole discretion, to suspend your access to any revenue-generating or revenue-related programs (such as group and corporate leads, and the Vantage Competitive Intelligence Program). However, all fees will continue to accrue during the suspension period. We will reinstate your rights only if you take all actions necessary to correct any deficiencies detected during the QA Inspection, or cure such default and provide evidence of cure satisfactory to us within the time frame stated in the notice, whichever is applicable. Exercising our suspension rights pursuant to this Part II, Section 10.1 does not preclude us from exercising any other rights and remedies—including our right to terminate this Agreement pursuant to Part II, Sections 10.2 or 10.3—if the applicable default has not been cured within any permitted cure period. Notwithstanding anything set forth in this Agreement, we reserve the right to immediately suspend your rights under this Agreement, without prior notice, if we reasonably believe the operation or condition of the Lodging Facility presents a potential threat to the life or safety of any person, or if you have been cited with the violation of any health, safety, or sanitation law, ordinance, or regulation.

10.2 Termination by Us—After Notice and Right to Cure. In addition to the defaults specified in Part II, Section 10.3, you are in default under this Agreement if you fail to comply with any other obligation or requirement imposed by this Agreement, as it may from time to time be revised or supplemented by the Brand Standards. A notice of default must briefly describe the nature of the default and the cure period. Except as otherwise provided in Part II, Section 10.3, or elsewhere in this Agreement, if any default described in a notice of default is not cured and evidence of such cure provided to us within five days—or such longer period as applicable law may require—without any further notice to you, we may immediately terminate this Agreement. To the extent a cure is permitted under this Agreement, you have the burden of proving you properly and timely cured any default.

10.3 Termination by Us—After Notice, No Right to Cure. Upon the occurrence of any of the following events, without providing you with any opportunity to cure, we may, by notice, immediately terminate this Agreement:

a. you fail to pay us, any of our affiliates, or any required third party (for example, Dell/TACS) any amount due under this Agreement or any other agreement, within 30 days of when such amount is due;

b. you or any of your owners have made or make any material misrepresentation in obtaining the License, including in any membership application submitted to us, or operating your Lodging Facility;

c. you abandon the Lodging Facility or, for more than 7 consecutive days or 14 days in any calendar year, you cease to conduct the Lodging Facility at the Property; you, after the expiration of all redemption periods, lose the right to possess the Property; or you otherwise forfeit the right to do or transact business in the jurisdiction where the Lodging Facility is located;

d. a serious or imminent threat or danger to public health or safety results from constructing, maintaining, or operating the Lodging Facility and such threat or danger remains uncorrected for five days after we or any governmental authority deliver written notice of the threat or danger, regardless of any longer period of time that any governmental authority may have given you to cure such threat or danger, unless a cure cannot be reasonably completed in such time, in which event you will immediately begin to take all reasonable steps to cure;

e. you deny us the right—or otherwise interfere with, impede, or impair our exercise of our right—to inspect the Lodging Facility or retrieve information from the PMS;

f. you or any of your officers, directors, owners or managerial employees engage in conduct that is harmful to, or reflects unfavorably on, you, us, or the Brand; or engage in conduct that exhibits a reckless disregard for the physical or mental well-being of employees, guests, our representatives, or the public at large;

g. we become aware of guest complaints (whether resolved or not) that we deem to be excessive;

h. any person attempts or purports to transfer any rights or obligations under this Agreement without our prior consent or otherwise breaches any of the provisions of ARTICLE 9;

i. any breach occurs under ARTICLES 7 or 8, or any other provisions related to Confidential Information or Proprietary Property;

j. you fail to procure or maintain any insurance required by this Agreement;

k. you (or any of your owners) (a) fail on three or more separate occasions within any 12 consecutive month period to comply with this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on two or more separate occasions within any six consecutive month period to comply with the same obligation under this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

l. you have three or more guest complaints that have not been resolved to our reasonable satisfaction;

m. you become insolvent or make a general assignment for the benefit of creditors; a petition in bankruptcy is filed by you or such a petition is filed against or consented to by you and such petition is not dismissed within 45 days; you are adjudicated as bankrupt; a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; a receiver or other custodian (permanent or temporary) of your business or assets is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under federal or any state law is instituted by or against you; execution is levied against your operation or property, or suit to foreclose any lien or mortgage against the Property or your other assets is instituted against you and not dismissed within 45 days; a substantial portion of your real or personal property used in the Lodging Facility is sold after levy thereupon by any sheriff, marshal, or constable; or

n. you or any of your affiliates default under any other agreement with our affiliates or us (including any other membership agreement or Third Party Agreement) and fail to cure such default within any applicable cure period.

10.4 Termination by Either Party. Beginning on the first anniversary of the Billing Start Date, either of us may terminate this Agreement for any reason or no reason effective as of each anniversary of the Billing Start Date (each of these windows, a "**BSD Anniversary**"). In order to terminate this Agreement on a BSD Anniversary, you must not be in default of this Agreement as of the applicable BSD Anniversary. The terminating party must provide notice of its intention to terminate at least 90 days prior to the intended termination date, and all of your and our obligations will

continue to apply through the end of the BSD Anniversary on which this Agreement is terminated.

10.5 Right to Perform. If you default in performing any of your obligations under this Agreement, we have the right (but not the duty) to perform your obligations. If we do, you will immediately reimburse us for the actual costs of so performing. If we exercise our rights under this provision, that will not affect our right to terminate this Agreement under Part II, Sections 10.2 and 10.3 above.

ARTICLE 11 YOUR OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon the expiration or sooner termination of this Agreement, all rights granted under this Agreement to you terminate immediately, and the sections of this ARTICLE 11 apply to the rights and obligations of the parties.

11.1 Payment of Outstanding Amounts. Within 10 days after the effective date of termination or expiration, you will pay all Membership Fees, Marketing Fees, Conference Fees, Revenue Support Fees, amounts owed for products or services you purchased from our affiliates or us, and all other unpaid amounts you owe to us, our affiliates and all third parties under the Third Party Agreements.

11.2 Accelerated Fees; Other Damages.

a. If we terminate this Agreement pursuant to Part II, Section 10.2 or 10.3, or you terminate this Agreement without cause (but not on a BSD Anniversary), you will pay us a lump-sum payment equal to the Membership Fees, Marketing Fees, Conference Fees, and Revenue Support Fees payable for the period from the termination date through the end of the Term. This is not a penalty, but a bona fide estimate of our liquidated damages arising from such early termination. You and we agree that the calculation described in this Section is a calculation only of the damages that we would suffer due to the loss or interruption of the revenue stream we otherwise would have derived from your continued payment of Membership Fees, Conference Fees, Revenue Support Fees, and that the Marketing Program would have otherwise derived from your continued contributions to the program, less any cost savings, and that nothing herein shall preclude or limit us from proving and recovering any other damages caused by your breach of this Agreement.

b. If you fail to comply with all of your obligations under paragraph b. of Schedule 11 within 30 days after the expiration or sooner termination of this Agreement, you also will pay us \$500 for each day in which you are in breach of such obligations.

c. The parties agree that it would be difficult if not impossible to determine the amount of damages that we would suffer if this Agreement is terminated. Nevertheless, the parties agree that the lump sum payments provided under this Part II, Section 11.2 are reasonable in light of the damages we may be expected to incur. You acknowledge that your obligation to pay us accelerated fees is in addition to, not in lieu of, your obligations to pay other amounts due to us under this Agreement up through the date of termination and to strictly comply with your post termination obligations. The legal remedies under this Agreement will not preclude us from equitable remedies to which we may be entitled under applicable law.

ARTICLE 12 REPRESENTATIONS AND WARRANTIES

12.1 **Lease Term.** If the Property is leased, you represent and warrant that the term of the lease is at least as long as the initial Term of this Agreement. Within five days of receipt, you will forward to us any notice of default or breach under the lease for the Property.

12.2 **Receipt of FDD.** You acknowledge that you received from us a franchise disclosure document and all exhibits and supplements (the "FDD") at least 14 calendar days before signing this Agreement or any other binding agreement with, or making any payment to, our affiliates or us in connection with the sale of the License.

12.3 **Acknowledgement of Risk.** You acknowledge and agree to the following:

a. Your success in owning and operating the Lodging Facility is speculative and will depend on many factors. Such factors include, to a large extent: your independent business ability; the quality and location of the Property; your experience in operating a lodging facility; your efforts at local sales and marketing; and the level of customer service provided by you and your staff to guests of the Lodging Facility. Except as specifically included in this agreement, no representations or promises, express or implied, have been made by us or any of our employees, brokers, or representatives, to induce you to enter into this Agreement. No employee, officer, director, broker, or representative of ours is authorized to do otherwise.

b. You acknowledge that, in all of your dealings with our owners, officers, directors, employees, and representatives, such individuals act only in their representative capacity and not in an individual capacity. You further acknowledge that this Agreement and all business dealings between you and such individuals as a result of this Agreement are solely between you and us.

ARTICLE 13 GENERAL PROVISIONS

13.1 **Indemnification.** You will indemnify and hold us harmless from any and all actions, damages, and expenses to which we become subject or that we incur arising from or relating in any manner to your ownership or operation of the Lodging Facility. Notwithstanding the expiration or sooner termination of this Agreement, this indemnity will continue in full force and effect.

13.2 **Independent Status.** This Agreement does not create a fiduciary relationship between you and us. You are an independent contractor. Unless expressly provided to the contrary, nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, affiliate or servant of the other party for any purpose whatsoever. You will take such affirmative action as we request to disclose to the public that you are independent from us, including displaying signage at your front desk that identifies the name of the owner or operator of the Lodging Facility and that you operate it under a License from us, which signage must conform to our Brand Standards.

13.3 **Amendments; Binding Effect; Survival.** The provisions of this Agreement may be amended, supplemented, waived or changed only by a written document signed by the party as to whom enforcement of any such amendment, supplement, waiver, or modification is sought and making specific reference to this Agreement. This Part II, Section 13.3 is subject to the terms of Part II, Sections 8.2 and 13.6. All of the terms and provisions of this Agreement are binding upon, inure to the benefit of, and are enforceable by the parties and their respective legal representatives, heirs, successors, and permitted assigns. All our and your respective obligations that expressly or by their nature survive the expiration or sooner termination of this Agreement continue in full force and effect subsequent to and notwithstanding its expiration or termination.

13.4 **No Disparagement.** Both during and after the Term, neither you nor any of your owners will disparage either our affiliates or us or any of their or

our respective officers, directors, stockholders, employees, or representatives, any other Brand Members, any aspect of the Brand, or any other of our brand concepts or those of our affiliates.

13.5 Notices. All notices and other communications required or permitted under this Agreement must be in writing and will be deemed delivered: (a) on the date delivered if by personal delivery; (b) on the date of transmission if by e-mail (as long as the sender confirms the e-mail by delivering an original confirmation copy by mail or expedited delivery service, in accordance with this Part II, Section 13.5, within three days after transmission); or (c) on the date upon which the return receipt is signed or delivery is refused if mailed by registered or certified mail (postage prepaid), return receipt requested. Each notice must be addressed to the appropriate party at its address set forth below its signature in Part I or to such other address as that party may designate by notice complying with the terms of this Part II, Section 13.5.

13.6 Severability; Waivers. If it turns out that a particular term is not enforceable, this will not affect any other term, and we may, in our discretion, modify any unenforceable term to the extent required to be valid and enforceable. If you do not comply with the terms of this Agreement, and we do not take action right away, this does not mean that we are giving up any rights that we may have (such as taking action in the future).

13.7 Governing Law; Jurisdiction and Venue. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 et seq.) or the United States Arbitration Act (9 U.S.C. §§ 1 et seq.), this Agreement and any related agreement, and all transactions contemplated by this Agreement and any related agreement, as well as our offer, sale, or negotiation of a Country Hearth franchise or the relationship of the parties arising from the franchise or from entering this Agreement, are governed by, and must be construed and enforced in accordance with, the internal laws of the State of Florida, without regard to its conflict-of-laws principles. NOTWITHSTANDING THE FOREGOING, ANY STATUTES OF THE STATE OF FLORIDA REGULATING THE OFFER OR SALE OF FRANCHISES, BUSINESS OPPORTUNITIES, OR SIMILAR INTERESTS OR GOVERNING THE RELATIONSHIP BETWEEN OR AMONG THE PARTIES TO THIS AGREEMENT, OR BETWEEN US AND YOUR GUARANTORS AND OWNERS, IF ANY, DO NOT APPLY UNLESS THEIR

RESPECTIVE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION. Subject to Part II, Section 13.8, jurisdiction and venue for all disputes will be in any court of competent jurisdiction in Broward County, Florida.

13.8 Dispute Resolution. You will at all times comply with the dispute resolution requirements set forth in Schedule 13.8.

13.9 Consents, Authorization, Approvals or Other Satisfaction. Whenever our consent, authorization, approval, or other satisfaction (collectively, "**Approval**") is required under this Agreement, unless such Approval is in writing and signed by a duly authorized executive officer, such Approval is not binding upon us. Our Approval, whenever required, may be withheld if any default by you exists under this Agreement. Further, any Approval provided by us under or arising out of this Agreement is an expression only that our minimum requirements for us to grant it have been met, or waived, in our discretion, nothing more. Additionally, you will not claim that the provision or withholding of any Approval by us imposes any liability on us.

13.10 Entire Agreement. This Agreement (together with its exhibits and schedules) represents the entire understanding and agreement between the parties with respect to the subject matter of this Agreement, and supersedes all other negotiations, understandings, and representations, if any, made by and between the parties. Nothing in this Agreement or any related agreement, however, is intended to disclaim the express representations we made in the FDD that we furnished to you.

13.11 Third Parties; Limited Power of Attorney. The terms of this Agreement control the relationship between you and us. Except as provided in this Agreement, they do not create any third party beneficiary rights. Notwithstanding anything to the contrary contained in this Agreement, the parties agree that each of their respective owners, officers, directors, employees, agents, attorneys and other representatives are third-party beneficiaries of the provisions of Part II, Sections 12.3, 13.7, 13.8 and Schedule 13.8. You hereby irrevocably designate and appoint us and our duly authorized officers and agents as your agent and attorney-in-fact to effectuate any Member-approved initiatives (for example, merchant programs).

13.12 Owner Guaranty. Each person with a 20% or greater beneficial or legal ownership interest

in you will execute a guaranty in substantially the form attached as Exhibit A to this Agreement. Each of such parties agrees that he or she is jointly and severally liable with each other and you for the timely and complete performance of your obligations under the Agreement, as they may be modified from time to time (with or without that party's consent). The spouse of each guarantor may also be required to acknowledge the guaranty.

13.13 **Management Company.** If the Lodging Facility will be managed by a management company (the "**Management Company**"), the Management Company will enter the Management Company Joinder set forth in Part I of this Agreement. By doing so, the Management Company agrees that it is bound by all of the terms of this Agreement as if it were you under this Agreement and agrees that it is jointly and severally liable with you for all your obligations under this Agreement, except with respect to the actual payment of any amounts due to any third parties, our affiliates or us pursuant to this Agreement

(however, the Management Company will be obligated to ensure that such payments are made by you). You may change the Management Company from time to time; however, you must give us 10 days' prior notice and the new Management Company must execute a joinder agreement acceptable to us.

13.14 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which is an original, but all of which together constitute one and the same instrument. Confirmation of execution by scanned and e-mailed, or electronically signed and verified, signature page is binding upon any party to such confirmation.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

**Schedule 1.3g
Revenue Support Fees**

<u>Room Count</u>	<u>Segment</u>					Primary Suburb	Primary Metro
	Tertiary	Rural Highway	Secondary	Airport	Destination		
40-49	\$149	\$149	\$159	\$169	\$169	\$169	\$179
50-59	\$149	\$159	\$159	\$169	\$169	\$169	\$179
60-74	\$149	\$159	\$159	\$169	\$169	\$169	\$179
75-99	\$159	\$169	\$169	\$179	\$179	\$179	\$189
100-119	\$169	\$179	\$179	\$199	\$199	\$199	\$199
120+	\$179	\$189	\$189	\$199	\$199	\$199	\$199

Schedule 5.13 Insurance Requirements

a. **Types and Amounts of Coverage.**

Throughout the Term, you will maintain such types of insurance in such amounts as we may require. Such insurance is in addition to any other insurance that may be required by applicable law, your landlord, your mortgagee, or otherwise. At a minimum, such policies include the following (liability limits for primary and excess/umbrella policies may be in any combination as long as the total minimum limit requirements are met):

i. commercial general liability ("CGL") insurance for any claims or losses arising or resulting from the operations/premises of the Property with combined single limits of \$1,000,000 per occurrence for bodily injury and property damage liability and a general aggregate limit not less than \$2,000,000. Limits may be met by a combination of CGL and umbrella or excess liability insurance policies on a follow form basis;

ii. property and contents insurance (or builder's risk insurance during any period of construction) on all building(s) and contents against loss or damage by fire, lightning and all other risks associated and covered by the "all risks" policy form, all in an amount not less than 90% of the replacement cost;

iii. boiler & machinery insurance against loss or damage from explosion of boilers or pressure vessels to the extent applicable;

iv. business interruption insurance covering at least 12 months loss of profits and necessary continuing expenses for interruptions caused by a covered occurrence;

v. workers' compensation insurance in statutory amounts for all your employees and employer's liability insurance in amounts not less than \$100,000 per accident/disease;

vi. liquor liability (applicable only when or if you distribute, sell, serve, or furnish alcoholic beverages) for combined single limits of bodily injury and property damage liability of not less than \$1,000,000 per occurrence;

vii. automobile liability insurance including owned, non-owned and hired vehicles for combined single limits of bodily injury and property damage of not less than \$1,000,000 per occurrence;

viii. garage-keeper's liability to the extent that Property operations include parking operations, with a limit adequate to cover the full actual value of all automobiles that are in your care, custody, and control at any one time; and

ix. fidelity bond coverage or crime insurance on all employees in an amount not less than \$100,000.

Additionally, we strongly recommend that you carry employment practice liability insurance.

b. **Insurance Requirements.** Each of the insurance policies required by this Agreement will: (i) be written by an insurance company reasonably satisfactory to us; (ii) to the extent legally permissible, name VHGI and us, its and our affiliates, and its and our respective officers, directors and employees as additional named insureds and loss payees for all liability coverage policies; (iii) be specifically endorsed to provide that the coverages will be primary and that any insurance carried by any additional insured will be excess and non-contributory; and (iv) provide that all coverages afforded to us (and our affiliates) will be coextensive with the coverage provided to you or any named insured on such policy, and any language in such policy that purports to limit the coverage available to us (and our affiliates) will be deemed deleted as to us (and our affiliates). At any time, we may adjust the amounts of coverage required under such insurance policies and require different or additional kinds of insurance, including excess liability insurance. All insurance may be effected under policies of blanket insurance which cover your other properties and affiliates so long as such blanket insurance satisfies the requirements of this Agreement.

c. **Evidence of Insurance.** No later than 10 days from the Agreement Date, and in any event, prior to opening your Lodging Facility as a Country Hearth-branded lodging facility, an approved insurance company must issue a certificate of insurance showing compliance with the insurance requirements of this Schedule 5.13 and a policy endorsement designating our affiliates and us as additional named insureds (if applicable), and together therewith you must furnish us with a paid receipt showing the certificate number. The certificate of insurance or policy endorsement must include a statement by the insurer that the policy or

policies must not be canceled, subject to non-renewal, or materially altered without at least 30 days' prior notice to us. Upon our request, you must supply us with copies of all insurance policies and proof of payment. You will deliver renewal certificates and policy endorsements designating our affiliates and us as additional named insureds, if applicable, (or certified copies of the policies if requested by us) together with a paid receipt showing the certificate number not less than 10 days prior to each insurance policy's renewal date.

d. ***Your Failure to Maintain Insurance.*** If, for any reason, you fail to procure or maintain the insurance required by this Agreement (as revised from time to time by us), we have the right (but not the duty) to immediately procure such insurance and may do so through an affiliated insurance agency. We may procure less than the amount of insurance required by this Agreement and will not be liable to you if the amount we procure is insufficient to cover your risks. If we do procure such insurance, we may charge the cost of such insurance to you. Upon demand, you will immediately pay us such charges, together with a reasonable fee for our expenses in so acting. The insurance maintained by us does not in any way limit or affect your obligation to obtain and maintain the foregoing policy or policies in the amounts specified in this Schedule 5.13. Our performance of your obligations will not relieve you of liability under the indemnity provisions set forth in this Agreement.

Schedule 6.7 Booking Fees

By Reservation Channel:

- CRS Fee: 7% of completed booking
- Call Center/Voice: \$1.50 per call plus \$4.50 per completed reservation
- IDS/Third Party Internet Sites per Reservation:
 - CRS Fee; and
 - Pegasus Transaction/Switch Fee: \$5.75 per completed reservation; and
 - Travel Agent/Website Host Commission: varies; typically 10% of gross reservation amount
- GDS (Sabre/Galileo-Apollo/Worldspan/Amadeus/Pegasus):
 - CRS Fee; and
 - Pegasus Transaction/Switch Fee: \$5.75 per completed reservation; and
 - Travel Agent/Website Host Commission: varies; typically 10% of gross reservation amount
- Direct Connect (if used by Lodging Facility): \$4.50 per completed reservation (plus applicable commission)
- Dell/TACS Fees: \$0.85 per financial transaction (completed booking with a commission due to an agency) and \$0.10 for non-financial transactions (a booking representing a non-commissionable rate, net rate, cancellation or no-show)

*These booking fees are subject to change by the applicable third party.

Schedule 7 Proprietary Property

a. ***Your Use of the Proprietary Property.*** Both during and after the Term:

i. You will use the Proprietary Property only in connection with operating the Lodging Facility at the Property;

ii. You will use the Proprietary Marks as the sole trademark identifications for the Lodging Facility and prominently display the Proprietary Marks on or in connection with all materials we designate, and only in the manner we prescribe;

iii. You will not use the Proprietary Property as security for any obligation or indebtedness or in any manner encumber it;

iv. You will not use the Proprietary Marks as part of your corporate, partnership, limited liability company or other legal name;

v. You will not use or attempt to register any other trademarks, service marks, or other commercial symbol that is the same as or similar to any of the Proprietary Marks, or any mark with phonetic or graphic similarity to the Proprietary Marks;

vi. You will comply with our instructions concerning filing and maintaining the requisite fictitious, trade, or assumed-name registrations for the Proprietary Marks, and execute any documents we deem reasonably necessary to obtain protection for the Proprietary Property and our interest in the Proprietary Property; and

vii. You will exercise caution when using our Proprietary Property to ensure that the Proprietary Property is not jeopardized in any manner.

b. ***Infringement by You.*** Any use of the Proprietary Property not in strict accordance with, or outside the scope of, this Agreement, without our prior written consent, infringes our rights in the Proprietary Property. Both during and after the Term, you will not, directly or indirectly, infringe or contest or aid in contesting the validity of, or our rights in or to, the Proprietary Property, or take any other action in derogation of such rights.

c. ***Claims Against the Proprietary Property.*** In the event of any claim of infringement, unfair competition, or other challenge to your right to use any Proprietary Property, or in the event you become aware of any use of, or claims to, any Proprietary Property by any Person other than our

Brand Members or us, you will notify us in writing no later than seven business days thereafter.

d. ***Our Right to Modify the Proprietary Marks.*** If, at any time, in our discretion, it becomes advisable to modify or discontinue the use of any Proprietary Mark or use one or more additional or substitute names or marks you will do so at your sole expense within 30 days of our request.

e. ***Ownership; Inurement Solely to Us.*** Except as expressly granted in this Agreement, you have no ownership or other rights in the Proprietary Property. We are the owner, or authorized licensee, of the Proprietary Property. All goodwill associated with the Proprietary Property and the Lodging Facility inures directly and exclusively to our (or our licensor's) benefit.

Schedule 11
Your Rights Upon Termination or Expiration of the Membership Agreement

In addition to your payment obligations under Article 11 of the Agreement, upon the expiration or sooner termination of the Agreement you will also comply with the following obligations:

a. **Cease Operations.** You will immediately cease operating the Lodging Facility. You will not, directly or indirectly: (a) use any of the Proprietary Property; (b) represent yourself as a present or former Brand Member; or (c) in any other way affiliate or associate yourself with the Brand. You will immediately cease all use of the Proprietary Marks and will de-identify the Property, including as required by paragraph b. of this Schedule 11, the Brand Manuals and as we otherwise designate in writing. Notwithstanding the foregoing, you will honor any advance reservations, including group bookings, made prior to the termination date at the rates and on the terms established when the reservations were made and pay when due all related commissions, booking fees, and other charges associated therewith.

b. **Distinguishing Operations.** In the manner we specify, you will immediately remove all identifying architectural superstructure and signage on or about the Property bearing our name or logos or any other of the Proprietary Marks, and otherwise cease and terminate all representations of affiliation with the Brand. Upon request, you will hold for delivery to us, at your expense, all such property belonging to us. Until the time of its removal, any signage that you cannot remove within one business day of the expiration or termination of this Agreement must be completely covered (by you and at your expense) in such a manner that our intellectual Property is not visible whether the sign lighting is on or off. Until all modifications and alterations required by this paragraph are completed, you will: (i) maintain a conspicuous sign, in the form we specify, at the Property stating that your facilities are no longer associated with our Brand; and (ii) advise all guests or prospective guests telephoning your business that you and your business are no longer associated with our Brand. If you fail or refuse to comply with the requirements of this paragraph, we may enter upon the Property to make, or cause to be made, the required modifications, alterations, and changes. We do so at your expense, without responsibility for any actual or consequential damages to the property of you or

others, and without liability for trespass or other tort or criminal act.

c. **Return of Materials.** At your expense, you will immediately deliver to us at our then current headquarters all tangible and intangible Proprietary Property (together with all copies and any other forms of reproductions of such materials) in your possession or control.

Schedule 13.8

Dispute Resolution

a. **Arbitration.** You and we agree that all controversies, disputes, or claims between us and our affiliates, and our and their respective owners, officers, directors, and/or agents, and you (and/or your owners, guarantors, affiliates, and/or employees) arising out of or related to the scope or validity of this Agreement or any other agreement between you (or your owners) and us (or our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration obligation under this Schedule, which we and you acknowledge is to be determined by an arbitrator, not a court) must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association ("AAA"). The arbitration proceedings will be conducted by one arbitrator and, except as this Schedule otherwise provides, according to the then-current Commercial Arbitration Rules of the AAA. All proceedings will be conducted at a suitable location chosen by the arbitrator which is within a 50 mile radius of our then current principal place of business (currently, Coral Springs, Florida). All matters relating to arbitration will be governed by the United States Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

The arbitrator shall issue only a standard decision and not a reasoned decision. The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs (as allowable under this Agreement or applicable law), provided that the arbitrator may not declare any Proprietary Marks owned by us or our affiliates generic or otherwise invalid or award any punitive, exemplary or multiple damages against either party (we and you hereby waiving to the fullest extent permitted by law any right to or claim for any punitive, exemplary or multiple damages against the other).

You and we agree that arbitration will be conducted on an individual basis and that an arbitration proceeding between us and our affiliates, and our and their respective owners, officers, directors, or agents, and you (or your owners, guarantors, affiliates, or employees) may not be: (i) conducted on a class-wide basis; (ii) commenced, conducted or consolidated with any other arbitration

proceeding between us and any other person; or (iii) brought on your behalf by any association or agent. Notwithstanding the foregoing or anything to the contrary in this Schedule or Part II, Section 13.6 of the Agreement, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Schedule, then all parties agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding in accordance with this Schedule.

Despite your and our agreement to arbitrate, we and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that we and you must contemporaneously submit our dispute for arbitration on the merits as provided in this Schedule.

You and we agree that, in any arbitration arising as described in this Schedule, there shall be no interrogatories or requests to admit. With respect to any electronic discovery, you and we agree that where the costs and burdens of electronic discovery are disproportionate to the nature of the dispute or to the amount in controversy, or to the relevance of the materials requested, the arbitrator shall either deny such requests or order disclosure on condition that the requesting party advance the reasonable cost of production to the other side, subject to allocation of costs in the final award as provided herein. In any arbitration arising out of or related to this Agreement, each side may take three discovery depositions. Each side's depositions are to consume no more than a total of 15 hours. There are to be no speaking objections at the depositions, except to preserve privilege. The total period for the taking of depositions shall not exceed six weeks. Except as provided otherwise in this Schedule, all discovery shall be conducted in accordance with the Federal Rules of Civil Procedure.

Any provisions of this Agreement that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Schedule.

b. **Injunctive Relief.** Nothing in this Agreement bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against conduct that threatens to injure or harm us, the Proprietary Marks or the

Brand, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions (subject to our obligation to arbitrate the underlying claim if required by paragraph a. of this Schedule). You agree that we may obtain such injunctive relief. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing, and you hereby expressly waive any claim for damages caused by such injunction.

c. **Enforcement Costs.** The prevailing party in any legal action or other proceeding will recover from the non-prevailing party all fees, costs and expenses (including reasonable attorneys' fees and costs through all trial and appellate levels and proceedings). If we are required to engage legal counsel or other professionals in connection with any failure by you to pay when due any monies owed under this Agreement or submit when due any reports, information or supporting records, or in connection with any failure otherwise to comply with this Agreement, you will reimburse us on demand for all of the above-listed costs and expenses we incur, whether or not a legal action or other proceeding is initiated.

d. **WAIVER OF PUNITIVE DAMAGES CLAIMS.** TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTIES MUTUALLY AND WILLINGLY WAIVE ANY RIGHT TO, OR CLAIM FOR, ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER. IN THE EVENT OF A DISPUTE BETWEEN THE PARTIES, EACH IS LIMITED TO RECOVERING ONLY THE ACTUAL DAMAGES IT SUSTAINS.

e. **WAIVER OF JURY TRIAL.** THE PARTIES MUTUALLY AND WILLINGLY WAIVE THE RIGHT TO A TRIAL BY JURY OF ANY AND ALL CLAIMS MADE BETWEEN THEM WHETHER NOW EXISTING OR ARISING IN THE FUTURE WHETHER ARISING FROM OR RELATED TO THE SALE, NEGOTIATION, EXECUTION, OR PERFORMANCE OF THE TRANSACTIONS TO WHICH THIS AGREEMENT RELATES.

f. **NO CLASS ACTIONS.** YOU AGREE THAT ALL CLAIMS, CONTROVERSIES AND DISPUTES MAY ONLY BE BROUGHT BY YOU ON AN INDIVIDUAL BASIS AND MAY NOT BE CONSOLIDATED WITH ANY CLAIM, CONTROVERSY OR DISPUTE FOR OR ON BEHALF OF ANY OTHER BRAND MEMBER OR BE PURSUED AS PART OF A CLASS ACTION AGAINST US OR OUR AFFILIATES.

GUARANTY AND ASSUMPTION OF OBLIGATIONS

(the "Guarantor").

obtained any judgment against Brand Member. Guarantor hereby waives the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed; and

(e) Guarantor agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in enforcing this undertaking against Guarantor.

Guarantor agrees to be personally bound by the arbitration obligations under Section 13.8 of the Agreement and Schedule 13.8 thereto, including, without limitation, the obligation to submit to binding arbitration the claims described in Section 13.8 of the Agreement and Schedule 13.8 thereto in accordance with its terms.

IN WITNESS WHEREOF, each of the undersigned has affixed his signature on the same day and year as the Agreement was executed.

GUARANTOR(S)

PERCENTAGE OWNERSHIP IN BRAND MEMBER

By: _____
Print Name: _____
Address: _____

Email: _____

By: _____
Print Name: _____
Address: _____

Email: _____

By: _____
Print Name: _____
Address: _____

Email: _____

By: _____
Print Name: _____
Address: _____

Email: _____

The undersigned, as the spouse of the Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty.

Name of Guarantor

Name of Guarantor's Spouse

Signature of Guarantor's Spouse

Name of Guarantor

Name of Guarantor's Spouse

Signature of Guarantor's Spouse

Name of Guarantor

Name of Guarantor's Spouse

Signature of Guarantor's Spouse

Name of Guarantor

Name of Guarantor's Spouse

Signature of Guarantor's Spouse

EXHIBIT 5.9
TO
COUNTRY HEARTH MEMBERSHIP AGREEMENT
TACS Agreement - Exhibit 5.9

DEBIT AUTHORIZATION

Debits in the US and Canada

Dell Services

Park West at Dulles Corner
13880 Dulles Corner Lane
Herndon, Virginia 20171-4600 USA

This is a Debit Authorization dated _____
DD/MM/YYYY
in favor of Dell Services.

TACS ID _____

Account Holder hereby authorizes Dell and its designated affiliates to initiate debit entries by electronic transfer or other means to the Account Holder's checking/demand deposit account indicated below and hereby authorizes the depository bank named below ("Depository"), or its successor, to debit such account. This authorization is without respect to the source of any funds in the account and is to remain in full force and effect until Dell or its designated affiliate has received written notification from Account Holder of its modification or termination such time and in such manner as to afford Dell, its designated affiliates, and Depository a reasonable opportunity to act on it.

BANK ACCOUNT INFORMATION

Please complete entire form.

Debit Authorization for (place an "X" in the appropriate box)

☐ U.S. Automated Clearing House (ACH) ☐ Canadian Payment Association (CPA)
(For US Dollar debits for domestic US banks) (For Canadian Dollar debits for domestic Canadian banks)

Depository Bank Name _____ Branch Name _____

ABA Transit Number _____
(US Only)

Depository Bank Address _____
Street Address

City

State

Zip Code

Account Title / Name _____

Account Type ☐ Checking ☐ Checking / Demand
(place "X" in the Deposit Account Number _____
appropriate box) ☐ Savings

Institution Number _____ Branch Number _____
(Canada Only) (Canada Only)

AUTHORIZATION

Business Trading Name / Doing Business As _____

Account Holder's Full Legal Name _____

TAX ID Number _____

Business Address (Street, City) _____

Business Telephone Number _____ Business Fax Number _____

I hereby authorize

Signature

Printed Name

Title

Any fees, taxes or banking charges levied against Dell as a result of a debit to the above account are the sole responsibility of the account holder.

Please complete and **fax this form** to Dell for processing at 703.480.6917.

Mail the **original** signed Debit Authorization Dell at the address located at the top of this form.

Please allow a minimum of 14 days after Dell's receipt of the original, signed Debit Authorization form for debits to begin.

Additional Information Required by Dell

TELEPHONE NUMBER AND EMAIL ADDRESS OF PERSON COMPLETING THIS FORM

1. DEFINITIONS.

"Commission" means an amount payable to a Payee in connection with a Transaction which Member authorizes Perot Systems to pay by submitting a Transaction File.

"Control" means the power, arising from ownership, through a franchise, management or other agreement, or otherwise, to direct a legal entity's choice of commission settlement processor.

"Financial Transaction" means a reservation, whether voice or electronic, or other transaction between Member and a Payee for which a Commission is payable.

"Non-Financial Transaction" means a transaction that is not a Financial Transaction.

"Payee" means a legal entity, such as a travel agent or agency, that receives Commissions or related information in connection with the TACS Services.

"Primary Interface Specifications" means the Transaction File format and other file specifications agreed between Perot Systems and Program Manager.

"Program Manager" means the legal entity identified in the Member Profile which sponsored Member's enrollment in the TACS Program.

"Program Profile" means the operating parameters for the TACS Services applicable to Member, which are set forth in Attachment A.

"Remitter" means the legal entity designated by Program Manager or Member to provide funds to Perot Systems for payment of Transaction Fees, Commissions and related taxes on behalf of Member.

"Reporter" means the legal entity designated by Program Manager or Member to transmit Transaction Files to Perot Systems.

"TACS Program" means the Travel Agency Commission Settlement Program.

"TACS Services" means the services provided by Perot Systems under this Agreement.

"TACS Services Guide" means the description of the TACS Services issued from time to time by Perot Systems, the current version of which is Attachment B.

"TACS System" means the information technology system used by Perot Systems to process Transactions.

"Transaction" means any Financial Transaction or Non-Financial Transaction.

"Transaction Fee" means the processing fee payable to Perot Systems by Member in connection with a Transaction.

"Transaction Fee Rebate" means the amount, if any, to be paid or credited to Program Manager by Perot Systems in connection with Member's Transactions.

"Transaction File" means an electronic file, conforming to the Primary Interface Specifications, which contains Transactions to be processed by the TACS System.

2. TACS SERVICES.

a. **General.** Perot Systems will perform (i) the Transaction processing and reporting, Commission payment and other services described in the TACS Services Guide, and (ii) such other services described in any Task Order executed by the parties and attached to this Agreement.

b. **Agency.** Member appoints Perot Systems as its agent to pay Commissions to Payees. As Member's agent, Perot Systems will (i) deposit funds received from Remitter (less applicable Transaction Fees) into accounts established by Perot Systems at major commercial banks or their correspondent banks, and (ii) make disbursements from such accounts to Payees as directed by Reporter. Perot Systems shall have no responsibility, and shall have no liability to Member or any other person, for bank errors or omissions. Perot Systems will use reasonable commercial efforts (excluding formal dispute resolution proceedings) to enforce a bank's obligations under the applicable account agreement.

c. **Data Files.** Member shall, from time to time, contemporaneously cause (i) Reporter to transmit Transaction Files and other information reasonably required for Perot Systems to perform the TACS Services, and (ii) Remitter to transfer funds in amounts equal to the Commissions, Transaction Fees and related taxes payable in connection with the Transactions described in the applicable Transaction File, in each case as provided in the TACS Services Guide. Member is solely responsible for the accuracy and completeness of all information contained in each Transaction File, and will reimburse Perot Systems for all expenses incurred as a result of errors or omissions in Transaction Files. Perot Systems may reject any Transaction File that does not conform to the Primary Interface Specifications.

d. **Payment Approval.** After processing a Transaction File, Perot Systems will provide Remitter with a Remittance Notice for the total amount of commissions contained in the file plus the Transaction Fees payable to Perot Systems. Upon receipt of the funds specified in the Remittance Notice, Perot Systems will pay the Commissions described in such file. Remitter's transfer of funds shall be deemed to be Member's approval of the accuracy of each payment set forth in the applicable Remittance Notice. Member is solely responsible for authorizing payments based on, such file.

e. **Certain Changes.** Each party will, to the extent reasonably practicable, provide at least 30 days advance notice of changes relating to the TACS Services, including changes to the TACS Services Guide, procedures for Reporters or Remitters, and changes to available currencies. The parties acknowledge that such advance notice may not always be practicable for legal, liability or other reasons. Perot Systems has the right, in its sole discretion, to modify the TACS Services Guide, without Member's consent or approval, to reflect changing market conditions and other circumstances. Modifications will be effective upon the later of the date publication of the modified TACS Services Guide on the

TACS Program web site (www.tacsnet.com) or the stated effective date for such modification.

f. **Program Disclosure.** Member authorizes Perot Systems to disclose Transaction information to Program Manager upon its request. Member acknowledges that the Program Profile and certain terms of this Member Agreement, including the Transaction Fees, operating procedures, and Transaction Fee Rebates, may have been negotiated, and may from time to time be renegotiated without notice to or prior approval by Member, by Program Manager.

3. CHARGES; TAXES; PAYMENT.

a. Member will pay and remit to Perot Systems all Transaction Fees and other fees described in the Program Profile concurrently with remitting funds for the payment of Commissions and other amounts to Perot Systems. If the parties enter into a Task Order for additional services, Perot Systems will invoice Member for the fees set forth in the applicable Task Order monthly, and Member will pay Perot Systems within 30 days after receiving such invoice. Late payments shall accrue interest from the due date at the lesser of (i) one and a half percent per month or (ii) the maximum rate allowed by law.

b. Member will pay or reimburse Perot Systems for any present or future sales, use, excise, property, goods, services, value-added or other taxes relating to the Services, except for Perot Systems' franchise, employment and net income-based taxes. Member agrees that Perot Systems (i) is not a principle to any Financial Transaction, (ii) is acting solely as Member's payment agent with respect to Commissions paid in connection with Financial Transactions, and (iii) has no obligation or requirement to account for or to report value-added taxes, goods and services taxes, consumption taxes, or any other indirect taxes or to generate information returns or reports in connection with any Financial Transactions. The parties will cooperate to segregate amounts remitted to Perot Systems under this Agreement into amounts remitted for (i) taxable services, (ii) non-taxable services, and (iii) payment by Perot Systems as Member's payment agent to Payees, and to minimize each party's tax liability to the extent legally permissible. Invoices shall separately state the amounts of any taxes. Each party shall provide to the other any resale certificates, information regarding out-of-state or out-of-country sales or use of equipment, materials or services, and other exemption certificates or information reasonably requested by the other party. If a tax audit reveals that additional taxes for which Member is responsible are payable, including any VAT, GST or similar consumption taxes, Member shall promptly pay such taxes and any related interest, and penalties due.

4. CONFIDENTIALITY.

All information communicated verbally or in written form by a party or its directors, officers, employees, contractors or other representatives in connection with this Agreement to the other party or its directors, officers, employees, contractors or other representatives shall be held in strict confidence, and disclosed or used by the recipient only in connection with fulfilling its obligations under this Agreement. No such information will be disclosed by a recipient without the prior written consent of the disclosing party, except as required by law. Member agrees that information may be disclosed to Program Manager. This paragraph shall not apply to information that is or was (i) publicly available, (ii) known to the recipient without an obligation to maintain its confidentiality, (iii) developed independently by the recipient, or (iv) received from a third party without similar restriction and without breach of this Agreement. Nothing in this paragraph is a condition of confidentiality within the meaning of Sections 6011, 6111 or 6112 of the Internal Revenue Code of 1986, as amended, the regulations thereunder or any similar state law or regulation. If a recipient is requested or required to disclose any information subject to this paragraph, the recipient shall notify the disclosing party immediately and cooperate with the disclosing party to obtain a reasonable protective order or similar protection.

5. RIGHTS IN DATA AND WORK PRODUCT; KNOW-HOW.

Nothing in this Agreement will assign, convey, lease or license to a party any right, title or interest in and to any data, invention, work of authorship, including any processes, procedures, or software, or other tangible or intangible property leased, licensed or owned by the other party or any third party. As between the parties, Perot Systems shall own all right, title and interest, including all copyrights, patent rights and other intellectual property rights, in any to the TACS System and its derivative works. Nothing in this Agreement shall limit or restrict either party from, or obligate such party to pay royalties in connection with, the use of any algorithms, architectures, concepts, general ideas, industry knowledge, know-how, methodologies, processes, technologies, or techniques (collectively, "Know-How") retained in the unaided mental impressions of such party's personnel relating to the TACS Services which either party, individually or jointly, develops or discloses under this Agreement, subject to the party's obligations under Section 4. This Section 5 shall survive termination or expiration of this Agreement.

6. WARRANTIES.

a. Perot Systems warrants to Member that (i) its services will be performed by qualified personnel in a manner consistent with generally accepted industry standards and good practices in the information technology services industry, and (ii) it will use reasonable security measures to confirm the identity and delivery instructions of Payees and to identify and prevent transactions with individuals and entities subject to economic or other sanctions or restrictions imposed or enforced by the United States of America. If Perot Systems breaches these warranties, it shall supply services to correct the defective services at no additional charge. THE REMEDY SET FORTH ABOVE IS MEMBER'S EXCLUSIVE REMEDY FOR BREACH OF WARRANTY, UNLESS PEROT SYSTEMS IS UNABLE TO CORRECT THE DEFECTIVE SERVICES WITHIN 30 DAYS AFTER RECEIVING WRITTEN NOTICE THAT THE APPLICABLE SERVICES WERE DEFECTIVE. Perot Systems DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

b. Member warrants to Perot Systems that (i) neither Member nor any entity on behalf of which Member requests TACS Services will request TACS Services that will violate

any applicable law or regulation relating to the TACS Services, and (ii) it will use appropriate security measures to prevent transactions with individuals and entities subject to economic or other sanctions or restrictions imposed or enforced by each country or other jurisdiction in which Member has its offices. MEMBER DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED.

7. INDEMNIFICATION.

- a. Perot Systems shall indemnify, defend and hold harmless Member and its directors, officers, and employees from all claims, damages, demands, expenses, and liabilities, including reasonable attorneys' fees, arising out of or in any way connected with Perot Systems' infringement of the intellectual property rights of any person, including without limitation, copyright, patent, trade secret, trade mark, artist rights, droit moral, or privacy laws, provided that the indemnified party gives Perot Systems: (i) prompt written notice of any such claims (provided that a delay in giving such notice shall not relieve Perot Systems from its obligations hereunder unless such delay prejudices the defense of such claims); (ii) sole authority to defend or settle such claims; and (iii) reasonable assistance in defending such claims.
- b. Member shall indemnify, defend and hold harmless Perot Systems, its subsidiaries and their respective directors, officers, contractors and employees from all claims, damages, demands, expenses, and liabilities, including reasonable attorneys' fees, arising out of or in any way connected with (i) any action taken by an indemnified party in compliance with or reliance upon Member's instructions, or (ii) any representation or covenant by Member to any third party, provided that the indemnified party gives Member: (i) prompt written notice of any such claims, (provided that a delay in giving such notice shall not relieve Member from its obligations hereunder unless such delay prejudices the defense of such claim); (ii) sole authority to defend or settle such claims; and (iii) reasonable assistance in defending the claim.

8. LIMITATIONS ON LIABILITY.

- a. With respect to all claims, actions and causes of action relating to this Agreement, regardless of the form of action, whether in contract or tort (including breach of warranty, negligence, strict liability, failure of essential purpose, or otherwise) and whether or not such damages are foreseen, neither party will be liable for (i) any indirect, incidental, special, consequential (including without limitation lost profits, lost revenue, or damages for the loss of data) or punitive damages of the other party or any third party, except to the extent such damages represent Member's obligation to pay Perot Systems for fees, expenses or other amounts under this Agreement or any Task Order, and (ii) except in the event Member's funds are misappropriated or intentionally misdirected, an aggregate amount greater than the total amount actually paid to Perot Systems by Member for TACS Services during the six-month period immediately preceding the date that the first claim, action, or cause of action arose.
- b. No party shall assert a claim against the other party more than one year after the date such claim arose.
- c. Neither party shall be liable for any failure or delay in its performance due to force majeure events or other circumstances beyond its reasonable control, provided that it notifies the other party as soon as practicable and uses reasonable commercial efforts to resume performance. In particular, Perot Systems will not be liable for any errors, delays, or non-performance due to a stop payment or recall by Member of any bank check or electronic transfer, or due to its reasonable reliance upon or compliance with Member's instructions, requests or other communications.

9. TERM AND TERMINATION.

The initial term of this Agreement will begin on the date the last party signs this Agreement and continue for the period set forth in the Program Profile as the Commitment Period. Upon completion of the Commitment Period, this Agreement shall remain in effect until terminated by either party, for any reason, upon 180 days' prior written notice to the other party. Notwithstanding the foregoing, this Agreement will terminate 30 days after a party gives the other party written notice of a material breach of this Agreement, unless the breaching party cures such breach by the end of such period. In addition, Member may terminate this Agreement at any time by giving Perot Systems 30 days' prior written notice if Member's association with the Program Manager is terminated.

10. MISCELLANEOUS.

- a. **Relationship of the Parties.** Perot Systems is acting only as an independent contractor and does not undertake, by this Agreement or otherwise, to perform any obligation of Member, whether regulatory or contractual, or to assume any responsibility for Member's business or operations. Neither party shall act or represent itself, directly or by implication, as an agent of the other, except as expressly authorized. Perot Systems has the sole right to supervise and manage its employees and resources hereunder and to perform or cause the performance of all services under this Agreement.
- b. **Disputes.** The parties shall attempt to amicably resolve any dispute, claim or controversy (a "Disputed Matter") under this Member Agreement through good faith negotiation. If requested by either party, the parties shall submit the Disputed Matter to senior officers designated by the parties. If such senior officers cannot resolve the Disputed Matter within 60 days after its referral, either party may elect, and the parties hereby consent, to have the Disputed Matter, except in the case of a party's right to seek equitable relief to enforce an intellectual property right, settled by final and binding arbitration under the Rules of Arbitration of the International Chamber of Commerce then in effect. Arbitration proceedings shall take place in New York, New York, and each party shall pay one-half of the fees to be paid to the arbitrators and all other expenses of the arbitration proceedings. Within 30 days after completing such

proceedings, the arbitrator shall deliver findings of fact and conclusions of law and a signed written opinion setting forth the basis and reasons for his decision. The arbitrator shall not have the right or power to alter, amend or otherwise affect these arbitration provisions or this Agreement or to make any award in disregard or excess of any limitation of liability or damages set forth in this Agreement. Any judgment upon the award rendered by the arbitrators shall be subject to appeal with respect to matters of law and contract interpretation. Neither party will disclose the existence of any arbitration proceedings hereunder, nor the outcome thereof, except to the extent reasonably necessary (i) to carry out its obligations under this Agreement; (ii) to comply with applicable law; and (iii) to seek accounting, legal or tax advice or to facilitate appropriate audit activities. In the event of arbitration, the prevailing party shall recover its reasonable attorneys' fees and costs. An award of an arbitrator may be enforced in any court of competent jurisdiction, and the parties consent to the personal jurisdiction and venue of the federal and state courts sitting in New York, New York. If Member has or acquires any sovereign immunity from the jurisdiction of any court or from any legal process with respect to itself, Member hereby waives such immunity in respect of its obligations under this Agreement and further waives any defense it then may have against the recognition of any judgment rendered by the above-described courts.

- c. **No Hiring.** During the term of this Agreement and for one year thereafter, a party shall not hire or solicit to hire any person employed then or within the preceding year by the other party and involved directly or indirectly in the performance hereof, except with prior written consent of the other party which may be withheld in such party's sole discretion.
- d. **Publicity.** Neither party shall identify the other party in any media releases, public disclosures or marketing material without the prior consent of the other party, except for (i) any announcement intended solely for a party's internal distribution, (ii) any listing of the other party as a client or vendor of the other in confidential proposals, and (iii) any disclosure required by law.
- e. **Notices.** Any notice under this Agreement shall be deemed delivered when delivered in person, the day after being sent by Federal Express or comparable overnight courier, or five days after being mailed by registered or certified U.S. mail, return receipt requested, to the person designated at the address set forth below. Either party may change its address by written notice to the other party.
- f. **Waiver.** No change, waiver, or discharge hereof shall be valid unless in writing and signed by the party against which it is sought to be enforced. No delay or omission by either party in exercising any right hereunder shall be construed as a waiver. A waiver by either of the parties of any provision or breach shall not be a waiver of any other provision or breach.
- g. **Insurance.** Perot Systems shall maintain the following insurance, or equivalent coverage: (1) workers compensation in the amount required by applicable law, (2) employers liability insurance with a limit not less than \$500,000 per accident, (3) commercial general liability insurance on an occurrence form with a limit of not less than \$2,000,000 per occurrence, and (4) computer services errors and omissions liability insurance with a limit of not less than \$2,000,000 per claim. Upon request by Member, Perot Systems will provide Member with evidence of compliance with such requirements and, where mutually agreed, list Member as an additional insured.
- h. **Entire Agreement, Severability and Survival.** This Agreement and its attachments constitute the final, entire, and exclusive agreement between the parties with respect hereto and may be amended or modified only in a physical document executed by both parties. If any provision of this Agreement is declared or found to be illegal, unenforceable or void, then (i) the parties will be relieved of all obligations arising under such provision to the extent that such provision is illegal, unenforceable or void, and (ii) this Agreement will be deemed amended by modifying such provision to the extent necessary to make it legal and enforceable while preserving its intent or, if that is not possible, by substituting another provision that is legal and enforceable and achieves the same objective. Any sections of this Agreement that by their nature may reasonably be presumed to have been intended to survive any termination or expiration hereof, shall survive any termination or expiration of this Agreement.
- i. **Assignment.** Neither party can assign any of its rights and obligations under this Agreement without the prior written consent of the other, which consent will not be unreasonably withheld, except an assignment occurring by operation of law in connection with the merger, consolidation, or other reorganization of such party. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of a party. Perot Systems may use subcontractors to perform work under this Agreement.
- j. **Trademarks.** Neither party will display the other party's trademarks or service marks without its prior written consent, except to identify the other party as participating in or administering the TACS Program.
- k. **Privacy.** Perot Systems' obligation to provide TACS Services is subject to Member's review and acceptance of Perot Systems' and its banks' privacy statements. Member shall not unreasonably withhold such review or acceptance.
- l. **Governing Law.** This Agreement shall be governed by the laws of the state of New York, without giving effect to any rules of conflicts of law. In addition, the rights and obligations of the parties hereunder are subject to and limited by all applicable laws and regulations of any governmental authority, industry association, or clearing house, and by local banking practices (collectively "Laws and Regulations"), which are subject to change without notice. Perot Systems makes no representations with respect to such Laws and Regulations and shall not be liable to Member for any (i) failure or delay in performance caused by Perot Systems' good faith attempt to comply with, or (ii) violation of, such Laws and Regulations, or (iii). Perot Systems will notify Member immediately of any such failure or delay.

Program Details			
Program Manager	Vantage Hospitality Group		
Member Legal Entity Name			
Hotel Name			
Hotel Owner			
Reporter	Program Manager	Remitter	Member
Commitment Period	3 Years		
Reporting Cycle	TACS Classic Schedule		
Payment Cycle	TACS Classic Schedule – Twice per Month Payments		
Pricing Adjustment Dates	Annually, Effective January 1, 2007		
Pricing			
Transaction* Pricing			
Financial **	\$0.85	Frequent Flyer	N/A
Non Financial***	\$0.10	Frequent Guest/Renter	N/A
GDS	N/A	Booking Transactions	N/A
Billing	N/A	GSA	N/A
* A Transaction - the associated information corresponding to a single Travel Agency booking, resulting in a cancellation, no-show, completed stay, GDS, Billing, Frequent Flyer, Frequent Guest/renter, general booking or account payable item ** A Financial Transaction - a Transaction resulting from a completed booking with a commission due to an agency. *** A Non-financial Transaction - a Transaction resulting from a booking representing a non-commissionable rate, cancellation or no-show.			
Remittance Fees			
Per USA & Canada	N/A	Per International ACH Debit	N/A
Per USA & Canada Wire	N/A	Per International Wire	N/A
Per USA Canadian Check	N/A	Per International Check	N/A
Invoice Fees			
Per USA & Canada Invoice Email	N/A	Per International Invoice via Email	N/A
Per USA & Canada Invoice via Fax	N/A	Per International Invoice via Fax	N/A
Payment Fees			
USD Check Mailed Within US	N/A	US ACH	N/A
USD Check Int'l Bound	N/A	Int'l ACH	N/A
Non-USD Check	N/A	US Wire	N/A
Non-Financial Bound US	N/A	Int'l Wire	N/A
Non –Financial Int'l Bound	N/A	Per Breakage Payment	\$4.00 (deducted from each payment)
Additional Services and Pricing - available as of the effective date of this Agreement			
Check Pull Per item	25.00	Check Pull Mailing	TBD
Enrollment Fee Paid with 1st Remit	50.00 ****		
**** A 100% discount is applied if the Member enrolls via electronic means and is actively using the program within 30 days of enrollment.			
Marketing Fees			
Payment Inserting	\$175.00 Per 1000 inserts – billing by the 1000 only adhering to the TACS marketing specifications		
Marketing Page Per Payment	\$750.00 per payment run – one marketing page adhering to the TACS marketing specifications		
Logo Processing	\$350.00 per logo (implementation fee) adhering to the TACS marketing specifications		

All fees are stated in US Dollars. TACS determines remitting currency equivalents when remittance is due. For properties remitting in a currency other than US Dollars, fees are adjusted quarterly to reflect foreign exchange fluctuations. The fee for a Transaction is paid by each Member to Perot Systems with its remittance for the corresponding Transaction in US Dollars (or currency equivalent determined by the Program).

To Be Completed by Member	
Program Effective Date:	DD / MM / YYYY
Legal Entity Name:	
By:	Authorized Signature
Printed Name:	
Title:	

Perot Systems Use Only	
Accepted on	DD / MM / YYYY
Perot Systems Corporation	
By:	Authorized Signature
Printed Name:	
Title:	



Perot Systems
TACS Settlement Center
13880 Dulles Corner Lane
Herndon, Virginia 20171
USA

Tel: 1.703.480.6916
Tel: 1.800.873.1215 (Canada & US)
Fax: 1.703.480.6917
Email: TACS@ps.net

Please return this document to TACS with other Enrollment Documents.

Contacts & Website Security Worksheet

A completed Customer Profile is required before you can begin using TACS. Please complete and return the Customer Profile with your signed original agreements via mail to the TACS Settlement Center address noted above.

The information you provide is input to the TACS Processing System and determines how your hotel will be displayed on agency commission statements, defines your service requirements, and facilitates implementation, including customizing your TACS interface. It is imperative that you complete the document fully and accurately. If you need assistance or clarification, contact the TACS Settlement Center using the contact details listed above. Should the information you provide change over time, please let us advise TACS. **Please print.**

Location Information - Please complete fully.

Ownership's Full Legal Name (legal name of the hotel e.g. Niagara Holdings Inc)

Location Trading Name (DBA **Doing Business As** Holiday Hotel Niagara Falls)

Location Street Address

City

State/Province

Postal Code

Country

VAT/TAX Identification Number (USA = EIN)

Business Type (INC, Ltd, LLC)

Number of Units

US\$

Average Daily Rate

Average Occupancy %

Business from Travel Agents %

Contacts

Who will be your PRIMARY CONTACT for TACS?

Please note: All TACS documentation, reports, and notices will be sent to this person.

First Name _____ Middle Initial _____ Last Name _____ (Mr/Mrs/Ms/Dr) _____

Title _____

_____ **Extension** _____
Telephone Number (include country and area/city code)

_____ **Extension** _____
Fax Number (include country and area/city code)

_____ Email Address

Security for this contact – for use on CentralPayment.com data processing website. This will be the site used to submit commission transactions for processing. The security settings apply only to this website.

For Guest Records: ☐ **Add** ☐ **Update** ☐ **Delete (Requires Update Privileges)**

For Agency Records: ☐ **Add** ☐ **Update** ☐ **Delete (Requires Update Privileges)**

For Hotel Records: ☐ **Add** ☐ **Update** ☐ **Delete (Requires Update Privileges)**

☐ **Permit User to Add, Update, Delete User Codes**

☐ **Permit User to Add, Update, Delete User Profiles**

☐ **Permit User to Add, Update, Delete Import Settings**

☐ **Permit User to Add, Update, Delete Imports**

☐ **Permit User to Add, Update, Delete Batches**

☐ **Permit User to Transmit Batches**

Contacts

Who will be your TECHNICAL CONTACT for TACS?

For Hardware, Software and Telecommunications Support:

First Name Middle Initial Last Name (Mr/Mrs/Ms/Dr)

Title

Extension

Telephone Number (include country and area/city code)

Extension

Fax Number (include country and area/city code)

Email Address

Security for this contact – for use on CentralPayment.com data processing website

For Guest Records: ☐ Add ☐ Update ☐ Delete (Requires Update Privileges)

For Agency Records: ☐ Add ☐ Update ☐ Delete (Requires Update Privileges)

For Hotel Records: ☐ Add ☐ Update ☐ Delete (Requires Update Privileges)

☐ Permit User to Add, Update, Delete Codes

☐ Permit User to Add, Update, Delete User Profiles

☐ Permit User to Add, Update, Delete Import Settings

☐ Permit User to Add, Update, Delete Imports

☐ Permit User to Add, Update, Delete Batches

☐ Permit User to Transmit Batches

Contacts

Who will be your FINANCIAL CONTACT for TACS?

Please note: All remittance notifications will be sent to this person.

First Name Middle Initial Last Name (Mr/Mrs/Ms/Dr)

Title

Extension

Telephone Number (include country and area/city code)

Extension

Fax Number (include country and area/city code)

Email Address

Security for this contact – for use on CentralPayment.com data processing website

For Guest Records: ☐ Add ☐ Update ☐ Delete (Requires Update Privileges)

For Agency Records: ☐ Add ☐ Update ☐ Delete (Requires Update Privileges)

For Hotel Records: ☐ Add ☐ Update ☐ Delete (Requires Update Privileges)

☐ Permit User to Add, Update, Delete Codes

☐ Permit User to Add, Update, Delete User Profiles

☐ Permit User to Add, Update, Delete Import Settings

☐ Permit User to Add, Update, Delete Imports

☐ Permit User to Add, Update, Delete Batches

☐ Permit User to Transmit Batches

Contacts

Who will be your CUSTOMER SERVICE CONTACT for TACS?

Please note: All customer service inquiries will be directed to this person.

First Name Middle Initial Last Name (Mr/Mrs/Ms/Dr)

Title

Extension

Telephone Number (include country and area/city code)

Extension

Fax Number (include country and area/city code)

Email Address

Security for this contact – for use on CentralPayment.com data processing website

For Guest Records: ☐ Add ☐ Update ☐ Delete (Requires Update Privileges)

For Agency Records: ☐ Add ☐ Update ☐ Delete (Requires Update Privileges)

For Hotel Records: ☐ Add ☐ Update ☐ Delete (Requires Update Privileges)

☐ Permit User to Add, Update, Delete Codes

☐ Permit User to Add, Update, Delete User Profiles

☐ Permit User to Add, Update, Delete Import Settings

☐ Permit User to Add, Update, Delete Imports

☐ Permit User to Add, Update, Delete Batches

☐ Permit User to Transmit Batches

Contacts

Who will be your ADDITIONAL USER CONTACT for TACS?

First Name _____ Middle Initial _____ Last Name _____ (Mr/Mrs/Ms/Dr) _____

Title _____

_____ **Extension** _____
Telephone Number (include country and area/city code)

_____ **Extension** _____
Fax Number (include country and area/city code)

Email Address _____

Security for this contact – for use on CentralPayment.com data processing website

For Guest Records: ☐ **Add** ☐ **Update** ☐ **Delete (Requires Update Privileges)**

For Agency Records: ☐ **Add** ☐ **Update** ☐ **Delete (Requires Update Privileges)**

For Hotel Records: ☐ **Add** ☐ **Update** ☐ **Delete (Requires Update Privileges)**

☐ **Permit User to Add, Update, Delete Codes**

☐ **Permit User to Add, Update, Delete User Profiles**

☐ **Permit User to Add, Update, Delete Import Settings**

☐ **Permit User to Add, Update, Delete Imports**

☐ **Permit User to Add, Update, Delete Batches**

☐ **Permit User to Transmit Batches**

Technical Information

Internet Access

Does your property have access to the Internet?

☐

Yes

☐

No

Please check the boxes for all the items that apply:

☐

Dial-up access

☐

Dedicated (always on access)

☐

Accessible from multiple PC's

Internet Browser

☐

Microsoft Internet Explorer

Version _____

☐

Netscape

Version _____

☐

Other

Version _____

Property Management System (PMS) Please complete the following

PMS Vendor (Company Name)

PMS Version (PMS Name)

Software Version (PMS version)

PMS Platform (example UNIX, Microsoft)

Does the PMS have an agency commission payment module?

☐

Yes

☐

No

Version if available

EXHIBIT C
APPLICATION

VANTAGE[®] HOTELS

Vantage Franchising, Inc.
3300 N. University Drive, Suite 500
Coral Springs, Florida 33065
(954) 575-2668 • (877) 539-7171 • Fax: (888) 754-3093

MEMBERSHIP APPLICATION

Vantage Franchising, Inc. ("VFI" or "Vantage"), a subsidiary of Vantage Hospitality Group, Inc., is pleased to consider your application for a franchise and brand membership the Country Hearth Inn & Suites® brand.

This Membership Application must be completed completely and accurately. If an item does not apply, please mark not applicable or "NA."

Please supply all requested attachments for your entity and property.

When this Membership Application is complete, please send it with all of the requested attachments and the applicable Application Fee by regular mail or overnight carrier to the address listed below. *If you have any questions or require assistance completing this Membership Application, please contact our Development Coordinator at the phone number or email address below.*

VFI reserves the right to approve or deny this Membership Application. You have not yet been granted the membership to operate a franchise and there is no binding obligation on either party unless and until both you and VFI have signed a franchise agreement (which we call a Membership Agreement). Any expenses you incur in constructing, renovating, or operating the hotel in anticipation of joining our brand are at your sole risk and responsibility.

If for any reason VFI does not grant a franchise to you, or a Membership Agreement is not signed by both parties, your Application Fee will not be refunded to you. However, if we decline to accept your application solely because we, in our sole discretion, believe it would negatively impact an existing brand member, we will refund your Application Fee.

Please send the completed application, required documents and application fee of \$1,000 to the following address:

**Development Coordinator
Vantage Franchising, Inc.
3300 N. University Drive, Suite 500
Coral Springs, Florida 33065
Phone: (954) 575-2668/(877) 311-2378
Email: development@joinvantagefranchising.com**

MEMBERSHIP APPLICATION

A. PROSPECTIVE HOTEL

☐ Proposed Construction ☐ Conversion of Existing Hotel

Current Hotel Name: _____

Street Address: _____

City/State/Zip: _____

County: _____

Phone: _____ Fax: _____

Current Brand or Flag: _____

B. APPLICANT'S REPRESENTATIVE

You are authorizing the following individual to be your Designated Representative for this Membership Application and for the Membership Agreement, if a franchise is granted.

Name: _____ Title: _____

Company Name: _____

Street Address: _____

City/State/Zip: _____

Business Phone: _____ Mobile: _____ Fax: _____

Email Address: _____ @ _____

C. PROPOSED FRANCHISEE (Please select one)

- ☐ Corporation
- ☐ General Partnership
- ☐ Limited Partnership
- ☐ Limited Liability Partnership
- ☐ Joint Venture
- ☐ Limited Liability Company
- ☐ Sole Proprietor
- ☐ Multiple Individuals
- ☐ Other – Please Specify: _____

1. Onsite Management Contact Information:

Name: _____ Title: _____

Address: _____ City: _____

State/Zip or Province/Postal Code: _____

Phone: _____ Fax: _____ Email: _____ @ _____

2. Entity

You may not use the name of any of our brands, Vantage, or any variation thereof in the entity's name.

Name of Entity: _____

State Formed In: _____ Date Formed: _____ Federal Tax ID: _____

Business Address: _____

City/State/Zip or City/Province/Postal Code: _____

Business Phone: _____ Fax: _____

Please submit a copy of the following documents with your application:

- Formation Document(s) filed with the state (examples include: Articles of Incorporation, Certificate of Incorporation, Certificate of Partnership, Articles of Organization).
- Governing Document(s) such as: Bylaws, Shareholders' Agreement, Partnership Agreement, Operating Agreement.

or

☐ to be formed.

3. Entity Management Structure

Please list **all** Officers (may include: President, Treasurer, Secretary, General Partners, Managing Partners or Managing Members). If a general partner, managing partner or managing member is a corporation or other entity, the name and title of the individual signing for the corporation or entity also must be listed; please attach additional pages if necessary.

a. Name: _____ Title: _____

Mailing Address: _____

City/State/Zip: _____

b. Name: _____ Title: _____

Mailing Address: _____

City/State/Zip: _____

c. Name: _____ Title: _____

Mailing Address: _____

City/State/Zip: _____

4. Owners

Please list all shareholders, general partners, limited partners, joint venturers, members or individual owners; attach additional pages if necessary.

a. Name: _____ % Owned: _____

Mailing Address: _____

City/State/Zip: _____

Phone: _____ Email Address: _____ @

b. Name: _____ % Owned: _____

Mailing Address: _____

City/State/Zip: _____

Phone: _____ Email Address: _____ @

c. Name: _____ % Owned: _____
 Mailing Address: _____
 City/State/Zip: _____
 Phone: _____ Email Address: _____ @ _____

D. REFERENCES

1. Business References:

Company Name: _____ Contact _____
 Address: _____
 City/State/Zip or City/Province/Postal Code: _____
 Phone: _____
 Account Name: _____ Account #: _____

2. Bank References:

Name of Bank: _____ Contact _____
 Address: _____
 City/State/Zip or City/Province/Postal Code: _____
 Phone: _____
 Type of Account: ☐ Checking ☐ Savings ☐ Loan
 Account in Name of: _____ Account #: _____

E. FRANCHISING AND HOTEL EXPERIENCE

1. Do any of the individuals listed under ownership **currently** own any lodging facilities (hotel, inn or suites), or have any of them **previously owned** any lodging property? ☐ Yes ☐ No

If "yes" please complete the section below; attach additional pages if necessary.

Individual/Entity	Property Name	Vantage Property Code (if applicable)	City/State	% Owned	Currently Own?

2. For any of the individuals listed under ownership, please identify the **total number of years** of **hotel ownership or hotel management experience.**

Individual/Entity	# of Years of Hotel Ownership Experience	Current Number of Hotels Under Ownership	# of Years of Hotel Management Experience	Current Number of Hotels Under Management

F. BACKGROUND INFORMATION

For purposes of this section, "Applicant" includes anyone owning a direct or indirect interest in the proposed franchise.

1. Is any Applicant now, or has any Applicant ever been a defendant in any lawsuit?
☐ Yes ☐ No
2. Has any Applicant ever filed for bankruptcy? ☐ Yes ☐ No
3. Has any Applicant ever been convicted of a crime other than minor traffic violations?
☐ Yes ☐ No
4. Is any Applicant a "Specially Designated National" or "Blocked Person" (as defined below)?
☐ Yes ☐ No

If "yes" has been indicated for any of questions 1-3, please identify the person, court, case number and outcome below.

Person	Court Case	Number	Outcome

"Specially Designated National" or "Blocked Person" means (I) a person designated by the U.S. Department of Treasury's Office of Foreign Assets Control from time to time as such status, (II) a person described in Section 1 of U.S. Executive Order 13224, issued September 23, 2001, or (III) a person otherwise identified by government or legal authority as a person with whom Vantage or its affiliates are prohibited from transacting business. Currently a list of such designations is published under the internet website address <http://sdnsearch.ofac.treas.gov/>. The text of the Executive Order are published under the Internet web site address www.ustreas.gov/office/enforcement/ofac.

G. OPERATIONAL DATA (For operating hotels only)

1. Please list by month the Occupancy, Average Daily Rate (ADR) and Gross Rooms Revenue for each calendar month during the previous year.

Month/Year	Occupancy	ADR	Gross Room Receipts
/			
/			
/			
/			
/			
/			
/			
/			
/			
/			
/			
/			
Totals			

2. Type of PMS/Front Desk System: _____
3. Year property opened: _____ Has property been upgraded since?
☐ No ☐ Yes/Year: _____
4. Have there been any additions to the property since original opening?
☐ No ☐ Yes/Year: _____

Please list what, if any, upgrades/additions were completed, and when:

5. Most recent QA Score: _____ (A copy may be required prior to approval)
6. Current GDS/CRS Representation: _____
7. Is property AAA/CAA approved? ☐ Yes ☐ No If yes, what is your Diamond rating? _____

H. FACILITY DESCRIPTION

1. Expected date to open under a new brand: _____
2. Year Built: _____ Year(s) Renovated: _____
3. Number of: Floors: _____ Parking Spaces: _____
 Total Guest Rooms: _____ (# of Standard Rooms _____; # of Suites _____)
4. Number of Meeting Rooms: _____ Seating Capacity of Each: _____

5. Is Continental breakfast served onsite? ☐ Yes ☐ No Any hot items? ☐ Yes ☐ No
6. Food and Beverage onsite (or near, as applicable):
 Name: _____
 Meals of Operation: ☐ Breakfast ☐ Lunch ☐ Dinner ☐ 24 Hr.
 Number of Seats: _____
7. Facilities/Amenities:
☐ Indoor Pool ☐ Game Room ☐ Exercise Room ☐ Outdoor Pool
☐ Gift Shop or Sundry Shop ☐ Guest Laundry Room ☐ Meeting Facility ☐ Spa
☐ Other _____
8. Are the hotel building and the ground both owned (or to be owned) by you or a related party?
☐ Yes ☐ No

If "yes" has been indicated but the name under which the deed is held is different from the name under which you are operating the hotel, please indicate the name or names on the deed _____

If "no" has been indicated, please complete the following:

Is the hotel leased (or to be leased) by you? ☐ Yes ☐ No

Is the land on which it sits leased (or to be leased) by you? ☐ Yes ☐ No

If you have answered "yes" to either or both of these, please complete the following:

☐ Information for Lessor of hotel ☐ Information for Lessor of ground ☐ Same Lessor for both

Landlord Name: _____ Phone: _____

Mailing Address: _____

Address: _____

City: _____ State/Province: _____ Zip/Postal Code: _____

9. When did you or when will you obtain possession of the hotel, whether by lease or purchase?

10. Do you have financing secured for this location? ☐ Yes ☐ No ☐ Not applicable

If "no," please explain financing status (whether for acquisition, renovation or operation).

I certify that, to the best of my knowledge, the information I provided in this Membership Application is complete and accurate.

Furthermore, I agree that in order for Vantage Franchising, Inc. to obtain and maintain accurate contact and credit information, I authorize the referenced companies and/or individuals named in this application and credit reporting agencies to disclose such information to VFI. This disclosed information will be used for the exclusive and confidential use of VFI and its affiliated companies. I also release VFI, its affiliates and their employees, agents, all other entities and their employees providing informational reports.

I understand that by submitting this application I agree to the terms and statements made in this application. (Please have ALL OWNERS OR APPLICANTS WITH A 20% OR GREATER INTEREST sign below)

Signature

Print or Type Name

Date

Signature

Print or Type Name

Date

Signature

Print or Type Name

Date

Signature

Print or Type Name

Date

ITEMS TO BE SUBMITTED WITH THIS APPLICATION

Please submit the following items with this Membership Application. This will ensure a quick turnaround time, and will provide Vantage Franchising, Inc., the information needed to evaluate your application.

- ☐ Check for the Application Fee - \$1,000.00 (payable to Vantage Franchising, Inc.)
- ☐ Proof of Ownership or Right to Operate the Lodging Facility (e.g., sales contract, deed, option to lease, lease management contract)
- ☐ Corporate Documents (see page 2 above)

EXHIBIT D

REPRESENTATIONS AND ACKNOWLEDGEMENT STATEMENT

REPRESENTATIONS AND ACKNOWLEDGMENT STATEMENT

The purpose of this Statement is to demonstrate to Vantage Franchising, Inc. ("Franchisor") that the person(s) signing below ("I," "me" or "my"), whether acting individually or on behalf of any legal entity established to acquire the franchise rights, (a) fully understands that the purchase of a Country Hearth Inn®, Country Hearth Suites®, or Country Hearth Inn & Suites® franchise to operate as a Country Hearth Inn®, Country Hearth Suites®, or Country Hearth Inn & Suites®-branded lodging facility is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Franchisor's Franchise Disclosure Document and Exhibits (collectively, the "FDD") in deciding to purchase the franchise.

In that regard, I represent to Franchisor and acknowledge that:

I understand that buying a franchise is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the franchise is subject to many variables such as my skills and abilities (and those of my partners, officers, employees), the time my associates and I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the market place generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Franchisor.	INITIAL:
I received a copy of the FDD, including the Membership Agreement, at least 14 calendar days (10 business days in Michigan, New York and Rhode Island) before I executed the Membership Agreement. I understand that all of my rights and responsibilities and those of Franchisor in connection with the franchise are set forth in these documents and only in these documents. I acknowledge that I have had the opportunity to personally and carefully review these documents and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the documents for me and to have them help me understand these documents. I have also been advised to consult with other franchisees regarding the risks associated with the purchase of the franchise.	INITIAL:
Neither the Franchisor nor any of its officers, employees or agents (including any franchise broker) has made a statement, promise or assurance to me concerning any matter related to the franchise (including those regarding advertising, marketing, training, support service or assistance provided by Franchisor) that is contrary to, or different from, the information contained in the FDD.	INITIAL:
My decision to purchase the franchise has not been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the franchise.	INITIAL:
I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.	INITIAL:

PLEASE READ THE FOLLOWING QUESTION CAREFULLY. THEN SELECT YES OR NO AND PLACE YOUR INITIALS WHERE INDICATED.	INITIAL:
Have you received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchise business (including any statement, promise or assurance concerning the likelihood of success)?	
☐ Yes ☐ No (Initial Here: ____)	
If you selected "Yes," please describe the information you received on the lines below:	
_____ _____	

Prohibited Parties Clause. I acknowledge that Franchisor, its employees and its agents are subject to U.S. laws that prohibit or restrict (a) transactions with certain parties, and (b) the conduct of transactions involving certain foreign parties. These laws include, without limitation, U.S. Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the U.S. Patriot Act, and the International Economic Emergency Powers Act, and the regulations issued pursuant to these and other U.S. laws. As part of the express consideration for the purchase of the franchise, I represent that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been listed on:

1. the U.S. Treasury Department's List of Specially Designated Nationals;
2. the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders;
3. the U.S. State Department's Debarred List or Nonproliferation Sanctions; or
4. the Annex to U.S. Executive Order 13224.

I warrant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been: (i) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (ii) is owned or controlled by terrorists or sponsors of terrorism. I warrant that I am now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by me to Franchisor were legally obtained in compliance with these laws.

I further covenant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, will, during the term of the Membership Agreement, become a person or entity described above or otherwise become a target of any anti-terrorism law.

If the lodging facility that you will operate under the Country Hearth Inn®, Country Hearth Suites®, or Country Hearth Inn & Suites® brand is located in Maryland or if you are a resident of Maryland, the following shall apply:

Any acknowledgments or representations of the franchisee which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

[Signature page follows]

FRANCHISEE:

Sign here if you are taking the franchise as an
INDIVIDUAL(S)

(Note: use these blocks if you are an individual
or a partnership but the partnership is not a
separate legal entity)

Signature
Print Name: _____
Date: _____

Signature
Print Name: _____
Date: _____

Signature
Print Name: _____
Date: _____

Signature
Print Name: _____
Date: _____

Sign here if you are taking the franchise as a
**CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP**

Print Name of Legal Entity

By: _____
Signature

Print Name: _____
Title: _____
Date: _____

EXHIBIT G
LIST OF FRANCHISEES

LIST OF FRANCHISEES AS OF 12/31/2015

LIST OF FRANCHISEES AS OF 12/31/2015

Company	Address	City	State	Zip	Phone
Bing 1 Hotel LLC	4559 West Irlo Bronson Memorial Highway	Kissimmee	FL	34746	407-507-1004
Karishma Riya Inc.	2182 Gordon Highway	Augusta	GA	30909	706-312-7000
Amarin Capital Partners LLC	273 North Broad Street	Toccoa	GA	30577	706-297-7799
Onken Properties LLC	1013 Plummer Drive	Edwardsville	IL	62025	618-656-7829
Shri Sai Hospitality Inc.	100 Howard Drive	Shelbyville	KY	40065	502-633-5771
Wake Hospitality Inc.	700 Money Court (Highway 64)	Knightdale	NC	27545	919-266-7324

LIST OF FRANCHISEES UNDER LHINDI AGREEMENTS AS OF 12/31/2015

Company	Address	City	State	Zip	Phone
Southtrust Bank	1500 Highway 72 East	Athens	AL	35611	256-232-1520
C.H.I. LLC	3025 W. First Street	Gulf Shores	AL	36542	251-968-8080
Individually Owned	8716 Madison Boulevard	Madison	AL	35758	256-258-3800
Hometown Inn LLC	333 Haslam Street	Piedmont	AL	36272	256-447-9780
Individually Owned	2707 Lombard Street	San Francisco	CA	94123	415-567-2425
Individually Owned	2719 Pointe North Boulevard	Albany	GA	31721	229-446-8000
Shrinathji-Krupa Inc.	25 Carson Loop NW	Cartersville	GA	30121	770-386-0700
Nimbip Inc.	925 N. Main Street	Cedartown	GA	30125	770-749-9951
Individually Owned	938 Forrester Drive SE	Dawson	GA	39842	229 995-5725
Paras Hospitality Inc.	2945 Gus Place	Decatur	GA	30034	404-212-8882
Om Shairam LLC	125 Stuart Way	Fitzgerald	GA	31750	229-409-9911
Shivan of Gainesville Inc.	766 Jesse Jewell Parkway	Gainesville	GA	30501	770 287 3205
Unique Hotel LLC	2767 Windy Hill Rd	Marietta	GA	30067	678-213-4700
Jai Maruti Investment Corp.	1222 West Spring Street	Monroe	GA	30655	770-207-1977
Sheeva Hospitality LLC	6710 Shannon Parkway	Union City	GA	30291	770-306-7750
Jasmine Hospitality LLC	2811 North Ashley Street	Valdosta	GA	31602	229-242-2777
VTD Inc.	3141 N. Water Street	Decatur	IL	62523	217-877-8888
A&M Patel Corporation	2908 Goshen Road	Fort Wayne	IN	46808	260-484-6262
8850 Twenty First Street Inc.	8850 East 21st Street	Indianapolis	IN	46219	317-755-1283
JRP Lodging, Inc.	395 Corvette Drive	Bowling Green	KY	42101	270-783-4443
S and R 1 Inc.	599 Donaldson Rd	Erlanger	KY	41018	859-342-7111
Sunbest Management Inc.	727 Joe Clifton Dr	Paducah	KY	42001	270-444-8885
Saishran LLC	9544 Ocean Hihgway	Delmar	MD	21875	410-896-4400
Shreeji of Sturgis Inc.	1730 S. Centerville Rd	Sturgis	MI	49091	269-651-8505

LIST OF FRANCHISEES AS OF 12/31/2015

Company	Address	City	State	Zip	Phone
Americas Host Inn LLC	556 Amerihost Drive	Fulton	MO	65251	573-642-0077
Ambe Crupa LLC	900 Vance Road	Mexico	MO	65265	573-582-0055
Mataji Properties LLC	100 Matthews Lane	Sikeston	MO	63801	573-472-4400
AVP Hospitality Inc.	410 E. Newbern Rd	Kinston	NC	28504	252-527-6064
Motel Sleepers Inc.	1525 Cotton Grove Road	Lexington	NC	27292	336-357-2100
Pragji LLC	230 East White Horse Pike	Galloway	NJ	8205	609-404-0019
William Wolfe (Receiver)	902 E. Columbus St.	Kenton	OH	43326	419-675-1400
Sunbest Management Inc.	70 Private Road - 302	South Point	OH	45680	740-377-2786
Pooja Hospitality	1490 East U. S. Highway 36	Urbana	OH	43078	937-484-4120
Binta Enterprises Limited	1810 Victoria Street	Washington Court House	OH	43160	740-333-4478
Motel Sleepers Inc.	1201 S. Conwell Avenue	Willard	OH	44890	419-935-8817
Bhavani Properties LLC	3020 Charleston Highway	Cayce	SC	29033	803-794-7500
United Adventure Inc.	621 South Assembly Street	Columbia	SC	29201	803-252-2000
Shiva Hotels LLC	224 Bruce Road	Greenville	SC	29605	864-312-4400
Shivanand Inc.	104 Interstate Drive	Saint George	SC	29477	843-563-2277
Neil Hospitality Inc.	321 Hwy 641 North	Camden	TN	38320	731-584-6666
VJBP Hotels LLC	3005 Mill Branch Road	Memphis	TN	38116	901-396-5411
Siddhi-Vinayak Inc.	2009 West Reelfoot Avenue	Union City	TN	38261	731-885-7774
Rushi Partners LT	3450 S. Clack Street	Abilene	TX	79606	325-695-7700
Sagar Hospitality LLC	216 South Georgia Avenue	Sweetwater	TX	79556	325-235-5234
KJH Host INC	1808 FM 102	Wharton	TX	77488	979-532-1152
Burman Hospitality LLC	645 East Avenue	Lomira	WI	53048	920-269-7477

LIST OF FRANCHISEES SIGNED BUT NOT YET OPENED AS OF 12/31/2015

[NONE]

LIST OF PROPERTIES WITH SIGNED LHINDI AGREEMENTS BUT NOT OPENED AS OF 12/31/2015

[NONE]

EXHIBIT H

**LIST OF FRANCHISEES WHO HAVE
LEFT THE SYSTEM OR NOT COMMUNICATED**

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

LIST OF FRANCHISEES WHO HAVE
LEFT THE SYSTEM OR NOT COMMUNICATED
AS OF 12/31/2015

NONE

LIST OF LHINDI FRANCHISEES WHO HAVE
LEFT THE SYSTEM OR NOT COMMUNICATED
AS OF 12/31/2015

Company	Address	City	State	Zip	Phone
*Karishma Riya Inc.	2182 Gordon Highway	Augusta	GA	30909	706-312-7000
*Amarin Capital Partners LLC	273 North Broad Street	Toccoa	GA	30577	706-297-7799
*Onken Properties LLC	1013 Plummer Drive	Edwardsville	IL	62025	618-656-7829
RC Hotels Inc.	230 Eastern Bypass 75 Highway	Richmond	KY	40475	859-623-8813
*Shri Sai Hospitality Inc.	100 Howard Drive	Shelbyville	KY	40065	502-633-5771
*Wake Hospitality Inc.	700 Money Court (Highway 64)	Knightdale	NC	27545	919-266-7324
Mangal LLC	1515 East 11th Street	Siler City	NC	27344	919-663-2511
Sidney Hotels Inc.	2009 West Michigan St.	Sidney	OH	45365	937-492-9164
Florence 95 Investments, LP	831 S. Irby Street	Florence	SC	29501	843-662-9421
SAI Hospitality LLC	33 Campground Road	Walterboro	SC	29488	
Sunbest Management Inc.	101 East 20th Street	Chattanooga	TN	37408	423-267-9761

*As of December 31, 2015, these properties were in the system under new Vantage Franchising franchise agreements, and their prior LHINDI agreements were terminated.

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

EXHIBIT I

SAMPLE GENERAL RELEASE

VANTAGE FRANCHISING, INC.

GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE

Vantage Franchising, Inc. ("we," "us," or "our") and the undersigned franchisee, _____

("you" or "your"), currently are parties to a certain Membership Agreement (the "Membership Agreement") dated _____, 20____. You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal situation] _____

_____. We have the right under the Membership Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, directors, officers, principals, employees, and affiliated entities (collectively, the "Releasing Parties"), hereby forever release and discharge us and our current and former officers, directors, owners, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the "Vantage Parties") from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, "Claims") that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Vantage Parties, including without limitation, Claims (1) arising out of or related to the Vantage Parties' obligations under the Membership Agreement or (2) otherwise arising from or related to your and the other Releasing Parties' relationship, from the beginning of time to the date of your signature below, with any of the Vantage Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Vantage Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above.

IF THE FACILITY YOU OPERATE UNDER THE MEMBERSHIP AGREEMENT IS LOCATED IN CALIFORNIA OR IF YOU ARE A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

SECTION 1542 ACKNOWLEDGMENT. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY YOU OR THE RELEASING PARTIES. YOU RECOGNIZE THAT YOU OR THE RELEASING PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST THE VANTAGE PARTIES OF WHICH YOU, HE, SHE, OR IT IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH YOU, HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE YOU, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT YOU, HIM, HER, OR IT FROM ASSERTING IT AGAINST THE VANTAGE PARTIES. IN FURTHERANCE OF THIS INTENTION, YOU, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, EXPRESSLY WAIVE ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN THE CREDITOR'S FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY THE CREDITOR MUST HAVE MATERIALLY AFFECTED THE CREDITOR'S SETTLEMENT WITH THE DEBTOR.”

YOU ACKNOWLEDGE AND REPRESENT THAT YOU HAVE CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT YOU UNDERSTAND ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENT THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

If the Facility is located in Maryland or if you are a resident of Maryland, the following shall apply:

Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

[Signature Page Follows]

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

VANTAGE FRANCHISING, INC.

Print Name: _____

Title: _____

By: _____

Date: _____

FRANCHISEE

Print Name: _____

Title: _____

By: _____

Date: _____

FRANCHISEE OWNER

Print Name: _____

Title: _____

By: _____

Date: _____

Print Name: _____

Title: _____

By: _____

Date: _____

EXHIBIT J

STATE ADDENDA AND AGREEMENT RIDERS

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
VANTAGE FRANCHISING, INC.**

The following are additional disclosures for the Franchise Disclosure Document of VANTAGE FRANCHISING, INC. required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

CALIFORNIA

1. 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 FRANCHISE DISCLOSURE DOCUMENT.

2. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A FRANCHISE DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF BUSINESS OVERSIGHT BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR MEMBERSHIP AGREEMENT.

3. OUR WEBSITE, www.JoinVantageHotels.com/CountryHearth, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITES MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

4. The following statement is added to the end of Item 3:

Neither we, our parent, predecessor or affiliate nor any person in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. Sections 78a et seq., suspending or expelling such persons from membership in that association or exchange.

5. The following paragraphs are added to the end of Item 17:

The California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or nonrenewal of a franchise. If the Membership Agreement contains a provision that is inconsistent with the law, and the law applies, the law will control.

The Membership Agreement requires binding arbitration. The arbitration will occur at a suitable location chosen by the arbitrator within a 50-mile radius of Coral Springs, Florida. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Membership Agreement restricting venue to a forum outside the State of California.

The Membership Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 et seq.).

The Membership Agreement requires application of the laws of the State of Florida. This provision may not be enforceable under California law.

The Membership Agreement contains a liquidated damages clause. Under California Civil Code, Section 1671, certain liquidated damages clauses are unenforceable.

The Membership Agreement requires you to sign a general release of claims on renewal or transfer of the Membership 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 thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

ILLINOIS

1. The "Summary" section of Item 17(v), entitled **Choice of forum**, is deleted in its entirety.
2. The "Summary" section of Item 17(w), entitled **Choice of law**, is deleted and replaced with the following:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the state of Illinois apply.

MARYLAND

1. **Initial Fees**. The following is added to the end of Items 5 and 7:

Any release required as a condition of obtaining a refund of the initial fee shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.
2. The following is added to the end of the "Summary" sections of Item 17(c), entitled **Requirements for franchisee to renew or extend**, and Item 17(m), entitled **Conditions for franchisor approval of transfer**:

However, under COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.
3. The following is added to the end of the "Summary" section of Item 17(h), entitled **"Cause" defined – non-curable defaults**:

The Membership Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.
4. The "Summary" sections of Item 17(v), entitled **Choice of forum**, and 17(w), entitled **Choice of law**, are amended to add the following:

A franchisee may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
5. The following language is added to the end of the chart in Item 17:

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

MINNESOTA

1. **Termination Fee.** The Item 6 line item of the Franchise Disclosure Document entitled "Accelerated Fees Upon Early Termination Following your Default or Termination by you Without Cause" will not be enforced to the extent prohibited by applicable law.

2. **Trademark Indemnification.** The following paragraph is added to the end of Item 13:

Provided you have complied with all provisions of the Membership Agreement applicable to the Proprietary Marks, we will protect your rights to use the Proprietary Marks and we also will indemnify you from any loss, costs or expenses from any claims, suits or demands regarding your use of the Proprietary Marks in accordance with Minn. Stat. Sec. 80C.12 Subd. 1(g).

3. **Renewal, Termination, Transfer and Dispute Resolution.** The following is added to the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statutes, Section 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Membership Agreement and 180 days' notice for non-renewal of the Membership Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J might prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or Membership Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Those provisions also provide that no condition, stipulations or provision in the Membership Agreement will in any way abrogate or reduce any of your rights under the Minnesota Franchises Law, including, if applicable, the right to submit matters to the jurisdiction of the courts of Minnesota.

Any release as a condition of renewal and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

NEW YORK

1. The following paragraphs are added to the state 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 SOURCES OF 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 THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTMENT PROTECTION BUREAU, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO

ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added to the end of Item 3, LITIGATION:

With regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark, no such party:

- A. Has an administrative, criminal, or civil action pending against that person alleging: a felony; violation of a franchise, antitrust, or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; unfair or deceptive practices; or comparable civil or misdemeanor allegations. In addition, no such party has civil actions pending against that party, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.
- B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action alleging: violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, unfair or deceptive practices or comparable allegations.
- C. Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, as a result of 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 franchise as a real estate broker or sales agent.

3. The following is added to the end of Item 4, BANKRUPTCY:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner have, during the ten-year period immediately preceding the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of ours held this position in the company or partnership.

4. The following is added to the end of Item 5:

We apply the initial franchise fee to defray our costs for site review and approval, sales, legal compliance, salary, and general administrative expenses and profits.

5. The following is added to the end of the "Summary" sections of Item 17(c), entitled **Requirements for franchisee to renew or extend**, and Item 17(m), entitled **Conditions for franchisor approval of transfer**:

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

6. The following is added to the end of the "Summary" section of Item 17(d), entitled **Termination by franchisee**:

You may terminate the Membership Agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17(j), entitled **Assignment of contract by franchisor**:

No assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Membership Agreement.

8. The following is added to the end of the "Summary" sections of Item 17(v), entitled **Choice of forum**, and Item 17(w), entitled **Choice of law**:

However, the governing choice of law and choice of forum should not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA

1. **Termination Fee**. The Item 6 line item of the Franchise Disclosure Document entitled "Accelerated Fees Upon Early Termination Following your Default or Termination by you Without Cause" will not be enforced to the extent prohibited by applicable law.

2. The following is added to the end of the "Summary" sections of Item 17(c), entitled **Requirements for franchisee to renew or extend**, and Item 17(m), entitled **Conditions for franchisor approval of transfer**:

However, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. The following is added to the end of the "Summary" section of Item 17(u), entitled **Dispute resolution by arbitration or mediation**:

To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.

4. The "Summary" section of Item 17(v), entitled **Choice of forum**, is deleted and replaced with the following:

Litigation must be exclusively in the state or federal court which is closest to Broward County, Florida, except that, subject to your arbitration obligation, and to the extent required by North Dakota Franchise Investment Law you may bring an action in North Dakota.

5. The "Summary" section of Item 17(w), entitled **Choice of law**, is deleted and replaced with the following:

Except as otherwise required by North Dakota law, the laws of the State of Florida will apply.

RHODE ISLAND

1. The following language is added to the end of the "Summary" sections of Item 17(v), entitled **Choice of forum**, and 17(w), entitled **Choice of law**:

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

VIRGINIA

1. The following language is added to the end of the "Summary" section of Item 17(e), entitled **Termination by franchisor without cause**:

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 grounds for default or termination stated in the Membership Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON

1. The following paragraph is added at the end of Item 17:

If any of the provisions in this Franchise Disclosure Document or Membership Agreement are inconsistent with the relationship provisions of Revised Code of Washington Section 19.100.180 or any other requirements of the Washington Franchise Investment Protection Act (the "Act"), the provisions of the Act will prevail over the inconsistent terms of the Franchise Disclosure Document or Membership Agreement.

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
MEMBERSHIP AGREEMENT**

**RIDER TO THE VANTAGE FRANCHISING INC.
MEMBERSHIP AGREEMENT
FOR USE IN ILLINOIS**

THIS RIDER is by and between **VANTAGE FRANCHISING, INC.**, a Florida corporation with its principal business address at 3300 North University Drive, Suite 500, Coral Springs, Florida 33065 ("we," "us," or "our"), and _____, whose principal business address is _____ ("you" or "your").

1. **BACKGROUND.** We and you are parties to that certain Membership Agreement dated _____, 20____ (the "Membership Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Membership Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Membership Agreement occurred in Illinois and the Country Hearth Inn®, Country Hearth Suites® or Country Hearth Inn & Suites® that you will operate under the Membership Agreement will be located in Illinois, and/or (b) you are domiciled in Illinois.

2. **GOVERNING LAW; JURISDICTION AND VENUE.** Part II, Section 13.7 of the Membership Agreement is deleted and replaced with the following:

13.7. **GOVERNING LAW; JURISDICTION AND VENUE.** ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE UNITED STATES FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER UNITED STATES FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES.

3. **WAIVER OF PUNITIVE DAMAGES CLAIMS AND WAIVER OF JURY TRIAL.** The following language is added to the end of Sections d. and e. of Schedule 13.8 to the Membership Agreement:

HOWEVER, THIS SECTION SHALL NOT ACT AS A CONDITION, STIPULATION OR PROVISION PURPORTING TO BIND ANY PERSON ACQUIRING ANY FRANCHISE TO WAIVE COMPLIANCE WITH ANY PROVISION OF THE ILLINOIS FRANCHISE DISCLOSURE ACT AT SECTION 705/41 OR ILLINOIS REGULATIONS AT SECTION 200.609.

4. **NO CLASS ACTIONS.** Section f. of Schedule 13.8 to the Membership Agreement is deleted and replaced with the following:

f. **NO CLASS ACTIONS.** THE PARTIES AGREE THAT CLAIMS OF ANY OTHER PARTY OR PARTIES SHALL NOT BE JOINED WITH ANY CLAIMS ASSERTED IN ANY ACTION OR PROCEEDING BETWEEN YOU AND US. NO PREVIOUS COURSE OF DEALING SHALL BE ADMISSIBLE TO EXPLAIN, MODIFY, OR CONTRADICT THE TERMS OF THIS AGREEMENT. NO IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING SHALL BE USED TO ALTER THE EXPRESS TERMS OF THIS AGREEMENT. EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US OR OUR AFFILIATE, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS. HOWEVER, NOTHING

CONTAINED IN THIS SECTION SHALL CONSTITUTE A CONDITION, STIPULATION, OR PROVISION PURPORTING TO BIND ANY PERSON TO WAIVE COMPLIANCE WITH ANY PROVISION OF THE ILLINOIS FRANCHISE DISCLOSURE ACT OR ANY OTHER LAW OF THE STATE OF ILLINOIS, TO THE EXTENT APPLICABLE.

5. **ILLINOIS FRANCHISE DISCLOSURE ACT**. The following language is added as Part II, Section 13.15 of the Membership Agreement:

13.15. **ILLINOIS FRANCHISE DISCLOSURE ACT**. Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Membership Agreement.

VANTAGE FRANCHISING INC., a Florida corporation

By: _____

Title: _____

DATED: _____

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

[Name]

By: _____

Title: _____

DATED: _____

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

[Signature]

[Print Name]

[Signature]

[Print Name]

**RIDER TO THE VANTAGE FRANCHISING, INC.
MEMBERSHIP AGREEMENT
FOR USE IN MARYLAND**

THIS RIDER is by and between **VANTAGE FRANCHISING, INC.**, a Florida Corporation, with its principal office at 3300 North University Drive, Suite 500, Coral Springs, Florida 33065 ("we," "us," or "our"), and _____,

_____, whose principal business address is _____ ("you" or "your").

1. **BACKGROUND.** We and you are parties to that certain Membership Agreement dated _____, 20__ (the "Membership Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Membership Agreement. This Rider is being signed because (a) you are domiciled in Maryland, and/or (b) the Country Hearth Inn®, Country Hearth Suites® or Country Hearth Inn & Suites® that you will operate under the Membership Agreement will be located in Maryland.

2. **REPRESENTATIONS AND WARRANTIES.** The following is added to the end of Article 12 of the Membership Agreement:

The acknowledgments or representations of the franchisee made in the Membership Agreement which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law 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.

3. **RELEASES.** The following is added to the end of Part I, Section 1.3.b., and Part II, Section 2.1.c, and Section 9.2.d.(iii) of the Membership Agreement:

Pursuant to COMAR 02.02.08.16L, any release required as a condition of sale, renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

4. **BANKRUPTCY.** The following is added to the end of Part II, Subsection 10.3.m of the Membership Agreement:

; however, we and you acknowledge that certain aspects of this provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

5. **GOVERNING LAW; JURISDICTION AND VENUE.** Part II, Section 13.7 of the Membership Agreement is deleted and replaced with the following:

13.7. **GOVERNING LAW; JURISDICTION AND VENUE.** ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE UNITED STATES FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER UNITED STATES FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF FLORIDA WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT (1) ANY STATE LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISE OWNER WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH, AND (2) MARYLAND LAW WILL APPLY TO

CLAIMS ARISING UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.

SUBJECT TO SCHEDULE 13.8 AND THE OTHER PROVISIONS BELOW, YOU (AND YOUR OWNERS) AGREE THAT ALL ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US MUST BE COMMENCED EXCLUSIVELY IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION WHICH IS CLOSEST TO BROWARD COUNTY, FLORIDA, AND WE AND YOU (AND EACH OWNER) IRREVOCABLY CONSENT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NOTWITHSTANDING THE FOREGOING, YOU MAY BRING AN ACTION IN MARYLAND FOR CLAIMS ARISING UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.

6. **LIMITATION OF CLAIMS.** The following is added to the end of Schedule 13.8 to the Membership Agreement:

ANY LIMITATION ON THE PERIOD OF TIME ARBITRATION AND/OR LITIGATION CLAIMS MUST BE BROUGHT SHALL NOT ACT TO REDUCE THE THREE YEAR STATUTE OF LIMITATIONS AFFORDED A FRANCHISEE FOR BRINGING A CLAIM ARISING UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the date of the Membership Agreement.

VANTAGE FRANCHISING, INC., a Florida corporation

By: _____

Title: _____

DATED: _____

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

[Name]

By: _____

Title: _____

DATED: _____

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

[Signature]

[Print Name]

[Signature]

[Print Name]

**RIDER TO THE VANTAGE FRANCHISING, INC.
MEMBERSHIP AGREEMENT
FOR USE IN MINNESOTA**

THIS RIDER is by and between **VANTAGE FRANCHISING, INC.**, a Florida corporation, with its principal business address at 3300 North University Drive, Suite 500, Coral Springs, Florida 33065 ("we," "us," or "our"), and _____, whose principal business address is _____ ("you" or "your").

1. **BACKGROUND.** We and you are parties to that certain Membership Agreement dated _____, 20____ (the "Membership Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Membership Agreement. This Rider is being signed because (a) the Country Hearth Inn®, Country Hearth Suites® or Country Hearth Inn & Suites® that you will operate under the Membership Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Membership Agreement occurred in Minnesota.

2. **RELEASES.** The following is added to the end of Part I, Section 1.3.b., and Part II, Section 2.1.c and Section 9.2.d.(iii) of the Membership Agreement:

Any release required as a condition of sale, renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

3. **RENEWAL AND TERMINATION.** The following is added to the end of Part II, Sections 2.1, 10.2, and 10.3 of the Membership Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

4. **ACCELERATED FEES; OTHER DAMAGES.** The following is added to the end of Part II, Section 11.2 of the Membership Agreement:

We and you acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, we and you agree to enforce the provision to the extent the law allows.

5. **GOVERNING LAW; JURISDICTION AND VENUE.** Part II, Section 13.7 of the Membership Agreement is deleted and replaced with the following:

13.7. **GOVERNING LAW; JURISDICTION AND VENUE.** ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE UNITED STATES FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER UNITED STATES FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF FLORIDA WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT (1) ANY STATE LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISE OWNER WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH, AND (2) NOTHING IN THIS AGREEMENT WILL ABROGATE OR REDUCE ANY OF YOUR RIGHTS UNDER MINNESOTA STATUTES CHAPTER 80C

OR YOUR RIGHT TO ANY PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE.

SUBJECT TO SCHEDULE 13.8. AND THE OTHER PROVISIONS BELOW, YOU AND YOUR OWNERS AGREE THAT ALL ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US MUST BE COMMENCED EXCLUSIVELY IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION WHICH IS CLOSEST TO BROWARD COUNTY, FLORIDA, AND WE AND YOU (AND EACH OWNER) IRREVOCABLY CONSENT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NOTWITHSTANDING THE FOREGOING, MINN. STAT. SEC. 80C.21 AND MINN. RULE 2860.4400J PROHIBIT US, EXCEPT IN CERTAIN SPECIFIED CASES, FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA. NOTHING IN THIS AGREEMENT SHALL ABROGATE OR REDUCE ANY OF YOUR RIGHTS UNDER MINNESOTA STATUTES CHAPTER 80C OR YOUR RIGHT TO ANY PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE.

6. **CLAIMS AGAINST THE PROPRIETARY PROPERTY.** The following is added to the end of Section c. of Schedule 7 to the Membership Agreement:

Provided you have complied with all provisions of this Agreement applicable to the Proprietary Marks, we will protect your rights to use the Proprietary Marks and we also will indemnify you from any loss, costs or expenses from any claims, suits or demands regarding your use of the Proprietary Marks in accordance with Minn. Stat. Sec. 80C.12 Subd. 1(g).

7. **INJUNCTIVE RELIEF.** Section b. of Schedule 13.8 to the Membership Agreement is deleted and replaced with the following:

INJUNCTIVE RELIEF. Nothing in this Agreement bars our right to seek specific performance of the provisions of this Agreement and seek injunctive relief against threatened conduct that will cause us, the Proprietary Marks and/or the Brand loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions (subject to our obligation to arbitrate the underlying claim if required by Section a. of Schedule 13.8). You agree that we may seek such injunctive relief in addition to such further or other relief as may be available at law or in equity. You agree that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby). A court will determine if a bond is required.

8. **WAIVER OF PUNITIVE DAMAGES AND WAIVER OF JURY TRIAL.** If and then only to the extent required by the Minnesota Franchises Law, Sections d. and e. of Schedule 13.8 to the Membership Agreement are deleted.

9. **LIMITATION OF CLAIMS.** The following is added to the end of Schedule 13.8 to the Membership Agreement:

MINNESOTA LAW PROVIDES THAT NO ACTION MAY BE COMMENCED UNDER MINN. STAT. SEC. 80C.17 MORE THAN 3 YEARS AFTER THE CAUSE OF ACTION ACCRUES.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Membership Agreement.

VANTAGE FRANCHISING, INC., a Florida corporation.

By: _____

Title: _____

DATED: _____

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

[Name]

By: _____

Title: _____

DATED: _____

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

[Signature]

[Print Name]

[Signature]

[Print Name]

**RIDER TO THE
VANTAGE FRANCHISING, INC.
MEMBERSHIP AGREEMENT FOR USE IN THE
STATE OF NEW YORK**

THIS RIDER is by and between **VANTAGE FRANCHISING, INC.**, a Florida corporation with its principal business address at 3300 North University Drive, Suite 500, Coral Springs, Florida 33065 ("we," "us," or "our"), and _____, whose principal business address is _____ ("you" or "your").

1. **BACKGROUND**. We and you are parties to that certain Membership Agreement dated _____, 20____, (the "Membership Agreement") that has been signed concurrently with this Rider. This Rider is being signed because (a) you are domiciled in the State of New York and the Country Hearth Inn®, Country Hearth Suites® or Country Hearth Inn & Suites® that you will operate under the Membership Agreement will be located in New York, and/or (b) any of the offering or sales activity relating to the Membership Agreement occurred in New York.

2. **RELEASES**. The following language is added to the end of Part I, Section 1.3.b., and Part II, Section 2.1.d and Section 9.2.d.(iii) of the Membership Agreement:

Notwithstanding the foregoing all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

3. **TRANSFER BY US**. The following language is added to the end of Part II, Section 9.1 of the Membership Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

4. **TERMINATION BY EITHER PARTY**. The following language is added to the end of Part II, Section 10.4 of the Membership Agreement:

You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **GOVERNING LAW; JURISDICTION AND VENUE**. The following statement is added at the end of Part II, Section 13.7 of the Membership Agreement:

THIS SECTION SHALL NOT BE CONSIDERED A WAIVER OF ANY RIGHT CONFERRED UPON YOU BY THE PROVISIONS OF ARTICLE 33 OF THE NEW YORK STATE GENERAL BUSINESS LAW, AS AMENDED, AND THE REGULATIONS ISSUED THEREUNDER.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Membership Agreement.

VANTAGE FRANCHISING, INC., a Florida corporation

By: _____

Title: _____

DATED: _____

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

[Name]

By: _____

Title: _____

DATED: _____

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

[Signature]

[Print Name]

[Signature]

[Print Name]

**RIDER TO THE VANTAGE FRANCHISING, INC.
MEMBERSHIP AGREEMENT
FOR USE IN NORTH DAKOTA**

THIS RIDER is by and between **VANTAGE FRANCHISING, INC.**, a Florida corporation with its principal business address at 3300 North University Drive, Suite 500, Coral Springs, Florida 33065 ("we," "us," or "our"), and _____, whose principal business address is _____ ("you" or "your").

1. **BACKGROUND.** We and you are parties to that certain Membership Agreement dated _____, 20____ (the "Membership Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Membership Agreement. This Rider is being signed because (a) you are a resident of North Dakota and the Country Hearth Inn®, Country Hearth Suites® or Country Hearth Inn & Suites® that you will operate under the Membership Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the Membership Agreement occurred in North Dakota.

2. **RELEASES.** The following is added to the end of Part I, Section 1.3.b., and Part II, Section 2.1.d and Section 9.2.d.(iii) of the Membership Agreement:

However, any release required as a condition of sale, renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. **ACCELERATED FEES; OTHER DAMAGES.** The following language is added to the end of Part II, Section 11.2 of the Membership Agreement:

We and you acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, we and you agree to enforce the provision to the extent the law allows.

4. **GOVERNING LAW; JURISDICTION AND VENUE.** Part II, Section 13.7 of the Membership Agreement is deleted and replaced with the following:

13.7. GOVERNING LAW; JURISDICTION AND VENUE. ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE UNITED STATES FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER UNITED STATES FEDERAL LAW AND EXCEPT AS OTHERWISE REQUIRED BY NORTH DAKOTA LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF FLORIDA WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY STATE LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISE OWNER WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

SUBJECT TO SCHEDULE 13.8 AND THE OTHER PROVISIONS BELOW, YOU AND YOUR OWNERS AGREE THAT ALL ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US MUST BE COMMENCED EXCLUSIVELY IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION WHICH IS CLOSEST TO BROWARD COUNTY, FLORIDA, AND WE AND YOU (AND EACH OWNER) IRREVOCABLY CONSENT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY

OBJECTION TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NOTWITHSTANDING THE FOREGOING, TO THE EXTENT REQUIRED BY THE NORTH DAKOTA FRANCHISE INVESTMENT LAW, AND SUBJECT TO YOUR ARBITRATION OBLIGATIONS, YOU MAY BRING AN ACTION IN NORTH DAKOTA FOR CLAIMS ARISING UNDER THE NORTH DAKOTA FRANCHISE INVESTMENT LAW.

5. **ARBITRATION.** The first paragraph of Schedule 13.8 to the Membership Agreement is amended to read as follows:

a. **ARBITRATION.** You and we agree that all controversies, disputes, or claims between us and our affiliates, and our and their respective owners, officers, directors, and/or agents, and you (and/or your owners, guarantors, affiliates, and/or employees) arising out of or related to the scope or validity of this Agreement or any other agreement between you (or your owners) and us (or our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration obligation under this Schedule, which we and you acknowledge is to be determined by an arbitrator, not a court) must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association ("AAA"). The arbitration proceedings will be conducted by one arbitrator and, except as this Schedule otherwise provides, according to the then-current Commercial Arbitration Rules of the AAA. All proceedings will be conducted at a suitable location chosen by the arbitrator which is within a 50 mile radius of our then current principal place of business (currently, Coral Springs, Florida); provided, however, that to the extent otherwise required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree. All matters relating to arbitration will be governed by the United States Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

6. **WAIVER OF PUNITIVE DAMAGES AND WAIVER OF JURY TRIAL.** To the extent required by the North Dakota Franchise Investment Law, Sections d. and e. of Schedule 13.8 to the Membership Agreement are deleted.

7. **LIMITATION OF CLAIMS.** The following is added to the end of Schedule 13.8 to the Membership Agreement:

THE STATUTES OF LIMITATIONS UNDER NORTH DAKOTA LAW APPLY WITH RESPECT TO CLAIMS ARISING UNDER THE NORTH DAKOTA FRANCHISE INVESTMENT LAW.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Membership Agreement.

VANTAGE FRANCHISING, INC., a Florida corporation

By: _____

Title: _____

DATED: _____

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

[Name]

By: _____

Title: _____

DATED: _____

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

[Signature]

[Print Name]

[Signature]

[Print Name]

**RIDER TO THE VANTAGE FRANCHISING, INC.
MEMBERSHIP AGREEMENT
FOR USE IN RHODE ISLAND**

THIS RIDER is by and between **VANTAGE FRANCHISING, INC.**, a Florida corporation with its principal business address at 3300 North University Drive, Suite 500, Coral Springs, Florida 33065 ("we," "us," or "our"), and _____, whose principal business address is _____ ("you" or "your").

1. **BACKGROUND**: We and you are parties to that certain Membership Agreement dated _____, 20____ (the "Membership Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Membership Agreement. This Rider is being signed because (a) you are domiciled in Rhode Island and the Country Hearth Inn®, Country Hearth Suites® or Country Hearth Inn & Suites® that you will operate under the Membership Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Membership Agreement occurred in Rhode Island.

2. **GOVERNING LAW; JURISDICTION AND VENUE**. The following language is added to Part II, Section 13.7 of the Membership Agreement:

SECTION 19-28.1-14 OF THE RHODE ISLAND FRANCHISE INVESTMENT ACT PROVIDES THAT "A PROVISION IN A FRANCHISE AGREEMENT RESTRICTING JURISDICTION OR VENUE TO A FORUM OUTSIDE THIS STATE OR REQUIRING THE APPLICATION OF THE LAWS OF ANOTHER STATE IS VOID WITH RESPECT TO A CLAIM OTHERWISE ENFORCEABLE UNDER THIS ACT."

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Membership Agreement.

VANTAGE FRANCHISING, INC., a Florida corporation

By: _____

Title: _____

DATED: _____

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

[Name]

By: _____

Title: _____

DATED: _____

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

[Signature]

[Print Name]

[Signature]

[Print Name]

**RIDER TO THE VANTAGE FRANCHISING, INC.
MEMBERSHIP AGREEMENT
FOR USE IN VIRGINIA**

THIS RIDER is by and between **VANTAGE FRANCHISING, INC.**, a Florida corporation with its principal business address at 3300 North University Drive, Suite 500, Coral Springs, Florida 33065 ("we," "us," or "our"), and _____, whose principal business address is _____ ("you" or "your").

1. **BACKGROUND.** We and you are parties to that certain Membership Agreement dated _____, 20____ (the "Membership Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Membership Agreement. This Rider is being signed because the Country Hearth Inn®, Country Hearth Suites® or Country Hearth Inn & Suites® that Franchisee will operate under the Membership Agreement will be established or maintained in Virginia.

2. **TERMINATION BY EITHER PARTY.** The following is added to the end of Part II, Section 10.4 of the Membership Agreement:

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 grounds for default or termination stated in the Membership 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.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Membership Agreement.

VANTAGE FRANCHISING, INC., a Florida corporation

By: _____

Title: _____

DATED: _____

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

[Name]

By: _____

Title: _____

DATED: _____

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

[Signature]

[Print Name]

[Signature]

[Print Name]

**RIDER TO THE VANTAGE FRANCHISING, INC.
MEMBERSHIP AGREEMENT
FOR USE IN WASHINGTON**

THIS RIDER is by and between **VANTAGE FRANCHISING, INC.**, a Florida corporation with its principal business address at 3300 North University Drive, Suite 500, Coral Springs, Florida 33065 ("we," "us," or "our"), and _____, whose principal business address is _____ ("you" or "your").

1. **BACKGROUND.** We and you are parties to that certain Membership Agreement dated _____, 20____ (the "Membership Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Membership Agreement. This Rider is being signed because (a) Franchisee is domiciled in the State of Washington; and/or (b) the Country Hearth Inn®, Country Hearth Suites® or Country Hearth Inn & Suites® that Franchisee will operate under the Membership Agreement will be located in Washington; and/or (c) any of the offering or sales activity relating to the Membership Agreement occurred in Washington.

2. **WASHINGTON LAW.** The following paragraphs are added to the end of the Membership Agreement:

In recognition of the requirements of the Washington Franchise Investment Protection Act (the "Act") and the rules and regulations promulgated thereunder, this Agreement shall be modified as follows:

The state of Washington has a statute, RCW 19.100.180 which may supersede the Membership Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Membership Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

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

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

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Membership Agreement.

VANTAGE FRANCHISING, INC., a Florida corporation

By: _____

Title: _____

DATED: _____

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

[Name]

By: _____

Title: _____

DATED: _____

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

[Signature]

[Print Name]

[Signature]

[Print Name]

NEW YORK REPRESENTATIONS PAGE

FRANCHISOR REPRESENTS THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

EXHIBIT K

RECEIPTS

**RECEIPT
(OUR COPY)**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Vantage Franchising, 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, Vantage Franchising, Inc. or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our first personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must 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. Under New York and Rhode Island law, we must provide this disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If Vantage Franchising, 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 appropriate state agency identified on Exhibit A.

The franchisor is Vantage Franchising, Inc., 3300 N. University Drive, Suite 500, Coral Springs, Florida 33065, (954) 575-2668. The franchise seller for this offering is:

☐ _____ Vantage Franchising, Inc. 3300 N. University Drive, Suite 500 Coral Springs, FL 33065 (954) 575-2668	☐ _____ Vantage Franchising, Inc. 3300 N. University Drive, Suite 500 Coral Springs, FL 33065 (954) 575-2668	☐ _____ Vantage Franchising, Inc. 3300 N. University Drive, Suite 500 Coral Springs, FL 33065 (954) 575-2668
---	---	---

Issuance Date: July 18, 2016

See Exhibit A for Vantage Franchising, Inc.'s registered agents authorized to receive service of process.

I have received a disclosure document dated July 18, 2016 that included the following Exhibits:

Exhibit A - State Administrators/Agents for Service of Process Exhibit B - Membership Agreement Exhibit C - Application Exhibit D - Representations and Acknowledgement Statement Exhibit E - Financial Statements Exhibit F - Guarantee of Performance	Exhibit G - List of Current Franchisee Outlets Exhibit H - List of Franchisee Outlets Terminated, Not Renewed or Who Otherwise Left the System Exhibit I - Sample General Release Exhibit J - State Addenda and Agreement Riders Exhibit K - Receipts
--	---

_____ Date	_____ Signature	_____ Printed Name
---------------	--------------------	-----------------------

_____ Date	_____ Signature	_____ Printed Name
---------------	--------------------	-----------------------

Property located (or to be built) at _____
(street address) (city) (state) (zip code)

Please enter the address of the Property, sign this copy of the receipt, print the date on which you received this disclosure document, and return it, by mail or facsimile, to Vantage Franchising, Inc., 3300 N. University Drive, Suite 500, Coral Springs, FL 33065, fax: 954-827-0934.

**RECEIPT
(YOUR COPY)**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Vantage Franchising, 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, Vantage Franchising, Inc. or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our first personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must 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. Under New York and Rhode Island law, we must provide this disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If Vantage Franchising, 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 appropriate state agency identified on Exhibit A.

The franchisor is Vantage Franchising, Inc., 3300 N. University Drive, Suite 500, Coral Springs, Florida 33065, (954) 575-2668. The franchise seller for this offering is:

- | | | |
|---|---|---|
| ☐ _____
Vantage Franchising, Inc.
3300 N. University Drive, Suite 500
Coral Springs, FL 33065
(954) 575-2668 | ☐ _____
Vantage Franchising, Inc.
3300 N. University Drive, Suite 500
Coral Springs, FL 33065
(954) 575-2668 | ☐ _____
Vantage Franchising, Inc.
3300 N. University Drive, Suite 500
Coral Springs, FL 33065
(954) 575-2668 |
|---|---|---|

Issuance Date: July 18, 2016

See Exhibit A for Vantage Franchising, Inc.'s registered agents authorized to receive service of process.

I have received a disclosure document dated July 18, 2016 that included the following Exhibits:

- | | |
|--|---|
| Exhibit A - State Administrators/Agents for Service of Process
Exhibit B - Membership Agreement
Exhibit C - Application
Exhibit D - Representations and Acknowledgement Statement
Exhibit E - Financial Statements
Exhibit F - Guarantee of Performance | Exhibit G - List of Current Franchisee Outlets
Exhibit H - List of Franchisee Outlets Terminated, Not Renewed or Who Otherwise Left the System
Exhibit I - Sample General Release
Exhibit J - State Addenda and Agreement Riders
Exhibit K - Receipts |
|--|---|

_____ Date	_____ Signature	_____ Printed Name
---------------	--------------------	-----------------------

_____ Date	_____ Signature	_____ Printed Name
---------------	--------------------	-----------------------

Property located (or to be built) at _____
(street address) (city) (state) (zip code)

Please enter the address of the Property, sign this copy of the receipt, print the date on which you received this disclosure document, and return it, by mail or facsimile, to Vantage Franchising, Inc., 3300 N. University Drive, Suite 500, Coral Springs, FL 33065, fax: 954-827-0934.

PLEASE SIGN THIS COPY OF THE RECEIPT, PRINT THE DATE ON WHICH YOU RECEIVED THIS DISCLOSURE DOCUMENT AND KEEP IT FOR YOUR RECORDS.