FRANCHISE DISCLOSURE DOCUMENT

Choice Hotels International, Inc.
a Delaware corporation
1 Choice Hotels Circle, Suite 400, Rockville, Maryland 20850
(301) 592-5000
e-mail: development@choicehotels.com
https://choicehotelsdevelopment.com

The franchise offered in this disclosure document is for the rights to own and/or operate a MAINSTAY SUITES® ("MAINSTAY SUITES") hotel business.

The total investment necessary to begin operation of a 106-room newly constructed MAINSTAY SUITES hotel franchise is between $~~7,388,930~~7,519,080-$~~13,482,797~~13,720,697. The total investment necessary to convert an existing hotel and begin operation of a 56-room MAINSTAY SUITES hotel franchise is between $~~256,800-$1,613,795~~256,950-$1,621,695. This includes $58,750 to $~~69,000~~76,595 that must be paid to the franchisor or its affiliates as follows: an affiliation fee of $300 per room for new constructions or conversions and $550 per room for transfers and renewals ($50,000 minimum~~)~~ for ~~MAINSTAY SUITES~~each); a property management system software license and systems training fee of between $8,750 and $15,750; and orientation and hospitality training fees of $0 – $~~3,245~~10,845 per person. These sums do not include the cost of purchasing or leasing land or any real estate taxes.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact ~~Jason Cowan~~Ron Burgett, Senior Vice President, ~~Signature Brands~~Extended Stay Development at (301) 592-5000, 1 Choice Hotels Circle, Suite 400, Rockville, Maryland 20850.

The terms of your franchise agreement will govern your franchise relationship. Do not rely on the disclosure document alone to understand your franchise agreement. Read all of your franchise agreement carefully. Show your franchise agreement 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 ("FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 1, ~~2021~~2022

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at Choice's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of franchised outlets.
Will my Comfort business be the only Comfort business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What is it like to be a Comfort franchisee?	Exhibits O and P list current and former franchisees. You can contact them to ask them about their experience.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location your access to customers, what sell, how you market and your hours of operation.

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

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit B.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise
Certain states require that the following risks be highlighted:

1. **Out-of-State Dispute Resolution**. The Franchise Agreement requires you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in the State of Maryland. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Maryland than in your own state.

2. ~~**Negative Net Worth**. As of December 31, 2020, Choice had a net income of $75,387,000, but a shareholders' deficit of $5,752,000, which is primarily attributable to our repurchase of 51.6 million shares of treasury stock through December 31, 2020. You may wish to consult with your financial adviser. The franchisor's financial condition, as reflected in it financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.~~

This disclosure document is for use in the United States and its territories. The page following Item 23 contains the Effective Dates of this Disclosure Document for each state with its own franchise registration law. Certain states may require other risks to be highlighted. Check the "State-Specific Addenda" to see whether your state requires other risks to be highlighted.

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

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

This disclosure document is for the right to own and/or operate a MAINSTAY SUITES® branded hotel ("MAINSTAY SUITES" or "MAINSTAY SUITES" Mark) or if you meet certain qualifications, multiple MAINSTAY SUITES hotel franchise agreements under a Master Development Agreement.

We do business under the following primary Choice Hotels trademarks among others: COMFORT INN®, COMFORT INN & SUITES®, COMFORT SUITES®, CAMBRIA®, QUALITY INN®, QUALITY INN & SUITES®, QUALITY SUITES®, QUALITY HOTEL®, CLARION HOTEL®, CLARION INN®, CLARION INN & SUITES®, CLARION SUITES®, CLARION RESORT®, CLARION COLLECTION®, CLARION POINTE®, SLEEP INN®, SLEEP INN & SUITES®, RODEWAY INN®, RODEWAY INN & SUITES®, ECONO LODGE®, ECONO LODGE INN & SUITES®, MAINSTAY SUITES®, SUBURBAN ~~EXTENDED STAY HOTEL~~®, SUBURBAN ~~LODGE®~~STUDIOS™, ASCEND HOTEL COLLECTION®, WOODSPRING SUITES®, and EVERHOME SUITES™.

Choice Background.

We are a Delaware corporation formed on January 8, 1963, under the name Quality Inns International, Inc. We changed our corporate name to Choice Hotels International, Inc. on July 25, 1990. From November 1, 1996 to October 15, 1997, our corporate name was Choice Hotels Franchising, Inc. Our corporate name has been Choice Hotels International, Inc. since October 15, 1997. Our principal business address is 1 Choice Hotels Circle, Suite 400, Rockville, Maryland 20850. Our agents for service of process are disclosed in Exhibit B of this disclosure document.

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

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

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

Choice Privileges Loyalty Services, LLC is a Delaware limited liability company formed on June 12, 2017 ("CPLS"). CPLS owns, operates and administers the Choice Privileges® guest rewards program. Its principal business address is 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808.

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

MAINSTAY SUITES Hotels.

We have franchised extended-stay, limited service hotels under the trademark MAINSTAY SUITES ("MAINSTAY SUITES hotels") since 1996. MAINSTAY SUITES offers residential style amenities and affordable rates. Each MAINSTAY SUITES hotel room offers ample space for an extended stay, with separate areas for dressing, relaxing, sleeping and eating, and includes a well-equipped kitchen. ~~We own 3 MAINSTAY SUITES hotels. Sunburst Hospitality Corporation, which was our affiliate until October 15, 1997, has owned and operated MAINSTAY SUITES hotels.~~

We also offer a MAINSTAY SUITES and SLEEP INN dual brand hotel, which joins two great brands in one building. With a highly cost-effective design and operating model, it allows unique construction options enabling developers to capitalize on both transient and extended stay market demand under one roof. For additional information about SLEEP INN, please refer to the Franchise Disclosure Document for that brand.

Your receipt of this disclosure document does not mean that you will be approved as a franchisee or that you may develop or open any of our franchised hotels. Before you may develop and open any of our franchised hotels, we must approve you as a franchisee, we must approve the location of your proposed hotel, you must attend and successfully complete our training programs, we and you must sign the Franchise Agreement (Exhibit D) and if applicable a Master Development Agreement (Exhibit E), and you must pay the affiliation fee. You should not acquire any interest in a site for a hotel franchise until, at the earliest, you are approved by us as a franchisee.

General Market and Competition.

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

Your competitors will include other chain-affiliated (including our hotel brands) and independent hotels and motels in the area where your hotel is located.

Other Choice Hotels Brands.

We franchise other hotel brands under the Choice Marks as defined in Item 13. We have franchised full service, mid-priced hotels under the trademark QUALITY INN since 1968 and under the trademark CLARION since 1987. The nation's oldest hotel brand, QUALITY INN, provides an accommodating environment, friendly service and a continental breakfast. All-suites hotels within the QUALITY brand are known as QUALITY SUITES hotels. CLARION branded hotels offer guests a quality of service, amenities and inviting atmosphere associated with finer hotels, but at an affordable price. These hotels offer free high-speed internet access, and most locations offer a full-service restaurant, room service, swimming pool

and fitness center. In 2018, we began franchising limited-service hotels under the trademark CLARION POINTE, which offer affordable accommodations with comfortable, contemporary rooms, free high-speed internet access, and a free better-for-you breakfast.

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

We have franchised extended stay, limited service hotels under the trademark SUBURBAN since 2005. In 2022, we rebranded to SUBURBAN STUDIOS™ ("SUBURBAN"). SUBURBAN offers competitive rates for stays of one week or more. Rooms at a SUBURBAN property are spacious and feature a well-equipped kitchen and free high-speed internet access. In addition, SUBURBAN offers a modular "kitchen in a box" design to help with the conversion into an economy extended stay SUBURBAN hotel.

We acquired the WOODSPRING SUITES brand from WoodSpring Hotels Franchise Services LLC, a Kansas limited liability company ("WHFS") in 2018. From 2004 to April 2015, WHFS offered extended-stay franchises under the name "VALUE PLACE," and in 2015 WHFS changed the brand to "WOODSPRING SUITES." We began offering franchises under the trademark WOODSPRING SUITES in February 2018. ~~We were the franchisor of the remaining hotels that operated under the trademark VALUE PLACE.We do not plan to franchise any new VALUE PLACE hotels in the future.~~ WOODSPRING SUITES~~ and VALUE PLACE~~ hotels are extended stay, limited services hotels that offer customers the value of a furnished room with kitchen facilities, together with terms and conditions, services and amenities associated with extended-stay hotels, including easy check-in, one-week stays, and periodic housekeeping

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

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

We also offer hotels under the trademark ASCEND, which is a special group of boutique, unique or historic hotels that have a strong local identity and share a common commitment to outstanding guest service. ASCEND member hotels range from historic to themed to contemporary and offer amenities, including operation of an onsite, upscale dining restaurant or are located within one city block of an upscale dining restaurant. From April 1, 2005 through April 30, 2008, we offered franchises for a similar concept

under the trademark CLARION COLLECTION. As of December 31, ~~2019~~2021, there were ~~3~~three CLARION COLLECTION franchises. ASCEND member hotels typically will be conversions of existing hotels that retain their existing name followed by the words, "ASCEND HOTEL COLLECTION" or "ASCEND RESORT COLLECTION" for local marketing and signage purposes.

As of December 31, ~~2020~~2021, ~~there were 49~~the following Choice Brands were open and operating in the United States: 181 ASCEND hotel franchises; 51 CAMBRIA hotel franchises~~, 1,697 QUALITY hotel franchises, 1,065 COMFORT INN and COMFORT INN & SUITES hotel franchises, 567 COMFORT SUITES hotel franchises, 155~~; 143 CLARION hotel franchises~~, 176 ASCEND hotel franchises,~~; 3 CLARION COLLECTION hotel franchises~~, 25~~; 43 CLARION POINTE hotel franchises~~, 408 SLEEP~~; 1,645 COMFORT INN~~ and SLEEP~~, COMFORT INN & SUITES, and COMFORT SUITES hotel franchises~~, 559 RODEWAY INN hotel franchises, 777~~; 734 ECONO LODGE hotel franchises~~, 90~~; 0 EVERHOME SUITES hotel franchises; 101 MAINSTAY SUITES hotel franchises~~, 66~~; 1,652 QUALITY hotel franchises; 528 RODEWAY INN hotel franchises; 414 SLEEP INN and SLEEP INN & SUITES hotel franchises; 71 SUBURBAN franchises~~, 293~~; and 302 WOODSPRING SUITES~~ hotel franchises, 0 EVERHOME SUITES, and 0 VALUE PLACE hotel franchises open in the United States. Choice also currently owns 5 Cambria~~. Not included in this list are six CAMBRIA hotels owned by Choice, which ~~it acquired in 2019. Those hotels~~ are operated by third party management companies. Choice intends to franchise all company-owned ~~Cambria~~CAMBRIA hotels in the near future. Choice does not operate any hotels under any of the Choice Marks.

Industry Specific Laws and Regulations.

Your franchised hotel will be subject to significant federal, state and local laws and regulations applicable to businesses generally and those specific to the hotel industry, including regulations regarding zoning and building, occupational health and safety, labor, licensing and bonding, food, insurance, advertising, liquor licenses, sales, income and other taxes, the Americans with Disabilities Act, privacy and data collection, and posting of hotel room rates and registration and identification of guests. There may be other laws and regulations applicable to the hotel industry or businesses generally, with which you must comply. You should consult with your attorney concerning these laws and regulations.

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

ITEM 2

BUSINESS EXPERIENCE

OFFICERS

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

Mr. Pacious has been a Director, President and Chief Executive Officer since September 2017, and President ~~since~~and Chief Operating Officer from May 2016~~. He~~ to September 2017. Previously, he was Chief Operating Officer from December 2013 to September 2017.

~~Senior Vice President,~~Chief Human Resources ~~and Administration~~Officer: Patrick J. Cimerola

Mr. Cimerola has been Chief Human Resources Officer since 2015. Previously, he was Senior Vice President, Human Resources and Administration ~~since~~from September 2009 to 2015.

Senior Vice President, Chief Development Officer: David A. Pepper

Mr. Pepper has been Senior Vice President, Chief Development Officer since May 2015.

Chief Financial Officer: Dominic E. Dragisich

Mr. Dragisich has been Chief Financial Officer since March 2017. ~~He was Chief Financial Officer at XO Communications in Herndon, Virginia from July 2015 to February 2016.~~

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

Ms. Wu has been Senior Vice President, General Counsel and Corporate Secretary and External Affairs since 2015. Previously, she was Senior Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer from February 2012 to 2015.

Senior Vice President, Upscale Brands: Janis Cannon

Ms. Cannon has been Senior Vice President, Upscale Brands since April 2015.

Senior Vice President, Real Estate and Finance ~~& Chief Accounting Officer~~: Scott E. Oaksmith

Mr. Oaksmith has been Senior Vice President, Real Estate and Finance ~~&~~since March 2020. Previously, he was Senior Vice President, Finance and Chief Accounting Officer ~~since~~from May 2016~~. Mr. Oaksmith was Controller from September 2006 to April 2016~~ to March 2020.

Chief Commercial Officer: Robert McDowell

Mr. McDowell has been Chief Commercial Officer ~~for Choice Hotels International since May 2016. He was Senior Vice President, Marketing and Distribution from January 2011 to April~~since February 2016.

Senior Vice President, Enterprise Operations and Technology: John E. Bonds

Mr. Bonds has been Senior Vice President, Enterprise Operations and Technology since September 2017. He was Senior Vice President, Strategy & Services from ~~December 2012~~January 2013 to August 2017.

Chief Strategy and International Operations Officer: Raul Ramirez Sanchez

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

Deputy General Counsel and Assistant Secretary: Jeff Lobb

Mr. Lobb has been Deputy General Counsel since February 2017 and has been Assistant Secretary since September 2015. ~~Mr. Lobb was Assistant General Counsel from March 2011 and to January 2017.~~

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

Chief ~~Technology~~Information Officer: Brian Kirkland

Mr. Kirkland has been Chief Information Officer since July 2021. Previously, he was Chief Technology Officer ~~since~~from January 2018 to July 2021. He was Vice President, Engineering from ~~December 2015 to December 2017~~January 2016 to January 2018.

Vice President, Owner and Portfolio Strategy: Timothy R. Shuy

Mr. Shuy has been Vice President, Owner and Portfolio Strategy since September 2015.

Senior Vice President, Upscale Brands Development: Mark Shalala

Mr. Shalala has been Senior Vice President, Upscale Brands Development since January 2020. He was Vice President, Upscale Brands Development from January 2017 to December 2019. ~~He was Vice President, Cambria Development from March 2015 to December 2016.~~

Senior Vice President, Foundation Brands Development: Tom Nee

Mr. Nee has been Senior Vice President, Foundation Brands Development since January 2017. ~~Mr. Nee was Regional Vice President, Franchise Sales from January 2014 to December 2016.~~

Vice President, Brand Management, Design and Compliance: Megan Brumagim

Ms. Brumagim has been Vice President, Brand Management, Design and Compliance since June 2019. Previously, she was Senior Director, Signature Brands for Choice Hotels from September 2017 to June 2019. She was Senior Director & Head of Domestic Brand Management, Comfort Hotels from April 2015 to September 2017.

Senior Vice President, Extended Stay Development: Ron Burgett

Mr. Burgett has been Senior Vice President, Extended Stay Development since January 2020. Previously, Mr. Burgett was Vice President, Franchise Development, WoodSpring from February 2018 to January 2020. He was Executive Vice President, Brand Development for WoodSpring Hotels Holdings, LLC in Topeka, Kansas from January 2014 to February 2018.

Vice President, Franchisee Onboarding and Learning: Timothy Tobin

Mr. Tobin has been Vice President, Franchisee Onboarding and Learning since February 2018. Previously, he was Senior Director, Performance Training from January 2016 to January 2018.

Vice President, Procurement Services: Frederick H. Summa, III

Mr. Summa has been Vice President, Procurement Services since November 2008.

Vice President, Extended Stay Brand Operations and Strategy: Anna Scozzafava

Ms. Scozzafava has been Vice President of Extended Stay Brand Operations and Strategy since June 2019. Previously, she was Vice President of Strategy and Planning from November 2017 to June 2019. She was Senior Director of Strategy and Planning from July 2016 to October 2017~~ and was Director of Corporate Strategy from January 2014 through June 2016~~.

Vice President, Franchise Services: Curtis Osekowsky

Mr. Osekowsky has been Vice President, Franchise Services since ~~February~~September 2018. He was Regional Vice President of Radisson Hotel Group in Minnetonka, Minnesota from April 2016 to February 2018.

Regional Vice President, Franchise Services: Byron Bean

Mr. Bean has been Regional Vice President, Franchise Services since February 2005.

Regional Vice President, Franchise Services: Jill Burke

Ms. Burke has been Regional Vice President, Franchise Services since January 2019. She was Regional Area Director from May 2016 to January 2019~~, and she was Regional Area Director from March 2013 to April 2016~~.

Regional Vice President, Franchise Services: Michelle Masters

Ms. Masters has been Regional Vice President, Franchise Services since April 2019. She was Regional Vice President, Operations of Radisson Hotel Group in Minnetonka, Minnesota from November 2002 to April 2019.

Regional Vice President, Franchise Services: Odette Brown

Ms. Brown has been Regional Vice President since January 2021. Previously, she was a Regional Area Director from January 2018 to December 2020. She was an Area Director from April 2014 to December 2017.

~~**Regional Vice President, Franchise Sales Development: Luke Wright**~~

~~Mr. Wright has been Regional Vice President, Franchise Sales Development since March 2021. He was a Franhise Development Associate from January 2019 to March 2021. Previously, he was a Business Development Intern for Access Point Financial in Atlanta, Georgia from June 2018 to August 2018~~

Vice President, Franchise Development: Brian Parker

Mr. Parker has been Vice President, Franchise Development since January 2020. He was Regional Vice President, Franchise Sales from January 2012 to December 2019.

Senior Vice President, Franchise Development: Jason Cowan

Mr. Cowan has been Senior Vice President, Franchise Development since January 2020. Previously, he was Regional Vice President, Franchise Development from May 2018 to January 2020. He was Regional Vice President, Franchise Sales from January 2012 to April 2018.

~~**Vice President, Franchise Development: Thomas P. Bernardo**~~

~~Mr. Bernardo has been Vice President, Franchise Development since January 2020. Previously, he was Regional Vice President, Franchise Development from May 2018 to January 2020. He was Regional Vice President, Franchise Sales from February 2013 to May 2018. He has been owner of Giammarco's Italian Restaurant in Westerville, Ohio since 2003.~~

Vice President, Franchise Development: Nick DePaolo

Mr. DePaolo has been Vice President, Franchise Development since January 2020. He was Regional Vice President, Franchise Development from May 2018 to January 2020. He was Vice President, Franchise Sales from January 2017 to April 2018~~, and was Director~~.

Vice President, Franchise ~~Sales~~Development: Sonia Egyhazy

Ms. Egyhazy has been Vice President, Franchise Development since January 2019. Previously, she was Director of Development from ~~April 2008~~December 2014 to December ~~2016~~2018.

Vice President of Hotel Development – Ascend Hotel Collection: Pete Metzger

Mr. Metzger has been Vice President of Hotel Development-Ascend Hotel Collection since January 2020. Previously, he was Regional Vice President Ascend Collection Development – Ascend Hotel Collection from May 2018 to January 2020. He was Director of Development for Choice Hotels International from January 2013 to August 2018.

Vice President, Franchise Development: Anthony Goldstein

Mr. Goldstein has been Vice President, Franchise Development since January 2020. Previously, he was Regional Vice President, Franchise Development from May 2018 to January 2020. He was Regional Vice President, Franchise Sales from July 2017 to April 2018 and was Director of Franchise Sales from April 2013 to August 2015. Mr. Goldstein was Regional Vice President of Red Roof Hotels in Columbus, Ohio from August 2015 to June 2017.

Vice President, Franchise Development: Keith Jones

Mr. Jones has been Vice President, Franchise Development since January 2022. Previously, he

was Regional Vice President, Franchise Development from March 2018 to December 2021. He was Vice President of Development for WoodSpring Hotels Holdings, LLC in Topeka, Kansas from January 2016 to February 2018.

Vice President, Franchise Development: Robert O'Leary

Mr. O'Leary has been Vice President, Franchise Development since January 2022. Previously, Mr. O'Leary was Regional Vice President, Franchise Development from March 2018 to December 2021. He was Regional Vice President of Franchise Sales and Development Southeast for WoodSpring Hotels Holdings, LLC in Topeka, Kansas from May 2014 to February 2018.

Vice President, Franchise Development: Hemant Patel

Mr. Patel has been Vice President, Franchise Development since February 2021. Previously, he was a Regional Vice President, Franchise Development from January 2020 to February 2021. He was also Director of Franchise Development from January 2014 to January 2020.

Vice President, Franchise Development: Scott Andrews

Mr. Andrews has been Vice President, Franchise Development since July 2019. Previously, he was a Regional Vice President for Wyndham Hotel Group in Parsippany, New Jersey from July 2015 to June 2019.

Regional Vice President, Franchise Services, Extended Stay Brands: D. Glenn McFarland

Mr. McFarland has been Regional Vice President. Franchise Services, Extended Stay Brands since February 2018. He was Senior Vice President of Franchise Performance, WoodSpring Hotels Holdings, LLC in Topeka, Kansas from June 2010 to January 2018.

Senior Director, Relicensing: James Rudeau

Mr. Rudeau has been Senior Director, Relicensing since April 2005.

Project Director, Relicensing: Phil Carandang

Mr. Carandang has been Project Director, Relicensing since March 2015. ~~Mr. Carandang was Manager, Retention & Re-Licensing for Wyndham Worldwide Corporation in Parsippany, NJ from February 2002 to February 2015.~~

Senior Director, Onboarding Services: Colleen Kruse

Ms. Kruse has been Senior Director, Onboarding Services since January 2020. Previously, Ms. Kruse was Director, Franchise Development Operations from January 2015 to January 2020.

~~**Ascend Collection Brand Strategy & Management Director: Neerav Dudhwala**~~

~~Mr. Dudhwala has been Ascend Collection Brand Strategy & Management Director since October 2020. He was Senior Director of Brand Operations Americinn by Wyndham for Wyndham Worldwide Corporation in Parsippany, NJ from May 2020 to October 2020. Mr. Dudhwala was the Senior Director of Franchise Operations and Quality for Wyndham Worldwide Corporation in Parsippany, NJ from January 2019 to October 2020. He was Regional Director of Franchise Operations for Wyndham Worldwide~~

~~Corporation in Parsippany, NJ from December 2016 to January 2019. Mr. Dudhwala was Director of Franchise Operations for Wyndham Worldwide Corporation in Parsippany, NJ from August 2006 to December 2016.~~

DIRECTORS

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

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

Director: Brian B. Bainum

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

Director: Ervin Shames

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

Director: William Jews

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

Director: Scott A. Renschler

Dr. Renschler has been a Director since February 2008. He has been a clinical psychologist in private practice since July 2007. Dr. Renschler has also been a Director of The Commonwealth Foundation, Inc., in Silver Spring, Maryland since 1993 and a Director of The Mental Wellness Foundation, Inc., in Silver Spring, Maryland since 2000.

Director: John Tague

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

~~**Director: Barbara T. Alexander**~~

~~Ms. Alexander has been a Director since February 2012. She has been a Director of KB Home, in Los Angeles, California since October 2010. She has been a Director of Allied World Assurance Company Holdings, Ltd., in Zug, Switzerland since August 2009. She has been a Director of QUALCOMM Incorporated, in San Diego, California since July 2006. She has been an independent consultant since February 2004.~~

Director: Monte J. M. Koch

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

Director: Liza K. Landsman

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

Director: Maureen Sullivan

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

Director: Donna F. Vieira

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

ITEM 3

LITIGATION

I. ~~**I.**~~ **PENDING LITIGATION AND ARBITRATION DEMANDS**

~~(1) SENDER KOHL v. CHOICE HOTELS INTERNATIONAL, INC.~~
~~United States District Court for the Southern District of Florida, Fort Lauderdale Division, Case #0:18-cv-62597~~
~~American Arbitration Association, Case #01-19-0000-1797~~

~~On October 29, 2018, Sender Kohl filed an action against Choice Hotels International, Inc. seeking damages in an unspecified amount. The complaint alleges breach of contract, breach of the implied covenant of good faith and fair dealing, fraud and material misrepresentations. In December 2018, the court action was stayed pending arbitration, pursuant to the terms of the franchise agreement, which was filed in January 2019. An arbitration hearing has been scheduled in this matter for November 1, 2021 through November 15, 2021.~~

~~(2)~~

JAI SAI BABA LLC et al. v. CHOICE HOTELS INTERNATIONAL, INC., et al.
United States, Eastern District of Pennsylvania, Case No. 2:20-cv-02823~~, June 12, 2020~~

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

~~**H.**~~ granted motion. This case remains stayed, and the parties provide the Court with monthly status updates.

The following arbitrations have been filed in conjunction with this case:

A. CHOICE HOTELS INTERNATIONAL, INC. v. DIP HOSPITALITY, LLC, et al.
American Arbitration Association, Case #01-21-0003-7036

On April 9, 2021, Choice Hotels International, Inc. initiated this arbitration to pursue contractually due franchise fees, a promissory note balance and lost profit damages

from the franchisees in the amount of $498,495.93. On May 19, 2021, Franchisees filed a counterclaim against Choice in the amount of $3,000,000. The arbitration hearing is set to begin June 7, 2022.

B. JAI SAI BABA, LLC, et al v. CHOICE HOTELS INTERNATIONAL, INC., et al.
American Arbitration Association, Case #01-21-0004-5568

On June 29, 2021, Jai Sai Baba, LLC and Dipesh Patel filed an arbitration against Choice Hotels International, Inc. and Choice Hotels Owners Council in conjunction with the underlying action. The arbitration hearing is set to begin August 1, 2022.

C. HIGHMARK LODGING, LLC, et al. v. CHOICE HOTELS INTERNATIONAL, INC., et al.
American Arbitration Association, Case #01-21-0004-5554

On June 29, 2021, Highmark Lodging, LLC and Darshan Patel filed an arbitration against Choice Hotels International, Inc. and Choice Hotels Owners Council in conjunction with the underlying action. The arbitration hearing is set to begin November 14, 2022.

D. DAHYA INVESTMENTS INCORPORATED, et al. v. CHOICE HOTELS INTERNATIONAL, INC., et al.
American Arbitration Association, Case #01-21-0004-5563

On June 29, 2021, Dahya Investments Incorporated and Dinu Patel filed an arbitration against Choice Hotels International, Inc. and Choice Hotels Owners Council in conjunction with the underlying action. The arbitration hearing is set to begin September 12, 2022.

II. ACTIONS INVOLVING THE FRANCHISE RELATIONSHIP IN PRIOR FISCAL YEAR

A. ACTIONS INITIATED BY ~~CHOICE HOTELS INTERNATIONAL, INC.~~ CHOICE HOTELS TO RECOVER ROYALTIES, LIQUIDATED DAMAGES AND OTHER DEBTS OWED TO CHOICE HOTELS

Defendant/Respondent	Venue	Case Number	Filing Date
~~RESPONDENT(S)/DEFENDANT(S)~~	~~VENUE~~	~~CASE NUMBER~~	~~FILING DATE~~
~~Jagdish K. Patel~~	~~American Arbitration Association~~	~~01-20-0000-0559~~	~~January 7, 2020~~
~~Ladani Ukani~~North Platte Hospitality, ~~LLC~~Inc., ~~Durlabhji B. Ukani~~Neeraj Chadha and ~~Chhaganlal D. Ladani~~ Kanwar Sanjay Gulati	American Arbitration Association	~~01-20-0000-1322~~ 01-21-0000-3240	January ~~14~~22, ~~2020~~2021
~~K.C.P. Hotels, LLC, Chirag~~Vrajash Development, Inc., Vishal M. Patel, Mukeshkumar Patel, Hiralben Patel and ~~Keena~~Lataben Patel	American Arbitration Association	~~01-20-0000-2231~~ 01-21-0000-3973	January ~~21~~26, ~~2020~~2021
~~Clifton~~Chief Hospitality, ~~Inc.~~LLC and ~~Frank~~Chandrakant ~~Carnevale~~Shah	American Arbitration	~~01-20-0000-2209~~ 01-21-0000-3975	January ~~21~~26, ~~2020~~2021

Defendant/Respondent	Venue	Case Number	Filing Date
~~RESPONDENT(S)/DEFENDANT(S)~~	~~VENUE~~	~~CASE NUMBER~~	~~FILING DATE~~
	Association		
~~Sita Corporation and Jaimin Patel~~	~~United States District Court for the District of Maryland, Southern Division~~	~~8:20-cv-00189~~	~~January 22, 2020~~
~~HRDMM Hospitality Services, Inc., Imtiaz Hussain, Hana Imtiaz Chohan and Hassan Imtiaz Hussain~~Star Hospitality, LLC, Dilbag Singh, John Guyot, Benjamin L. Rivers and North Coast Properties, Inc.	~~United States District Court for the District of Maryland, Southern Division~~American Arbitration Association	~~8:20-cv-00191~~ 01-21-0000-3969	January ~~22~~26, ~~2020~~2021
~~Lexington~~Innovation Hospitality Group, LLC, ~~Janee Hotel Corporation~~ Mohammed Hmeidan and Ganesh Rao	~~American Arbitration Association~~United States District Court for the District of Maryland, Southern Division	~~01-20-0000-2505~~ 8:21-cv-00218	January ~~23~~26, ~~2020~~2021
~~Parul Makadia~~Hitesh Patel	~~Circuit~~United States District Court for ~~Montgomery County,~~ the District of Maryland, Southern Division	~~478063V~~ 8:21-cv-00213	January ~~23~~26, ~~2020~~2021
Heri Seven, Inc. and Rajesh Patel	American Arbitration Association	01-21-0002-0358	February 22, 2021
~~Faith Investments, LLC, The Louisiana Community Development Capital Fund, Inc., Jules B. Leblanc III and Dr. Earnest L. Johnson~~HC Runnemede, LLC, Hotel Capital, LLC and Michael A. Collier	American Arbitration Association	~~01-20-0000-3047~~ 01-21-0002-0359	~~January 28, 2020~~ February 22, 2021
~~Prathamesh, LLC, Hasmukhbhai Patel, Nilesh Kapadia and Nikunj Bhakta~~	~~United States District Court for the District of Maryland, Southern Division~~	~~8:20-cv-00539~~	~~January 28, 2020~~
~~P I Hospitality, LLC and Sudhir Patel~~	~~United States District Court for the District of Maryland, Southern Division~~	~~8:20-cv-00536~~	~~January 28, 2020~~
~~RWN 102-110 Saint Paul Street Owner, LLC and Hung Tran~~	~~Circuit Court for Montgomery County, Maryland~~	~~478250V~~	~~January 30, 2020~~
Jacobson Hospitality, Inc. and Grace ~~Johnson~~Jacobson	~~American Arbitration Association~~United States District Court for the District of Maryland, Southern Division	~~01-20-0000-4897~~ 8:21-cv-00429	February ~~11~~22, ~~2020~~2021
Victoria Tran Le	United States	8:21-cv-00430	February 22, 2021

Defendant/Respondent	Venue	Case Number	Filing Date
~~RESPONDENT(S)/DEFENDANT(S)~~	~~VENUE~~	~~CASE NUMBER~~	~~FILING DATE~~
	District Court for the District of Maryland, Southern Division		
~~CDTB, LLC, Shailesh Desai, Shashikant N. Patel and Hasmukh Bhaga~~Nason S. Kassab	American Arbitration Association	~~01-20-0000-4898~~ 01-21-0002-0480	February ~~11~~25, ~~2020~~2021
~~Motiba, LLC and Aka K. Patel~~	~~American Arbitration Association~~	~~01-20-0000-4941~~	~~February 11, 2020~~
~~38-04-11th Street, LLC, Sind Hospitality, LLC, Agama Properties, LLC, Alec Shtromandel, Rahul Bijlani, Kaiyi Yu, Jack Lee, George Lee, David Chang and Emily K. Lee~~	~~American Arbitration Association~~	~~01-20-0000-5207~~	~~February 13, 2020~~
~~OVH Investors, Inc., Sukhjit Bhatti and Charanjit Singh~~	~~American Arbitration Association~~	~~01-20-0000-7112~~	~~February 27, 2020~~
~~Forsyth Hotel Management, LLC, Farid Kapadia and Rahim Kapadia~~	~~American Arbitration Association~~	~~01-20-0000-7113~~	~~February 27, 2020~~
~~Singh Lodging, Inc. and Kabal Virk~~ American Inn, LLC, Mamta Patel and Biju George	Circuit Court for Montgomery County, Maryland	~~480008V~~484899V	February ~~27~~26, ~~2020~~2021
~~Radhe Krishna Enterprises, Inc.~~ Parvatishver, LLC, Sudhir Patel and ~~Vina~~Yogini Patel	Circuit Court for Montgomery County, Maryland	~~480009V~~484989V	February ~~27~~26, ~~2020~~2021
~~Jaimatajielt, Inc. and Chandresh Patel~~	~~Circuit Court for Montgomery County, Maryland~~	~~480010V~~	~~February 27, 2020~~
~~Jermaine Brooks~~	~~United States District Court for the District of Maryland, Southern Division~~	~~8:20-cv-00538~~	~~February 28, 2020~~
~~Someshvar, LLC and Aka~~Nilay S. Patel	American Arbitration Association	~~01-20-0003-7001~~ 01-21-0002-1879	March ~~12~~4, ~~2020~~ 2021
~~Quality Resort, N.V., Freddy G. Castillo and Deyanira De Stefano~~Imperial Group, Inc. and Adnan Z. Chaudhry	American Arbitration Association	~~01-20-0003-7206~~ 01-21-0002-3507	March ~~13~~17, ~~2020~~ 2021
~~Jai Amba Maa Hospitality GSO Airport, LLC, Jayant R. Patel, Bharat Patel, Girish Patel, Jayesh Lallu, Karunaben Patel, Chirag Patel, Neal Patel, Rakesh Patel, Ravindra Patel, Prianca Patel, and Kajal Patel~~	~~American Arbitration Association~~	~~01-20-0005-3124~~	~~May 18, 2020~~
~~Dynasty Gonzalez, LLC, Alma Rosa Gonzalez, Fabiola Gonzalez Alcocer, Oscar Gonzalez Alcocer, Victor Rogelio Gonzalez, and Rogelio Gonzalez Bazaldua~~	~~American Arbitration Association~~	~~01-20-0005-3109~~	~~May 18, 2020~~
~~Gresham Hotel, LLC and Hardeep Samra~~	~~American Arbitration Association~~	~~01-20-0005-3213~~	~~May 18, 2020~~
~~Eloy Hospitality, Inc. and Pravinkumar Kansagra~~	~~American Arbitration Association~~	~~01-20-0005-3265~~	~~May 19, 2020~~

Defendant/Respondent	Venue	Case Number	Filing Date
~~RESPONDENT(S)/DEFENDANT(S)~~	~~VENUE~~	~~CASE NUMBER~~	~~FILING DATE~~
~~Astoria Minot, LLC and Hitesh Patel~~	~~American Arbitration Association~~	~~01-20-0005-5249~~	~~June 8, 2020~~
~~Seven Star Hotels Group, Inc., Khurram Chaudhry, and Mohamad Ayache~~Bimal R. Patel and Komal B. Patel	American Arbitration Association	~~01-20-0007-2454~~ 01-21-0002-5516	~~June 17, 2020~~ March 31, 2021
Group 13 Management, ~~LTD~~Ltd. and Gurpal Garcha	~~American Arbitration Association~~United States District Court for the District of Maryland, Northern Division	~~01-20-0009-7557~~ 1:21cv-00818	~~July 8, 2020~~March 31, 2021
Cobblestone Hospitality, LLC, Ratnakar Mody and Kanti Amin	United States District Court for the District of Maryland, Southern Division	8:21:cv-00817	March 31, 2021
Saifan Investment, LLC, Kazi Nahid and Naushin Laila	American Arbitration Association	01-21-0003-6571	April 28, 2021
Nick Patel	American Arbitration Association	01-21-0003-6576	April 28, 2021
Margaret Peabody	American Arbitration Association	01-21-0003-6611	April 28, 2021
DIP Hospitality, LLC, Dharam J. Goragandhi, Alpesh Patel, Anshuman Sehgal, Brijal Patel, Dharmesh Desai, Parth Patel and Prakash Patel	American Arbitration Association	01-21-0003-7036	April 29, 2021
Bharmi Hospitality, LLC and Jagdish Patel	Circuit Court for Montgomery County, Maryland	485571V	April 29, 2021
Megha Hotels, LLC and Diptiben Patel	~~American Arbitration Association~~United States District Court for the District of Maryland, Southern Division	~~01-20-0009-8497~~ 8:21-cv-01050	~~July 9, 2020~~April 30, 2021
Elba Martinez and Eva Lage	American Arbitration Association	01-0003-9863	May 21, 2021
~~Parmjit Singh, Harpreet Singh and Gurcharan Kaur~~Durga, LLC and Sasikala Vemulapalli	United States District Court for the District of Maryland, Southern Division	~~8:20~~8:21-cv-~~02120~~ 01266	~~July 21, 2020~~May 24, 2021
~~Usman Khan~~	~~American Arbitration Association~~	~~01-20-0010-1148~~	~~July 23, 2020~~
~~KBC Management, LLC, Babubhai C. Patel, Kirankumar Patel, and Lalitaben B. Patel~~	~~American Arbitration Association~~	~~01-20-0010-8093~~	~~July 24, 2020~~

Defendant/Respondent	Venue	Case Number	Filing Date
~~RESPONDENT(S)/DEFENDANT(S)~~	~~VENUE~~	~~CASE NUMBER~~	~~FILING DATE~~
~~Stillwater Joint Venture, LLC and Samit Patel~~Usman Khan	United States District Court for the District of Maryland, Southern Division	~~8:20~~8:21-cv-~~02162~~ 01264	~~July~~May 24, ~~2020~~ 2021
Misri, Inc. and Anil Patel	American Arbitration Association	01-21-0004-0117	May 25, 2021
Kaylee&Haley Hospitality, LLC, Kalpesh Ahir, Bhavesh Ahir, Erick Leon and Shantaben Ahir	American Arbitration Association	01-21-0004-0791	May 27, 2021
Minu Desai	American Arbitration Association	01-21-0004-0537	May 27, 2021
Rakesh Kumar Sharma	American Arbitration Association	01-21-0004-4875	June 22, 2021
Veeru Dhillon	American Arbitration Association	01-21-0004-9537	July 26, 2021
Khanzada Khan	American Arbitration Association	01-21-0004-9500	July 27, 2021
~~Shiv, Inc. and Mira Chetan~~	~~Circuit Court for Montgomery County, Maryland~~	~~482961V~~	~~July 28, 2020~~
~~Check Inn Express, Inc. and Chandrankant Patel~~Mohammed N. Ali	American Arbitration Association	~~01-20-0014-1330~~ 01-21-0016-4112	August ~~11~~27, ~~2020~~ 2021
~~NY~~Ghotra Hospitality, LLC, ~~Loan H. Do,~~Paul Ghotra, Harjinder Singh, Piar Kaur, Sukhdev Singh, Jagjit Singh and ~~Thang Dac Huynh~~Lakhwinder Multani	American Arbitration Association	~~01-20-0014-1326~~ 01-21-0016-4127	August ~~11~~30, ~~2020~~ 2021
Kertra, Ltd. and Kerry J. Schwab	American Arbitration Association	01-21-0016-4128	August 30, 2021
~~Lord Krishna 5 Ella Grasso, LLC, Neel D. Patel, Jagrutibahen Patel, and Ramesh Patel~~Jay Ram Bucksnort, LLC, Monarch Desai and Siddharth Amin	American Arbitration Association	~~01-20-0014-7115~~ 01-21-0016-3578	August 31, ~~2020~~ 2021
5954 Brookhill Blvd., LLC, TDR Holdings, LLC, McCaffey Development, LLC, David Schlabach, Tom Miller, Robert Schlabach and Patrick McCaffrey	United States District Court for the District of Maryland, Southern Division	8:21-cv-02238	August 31, 2021
Pinecraft Land Holdings, LLC, 5963 Cattlemen Road, LLC, David Schlabach, Tom Miller and Robert	United States District Court for the District of Maryland,	8:21-cv-02237	August 31, 2021

Defendant/Respondent	Venue	Case Number	Filing Date
~~RESPONDENT(S)/DEFENDANT(S)~~	~~VENUE~~	~~CASE NUMBER~~	~~FILING DATE~~
Schlabach	Southern Division		
~~HPJA~~Mataji2, LLC and ~~Pushpaben~~ Arvindkumar ~~Desai~~Patel	Circuit Court for Montgomery County, Maryland	~~483339V~~486989V	September 1, ~~2020~~ 2021
GEM Washington Group, LLC, ~~Paul Gibb Self Directed IRA~~EM Properties, Ltd., Donna Gibb Self Directed IRA, Anthony Montefusco, Rocke S. Cooper~~,~~ and Richard Miller	~~American Arbitration Association~~Circuit Court for Montgomery County, Maryland	~~01-20-0014-9070~~ 486990V	September ~~17~~1, ~~2020~~2021
~~Krish Hospitality, LLC, Tushar Patel, Nikhil Patel, and Anil Patel~~	~~American Arbitration Association~~	~~01-20-0014-9878~~	~~September 22, 2020~~
~~Anch Enterprises, Inc., Arkesh Tripathi, and Niriksha Tripathi~~Elite Hospitality, Inc., Prayogi Investments, LLC, Kevin Patel, Jignesh Patel and Naresh Patel	American Arbitration Association	~~01-20-0014-9884~~ 01-21-0016-5923	September ~~22~~14, ~~2020~~2021
~~Pocono Plaza Inn, Inc., Shamshad Hassam, Nazim Hassam and Faizal Bhimani~~HR Penn, LLC and Gaurang Jariwala	United States District Court for the District of Maryland, Southern Division	~~8:20~~8:21-cv-~~02785~~ 02471	September ~~24~~28, ~~2020~~2021
~~Redwood Hotel, LLC and Ashok K. Goyal~~LANCS Hospitality, LLC, Urjita Bhoola and Hemlata Jariwala	~~Circuit~~United States District Court for ~~Montgomery County,~~ the District of Maryland, Southern Division	~~483570V~~ 8:21-cv-02470	September 28, ~~2020~~2021
RHR Wildwood 423, LLC, Abhishek Jariwala, Meenesh Bhoola and Tejash Bhoola	United States District Court for the District of Maryland, Southern Division	8:21-cv-02469	September 28, 2021
~~Shant Hotels, LLC, Arvind Patel, Sonmuchlal Patel and Mahesh Patel~~	~~American Arbitration Association~~	~~01-20-0015-0797~~	~~September 29, 2020~~
~~Barrington Development, LLC, Stewart Family Trust and Lori A. Stewart~~ Texarkana Hospitality, LLC, Sukhpal Singh and Jasbir Singh	American Arbitration Association	~~01-20-0015-3557~~ 01-21-0016-7778	~~October 20, 2020~~ September 29, 2021
~~Om Ganeshaya Namaha, LLC, Bipin Patel and Sunita B. Patel~~	~~American Arbitration Association~~	~~01-20-0015-3774~~	~~October 22, 2020~~
~~Mataji2, LLC and Arvindkumar Patel~~	~~American Arbitration Association~~	~~01-20-0015-4232~~	~~October 23, 2020~~
~~Arvindkumar Patel~~	~~American Arbitration Association~~	~~01-20-0015-4862~~	~~October 29, 2020~~
~~New Cumberland Hotel Corporation, Kishor C. Sheth and Aarti Sheth~~	~~American Arbitration Association~~	~~8:20-cv-03144~~	~~October 29, 2020~~
~~OVH Investors, Inc., Sukhjit Bhatti and Charanjit Singh~~Midlang Hospitality, LLC, Urjita Bhoola and Hemlata Jariwala	Circuit Court for Montgomery County, Maryland	~~483896V~~487432V	~~October 29, 2020~~ September 29, 2021
~~Laxmi Lodging, LLC, Aka Patel and~~	Circuit Court for	~~483924V~~	~~November 2, 2020~~

Defendant/Respondent	Venue	Case Number	Filing Date
~~RESPONDENT(S)/DEFENDANT(S)~~	~~VENUE~~	~~CASE NUMBER~~	~~FILING DATE~~
~~Kanaiylan~~Manoj Patel	Montgomery County, Maryland	C-15-cv-21-000083	October 29, 2021
~~Super Inn of America, Inc. and Hasmukh A. Patel~~	~~Circuit Court for Montgomery County, Maryland~~	~~484018V~~	~~November 13, 2020~~
~~Lavale Hospitality, LLC, Prashant Patel, Rajendra Parikh, and Himanshu Amin~~	~~American Arbitration Association~~	~~01-20-0015-7525~~	~~November 17, 2020~~
Best Western Overland Park Hotel, LLC, Jasmit Chadha, Sherry Rangar, David Nedunilam~~,~~ and Tony Nedunilam	~~American Arbitration Association~~Circuit Court for Montgomery County, Maryland	~~01-20-0015-7774~~ C-15-cv-21-000223	November ~~19~~17, ~~2020~~2021
Prashant ~~R. Vaghashia~~Vaghasia	~~American Arbitration Association~~Circuit Court for Montgomery County, Maryland	~~01-20-0015-8201~~ C-15-cv-21-000224	November ~~20~~17, ~~2020~~2021
~~Avsar Hotel Enterprise, Inc., Hiren Shah and Nilesh Sheth~~	~~American Arbitration Association~~	~~01-20-0015-8208~~	~~November 20, 2020~~
~~Jerath Hospitality, LLC, Ravinder Jerath, and Rajinder Jerath~~	~~American Arbitration Association~~	~~01-20-0015-8342~~	~~November 23, 2020~~
~~Riddhi Enterprises Corp. and Amit Patel~~	~~American Arbitration Association~~	~~01-20-0016-0210~~	~~December 10, 2020~~
~~Bharat Patel~~	~~American Arbitration Association~~	~~01-20-0016-0609~~	~~December 14, 2020~~
~~Darsh Hospitality, LLC, Praful B. Patel and Bharat Patel~~	~~American Arbitration Association~~	~~01-20-0019-2971~~	~~December 21, 2020~~
~~3712 Shree, LLC, Vikas H. Joshi, and Haresh T. Joshi~~	~~American Arbitration Association~~	~~01-20-0019-2967~~	~~December 22, 2020~~
~~Dan's Global Hotels, LLC, Dan's Globabl Management Company, LLC and Daniel Ahn~~Onyx Horn Lake Hotel, LLC, Sameet A. Patel, Tarunkumar Patel, Nilesh Patel and Hiren Patel	Circuit Court for Montgomery County, Maryland	~~484358V~~ C-15-cv-21-00025	~~December 23, 2020~~ November 17, 2021
Mission Hospitality Investments, LLC, Peter Shimondle, Darshan Pal Bawa and Chand Bawa	United States District Court for the District of Maryland, Southern Division	8:21-cv-03190	December 16, 2021
Bimal R. Patel and Komal B. Patel	United States District Court for the District of Maryland, Southern Division	8:21-cv-03188	December 16, 2021

B.

C. ACTIONS INITIATED BY CHOICE HOTELS TO ENFORCE INTELLECTUAL PROPERTY RIGHTS – POST TERMINATION

Defendants	Venue	Case Number	Filing Date
HMV Hotels Group, LLC, Desai Enterprises, LLC, Mahesh Desai	United States District Court for the Southern	4:21-cv-00311	October 19, 2021

Defendants	Venue	Case Number	Filing Date
and VRM Hotels, LP	District of Georgia (Savannah)		

III. RESOLVED LITIGATION/PRIOR ACTIONS

(1) ~~Summit Hotel Properties, Inc., Summit Hotel OP, LP, Summit Hotel GP, LLC, Summit Hotel Properties, LLC, Summit Hospitality I, LLC, Summit Hospitality V, LLC, The Summit Group, Summit Hotel TRS, Inc., Summit Hotel TRS 002, LLC, Summit Hotel TRS 003, LLC, Summit Hotel TRS 006, LLC, Summit Hotel TRS 004, LLC, Summit Hotel TRS 012, LLC, Summit Hotel TRS 019, LLC, Summit Hotel TRS 025, LLC, Summit Hotel TRS 039, LLC, Summit Hotel TRS 045, LLC, Summit Hotel TRS 047, LLC and Summit Hotel TRS 077, LLC ("Summit") v. Choice Hotels International, Inc.~~
~~American Arbitration Association, Case # 16 114 Y 000166 11~~

~~On March 24, 2011, Summit filed an arbitration demand with the American Arbitration Association in Maryland seeking emergency injunctive relief and damages for breach of contract related to the termination of eleven franchises. On May 11, 2011, Choice filed a counterclaim against Summit seeking past due franchise fees, liquidated damages and trademark infringement damages.~~

~~On April 4, 2012, the arbitration panel returned its ruling. The ruling split the decision between the parties. The net result of the findings was in favor of Summit in the amount of $298,000.00.~~

~~(2)~~ Trocki Hotels, LP, Trocki Holding, Inc., Ira Trocki and Shari Trocki v. Choice Hotels International, Inc.
Superior Court of New Jersey, Law Division, Atlantic County, Case # L-4370-10
United States District Court for the District of New Jersey, Case # 1:10-CV-05177

On August 16, 2010, Trocki Hotels, LP, Trocki Holding, Inc., Ira Trocki and Shari Trocki filed an action against Choice Hotels International, Inc. in the Superior Court of New Jersey, Law Division, Atlantic County. The Plaintiffs alleged that Choice's actions in terminating their franchise agreement violated the New Jersey Franchise Act, breached the contract and violated the covenant of good faith and fair dealing.

On June 26, 2013, the parties settled this dispute. As part of the settlement, Choice agreed to pay its former franchisee $200,000 in exchange for dismissal of the lawsuit.

(~~3~~2) Rogers Hospitality, LLC and Brian Conneran v. Choice Hotels International, Inc.
American Arbitration Association, Case # 65 114 Y 00212 11

On December 22, 2011, Rogers Hospitality, LLC and Brian Conneran filed an arbitration demand against Choice Hotels International, Inc. The arbitration demand included eight counts that alleged violations of Minnesota and North Dakota franchise laws, unjust enrichment, intentional misrepresentations, negligent misrepresentation, breach of contract and the implied covenant of good faith and fair dealing.

On December 23, 2013, the arbitration panel presiding over the matter rendered a decision that found in favor of the former franchisee on one count. As part of its ruling the panel awarded the former franchisees $667,000 in damages and $533,000 in fees and other costs.

(43) Wydredge, L.L.C., H & P Investments, Clayton Wyman, Barry Eldredge and James Rumpsa v. Choice Hotels International, Inc.
American Arbitration Association, Case # 16-114-000517-12

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

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

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

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

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

* * *

Other than these actions, no litigation must be disclosed in this disclosure document.

ITEM 4

BANKRUPTCY

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

ITEM 5

INITIAL FEES

APPLICATION AND AFFILIATION FEE

You must pay us, for the rights granted to you in the MAINSTAY SUITES franchise agreement, an affiliation fee of $300 per room for new constructions or conversions and $550 per room for transfers and renewals, with a $50,000 minimum for both new franchisees and transfers and renewals. The entire affiliation fee is due no later than the time you sign the franchise agreement and is non-refundable following our signing of the franchise agreement. We will also collect a non-refundable application fee of $5,000 that will be credited towards the affiliation fee. If for any reason we do not grant you a franchise, or a franchise agreement is not countersigned by us, the affiliation fee, less the $5,000 application fee, will be refunded to

you. Financing information is in Item 10. In the past, we have agreed to reduce the affiliation fee in certain instances for multiple unit franchisees, franchisees with larger properties, franchisees with whom we have previously dealt, franchisees that are departing other hotel chains or franchised systems and joining our system, and franchisees in other special circumstances. However, we do not always negotiate the affiliation fee even for franchisees possessing these characteristics, and we may freely choose not to negotiate with you, even if you possess some or all of these characteristics. During the 12 months ending December 31, ~~2020~~2021, the affiliation fees ranged from $~~5,000~~7,500 to $50,000 for new MAINSTAY SUITES franchise agreements.

EXTENSION FEE

If you do not begin construction within 12 months after both you and we sign the franchise agreement or if you do not complete renovations to an existing franchised hotel within the time required under your franchise agreement, you may apply for an additional 3 months in which to begin construction or complete renovations. If we agree to grant an extension, you must pay us an additional $5,000 per extension. In special circumstances we may waive the extension fee, but we are not obligated to, and any decision to waive an extension fee will be determined solely by us.

PROPERTY MANAGEMENT SYSTEM

You are required to install, maintain, and use full functionality of the choiceADVANTAGE® property management and reservation system as specified by us. You must purchase from us, an initial software license to use choiceADVANTAGE®. The software license includes up to three basic interfaces connected to choiceADVANTAGE®. Optional interfaces are available for an additional fee. You will receive dedicated support during your onboarding of choiceADVANTAGE®. The fees for the software license, the choiceADVANTAGE® systems onboarding, project management, and credit card interface is between $8,750 and $15,750 depending on the number of hotel rooms. The price is subject to increase depending on the number of additional interfaces you select. The initial software license and onboarding fees do not include the monthly choiceADVANTAGE® support fee to cover ongoing remote software support (see Item 6). If you need to reschedule onboarding or if onboarding is not completed due to circumstances that are within your control, there will be a rescheduling fee between $500 and $2,100.

When a franchised hotel undergoes a 50% or greater change in its ownership and the new owners sign a franchise agreement with Choice (known as a "re-licensing"), the hotel is also required to have a customized re-licensing training. This session is delivered remotely via webinar by a Choice University Learning Facilitator. The fee for the re-licensing training is $995.

ORIENTATION / HOSPITALITY TRAINING

We provide required training programs that you, your General Manager, or other key employees must complete before opening your hotel in the Choice franchise system or within 90 days of the hotel's opening. The training fees you must pay for orientation and hospitality operations training include Our Choice Onboard training fee~~, which~~ is $~~1,850~~1,950, and our HOST training fee~~, which~~ is $1,395. The cost of attending the Choice Onboard training for any subsequent attendees beyond the Owner and the General Manager is 50% of the tuition (not to exceed $~~875~~975) per subsequent attendee. The HOST training fee covers an operator certification program that is offered virtually, consisting of self-paced online lessons, live interactive virtual workshops, and exams. The costs for both training programs do not include the cost of travel, lodging, or meals to attend the required training programs. The total training fee is between $0 and $~~3,245~~3,345 per person, plus travel, lodging and meals for you and your General Manager. Training consists of a 2.5-day Choice onboarding program at our headquarters in Maryland or Arizona, as well as an online operator certification program that is offered virtually. In addition, if you are an inexperienced hotel

franchisee that has never operated an extended stay hotel and you are not planning to use a hotel management company to manage the hotel, we may also require that you attend our separate onboarding training program. This additional immersive training, which may take place either in person or online, will provide 2-4 days of additional training at a cost of approximately $2,500 to $7,500 and will be tailored for the novice extended stay hotel operator. Some or all of the training may not be required if you have previously owned a Choice branded hotel, obtained Choice Hotels training certification for another existing Choice-branded hotel and/or a hotel staff member has previously completed the training in a prior position.

Attendance is mandatory at the training programs identified in this Item 5. Failure to attend within the prescribed time frame may result in a non-compliance penalty of $125 per month for failure to attend the Choice Onboard training or $250 per month for failure to attend the HOST training until compliance and/or formal default, and the failure to cure the default could result in the termination of your franchise agreement. For more detailed information on each training program, see Item 11. If you develop a dual brand hotel, we will not require you to attend duplicate training programs.

* * *

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

ITEM 6

OTHER FEES

TYPE OF FEE	AMOUNT (Note 1)	DUE DATE	REMARKS
GENERAL			
Royalty Fee (Note 2)	6.0% of the preceding month's Gross Room Revenues ("GRR") (Note 3).	Payable monthly.	
System Fee (Note 2)	2.5% of the preceding month's GRR (Note 3).	Payable monthly.	This fee covers the ongoing development, maintenance and upgrading of the property management and reservations systems, as well as advertising, publicity, public relations, marketing, reservations and similar services (Note 4).
REWARDS, MARKETING AND DISTRIBUTION PROGRAMS			
Rewards Program Fee (Choice Privileges)	5% of room revenue generated by rewards program members staying 1 – 6 contiguous room nights. 2% of room revenue generated by rewards	Monthly (Commission invoice is transmitted each Sunday night and payment must be submitted no later than Friday).	This fee is established by us to administer program and reimburse hotels for reward nights and may be raised in the future.

TYPE OF FEE	AMOUNT (Note 1)	DUE DATE	REMARKS
	program members staying 7 – 30 contiguous room nights. There is a cap of 30 contiguous room nights after which no additional Rewards Program Fee will be incurred on a guest's stay. If the hotel is a dual brand, meaning that it is a property that provides for a Suburban adjacent to another Choice-branded hotel, then the Rewards Program Fee is 5% of room revenue generated by rewards program members regardless of the length of stay.		
Airline Frequent Traveler Program Fee	$7.00 per stay for revenue generated by airline frequent travelers.	Payable monthly.	This fee is established by us to administer the program and pay for airline miles awarded.
Affiliate and Enhanced Reservations Program Commissions	Standard commissions (currently up to 10%) for reservations delivered through our Affiliate Program or Choice Hotels Enhanced Reservations Program (CHERP).	Payable monthly.	We have negotiated marketing arrangements with certain online providers such as Kayak and Commission Junction and may retain a portion of this fee ($4.00 per transaction) to cover our expenses in administering the Affiliate Program. We also manage a pay for performance program where a commission is charged on certain reservations delivered through search engines such as Google, Yahoo!, and Bing. This program may be changed to provide for smaller commissions on all e-commerce reservations.
Marketing Processing Fee Programs Processing Fee	$0.48 per transaction per eligible stay for Affiliate, FedRooms, GSA fees $0.12 per transaction per eligible stay for Reward Program or CHERP fees (not charged if the Commission Processing Fee is charged by Onyx).	Payable monthly.	These fees cover our administrative costs of consolidating the billing and processing disbursements for the applicable Marketing and Rewards program costs.

TYPE OF FEE	AMOUNT (Note 1)	DUE DATE	REMARKS
Third Party Distribution Fee	$3.00 for each consumed reservation made through directly connected online travel agents and DerbySoft.	Payable monthly.	Directly connected online travel agents include Expedia and Booking.com. DerbySoft is used to connect with other online travel agents, such as GTA, Hotelbeds, Ctrip, Priceline and Agoda.com.
Travel Agent and Other Reservation Based Commissions (Note 5)	Standard commission (currently 10% - 12%) through our Travel Agent Centralized Commission Program, including marketing programs developed by Choice and commissions from third party designated accounts (for example wholesale clubs, motorclubs, sports marketing).	Weekly (Commission remittance is available via the online portal of our commission processing vendor, Onyx CenterSource, each Monday and payment must be submitted no later than Thursday).	$0.48 per Commissionable Transaction processing fee is applied to the Onyx remittance. Commissions are payable on retail or "rack" rates and not on net, non-commissionable rates.
General Sales Agents (GSA) Fee	5% commission in addition to any applicable Travel Agent Commission.	Payable monthly.	This fee covers commissions for international sales agents when they book reservations for international guests staying at domestic Choice brand hotels.
Global Distribution System ("GDS") / DHISCO Fee	Currently $7.70 for each reservation received through a GDS with which we have an agreement or with DHISCO, an online hotel reservations service.	Payable monthly.	This fee is a reimbursement of costs we incur by using a GDS or DHISCO and is subject to change.
Gift Card Redemption Processing Fee	2.5% of the value of the gift card. Hotels that are set up to receive check reimbursements are charged an additional $3 monthly check fee for each month gift cards are redeemed.	Upon redemption of the gift card.	It is mandatory that you redeem gift cards at your hotel.~~.~~
Group Sales Lead Referral Program	5% of consumed room revenue ($2,000 maximum per lead).	As incurred.	It is mandatory that all hotels participate in this program and the commission is in addition to any third party commissions, including travel agents and other designated accounts. The maximum amount will not apply to additional third party commissions. Commissions are based only on a continuous reservation and will not include any revenues from incidental

TYPE OF FEE	AMOUNT (Note 1)	DUE DATE	REMARKS
			charges (for example, movie rentals, sundries, taxes, etc.).
PROPERTY MANAGEMENT SYSTEM			
~~ChoiceADVANTAGE~~ choiceADVANTAGE® Support Fee	$~~423~~436-$~~698~~ 719/month, based on room count.	Payable monthly.	This fee includes selected interfaces, the mandatory choiceADVANTAGE® remote ~~security~~access feature and the required credit card interface. Additional interfaces are optional and will add $50/month each to the support fee. ~~/~~CONNECT integrations are optional and will add $0.35 per room per month to the support fee. An optional Digital Registration will add $10/month per tablet to the support fee. And an optional Quick Shop feature will add $30/month to support fee.
~~ChoiceADVANTAGE~~ choiceADVANTAGE® Database Clean Up Fee	$500.	As incurred.	This fee covers the cost to assist with updating information stored in the choiceADVANTAGE® database, including reservations and account data and applies to existing or former Choice branded properties that change ownership or require prior database information be renewed or expunged.
CrowdStrike	$60	Payable monthly	The fee is required for all brands and covers security software and services to help monitor, detect and prevent software-based cyber security threats.
OTHER			
Annual Convention Registration Fee	$1,115 plus travel, lodging and living expenses. The Late Registration Fee is $1,305	Annually, before Convention.	You must attend. General Manager attendance is recommended.
Educational Resources Program	$1,000 plus any applicable taxes.	Annually (billed in four even amounts on a quarterly basis).	This program provides unlimited access to training programs on Choice's learning management system.
Additional Training Programs	Reasonable charges ranging from $49 - $499.	On enrollment.	You also must pay travel, lodging and living expenses for all attending employees for any additional training requested by you or required by us.
Re-Licensed Hotel Training	$995	Within 90 days of	This training is required when a

TYPE OF FEE	AMOUNT (Note 1)	DUE DATE	REMARKS
		transfer and franchise agreement execution.	hotel changes ownership, and the new owners sign a franchise agreement with Choice.
Room Count Change Fee	The per-room charge then being charged for new franchisees, but not less than $1,000.	Before expansion of sleeping rooms.	This fee is applicable only if you choose to change the room count by more than 5%. Our consent is required for any room count change greater than 5%.
Extension Fee (Note 6)	$5,000.	Upon expiration of your Construction Start or other renovation deadline.	If we agree to grant you an extension, you must pay us $5,000 for each 3-month extension.
Assumption Fee	$7,500.	Upon submission of application.	This fee is applicable if we consent to a transfer of less than 50% of the equity interest in you or the hotel.
Property Improvement Plan Fee	$3,000.	Upon transferee's submission of application.	This fee is for the inspection of your hotel and the creation of a property improvement plan which will be integrated into the transferee's franchise agreement.
Comfort Letter Fee	$2,500 (if a Comfort Letter is needed within 1-3 days there will be a $500 expedite fee.)	Upon request for a Comfort Letter.	The comfort letter is a document issued by us in our sole discretion that grants your lender certain rights under the franchise agreement. You may be required to sign this agreement as a condition of receiving a loan from your lender. Attached as Exhibit O is our current form comfort letter
Choice Privileges Elite Welcome Gift Program	Approximately $0.005 per Choice Privileges point awarded to guest, or the cost of the gift provided to guest.	Monthly for Choice Privileges point reimbursements. As incurred for other gifts provided.	At check-in, Choice Privileges Elite members will be given the option of receiving Choice Privileges points (amount determined by us) or a gift as required by us (such as snacks, drinks, or other items).
Choice Privileges Elite Benefits "Reserved Parking" Signs	Approximately $25 per "Reserved Parking" sign based on number of parking signs purchased	Upon purchase of parking signs	Hotels are required to offer Choice Privileges Elite Members the on-property benefit of "Reserved Parking" spaces. Hotels are required to purchase "Reserved Parking" signs based on Rules and Regulations.
Transfer Fee	The then current affiliation fee or $~~30,000~~ 50,000, whichever is greater.	Upon transferee's submission of application.	This fee is applicable only if we consent to a transfer of 50% or more of the equity interest in you or your hotel franchise. Our consent is required for any transfer of more than 5% of the

TYPE OF FEE	AMOUNT (Note 1)	DUE DATE	REMARKS
			equity interests in you or the hotel.
Close Family Member Transfer Fee	$0-$7,500	Upon transferee's submission of application.	Upon death or disability, if you wish to transfer to a ~~close~~Close Family Member (defined as an adult ~~family member (such as a current~~ spouse, parent, child, sibling, grandchild or grandparent) we ~~shall~~will charge a non-refundable application fee not to exceed $7,500.
Change of Ownership	$3,000	Upon submission of application	This fee is applicable for any transfer of less than a 50% equity interest in you or your hotel franchise.
Choice Privileges "Points Plus" Packages	Approximately $0.005 per Choice Privileges point awarded to guest.	Monthly for Choice Privileges point reimbursements.	At the time of booking, when booking BAR, guests have the option to purchase 1,000 ~~or~~, 2,000 or 5,000 points in addition to their base stay points. Hotels are charged for the additional points purchased by the guest.
Insurance Reimbursement Fee	$500-$100,000	As incurred	This fee applies only if you fail to procure or provide us with evidence that you maintain at least the minimum insurance required by the Franchise Agreement. The range for this fee is dependent on market conditions and a policy may fall outside of this range depending on the current market rate.
Taxes	Amount assessed by federal, state and local tax authorities	When we invoice you	You must pay an amount equal to any sales tax, gross receipt tax or similar tax imposed with respect to any payments required under the Franchise Agreement, unless the tax is credited against income tax otherwise payable to us. You shall have no obligation for any tax which is based upon the net income of us.
Association's Regional Franchise Meeting Fee	$299 per attendee plus travel, lodging and living expenses. The Late Registration fee is an additional $50.	Annually, prior to the meetings.	If you are a member of the CHOC, then you must attend. General Manager attendance is recommended.
Choice Hotels Owners Council (CHOC) Dues	$50/month.	Payable monthly.	This fee is established by a vote of CHOC members and may be changed from time to time. This fee is collected by us and

TYPE OF FEE	AMOUNT (Note 1)	DUE DATE	REMARKS
			used to cover CHOC's operating expenses.
ChoiceMAX Training and Set Up Fee	$1,000-$2,500	At the time of ChoiceMAX installation.	This fee is mandatory for hotels participating in the ChoiceMAX Revenue Management System. This fee covers the following: System implementation and account access, activation of competitive rate shopping services, support for proper tool setup and configuration, self-paced training and job aids.
Resource Advisor Energy & Sustainability Software Platform	$215 (annually) up to $250 associated with implementation and service	Annually	This platform is intended to improve energy efficiency at the hotel. The fee is mandatory. The annual fee includes onboarding and implementation of the hotel into the hosted service (Resource Advisor), recurring collection and aggregation of the hotel's energy consumption data, and platform access and use of the sustainability measurement dashboard and reporting.
OPTIONAL			
Sales Certification Training Program	$500 per attendee	On enrollment	This training program is optional and is a 3-day sales workshop. Attendees must pay travel, lodging, and living expenses.
SmartMarketing	$~~150~~ - $45.	As incurred.	This program is an online toolkit of marketing materials that can be customized for your hotel. ~~Members of a Marketing Cooperative (see Item 11) will not be charged a fee for using the SmartMarketing website.~~
~~ChoiceMAX~~Choice Revenue Management Program (Note 7)	$~~415~~430 - $~~1,595~~1,700 based on offering tier/service levels~~ and room count~~.	Monthly.	Participation in the Choice Revenue Management Program is optional. During the first year ~~of operation~~, the only minimum service levels available for enrollment are Silver or higher, as further set forth in the Rules and Regulations.
ChoiceMAX Revenue Management System (or similar program) (Note 7)	$125-$355 based on brand and number of rooms.	Monthly	Participation in the ChoiceMAX Revenue Management System is optional. This software provides forecasting and pricing recommendations.
Architectural Design Review &	$0- $15,000	As incurred.	If you request a waiver for

TYPE OF FEE	AMOUNT (Note 1)	DUE DATE	REMARKS
Construction Services			using non-Prototypical building design, you must pay our then-current fee, regardless of whether the waiver is granted. This Fee includes Architectural design review fee and Construction Inspection fee.
Interior Design Waiver Fee	Not to exceed $15,000.	At the time of request.	If you request a waiver from using any pre-approved interior design schemes, you must pay our then-current fee, regardless of whether the waiver is granted.
Mega Agency and Consortia Pay for Performance Program (Note 8)	2.7% of total room revenue from consumed business (for example, actual room sold).	Payable monthly.	You may opt out of this program.
Call Forwarding Reservation Service Fees	$2.95 per call transferred from your hotel to our central reservations system ("CRS") plus any additional costs necessary to update telephones to support the ~~call forwarding~~Call Forwarding system. An early exit fee of $500/month remaining in the initial term (plus a pro rata share for the remaining portion of the current month)	Payable monthly.	This is an optional program and we may change the fee at any time upon 60 days written notice to you. Exhibit F includes the terms of use agreements for Call Forwarding Premium, Call Forwarding DiGITAL, and Call Forwarding Flex services.
Choice Privileges Meeting/Group Planner Point Program	$0.005 per Choice Privileges point awarded.	Payable monthly.	Meeting organizers will be awarded 4 Choice Privileges per dollar spent on meeting related activities (meeting room rental, food and beverage, and meeting attendees' guest rooms)
Marketing Cooperative Fee	$400 - $2,400 annually.	Payable by November 15 of each year.	This fee is established by the regional franchisee marketing cooperatives and varies by region and hotel size. These fees are placed in a fund for each regional marketing cooperative and used for its operating expenses. Participation in a marketing cooperative is voluntary (See Item 11).
Additional Consultation and Services Fee	Dependent on the service requested	As incurred	We may make available to you additional consultation and services to assist you to

TYPE OF FEE	AMOUNT (Note 1)	DUE DATE	REMARKS
			construct, renovate, maintain, operate, and/or market the Hotel.
~~ChoiceAdvantage~~ choiceADVANTAGE® Quick Shop	$30 monthly	Payable monthly	This is a feature to improve the process for hotels that have a side shop off the front desk to sell snacks and sundries. Available only upon request.
AHLA Dues	$4.50/room	Annually	This fee covers dues for membership in the American Hotel & Lodging Association. You have the opportunity to opt out of membership this fee by January 15 of each year.
~~ChoiceMAX Training and Set Up Fee~~	~~$1,000-$2,500~~	~~At the time of ChoiceMAX installation.~~	~~This fee covers the following: System implementation and account access, activation of competitive rate shopping services, support for proper tool setup and configuration, self-paced training and job aids.~~
REMEDIES AND NON-COMPLIANCE			
Non-Compliance Penalty	$35 - $25,000 per instance of non-compliance.	As incurred.	Non-compliance penalty is charged as a result of a failure to attend required training, to meet quality assurance and/or guest satisfaction standards required for the brand, non-compliance with your Property Improvement Plan, non-compliance with the franchise agreement or the Rules and Regulations, and non-compliance with Minimum Choice Privileges Enrollment requirements. This range of penalties may change from time to time.
Audit Fee	Cost of inspection or audit, including travel, lodging, meals, salaries, professional fees and other expenses. We anticipate the cost will be $1,000 - $6,000.	As incurred.	Payable only if any inspection or audit discloses a deficiency in any payments due under the franchise agreement. If the deficiency in any payment is willful or exceeds 5% of the correct amount, you must immediately pay the deficient amount plus interest at 1.5% and the entire cost of the inspection or audit, including travel, lodging, meals, salaries, professional fees, and other expenses of the inspecting or auditing personnel.

TYPE OF FEE	AMOUNT (Note 1)	DUE DATE	REMARKS
Revenue Reporting Late Fee	1.5% of the preceding month's Royalty Fee and System Fee.	Payable only if you do not send us the required reports on time.	Immediately payable if any report is not timely submitted.
Interest	1.5% of the delinquent amount.	Payable only if you do not pay your bills on time.	Immediately payable if your account is not timely paid.
Reservation System Reinstatement Fee	$5,000.	This fee must be paid prior to the reinstatement of reservation services.	Payable only if you are suspended from the reservation system due to your default and you wish to be reinstated.
Liquidated Damages (Note 9)	If terminated before opening, the number of sleeping rooms multiplied by 36 months, multiplied by $40. If terminated after opening, the greater of (a) $40, multiplied by the number of sleeping rooms, multiplied by the number of months until the next date on which you may terminate the franchise agreement without penalty (not to exceed 60 months); or (b) the average monthly GRR for the last 12 months, multiplied by the Royalty Fee, multiplied by the number of months until the next date on which you may terminate the franchise agreement without penalty (not to exceed 60 months).	Within 30 days after termination.	We will discount the Liquidated Damages by 20% (or by 5% if we terminate the franchise agreement because you abandon the hotel or stop using the MAINSTAY SUITES Marks) if, within 15 days of termination you (i) pay all fees and charges due under the franchise agreement, (ii) discontinue use of our intellectual property and (iii) pay the discounted Liquidated Damages by certified or cashier's check.
Intellectual Property Liquidated Damages	$2,500 per day that you continue to use our intellectual property following the expiration or termination of the franchise agreement.	Upon demand.	If you continue to use our intellectual property after the expiration or termination of the franchise agreement, you must pay this fee to compensate us for damage to our ownership interests in our intellectual property.

Note 1: Unless otherwise stated, these fees are imposed by us, paid to us, and are non-refundable. The following fees are not paid to Choice: Data Communication Fee, and Commitment to Your Satisfaction Program. The Travel Agent and Other Reservation Based Commissions fee and the Travel Agent Centralized Commission Processing Fee may not be paid to Choice. Unless otherwise stated, all fees are uniformly imposed except when negotiated in special circumstances.

Note 2: If you construct a MAINSTAY SUITES and SLEEP INN dual brand hotel, we may increase the Royalty Fee and System Fee up to the standard amount for the SLEEP INN brand. If you construct a MAINSTAY SUITES hotel that is a dual brand with another Choice brand hotel, we may increase the Royalty Fee and System Fee up to the standard amount for that other Choice brand. Please refer to the applicable Franchise Disclosure Document for Royalty Fee information for another brand.

Note 3: "Gross Room Revenues" are revenues from the rental, sale, use or occupancy of sleeping rooms, meeting rooms and banquet rooms at the hotel for whatever purpose, including cash and credit transactions, whether or not collected by you, guaranteed no show revenue, early departure fees, late checkout fees, day use revenue, attrition or cancellation fees, and any proceeds from business interruption insurance. It does not include taxes required by law, revenues from telephone calls, movie rentals, vending machines, room service or food and beverage sales.

Note 4: We may increase the System Fee for increases in inflation or costs of advertising, publicity, public relations, marketing or for increases in our cost of providing the property management system or reservation system or any other aspect of our franchise system so long as the increases apply to all or most of the U.S. hotels in our franchise system unless you approve a greater amount. We may also assess additional fees and charges for various components of the System and other services (including promotional programs and use of proprietary software) as described in the Rules and Regulations.

Note 5: A "Travel Agent" includes traditional travel agents, such as American Express Travel, CWT, BCD and others, as well as online travel agents such as Expedia if those online travel agents book through our global distribution system ("GDS"). For all reservations originating in a foreign country in which there is a Choice-approved General Sales Agent or which is serviced by a Choice sales team, a hotel will be required to pay a 5% commission in addition to the standard Travel Agent Commission. The additional commission will apply to reservations via travel agents, GDS, and Choice's central reservation system, but will not apply to reservations through online travel agents (for example, Expedia) that are designated by an International Air Transport Association number.

Note 6: This fee is payable only if you fail to cause Construction Start to occur or you do not complete any renovations which are required to be completed prior to the opening of the hotel in the Choice franchise system within the deadlines specified in your franchise agreement.

Note 7: The ChoiceMAX Revenue Management System program and costs include: a Revenue Management Technology Solution, reporting and analytical tools, and Revenue Management Consultation. The Choice Revenue Management service will provide these elements as a package or individually to supplement the franchisees revenue management program. The cost will be determined by the offering provided. The Choice Revenue Management programs works in tandem with ChoiceMAX (or similar program). ChoiceMAX is a revenue management technology solution that provides forecasting and pricing recommendations. The cost of both programs is determined by the number of rooms in the hotel and offering/service tier. Please see the ChoiceMAX ~~Pricing Optimization~~Revenue Management System fee in Item 6. Monthly fees for ChoiceMAX will be bundled with the ~~ChoiceMAX~~Choice Revenue Management System monthly program fee ~~through December 31, 2020~~for participating hotels.

Note 8: Choice has secured preferred status with leading "mega" travel agencies (for example, multi-national travel management companies) and consortia of travel agencies so that our franchisees receive a high level of exposure within the Global Distribution System, corporate online booking tools, and preferencing through the various booking channels. For consumed reservations booked through a "mega" travel agency that are commissionable, the Travel Agent and Other Reservation Based Commissions Fee and Travel Agent Centralized Commission Processing Fee apply. These payments are made through ONYX. Hotels that are not current with their travel agent fees risk suspension from the

agencies booking tool.

Note 9: This fee is payable only if the franchise agreement is terminated due to your breach and does not apply where state law prohibits it.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

MAINSTAY SUITES NEW CONSTRUCTION HOTEL (Note 1)

TYPE OF EXPENDITURE	AMOUNT (Note 2)		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	Low	High			
Affiliation Fee (Note 3)	$300 per room for new construction and $550 per room for transfers and renewals ($50,000 minimum)		Lump sum	Upon application	Us
Architectural Plans & Inspections (Note 4)	$60,000 ~~$150,000~~	$150,000	As incurred	Before opening	Your architect and civil engineer
Legal Fees	$10,000 ~~$40,000~~	$40,000	As incurred	Before opening	Your attorneys
Environmental Impact Study (if necessary)	$0 ~~$16,000~~	$16,000	As incurred	Before opening	Your consultants
Market Study	$3,000 ~~$15,000~~	$15,000	As incurred	Before opening	Your consultants
Construction (excluding soft costs) (Note 5)	$6,005,430 - $11,153,002		As incurred	Before opening	Your general contractor
Insurance (Note 6)	$31,000 ~~$165,000~~	$165,000	As incurred	Before opening	Your insurance carriers
Pre-opening Advertising	$5,000 ~~$60,000~~	$60,000	As incurred	Before opening	Various advertising media
Furniture, Fixtures & Equipment (Note 7)	$715,500 - $874,500		As incurred	Before opening	Your suppliers or Qualified Vendor
Equipment for food preparation, fitness and laundry facilities	$130,000	$200,000	As incurred	Before opening	Your suppliers or Qualified Vendor
Hardware to operate the choiceADVANTAGE® property management system	~~$2,850~~ ~~$10,500~~ $3,000	$10,800	Lump sum	Before opening	Insight (Dell equipment), Shift4 Payments (for EMV chip readers)
choiceADVANTAGE® Software License and Systems Training Fees (Note 8)	$8,750 ~~$15,750~~	$15,750	Lump sum	Before opening	Us
Opening Inventory of Supplies (Note 9)	$213,400 ~~$329,800~~	$329,800	As incurred	Before opening	Your suppliers or Qualified Vendor
Orientation and Hospitality Training Fees (Note 10)	$0 ~~$3,245~~	$10,845	As incurred	Before opening	Us
High Speed Internet Access for in-room, in-lobby, public areas and meeting rooms	$14,000 ~~$25,000~~	$25,000	As incurred	Before opening	Your supplier and/or Qualified Vendor

TYPE OF EXPENDITURE	AMOUNT (Note 2)		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	Low	High			
(Note 11)					
Interior design waiver fee (Note 12)	$0	$15,000	As incurred	Before opening	Us
Architectural design waiver fee (Note 13)	$0	$15,000	As incurred	Before opening	Us
Mandatory On-Premise Signs (including freight and installation and plus maintenance and insurance)	$20,000 ~~$80,000 (plus maintenance and insurance)~~	$80,000	As incurred	Before opening	Qualified Vendor
Working Capital Required Before Operations Begin (Note ~~12~~14)	$200,000 ~~$420,000~~	$420,000	As incurred	Before opening	Us, your suppliers, your employees, utilities, consultants
Additional Funds for 3-Month Initial Period (Note ~~13~~15)	$50,000 ~~$75,000~~	$75,000	Monthly payment for recurring fees; as incurred for other expenses	After opening	Us, your suppliers, your employees, utilities
TOTAL ESTIMATED INITIAL INVESTMENT (Note ~~14~~16)	~~$7,388,930 $13,482,797~~ $7,519,080	$13,720,697			
TOTAL COST PER ROOM (Based on 106 Rooms)	~~$69,707 $127,196~~ $70,934	$129,440			

Note 1: This table is an estimate of the initial investment required to construct and open a new construction hotel and the estimate provided is based on our experience and our prototype designs. Estimates are based on a 106-guestroom hotel without a pool. The cost of renovating or constructing each hotel has the potential to vary greatly and will depend on factors unique to your situation and your hotel. Unusually high locally imposed development fees might impact initial expenses. The table does not include the cost of purchasing or leasing real estate, which cannot be estimated with any certainty due to variables such as location, acreage, terms and whether leased or purchased. Costs for constructing a MAINSTAY SUITES and SLEEP INN dual brand hotel may vary. Please refer to the SLEEP INN Franchise Disclosure Document for estimated initial investment information for that brand.

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

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

Note 4: You must use prototype architectural plans supplied by us and submit them to an architect approved by us. These plans must be site adapted for a specific site and structural, mechanical, electrical and plumbing drawings must be added. You must commission an architect directly and make

payments directly to your architect.

Note 5: The cost of construction may vary substantially from location to location. The type of construction used, site conditions, cost of materials, labor costs, local code requirements, competitive conditions, and other factors will affect the cost. This estimate does not include site work, project management fees, general contractor profits, or other "soft" costs, which may vary substantially. The estimate also does not include the cost of permits and licenses. Because of the wide variation in cost based on location and other factors, we do not represent that your initial investment will be as low as the low end of the range or that it will not be higher than the high end of the range. Unit prices for the construction cost estimates are based on prevailing wage rates and assume prototypical site conditions. Sitework, General Conditions and GC Overhead/ Profit costs vary depending on project specific and market conditions.

Note 6: These policies cover construction, General Liability, Cyber Liability, and Workers Compensation, including Statutory Workers Compensation and Employers Liability insurance, and must provide minimum limits per location of coverage as stated in the franchise agreement.

Note 7: This amount does not include taxes, shipping, installation costs.

Note 8: choiceADVANTAGE® software license and onboarding fees include the costs of the initial software license, onboarding, eLearning modules, project management and the credit card interface. Your costs may fall on the higher end of this range depending on the number of rooms, additional interfaces and integrations you select. The fees do not include the monthly choiceADVANTAGE® support fee to cover ongoing remote software support.

Note 9: Opening inventory of supplies includes brand standards items, linen, paper supplies and housekeeping supplies. It also includes supplies required to operate the hotel's kitchen, fitness room, guest laundry, hotel laundry, and phone system.

Note 10: Orientation and Hospitality operations training includes the cost to attend Choice Onboard orientation training and Hospitality Operations Success Training ("HOST"). Our Choice Onboard training fee is $~~1,850~~1,950 and covers 2.5 days of orientation training at one of our ~~headquarters~~Choice corporate locations in Rockville, Maryland~~. The costs do not include the cost of travel, lodging, or meals to attend the required training programs~~ or Scottsdale, Arizona. Our HOST training fee is $1,395 and covers an operator certification program that is offered virtually, consisting of self-paced online lessons, live interactive virtual workshops, and exams. In addition, if you are an inexperienced hotel franchisee that has never operated an extended stay hotel and you are not planning to use a hotel management company to manage the hotel, we may also require that you attend our separate onboarding training program. This additional immersive training, which may take place either in person or online, will provide 2-4 days of additional training at a cost of approximately $2,500 to $7,500 and will be tailored for the novice extended stay hotel operator. The foregoing costs do not include the cost of travel, lodging, or meals to attend the required training programs. Some or all of the training may not be required if you have previously owned a Choice branded hotel, obtained Choice Hotels training certification for another existing hotel and/or a hotel staff member has previously earned the HOST certification.

Note 11: The estimate of $10,000-$20,000 is based on a wired solution for a hotel that is to be newly constructed for the hotel size indicated. This estimate includes wiring, routers, software, server, splitters, etc. A wireless solution could range from $4,500-$9,500 depending upon the number of access points, wiring to the access points, gateway, etc. You must also arrange and pay for the incoming broadband service, which is typically delivered by a commercial grade T-1 or Digital Subscriber Line ("DSL"). You may purchase this from any available broadband supplier; however, we reserve the right to

require a single supplier as necessary to ensure that all hotels in the Choice franchise system meet required standards as well as to promote more efficient communications between Choice and your hotel. We currently estimate that the cost will range from $1,800-$12,800 per year. This estimate is based on the hotel size indicated and currently includes high speed internet access (delivered by a commercial grade T-1, DSL or a Fractional T-1) and 24/7 support provided by a third party with Tier I and Tier II levels. Your costs will vary depending upon bandwidth usage and your hotel's size and location. Although we currently permit you to purchase these services from any available source, in the future we may require you to use a designated source, as necessary to maintain overall brand standards. We currently require you to use a designated Qualified Vendor to provide your High-Speed Internet Access solution.

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

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

Note 14: We estimate that you will need this amount in working capital before the Hotel opens. This includes salaries that you will need to pay to your General Manager, salespeople, and other essential personnel. The actual amount of working capital you will need depends on a variety of factors, such as the number of paid employees you hire and their rate of pay, your own management and operational skills, economic conditions, and competition. The estimate in the table does not include loan origination points. The origination points you may be charged will depend on your specific lender and will vary by the loan type you select. Our experiences estimate that origination points have ranged between 1 and 2 percent of the amount borrowed. We also have not included real estate taxes, which will vary based on location and local real estate costs.

Note ~~13~~15: We based these estimates on our experience with hotel franchises, discussions with hotel ~~business people~~businesspeople and recent trends in pricing from other relevant companies.

Note ~~14~~16: This table does not include land costs or real estate taxes. In addition, your total investment may be higher if you are required to participate in our Re-Licensing Systems Training. This program is not required for all owners. The Re-Licensing Systems Training fee is $995 and is payable only when a franchised hotel has changed ownership and the new owner signs a franchise agreement with us. The Re-Licensing Systems Training fee covers the cost of ~~2~~two days of remote training concerning our proprietary choiceADVANTAGE® property management and reservation system.

YOUR ESTIMATED INITIAL INVESTMENT

MAINSTAY SUITES COVERSION HOTEL (Note 1)

TYPE OF EXPENDITURE	AMOUNT (Note 2)		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	Low	High			
Affiliation Fee (Note 3)	$300 per room for new construction and $550 per room for transfers and renewals ($50,000		Lump sum	Upon application	Us

TYPE OF EXPENDITURE	AMOUNT (Note 2) Low	High	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	minimum)				
Property Improvements (Note 4)	$112,000- $1,120,000		As incurred	Before opening	Your general contractor
Insurance (Note 5)	$2,000 ~~$70,000~~	$70,000	As incurred	Before opening	Your insurance carriers
Advertising	$2,500 ~~$40,000~~	$40,000	As incurred	Before opening	Various advertising media
Hardware to operate choiceADVANTAGE® property management system	~~$2,850 $10,500~~ $3,000	$10,800	Lump sum	Before opening	Insight (Dell ~~equioment~~ equipment), Shift4 Payments (for EMV chip readers)
choiceADVANTAGE® Software License and Systems Training (Note 6)	$8,750 ~~$15,750~~	$15,750	Lump sum	Before opening	Us
Opening Inventory of Supplies (Note 7)	$23,700 ~~$134,300~~	$134,300	As incurred	Before opening	Your suppliers or Qualified Vendor
Orientation and Hospitality Training Fees (Note 8)	$0 ~~$3,245~~	$10,845	As incurred	Before opening	Us
Mandatory On-Premise Signs (including freight and installation but excluding maintenance and insurance)	$15,000 ~~$80,000~~	$80,000	As incurred	Before opening	Qualified Vendor
Working Capital Required Before Operations Begin (Note 9)	$15,000 ~~$40,000~~	$40,000	As incurred	Before opening	Us, your suppliers, your employees, utilities, consultants
Additional Funds for 3-Month Initial Period (Note 10)	$25,000 ~~$50,000~~	$50,000	Monthly payment for recurring fees; as incurred for other expenses	After opening	Us, your suppliers, your employees, utilities
TOTAL ESTIMATED INITIAL INVESTMENT (Note 11)	~~$256,800 $1,613,795~~ $256,950	$1,621,695			
TOTAL COST PER ROOM (Based on 56 Rooms)	~~$4,586 $28,818~~ $4,588	$28,958			

Note 1: This table is an estimate of the initial investment required to convert an existing hotel and the estimate provided is based on our experience and our brand standards. Estimates are based on a 56-guestroom hotel. The cost of renovating each hotel has the potential to vary greatly and will depend on factors unique to your situation and your hotel, including the location of the hotel, the condition of the hotel and any upgrades necessary to bring the hotel up to our standards.

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

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

Note 4: Renovation costs vary considerably and the estimate provided is based on a typical property improvement plan provided by us that the hotel must complete to upgrade to our standards. The costs provided includes an estimate for furniture fixture and equipment that must be refurbished, replaced, or removed. Upon application, we will provide you a customized property improvement plan unique to your hotel. Your costs to upgrade the hotel to our standards may depend on local contractor and material costs in your area as well as the condition of your hotel at the time you apply for a franchise and may fall outside the estimated range provided.

Note 5: These policies cover construction, General Liability, Cyber Liability, and Workers Compensation, including Statutory Workers Compensation and Employers Liability insurance, and must provide minimum limits per location of coverage as stated in the franchise agreement.

Note 6: choiceADVANTAGE® software license and onboarding fees include the costs of the initial software license, onboarding, eLearning modules, project management and the credit card interface. Your costs may fall on the higher end of this range depending on the number of rooms, additional interfaces and integrations you select. The fees do not include the monthly choiceADVANTAGE® support fee to cover ongoing remote software support.

Note 7: Opening inventory of supplies includes brand standards items, linen, paper supplies and housekeeping supplies that meet our system requirements.

Note 8: Orientation and Hospitality operations training includes the cost to attend Choice Onboard orientation training and Hospitality Operations Success Training ("HOST"). Our Choice Onboard training fee is $~~1,850~~1,950 and covers 2.5 days of orientation training at one of our ~~headquarters~~Choice corporate locations in Rockville, Maryland~~. The costs do not include the cost of travel, lodging, or meals to attend the required training programs~~ or Scottsdale, Arizona. Our HOST training fee is $1,395 and covers an operator certification program that is offered virtually, consisting of self-paced online lessons, live interactive virtual workshops, and exams. In addition, if you are an inexperienced hotel franchisee that has never operated an extended stay hotel and you are not planning to use a hotel management company to manage the hotel, we may also require that you attend our separate onboarding training program. This additional immersive training, which may take place either in person or online, will provide 2-4 days of additional training at a cost of approximately $2,500 to $7,500 and will be tailored for the novice extended stay hotel operator. The foregoing costs do not include the cost of travel, lodging, or meals to attend the required training programs. Some or all of the training may not be required if you have previously owned a Choice branded hotel, obtained Choice Hotels training certification for another existing hotel, and/or a hotel staff member has previously earned the HOST certification.

Note 9: We estimate that you will need this amount in working capital before the Hotel opens. The actual amount of working capital you will need depends on a variety of factors, such as the number of paid employees you hire and their rate of pay, your own management and operational skills, economic conditions, and competition.

Note 10: We based these estimates on our experience with hotel franchises, discussions with hotel ~~business people~~businesspeople and recent trends in pricing from other relevant companies.

Note 11: The total investment above assumes the hotel is currently open and operating at the

time you apply for a franchise and has real estate, furniture, fixtures, and equipment, hotel staff, a high speed internet access solution for in-room, in-lobby, public areas, and meeting rooms, current marketing and advertising programs, and other standards to operate a hotel. If the hotel does not have a solution for high speed internet access, the estimate could be $0-$20,000 to convert an existing hotel to our brand standards, including wiring, routers, software, server, splitters, access points, gateway, etc. In addition, your total investment may be higher if you are required to participate in our Re-Licensing Systems Training. This program is not required for all owners. The Re-Licensing Systems Training fee is $995 and is payable only when a franchised hotel has changed ownership and the new owner signs a franchise agreement with us. The Re-Licensing Systems Training fee covers the cost of ~~2~~ two days of remote training concerning our proprietary choiceADVANTAGE® property management and reservation system.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

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

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

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

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

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

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

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

You must also participate in the Choice Hotels Group Sales Lead Referral Program by encouraging your Director of Sales, General Manager, and other hotel staff to refer group reservations from one Choice branded hotel to another Choice branded hotel. As indicated in Item 6 and your brand standards, you may be required to pay a commission on a group reservation if a guest is referred to your hotel as part of the Group Sales Lead Referral Program.

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

As described in Item 7, you must obtain and maintain insurance which will include, at a minimum, insurance policies of the kinds, and in the amounts, required by us (Franchise Agreement, Section 12). These written insurance policies include, at a minimum, the following coverage during construction or complete renovation of the hotel: commercial general liability insurance (including automobile liability, bodily injury and property damage) for all types of liabilities, together with the costs of defense and/or adjustments arising out of the operations to construct the hotel, providing limits of coverage of not less than $1,000,000 per occurrence, and including coverage for contractual liability, explosion, collapse and underground property damage hazard liability, personal injury liability, products and completed operations liability, owner's and contractor's protective liability, and independent contractor's liability; all-risk builder's insurance to insure the hotel buildings under construction to 100% of their replacement cost value; and a workers' compensation policy as required by statute. During the operation of the hotel, required insurance policies include, at a minimum: all-risk physical damage coverage insuring the hotel and its contents for full replacement costs; commercial automobile and commercial general liability insurance policies written on an occurrence form, which must include contractual, products and completed operations, independent contractors, personal injury, property damage, bodily injury and host liquor liability coverage, together with the costs and expenses of the defense and/or adjustment of injury or damage, providing limits of coverage, per location, of not less than $5,000,000 ($10,000,000 if the hotel has 6 or more stories) per occurrence; cyber liability insurance coverage that provides minimum coverage of

$1,000,000 workers' compensation and employers' liability insurance with minimum employers liability limits of $1,000,000 bodily injury by accident (each accident); $1,000,000 bodily injury by disease (policy limit); and $1,000,000 bodily injury by disease (each employee), whether or not required by the state where the hotel is located; dram shop/liquor liability insurance with limits of not less than $5,000,000 per occurrence if alcoholic beverages are sold at the hotel (whether or not you own the establishment that sells alcohol) and business interruption insurance that provides coverage for a minimum of ~~six (6)~~three months in the event the hotel is not operational.

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

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

Unless mandated by the brand standards contained in the then-current version of the Rules and Regulations, you do not have to participate in any purchasing or distribution cooperative we maintain. However, the Choice Procurement Services Department attempts to negotiate pricing believed to be favorable from its Qualified Vendors for franchisees, and we may from time to time offer cooperative buying programs to provide additional savings for those hotels that commit to any such program. In addition, you will automatically become a member of a cooperative buying program at no additional cost to you. You may opt out of being a member of such program at any time by completing and sending us the opt out electronic form located within the FAQs on Choicebuys.com. Most product and services offerings are accessible via ChoiceBuys.com, a proprietary web-based electronic catalogue.

In the year ended December 31, ~~2020~~2021, our total revenues were about $~~774.1~~1,069.3 million. Revenues attributable to franchisee purchases were ~~about $80~~$86.9 million, or about ~~10.32~~8.14% of our total revenues in ~~2020~~2021, which includes revenues from Qualified Vendors and choiceADVANTAGE® installation and support fees.

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

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Section in Master Development Agreement	Section in choiceADVANTAGE Terms of Use	Section in Call Forwarding Program Terms of Use	Disclosure Document Item
(a) Site selection & acquisition/ lease	Not Applicable	Sections 6 & 7	Not Applicable	Not Applicable	Not Applicable
(b) Pre-opening purchases/leases	Sections 6(b), (e), (f) & (g), (s)(3) & (8)	Not Applicable	Not Applicable	Not Applicable	Items 5, 7, 8 & 11
(c) Site development & other pre-opening requirements	Section 6	Section 6	Not Applicable	Not Applicable	Items 5, 7, 8 & 11
(d) Initial & ongoing training	Section 6(e)	Not Applicable	Not Applicable	Not Applicable	Items 5, 6, 7 & 11
(e) Opening	Sections 1(f) & 6(s)	Not Applicable	Not Applicable	Not Applicable	Item 11
(f) Fees	Sections 4, 6(e), (f), (g), (k), (n) & (r), (s) 8, 9(b), (c), 10(c), (d), 12 & 16	Not Applicable	Not Applicable	Section 3	Items 5, 6, 11 & 17
(g) Compliance with Standards & Policies/ Operating Manual	Sections 1(k), 5(a) & (b), 6 & 10	Not Applicable	Not Applicable	Not Applicable	Items 8 & 11
(h) Trademarks & proprietary information	Sections 1(i) & (j), 6(s)(1) & 7	Section 12(a)	COPYRIGHTS & TRADEMARKS	Section 8	Items 13 & 14
(i) Restrictions on products/services offered	Section 6(b), (c) & (d)	Not Applicable	Not Applicable	Not Applicable	Items 8 & 16
(j) Warranty & customer service requirements	Sections 6(l) & (q)	Not Applicable	WARRANTIES	Section 6	Not Applicable
(k) Territorial development and sales quotas	Not Applicable	Section 3	Not Applicable	Not Applicable	Not Applicable

Obligation	Section in Franchise Agreement	Section in Master Development Agreement	Section in choiceADVANTAGE Terms of Use	Section in Call Forwarding Program Terms of Use	Disclosure Document Item
(l) Ongoing product/service purchases	Sections 6(b), (c), (e), (f), (g) & (o)	Not Applicable	Not Applicable	Not Applicable	Item 8
(m) Maintenance, appearance and remodeling requirements	Sections 6(a), (b), (c), (d), (f), (o) & (p), 7(c) & 8	Not Applicable	Not Applicable	Not Applicable	Items 6, 8 & 11
(n) Insurance	Section 12	Not Applicable	Not Applicable	Not Applicable	Items 6, 7 & 8
(o) Advertising	Section 6(s)(4)	Not Applicable	Not Applicable	Not Applicable	Items 6, 8 & 11
(p) Indemnification	Section 13	Not Applicable	INDEMNIFICATION	Section 7	NONE
(q) Owner's Participation/ Management/ Staffing	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Item 15
(r) Records and Reports	Sections 4(c), (d) & (e), 6(r)(4), 10(b)(2)(e) & 12(e)	Not Applicable	Not Applicable	Not Applicable	Item 6
(s) Inspections and Audits	Sections 4(e) & (f), 5(b), 6(h) & (s)(2)	Not Applicable	Not Applicable	Not Applicable	Items 6 & 11
(t) Transfer	Section 9	Not Applicable	SOFTWARE USE AND SITE ACCESS; GENERAL	Section 10	Items 6 & 17
(u) Renewal	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Item 17
(v) Post-termination obligations	Section 11	Sections 9(a) & 10	Not Applicable	Not Applicable	Items 6 &17
(w) Non-competition covenants	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(x) Dispute resolution	Sections 16, 21, 22, 23, & 24	Sections 17, 18 & 19	GOVERNING LAW	Section 9	Item 17

ITEM 10

FINANCING

AFFILIATION FEE PROMISSORY NOTE

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

DIVERSITY AND VETERAN INCENTIVE PROGRAM

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

Qualifications

To qualify for the Diversity and Veteran Incentive Program, you must meet all of the following conditions: you must make a good faith request for the Diversity and Veteran Incentive at the time of application; you must meet our then-current qualifications for new franchisees (including our standard credit review); you must be a majority owner that is actively engaged in the deal process ; if you are an individual, you must identify to us the characteristics and background that will contribute to the diversity of our franchise system and the hospitality industry or if you are veteran you must demonstrate that you have served in the United States military and have been honorably discharged from service; or if you are a legal entity, you must be at least 51% legally and beneficially owned by persons that can demonstrate to us characteristics and background that will contribute to the diversity of our franchise system and the hospitality industry or meet the requirements of a veteran stated above. We will have sole discretion in determining whether you qualify for the Diversity and Veteran Incentive Program. The Diversity and Veteran Incentive Program may not be combined with any other incentive program that we may be offering at the time of your application and we may discontinue the Diversity and Veteran Incentive Program at any time.

Incentive

Each Diversity and Veteran Incentive we make for a hotel using the MAINSTAY SUITES Marks

will be for $~~1,500~~2,500 per room in the hotel (maximum of $~~125,000~~200,000). Each incentive will be evidenced by a 10-year forgivable promissory note (see Exhibit J) (the "Note"). We will pay the proceeds of the Note to you only after the Opening Date of your hotel. You may use the proceeds of the Note for any purpose related to the hotel. We do not require collateral for this Note, but may require you or the owners of a franchise entity to sign personally. Forgiveness of the Note will be amortized over 10 years (beginning on the Opening Date of your hotel) using a straight-line method, so that the Note will be completely forgiven if you do not commit certain defaults under the Note beginning upon signing of the franchise agreement and ending 10 years after the Opening Date. The Note is structured to provide for one payment at the end of 10 years; however, you do not have to make payments on the Note if you remain in good standing under your franchise agreement. If you default in the obligations of your franchise agreement, your franchise agreement is terminated or expires, you die or you file for bankruptcy, then the entire remaining unforgiven principal balance is immediately due along with interest (accruing on the remaining unforgiven balance only) from the original date of the Note at an interest rate of prime plus 2%. The maximum interest rate in California is 10% annually. Under the Note, you must waive demand, presentment for payment, protest, notice of dishonor and your right to a jury trial. On your default, you also must pay all reasonable expenses, costs and attorneys' fees that we incur in collecting the Note. The Note contains no pre-payment penalty.

If you qualify for a Diversity and Veteran Incentive, you may request amortization over 5 years instead (beginning on the Opening Date of your hotel) using a straight-line method, so that the Note will be completely forgiven if you do not commit certain defaults under your franchise agreement beginning upon signing of the franchise agreement and ending 5 years after the Opening Date. If you request a 5 year Note, the incentive will be 50% of the amount of the 10 year Note, but will be limited to a maximum of $~~62,500~~100,000. Each incentive will be evidenced by a 5 year Note in the same form attached as Exhibit J. The Note is structured to provide for one payment at the end of 5 years; however, you do not have to make payments on the Note if you remain in good standing under your franchise agreement. If you default in payments due to us under your franchise agreement, your franchise agreement is terminated, you sell the hotel, you die or you file for bankruptcy, then the entire remaining unforgiven principal balance is immediately due along with interest (accruing on the remaining unforgiven balance only) from the original date of the Note at an interest rate of prime plus 2%. If the Default Payment Amount (as defined in Exhibit I) has not been paid in full fifteen (15) days after the date such amount became due and payable, interest will begin to accrue at a default annual rate equal to Prime plus seven percent (prime plus 7%). The maximum interest rate in California is 10% annually. Under the 5 year Note, you must waive demand, presentment for payment, protest, notice of dishonor and your right to a jury trial. On your default, you also must pay all reasonable expenses, costs and attorneys' fees that we incur in collecting the Note. The Note contains no pre-payment penalty.

Termination Rights

In addition, unless you have signed a 5 year promissory note, you and we must agree to waive our right to terminate the franchise agreement, without cause, on the 5th anniversary of the Opening Date.

DIVERSITY AND VETERAN RE-LICENSING INCENTIVE

If you: (1) qualify for the Diversity and Veteran Incentive Program; and (2) purchase a hotel that is a Choice branded hotel operating as part of the Choice franchise system at the time of purchase; and (3) enter into a franchise agreement with Choice to re-license the hotel as a Choice branded hotel, you will be granted a 50% discount on the then-current affiliation fee due in connection with your franchise agreement. Franchisees that enter into franchise agreements with Choice for the re-licensing of an existing Choice brand hotel and qualify and accept the Diversity and Veteran Incentive are not eligible to participate in any other incentive program.

PMC COMMERCIAL TRUST

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

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

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

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

BALBOA CAPITAL CORPORATION

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

Interest rates are fixed and are determined at Balboa's discretion in accordance with its standard underwriting practices. You are not required to use Balboa as your lender. If you choose to use Balboa as your lender, you must enter into one or more agreements with Balboa, substantially in the form attached as Exhibit J or as Balboa may otherwise require depending on your specific financing agreement. The financing agreement will be for between 24 to 84 months and will require monthly or quarterly installment payments, with the amount of the payments based on the terms agreed upon. You must grant a first lien on the financed equipment and, if applicable, a security interest and lien on the land or building. Balboa may require that you personally guarantee the financing agreement. The financing agreement can be pre-paid and there is no pre-payment penalty.

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

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

~~**ACCESS POINT FINANCIAL**~~

~~We have entered into a non-exclusive Qualified Vendor agreement with a third party named ACCESS POINT FINANCIAL ("APF"), which is a company authorized to provide loans. Under this agreement, APF may offer financing to those of our franchisees that qualify and choose to use APF to finance some of the following costs: affiliation fee, site acquisition, construction or remodeling, equipment and/or fixtures, opening inventory or supplies, replacement of equipment or fixtures, and other continuing expenses. These loans are generally for up to 70% to 85% of the value of the hotel and typically range from $200,000 to $10,000,000 for bridge financing, acquisitions, refinance, renovation and brand conversion loans.~~

~~Interest rates are fixed and are at APF's discretion. You are not required to use APF as your lender. If you choose to use APF as your lender, you must enter into agreements with APF, substantially in the form attached as Exhibit J or as APF may otherwise require depending on your specific loan. The loan will be for 3 to 10 years and will require monthly payments, with the amount of the payments based on the terms agreed upon. Depending on your scenario, you may be requested to grant a first lien on land and building, or a first or second lien on furniture, fixtures and equipment or, if necessary, a lien on your personal assets. APF will require that you personally guarantee the loan. The loans can be pre-paid and there will be a pre-payment penalty.~~

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

~~In consideration of Choice's agreement to grant APF access to our marketing channels, Choice will receive from APF a flat payment of $12,000 annually.~~

ASCENTIUM CAPITAL LLC

We have entered into a non-exclusive Qualified Vendor agreement with a third party named Ascentium Capital LLC, which is a company authorized to provide loans. Under this agreement, ASCENTIUM CAPITAL LLC may offer conventional and lease financing to those of our franchisees that qualify and choose to use ASCENTIUM CAPITAL LLC to finance some of the following costs: affiliation fee, costs to meet brand standards, property improvement or remodeling, equipment and/or fixtures,

replacement of equipment or fixtures, and other continuing expenses. These loans are generally available for up to 100% of the value of the collateral and range from $5,000 to $500,000.

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

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

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

AVANA CAPITAL

We have entered into a non-exclusive Qualified Vendor agreement with a third party named AVANA CAPITAL, which is a company authorized to provide loans. Under this agreement, AVANA CAPITAL may offer conventional and SBA 504 loans amongst other products. These loans are generally available for up to a variable percentage rate that ranges from $1M to $45M.

Interest rates are determined at AVANA CAPITAL's discretion in accordance with its standard underwriting practices. You are not required to use AVANA CAPITAL as your lender. If you choose to use AVANA CAPITAL as your lender, you must enter into one or more agreements with AVANA CAPITAL, substantially in the form attached as Exhibit K or as AVANA CAPITAL may otherwise require depending on your specific loan. While loan durations vary depending on the amount and type, typically construction loans are up to 24 months and permanent loans are up to 10 years and will require monthly payments (or however specified in the agreement with AVANA CAPITAL), with the amount of the payments based on the terms agreed upon. AVANA CAPITAL may require that you personally guarantee the loan.

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

In consideration of Choice's agreement to grant AVANA CAPITAL access to our marketing channels, Choice will receive from AVANA CAPITAL a flat payment of $20,000 annually.

* * *

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

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM AND TRAINING

Except as listed below, Choice Hotels ~~International, Inc.~~ is not required to provide you with any assistance.

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

SITE SELECTION

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

CONSTRUCTION

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

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

You must submit your preliminary drawings for our approval at least 6 months before Construction

Start, and final working drawings and final architectural designs for the hotel for our approval at least 3 months prior to Construction Start (Franchise Agreement, Section 6(r)). If Construction Start does not commence within 6 months of our written approval of your final architectural designs for the hotel, then you must resubmit final architectural designs for our approval at least 60 days prior to your revised Construction Start. Our review of your architectural designs is for compliance with our brand standards only and does not assure that your business will be successful, that your designs are suitable for architectural or engineering purposes, or that your designs are in compliance with local, state, or federal laws. It will be your responsibility to comply with all local, state, and national code requirements applicable to the construction of your hotel.

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

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

RULES & REGULATIONS

Upon request, may view the current Rules and Regulations at our proprietary intranet site, www.choicecentral.com (Franchise Agreement, Section 5(a)). Once you become a MAINSTAY franchisee you will have access to these Rules and Regulations without having to request them from us. We may periodically revise, add to or update brand standards and other requirements by issuing revisions to the Rules and Regulations and other manuals that we may publish. As of the date of this disclosure document, the Rules and Regulations were a minimum of 138 pages in length. The Table of Contents for our Rules and Regulations manual is attached as Exhibit L to this disclosure document.

OPENING SERVICES SUPPORT

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

LOCAL SALES REPRESENTATION

You must employ a full-time General Manager exclusive to your hotel and are recommended to employ a dedicated salesperson, with qualifications of either a hotel Sales Leader or Sales Manager, whose principal duty is to spend 50 percent or more of his or her time on the solicitation of extended stay or other business for your hotel only. It is recommended that the dedicated salesperson be employed no less than

four months prior to the hotel opening and continuously staffed thereafter.

TRAINING

TRAINING PROGRAM

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

CHOICE ONBOARD
(Notes 1, 2, and 3)

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

Note 1: This training is mandatory for all owners ~~and General Managers~~ of new hotels, conversions and transfers to new owners and must be completed to our satisfaction. Some or all of the

training may not be required if you have previously owned a Choice branded hotel~~,~~ or obtained Choice Hotels training certification for another existing hotel~~.~~ in which case it is expected that the hotel General Manager attend a Choice onboarding class. Choice Onboard classes are held multiple times per year at one of our ~~headquarters~~corporate locations in Rockville, Maryland or Scottsdale, Arizona.

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

Note 3: Each owner and General Manager must attend the Choice Onboard Orientation Program within 90 days of opening in the Choice franchise system. The cost of the training classes will not exceed $~~1,850~~1,950 each for the owner and the General Manager plus travel, lodging and meals while attending the 2.5-day Choice Onboard Orientation Program at one of our Choice corporate locations in Maryland or Arizona. Instructional materials are included. Attendance at the Choice Onboard Orientation Program is open to other members of your staff. The cost for any subsequent attendees is 50% of the tuition each at a cost not to exceed $~~875~~975 each plus travel, lodging and meals while attending the program. Your Area Director may require your attendance at this Choice Onboard Orientation Program, at any time, based on less than expected results at an open and operating hotel.

Note 4: If you are an inexperienced hotel franchisee that has never operated an extended stay hotel and you are not planning to use a hotel management company to manage the hotel, we may also require that you attend our separate onboarding training program. This additional immersive training, which may take place either in person or online, will provide 2-4 days of additional training at a cost of approximately $2,500 to $7,500 and will be tailored for the novice extended stay hotel operator. As a part of our requirements, your General Manager must attend this training.

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

* * *

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

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

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

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Self-Paced Online Modules, videos, and job	12	None	Any location with

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
aids covering: 1) Brands, Brand/Corporate Programs 2) Quality Assurance and Compliance 3) Choice Systems and Resources 4) Distribution and Reservations 5) Reputation Management 6) Driving Revenue 7) Profitability 8) Crisis/Emergency Management 9) Lodging Legal Fundamentals 10) Leadership			internet access
Live Online Virtual Workshops and related activities covering: 1) Local Sales 2) Responding to Reviews 3) Online Engagement 4) Digital Presence 5) Profitability 6) Leadership 7) Housekeeping Operations 8) Maintenance Operations	12	None	Any location with internet access
Online Exams covering: 1) Hotel and Business Operations 2) Systems and Distribution 3) Sales, Revenue, and Profitability	3	None	Any location with internet access
TOTAL	27	0	

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

Note 2: Instructional materials for the HOST training program include interactive online learning, videos, job aids, virtual workshops, activities, and online examinations. Instructors for the program include Choice University Learning Professionals, and their experiences range from 15 to 30 plus years.

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

* * *

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

SALES TRAINING PROGRAM (NOTES 1 AND 2)

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Foundations of Sales: Self-Paced Online Modules with topics to include: 1) Hotel Buyers Process 2) Guest Segmentation 3) Research Tools 4) The Booking Process 5) Key Buying Criteria 6) Market Segmentation and Tracking 7) Front Desk Sales ~~8)~~ Responsive Sales	2.5	None	Any location with internet access or at an open and operating Choice branded hotel
Advanced Sales: Self-Paced Online Modules with topics to include: 1) Strategies for Selling Locally 2) The Basics of Internet Prospecting 3) Learning to Ask Qualifying Questions 4) Conducting a Sales Blitz 5) Competitive Assessment and SWOT Analysis 6) The Cost of Not Selling: Sales Cost Opportunity Displacement 7) Request for Proposals (RFP) 8) Group Business 9) Revenue	12	None	Any location with internet access or at an open and operating Choice branded hotel

Management Strategies for Group Business 10) Corporate Group Segments ~~11)~~ Partnering with Global Sales to Drive Corporate Business			
TOTAL	14.5	0	

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

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

* * *

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

SYSTEMS RE-LICENSE HOTEL TRAINING

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
The systems relicense training program entitles owners and General Managers a full year of access to more than a dozen training videos, covering choiceADVANTAGE, Rates Center, ChoiceMAX and ChoiceCentral. Topics include Choice's property management system, e-brochure, hotel configuration, rates management, direct billing and company profiles, housekeeping functionality, night audit procedures, and more. ~~Additionally,~~ Owners and Operators are also entitled to weekly live webinar sessions called Office Hours. Office Hours allows Owners and Operators access to experienced Choice University Learning Professionals who can answer systems questions about their individual hotel. Office Hours will be offered weekly at a set time. Each Office Hours session will be scheduled for sixty minutes. The relicense training program allows unlimited access to Office Hours. ~~Additionally, every~~Every Owner and Operator of a relicensed hotel ~~is~~are also given access to the Relicense ~~Training~~Learning Map on ChoiceU.com . This link gives them immediate access to everything they need to know first	4	0	Any location with internet access

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
as a new Owner and Operator of a Choice Hotel.			
TOTAL	4	0	

When a Choice branded hotel changes owners and the new owners sign a franchise agreement with Choice (known as a "re-licensing"), the hotel is granted access to customized training videos as well as live (virtual) sessions where they can get their systems questions for their individual hotel answered. The live sessions are delivered remotely via webinar by a Choice University Learning Professional. The training videos, the live sessions, as well as other important learning resources for new Owners and Operators are made available to the relicensed hotel via the Relicense Training Map on ChoiceU.com. The fee for this training is $995.

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

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

Instructional materials for the Re-licensed Hotel Training include a participant guide and a choiceADVANTAGE® Quick Reference Guide. The training materials have been developed and produced by Choice University Learning Professionals with an average experience of ~~10~~15 plus years.

* * *

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

choiceADVANTAGE® ONLINE REMOTE ONBOARDING (Notes 1, 2, and 3)

SUBJECT	HOURS OF ON THE JOB TRAINING	LOCATION
Pre-Onboarding • Dedicated onboarding support • Assistance with onboarding vendors' (Insight and Shift4 Payments) milestones • Support Choice University (eLearning) user setup • Set up property database using supplied data • Coordinate to meet desired onboarding dates		
Day One	8-10	Remotely

SUBJECT	HOURS OF ON THE JOB TRAINING	LOCATION

• Setup and configure hardware
• Guide the Property Contact through
  o Basic functions of choiceADVANTAGE®
  o Adding Future Reservations
  o Pre-Paid Reservations
  o Company Profiles
  o House Accounts
  o Groups
  o Accounts Receivable
  o Setting Restrictions
  o Housekeeping/Maintenance
• Review Property Configuration
  o Property Address and Phone Numbers
  o Special Request Inventory
  o Room Configuration
  o Cashier Shifts
  o Tax Configuration
  o Transaction Code Configuration
  o Credit Card Surcharge
  o Recurring Charges
  o Night Audit Report
  o Housekeeping Schedule
• Understanding and using reports
• Rates Center overview
• choiceADVANTAGE® User Admin set-up and overview
• ChoiceCentral.com overview
• Utilizing Choice resources.		

Day Two • Complete Property Contact Training • Guide property through balance transfers • Assist with out of order rooms • Credit Card and EMV Installation • Interface installation • /CONNECT integrations, if needed • Balance choiceADVANTAGE® with former property management system	8-12	Remotely
TOTAL	16-22	

Note 1: eLearning training is mandatory for all General Managers, Assistant General Managers, front office managers and all front desk staff and must be completed to our satisfaction. Training is completed in ChoiceU.com and is vital for all hotel staff to complete as it's the only training they will receive on the system.

~~Note 2:~~ choiceADVANTAGE® eLearning training is a series of training modules prepared by members of our SkyTouch Technology team.

Note ~~3~~2: Optional on-site choiceADVANTAGE® training is available and will be held at your hotel, preferably in a meeting room and required to have High Speed Internet Access. The

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

* * *

You will also participate in the Educational Resources Program, which provides training on various topics through our online learning management system. The cost of the Educational Resources Program is $1,000 annually plus any applicable state tax.

We may also ask you to participate in virtual trainings focused on the topic of extended stay or other related topics, including the operation of an extended stay hotel. These virtual trainings may take place either monthly or every other month, as we may prescribe.

Additional training may be required based on individual hotel needs. We reserve the right to charge you a tuition fee for these additional training programs as established by us from time to time. You also will be required to pay all travel, living and other expenses incurred by your employees while attending any required additional training programs.

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

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

* * *

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

FRANCHISE SERVICES SUPPORT

Our Franchise Services Department will assist you with analyzing competition, identifying and calling on prospective accounts, developing promotional materials and direct mail collateral, considering advertising opportunities, scheduling AAA property inspections, participating in Choice marketing programs and developing a sales action plan for ongoing efforts by your hotel's management team.

QUALITY ASSURANCE

We will administer a quality assurance program that may include periodic visits to your hotel (by us

or our authorized representatives) and/or guest satisfaction surveys to evaluate your compliance with your franchise agreement and the Rules and Regulations. If necessary, we will advise you of changes that you must make to the hotel or its operations to comply with the franchise agreement and/or the Rules and Regulations. (Franchise Agreement, Section 5(b)).

MARKETING AND RESERVATIONS

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

Marketing and advertising are primarily disseminated via media such as direct sales efforts, digital media, multi-brand television campaigns, trade publications, radio, directories and other collateral materials. National advertising and promotion agencies are primarily used to create and place advertisements with the participation and supervision of our in-house marketing department. Funding for the advertising program comes from the System Fee that each Choice Hotels franchisee pays each month during the term of their franchise agreement and which we control. We do not use any of the System Fee to solicit new franchisees. The System Fee covers the ongoing development, maintenance and upgrading of the property management and reservations systems, as well as advertising, publicity, public relations, marketing, reservations and similar services. All franchisees contribute to the System Fee at a rate dependent on their individual franchise agreement. Company-owned outlets (if any) contribute to the System fee at the standard rate as other franchised outlets. As of ~~April 1~~December 31, ~~2020~~2021, there were no MAINSTAY company-owned outlets. See Item 6 for a description of the System Fee.

Currently, Choice Hotels Owners Council, the Econo Lodge Franchise Association and the Rodeway Owners' Association administer 13 voluntary regional marketing cooperatives ("Marketing Cooperatives"), which we support. Each Marketing Cooperative establishes an annual fee for participating hotels, and we also provide funding. The participating hotels in a Marketing Cooperative, along with the assistance of a Choice representative, create an annual budget and an annual marketing plan. As of the date of this disclosure document, participation in the Marketing Cooperatives is voluntary, and you may opt out on an annual basis. However, we may require participation in the Marketing Cooperatives in the future and we have the right to audit the Marketing Cooperatives program at any time.

You may conduct your own local marketing program provided that all materials comply with brand standards, including proper trademark usage, and are approved in writing by us, typically within 30 days after you submit your materials to us for review. (Franchise Agreement, Section 6(s)(4).) The SmartMarketing program provides marketing and promotional materials that help you promote your hotel professionally and within brand standards. The fee for customizing some materials (for example, business cards and sales flyers) ranges from $~~15~~0 to $45~~, but members of a Marketing Cooperative will not be charged any fee for using the website~~. We are not required to use any portion of the System Fee for advertising in your area.

Any website created for your hotel must follow the Choice Property Website Guidelines, Internet Distribution Policy and Domain Name Policy. (Franchise Agreement, Section 7(b).) We retain the right to pre-approve your hotel's website design and use of linking between your internet web pages (or other networks) and all other web sites. All websites that are accessed from a domain name that uses one or more of the Choice Marks must conform to the Choice Hotels Property Website Guidelines and Internet Distribution Policy and cannot contain, or link to other web pages that contain, logos or information on

non-Choice brand hotels. We have the right to determine the content and use of online or electronic media associated with any of the Choice Marks. You may not participate in any website or other electronic media (including social media) that markets goods and services under the Choice Marks unless it is first approved in writing by us. Your general conduct on the internet or other electronic media, including your use of the Choice Marks or any advertising is subject to the terms and conditions of the Franchise Agreement and any other rules, requirements or policies that we may identify from time to time.

We administer the allocation of the System Fee, although recommendations by our franchisee associations with respect to our marketing and reservation efforts are considered. (Franchise Agreement, Section 4.) The System Fees are aggregated into one fund and used for marketing and reservation purposes as described above. We do not prepare audited financial statements for the fund. Upon request, we will provide an unaudited statement of the fund for the previous calendar year. We have no obligation to separate incomes or expenditures between Choice brands. Any unspent System Fees remaining at the end of the fiscal year generally are carried over for use in the following year unless there is a deficit from a preceding year. In that case, the monies will be applied to pay down the deficit and any remaining funds will be carried over. We pay administrative costs to provide the goods and services described above using a portion of the System Fee. Our internal costs associated with marketing the goods and services of our franchise system are reflected in the percentages below, including our media (broadcast and digital), creative, supplies and graphics. In calendar year ~~2020~~2021, approximately ~~8.2~~5.5% of all System Fees collected from the Choice Franchise System was spent on media and other advertising, ~~9.5~~5.1% on the Choice Privileges Loyalty Program, which includes national advertising (broadcast and digital), ~~70.3~~83.4% on marketing and distribution (for example, reservations services, global sales, eCommerce, publicity, research & analytics) and ~~11.9~~6.0% on general and administrative expenses, including the salaries of applicable personnel.

COMPUTER HARDWARE AND SOFTWARE

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

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

choiceADVANTAGE® Software License and Administrative Fee -- $2,350 - $7,350 (payable to Choice Hotels ~~International~~);

choiceADVANTAGE® Systems Onboarding and Project Management Fee -- $6,000 (payable to Choice Hotels ~~International~~);

choiceADVANTAGE® Software Interface Implementation Fee (optional) -- $1,500 (payable to Choice Hotels ~~International~~);

choiceADVANTAGE® Credit Card Interface Implementation Fee -- $400 (payable to us);

choiceADVANTAGE® Database Clean Up Fee -- $500 (payable to us);

Dell hardware -- $~~2,000~~2,125 - $~~7,000~~7,300 depending on the configuration (payable to Insight); and

EMV Fee- $875 - $3,500 (payable to Shift4 Payments).

We will also provide the following:

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

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

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

You will be required to refresh the choiceADVANTAGE® system with Dell hardware and required peripherals in order to comply with specifications mandated by us. Dell hardware and required peripherals should be refreshed every 48 months or upon expiration of your hardware warranty. We estimate that the cost to refresh and install new Dell hardware and peripherals will be between $2,000 and $7,000 depending on the configuration at your hotel (number of workstations, printers, etc.). However, there is no limit on the frequency or cost of this obligation.

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

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

CHANGE IN SLEEPING ROOM COUNT

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

ITEM 12

TERRITORY

We grant franchises for specific sites only. You will not receive an exclusive territory, unless we

grant to you an exclusive territory as further discussed below. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, we may, depending on local market conditions or other factors such as your prior history with us (if any) and number of hotels franchised by us, grant exclusive territories in which no other hotel of the same brand will be franchised or operated, for a period of time that we determine. Preferred regions and exclusive territories, if any, are determined by us. Our grant of a preferred region or exclusive territory can be terminated by us if you default under your franchise agreement, including failing to maintain quality assurance standards or failing to pay fees due on a timely basis.

In addition, if you sign a Master Development Agreement with us (Exhibit E), we may grant you limited rights to build additional hotels in accordance with a development schedule and in an area that is protected from other hotels of the same brand. Preferred region and exclusive territories are determined by us in our sole discretion. Our grant of a preferred region or exclusive territory can be terminated by us if you default under your franchise agreement, including failing to maintain quality assurance scores or failing to pay fees due on a timely basis. Our grant of a preferred territory under a Master Development Agreement can be terminated by us if you default under your Master Development Agreement, including failure to comply with the Development Schedule.

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

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

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

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

We have implemented a Fair Franchising Policy (attached as Exhibit M) that sets general guidelines on how Choice will maintain the overall Choice franchise system of brands, including principles for informal resolution of disputes between Choice and our franchisees. The Fair Franchising Policy is an internal policy, not a contractual obligation and can be changed or revoked by Choice in our sole discretion and at any time on reasonable notice. The Incremental Impact Policy, which is referenced in the Fair Franchising Policy, does not apply to MAINSTAY SUITES hotels.

As noted in Item 1, we currently grant franchises for hotels operated under the following brands or extensions of these brands: ASCEND, CAMBRIA, CLARION, CLARION POINTE, COMFORT INN, COMFORT SUITES, ECONO LODGE, EVERHOME SUITES, MAINSTAY SUITES, QUALITY, RODEWAY, SLEEP INN, SUBURBAN and WOODSPRING SUITES. We have the right to operate and

franchise these hotels at any location in accordance with the terms of your franchise agreement and you may compete with any of our brands in the operation of your hotel. We also have the right to operate or franchise a hotel or other business under a different trademark. We do not maintain physically separate offices or training facilities for the other Choice brands that may compete with your hotel.

ITEM 13

TRADEMARKS

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

We own and license to you some of the following service marks and trademarks registered on the Principal Register with the U.S. Patent and Trademark Office~~ or that have pending applications on the Principal Register of the U.S. Patent and Trademark Office~~ that ~~corresponds~~correspond to the brand you may be granted to use in your franchise agreement:

MARK	REGISTRATION ~~OR APPLICATION~~ NUMBER	REGISTRATION ~~OR APPLICATION~~ DATE	STATUS
MAINSTAY	2046636	18-Mar-1997	Registered
MAINSTAY SUITES	2321482	22-Feb-2000	Registered
MAINSTAY SUITES & Design (2019)	5951849	31-Dec-2019	Registered
MAINSTAY SUITES BY CHOICE HOTELS & Design (color)	6212590	1-Dec-2020	Registered
MAINSTAY SUITES EXTENDED STAY BY CHOICE HOTELS & Design (color)	~~90/229342~~6401306	~~1 Oct 2020~~06/29/2021	~~Pending~~ Registered

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

You must follow the policies and rules we establish from time to time governing your use of the trademarks that your franchise agreement permits you to use. "Choice Marks" means collectively all of our trademarks or trade names, the trademarks and trade names ASCEND®, CAMBRIA®, CLARION®, CLARION POINTE®, COMFORT®, ECONO LODGE®, MAINSTAY®, QUALITY®, RODEWAY INN®, SLEEP®, SUBURBAN®, WOODSPRING®, EVERHOME SUITES®, and our slogans (such as "Our Business is You®"), the names/trademarks of any Choice products, the names of our property management system, reservation system, guest loyalty program and any other additional or substituted trademarks, trade names, service marks or logos. You cannot use any Choice Marks or anything similar to these words in your name or the name of any of your affiliates, whether a partnership, corporation, limited liability company, joint venture or any other type of business organization. You may not establish a website on the internet using the Choice Marks, or anything similar to the aforementioned words that does not

comply with our Domain Name Policy, Internet Distribution Policy or our Property Website Guidelines (or such similar policies or regulations adopted by us from time to time). We retain the right to pre-approve your use of linking and framing between your internet web pages (or other network) and all other websites. All websites that are accessed from a domain name that uses a Choice Mark must conform to the Choice Hotels Property Website Guidelines and Internet Distribution Policy and cannot contain, or link to other web pages that contain, logos or information relating to non-Choice branded hotels. We have the right to determine the content and use of online or electronic media associated with any of the Choice Marks. You may not participate in any website or other electronic media (including social media) that markets goods and services under the Choice Marks unless it is first approved in writing by us.

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

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

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

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

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

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We have no patents or copyright registrations or pending patent or copyright applications that are material to the franchise. However, we claim copyrights on certain forms, advertisements, promotional materials, our proprietary software, our rules and regulations and other written materials. We also claim copyrights and other proprietary rights in the Rules and Regulations and the Choice Marks. There are no agreements currently in effect that significantly limit your right to use any of our copyrights. Also, there are no currently effective determinations of the U.S. Patent and Trademark Office, the U.S. Copyright Office (Library of Congress), or any court pertaining to or affecting any of our copyrights discussed above. As of the date of this disclosure document, we are unaware of any infringing uses of, or superior rights to, any of our copyrights that materially and adversely affect your use of them in any state.

Your and our obligations to protect your rights to use our copyrights are the same as the obligations for Trademarks described in Item 13 of this disclosure document.

Proprietary Information

Except as provided in your franchise agreement, the Rules and Regulations, or as otherwise authorized by us, you may never – during the term of your franchise agreement or after the franchise agreement expires or is terminated – reveal any of our proprietary information to another person or use it for any other purpose or business. You may not copy any of our proprietary information or give it to a third party except as we authorize in writing prior to any such transfer.

Our proprietary information includes any manuals, feedback, automated advance reservation and property management methods, our ecommerce offerings, any other automated systems techniques, our business referral, gift card and credit card agreements, the franchise agreement, the Rules and Regulations, and those identifying brand characteristics of the Choice franchise system as we may reasonably designate. In addition, you are required to restrict your General Managers, Office Managers, Directors of Sales, and any third party property management company from revealing any of our proprietary information to another person or using it for any other person or business. This includes requiring your General Manager, Office Mangers, Director of Sales, and any third party property management company to maintain Choice's trade secrets and proprietary information in confidence and to protect against such information being copied or given to a third party except as we authorize.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

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

Choice may require that you contract with a recognized hotel management company with extended-stay credentials.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

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

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

These tables list certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

FRANCHISE AGREEMENT

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	Section 3	The term is 20 years after the Opening Date subject to (d), (e) and (f) below. If you are entering into a replacement franchise agreement for your existing Mainstay Suites brand hotel, we have the discretion to offer you a term of less than 20 years.
b. Renewal or extension of the term	Not Applicable	No provision for renewal after 20 year term expires.
c. Requirements for you to renew or extend	Not Applicable	
d. Termination by you	Sections 3 and 10(a)	If the hotel is to be newly constructed, you have the right to terminate on the 10th and 15th anniversaries of the Opening Date, If the hotel is not to be newly constructed then the franchise agreement provides for a termination without cause by either party on the 5th, 10th or 15th anniversary of the Opening Date. If we are in default of material obligations, you may terminate the franchise agreement, if after 60 days written notice, we have failed to cure the default. If the hotel is not to be newly constructed, and you participate in the Diversity Developer Incentive Program described in Item 10, you waive your right to terminate without cause on the 5th anniversary of the Opening Date, unless you have executed a 5 year Diversity Developer Incentive Addendum and Promissory Note.
e. Termination by us without cause	Section 3	If the hotel is to be newly constructed, we have the right to terminate on the 10th and 15th anniversaries of the Opening Date. If the hotel is not to be newly constructed then we have the right to terminate on the 5th, 10th or 15th anniversary of the

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		Opening Date. If the hotel is not to be newly constructed, and you participate in the Diversity Developer Incentive Program described in Item 10, we waive our right to terminate without cause on the 5th anniversary of the Opening Date, unless you have executed a 5 year Diversity Developer Incentive Addendum and Promissory Note.
f. Termination by us with cause	Section 10(b)	We may terminate if you are in default and fail to cure within the applicable time period.
g. "Cause" defined - curable defaults	Section 10(b)(1)	You have 10 days to cure non-payment of fees and non-submission of reports and 30 days to cure any other breach of your obligations under the franchise agreement.
h. "Cause" defined - defaults that cannot be cured	Section 10(b)(2)	Non-curable defaults: threat of danger due to condition of hotel; abandonment; loss of possession; criminal behavior; unauthorized transfer; knowingly false statements on application, submission of false reports or maintenance of false books and records; failure to open hotel; becoming insolvent or making a general assignment for the benefit of creditors; failure to maintain the required insurance coverage; we send you 2 notices of default for the same or similar cause in any consecutive 12 month-period, whether or not cured; failure to begin construction or renovation of the hotel on or before the required date or failure to begin or complete construction or renovation of the hotel on or before the required dates; failure to complete required property improvements by their deadlines; engaging in conduct that damaged our brand; unauthorized disclosure of confidential information; or breach of another agreement with us or our affiliates, or relating to the possession of the hotel.
i. Your obligations upon termination/non-renewal	Sections 10 and 11	Obligations include complete de-identification; payment of all fees due; cancellation of any assumed name filing containing any Choice Marks; return of all materials we provided for the operation of the hotel and payment of any damages as a result of enforcing Section 10 or 11 of the franchise agreement.
j. Assignment of contract by us	Section 9(a)	No restrictions on our right to assign.
k. "Transfer" by you-defined	Section 9(b)	Includes sale, assignment, lease, or other encumberment of the franchise agreement, the hotel or ownership change.
l. Our approval of transfer by you	Section 9(b)	We must approve all transfers of more than 5% of the ownership interest in the hotel with certain exceptions.
m. Conditions for our approval of transfer	Sections 9(b) and 9(c)	Transferee must meet all of our then-current qualifications for new franchisees; the hotel must comply with our then-current brand image and standards. In addition, if you transfer a Controlling Interest in you (if you are an entity) or the hotel, the transferee must sign our then-current form of franchise agreement and pay a re-licensing fee equal to the then-current affiliation fee we charge. If we approve the transfer to a Close Family Member (for example, current spouse, parent, child, sibling, or grandparent), that Close Family Member must pay us

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		an application fee (not to exceed $7,500).
n. Our right of first refusal to acquire your business	Not Applicable	
o. Our option to purchase your business	Not Applicable	
p. Your death or disability	Section 9(c)	Franchise must be assigned by estate to a remaining franchisee or to your heirs, when we approve, within 12 months.
q. Non-competition covenants during the term of the franchise	Not Applicable	
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	
s. Modification of the agreement	Section 20(h)	This agreement may only be modified in writing and signed by both parties.
t. Integration/merger clause	Section 24	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 21	Except for certain claims, all disputes must be arbitrated, subject to Maryland law.
v. Choice of forum	Sections 21 and 24	Arbitration must be in Maryland (subject to state law). See Exhibit D, Addenda to the Franchise Agreement.
w. Choice of law	Sections 20(f) and 21	Maryland law applies (subject to state law). See Exhibit D, Addenda to the Franchise Agreement.
x. Other – Liquidated Damages	Sections 10(d) and 11(a)	If we terminate the franchise agreement due to your default, or if you use our trademarks after the franchise agreement is terminated, you may be subject to liquidated damages.

MASTER DEVELOPMENT AGREEMENT

PROVISION	SECTION IN MASTER DEVELOPMENT AGREEMENT	SUMMARY
a. Length of the agreement term	Section 2	Term is the number of years from the effective date to the last date in the Development Schedule.
b. Renewal or extension of the term	Not Applicable	
c. Requirements for you to renew or extend	Not Applicable	
d. Termination by you	Section 9(b)	If we fail to comply with any material term or condition of the Master Development Agreement, you may terminate the Agreement if we do not cure the default within 15 days after receiving written notice of the default.
e. Termination by us without cause	Not Applicable	
f. Termination by us with "cause"	Section 9(a)	We may terminate the Master Development Agreement if you are in default, without providing

PROVISION	SECTION IN MASTER DEVELOPMENT AGREEMENT	SUMMARY
		you an opportunity to cure.
g. "Cause" defined - curable defaults	Not Applicable	
h. "Cause" defined - defaults that cannot be cured	Section 9(a)	Non-curable defaults: you fail to comply with the development schedule; you fail to comply with any material term of the Master Development Agreement; or any franchise agreement that was executed pursuant to the terms of the Master Development Agreement is terminated.
i. Your obligations upon termination/non-renewal	Section 10	You have no right to establish or operate any MAINSTAY SUITES hotel, unless there is an effective franchise agreement. We can establish, or franchise others to establish, MAINSTAY SUITES hotels in any area.
j. Assignment of contract by us	Not Applicable	
k. "Transfer" by you-defined	Not Applicable	
l. Our approval of transfer by you	Not Applicable	
m. Conditions for our approval of transfer	Not Applicable	
n. Our right of first refusal to acquire your business	Not Applicable	
o. Our option to purchase your business	Not Applicable	
p. Your death or disability	Not Applicable	
q. Non-competition covenants during the term of the franchise	Not Applicable	
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	
s. Modification of the agreement	Not Applicable	
t. Integration/merger clause	Not Applicable	
u. Dispute resolution by arbitration or mediation	Section 18	Except for certain claims, all disputes must be arbitrated.
v. Choice of forum	Section 18	If multiple arbitrations filed, the demand filed in Maryland controls (subject to state law). See Exhibit D, Addenda to the Franchise Agreement.
w. Choice of law	Section 17	Maryland law applies (subject to state law). See Exhibit D, Addenda to the Franchise Agreement.

choiceADVANTAGE® SOFTWARE TERMS OF USE

PROVISIONS	SECTION IN choiceADVANTAGE SOFTWARE TERMS OF USE	SUMMARY
a. Length of the agreement term	TERMINATION	The Terms of Use will begin when you accept the terms and will terminate if the franchise

PROVISIONS	SECTION IN choiceADVANTAGE SOFTWARE TERMS OF USE	SUMMARY
		agreement terminates or expires, if you are in default of the Terms of Use or if you fail to make payments for the use of the software.
b. Renewal or extension of the term	Not Applicable	
c. Requirements for you to renew or extend	Not Applicable	
d. Termination by you	Not Applicable	
e. Termination by us without cause	TERMINATION	Upon expiration of the franchise agreement.
f. Termination by us with "cause"	TERMINATION	We may terminate if you are in default.
g. "Cause" defined - curable defaults	Not Applicable	
h. "Cause" defined - defaults that cannot be cured	TERMINATION	Non-curable defaults: breach of any provision in the Terms of Use; failure to make payments for use of the software; termination of the franchise agreement.
i. Your obligations upon termination/non-renewal	Not Applicable	
j. Assignment of contract by us	Not Applicable	
k. "Transfer" by you – defined	SOFTWARE USE AND SITE ACCESS; GENERAL	You may not transfer or assign the software, your right to access the site, or any rights under the Terms of Use.
l. Our approval of transfer	SOFTWARE USE AND SITE ACCESS; GENERAL	You may not assign without Choice's written permission to do so.
m. Conditions for our approval of transfer	Not Applicable	
n. Our right of first refusal to acquire your business	Not Applicable	
o. Our option to purchase your business	Not Applicable	
p. Your death or disability	Not Applicable	
q. Non-competition covenants during the term of the franchise	Not Applicable	
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	
s. Modification of the agreement	PREAMBLE	We may modify, add or remove any terms and conditions without notice or liability to you. You accept and agree to any modifications, additions, or removals by your subsequent use of the software.
t. Integration/merger clause	ENTIRE AGREEMENT	Only the terms of the Terms of Use and the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.

PROVISIONS	SECTION IN choiceADVANTAGE SOFTWARE TERMS OF USE	SUMMARY
u. Dispute resolution by arbitration or mediation	Not Applicable	
v. Choice of forum	Not Applicable	
w. Choice of law	GOVERNING LAW	Maryland law applies (subject to state law) except the Maryland Uniform Computer Information Transactions Act, which is expressly disclaimed.

ITEM 18

PUBLIC FIGURES

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

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

Table 1~~a~~: ~~2019~~For Year Ended December 31, 2021 - Average Occupancy Rate, Average Daily Rate, RevPAR, and Total Choice Contribution for MAINSTAY SUITES Hotels in the Performance Sample (Notes 1 and 2)
~~For Year Ended December 31, 2019~~

	Aggregate or Average	Median	Low	High	Hotels Meeting or Exceeding Average	~~Low~~
Total Open and Operating Hotels	101					
Performance Sample	68				Count	Percent
Average Occupancy Rate	~~65.3%~~64.8%		~~67.4%~~ 67.6%	~~88.4%~~ 30.7%	~~37.3%~~ 89.7%38	55.9%
Average Daily Rate	~~$85.40~~$85.52		~~$82.63~~ $82.86	~~$146.77~~ $44.88	~~$49.15~~ $162.2829	42.6%
Revenue per Available Room ("RevPAR")	~~$55.74~~$55.41		~~$52.57~~ $55.06	~~$101.15~~ $25.80	~~$29.27~~ $133.38	33 48.5%
Total Choice Proprietary Contribution	~~67.6%~~62.7%		~~68.1%~~ 64.4%	~~100.0%~~ 34.5%	91.1%	38 ~~37.6%~~ 55.9%

~~As of December 31, 2019, there were 73 open and operating franchised MAINSTAY SUITES hotels in the United States. Of these 73 franchised hotels, all were franchised MAINSTAY SUITES hotels and 59 were MAINSTAY SUITES hotels in the United States that met the definition of the 2019 Performance Sample. The data presented in the above table are based on the 59 hotels in the 2019 Performance Sample. For the 59 hotels that were included in the sample, 34 hotels or 58.0% met or exceeded the Average Occupancy Rate; 25 hotels or 42.0% met or exceeded the Average Daily Rate; 26 hotels or 44.0% met or exceeded the average RevPAR, and 29 hotels or 49.0% met or exceeded the Total Choice Proprietary Contribution presented.~~

~~Table 1b: 2020 Average Occupancy Rate, Average Daily Rate, RevPAR, and Total Choice Contribution for MAINSTAY Hotels in the 2020 Performance Sample (Notes 1, 2 and 3)~~

Table 2: For Year Ended December 31, ~~2020~~

	~~Average~~	~~Median~~	~~High~~	~~Low~~
~~Average Occupancy Rate~~	~~55.4%~~	~~56.6%~~	~~83.3%~~	~~22.0%~~
~~Average Daily Rate~~	~~$78.10~~	~~$76.11~~	~~$126.84~~	~~$45.14~~
~~Revenue per Available Room ("RevPAR")~~	~~$43.30~~	~~$41.81~~	~~$81.03~~	~~$11.86~~
~~Total Choice Proprietary Contribution~~	~~64.6%~~	~~64.8%~~	~~91.0%~~	~~34.5%~~

~~As of December 31, 2020, there were 90 open and operating franchised MAINSTAY SUITES hotels in the United States. Of these 90 franchised hotels, all were franchised MAINSTAY SUITES hotels and 69 were MAINSTAY SUITES hotels in the United States that met the definition of the 2020 Performance Sample. The data presented in the above table are based on the 69 hotels in the 2020 Performance Sample. For the 69 hotels that were included in the sample, 36 hotels or 52.0% met or exceeded the Average Occupancy Rate; 33 hotels or 48.0% met or exceeded the Average Daily Rate; 32 hotels or 46.0% met or exceeded the average RevPAR, and 35 hotels or 51.0% met or exceeded the Total Choice Proprietary Contribution presented.~~

~~Table 2a: 2019~~2021 - Net Reservations Contribution and CRS Average Daily Rate for MAINSTAY SUITES Hotels in the Performance Sample (Notes 1 and 2)

~~For Year Ended December 31, 2019~~

	Aggregate or Average	Median	Low	High	Hotels Meeting or Exceeding Average	~~Low~~
Total Open and Operating Hotels	101					

Performance Sample	68				Count	Percent
Net Reservations Contribution	~~37.2%~~ 39.6%	~~34.6%~~ 39.6%	~~80.1%~~ 13.1%	86.6%	33	~~5.5%~~ 48.5%
CRS Average Daily Rate	~~$91.96~~ $93.16	~~$85.19~~ $89.37	~~$147.99~~ $61.79	$170.63	25	~~$63.84~~ 36.8%

~~For the 59 hotels that were included in the 2019 Performance Sample, 24 hotels or 41.0% met or exceeded the Net Reservations Contribution, and 21 hotels or 36.0% met or exceeded the CRS Average Daily Rate presented in the table above.~~

~~**Table 2b: 2020 Net Reservations Contribution and CRS Average Daily Rate for MAINSTAY Hotels in the 2020 Performance Sample (Notes 1, 2 and 3)**~~

Table 3: For Year Ended December 31, ~~2020~~

	~~Average~~	~~Median~~	~~High~~	~~Low~~
~~Net Reservations Contribution~~	~~33.8%~~	~~33.5%~~	~~84.9%~~	~~2.5%~~
~~CRS Average Daily Rate~~	~~$81.99~~	~~$77.37~~	~~$141.36~~	~~$53.53~~

~~For the hotels that were included in the 2020 Performance Sample, 33 hotels or 48.0% met or exceeded the average Net Reservations Contribution, and 27 hotels or 39.0% met or exceeded the CRS~~**2021 - CP Contribution and CP Average Daily Rate** ~~presented in the table above.~~

~~**Table 3a: 2019 CP Contribution**~~
for MAINSTAY SUITES Hotels in the Performance Sample (Notes 1 and 2)
~~**For Year Ended December 31, 2019**~~

	Aggregator Average	Median	~~High~~ Low	High	Hotels Meeting or Exceeding Average	~~Low~~	
Total Open and Operating Hotels	101						
Performance Sample	68					Count	Percent
CP Contribution (through all sources)	~~46.9%~~46.1%	~~48.2%~~ 45.3%	~~89.0%~~ 19.1%78.6%			32	~~%13.5~~ 47.1%
CP ~~ADR~~Average Daily Rate	~~$83.36~~$83.68	~~$80.58~~ $80.50	~~$147.39~~ $43.70	~~$50.87~~ $152.79		30	44.1%

~~For the 59 hotels that were included in the 2019 Performance Sample, 29 hotels or 49.0% met or exceeded the average CP Contribution, and 23 hotels or 39.0% met or exceeded the CP Average Daily Rate presented in the table above.~~

~~**Table 3b: 2020 CP Contribution and CP Average Daily Rate**~~
~~**for MAINSTAY Hotels in the 2020 Performance Sample (Notes 1, 2 and 3)**~~
~~**For Year Ended December 31, 2020**~~

	~~Average~~	~~Median~~	~~High~~	~~Low~~
~~CP Contribution (through all sources)~~	~~47.5%~~	~~47.6%~~	~~75.0%~~	~~15.7%~~
~~CP ADR~~	~~$77.08~~	~~$74.91~~	~~$125.98~~	~~$44.51~~

~~For the hotels that were included in the 2020 Performance Sample, 36 hotels or 52.0% met or exceeded the average CP Contribution, and 30 hotels or 43.0% met or exceeded the CP Average Daily Rate presented in the table above.~~

Note 1: As of December 31, 2021, there were 101 open and operating MAINSTAY SUITES hotels in the United States. Of these 101 hotels, all were franchised MAINSTAY SUITES hotels and 68 were MAINSTAY SUITES hotels in the United States that met the definition of the Performance Sample. The "~~2019~~ Performance Sample" means all MAINSTAY SUITES branded hotels that were open and operating as of December 31, ~~2019~~2021, and that were franchised by Choice and operating as MAINSTAY SUITES, on or before January 1, ~~2019. The "2020 Performance Sample" means all MAINSTAY SUITES branded hotels that were open and operating as of December 31, 2020, and that were franchised by~~2020, excluding hotels that: (1) repositioned from another Choice ~~and operating as~~brand to MAINSTAY SUITES~~, on or before January 1, 2020~~ during the period beginning January 1, 2021 and ending December 31, 2021; (2) had incomplete performance numbers (e.g., missing supply, demand and revenue information) for at least 30 days during the period beginning January 1, 2021 and ending December 31, 2021; (3) experienced an interruption in operations (for example, due to renovation, natural disaster, etc.) of more than 30 consecutive days during the period beginning January 1, 2021 and ending December 31, 2021; and (4) had no hotel room inventory changes resulting in greater than 10% fluctuation of annual available room nights during the period beginning January 1, 2021 and ending December 31, 2021. In addition, for the period beginning January 1, 2021 and ending December 31, 2021, we excluded from the Performance Sample one MAINSTAY SUITES hotel that ceased operations.

Note 2: We used the following definitions in the preceding tables: "Average Occupancy Rate" is the average of each hotel's occupied rooms reported for each hotel divided by its total number of available rooms. "Average Daily Rate" is the average of each hotel's gross room revenue reported divided by its total number of occupied rooms reported. "RevPAR" is the average of each hotel's gross room revenues reported divided by its number of available rooms. "Total Choice Proprietary Contribution" is the average of each hotel's revenue generated through the CRS (excluding online travel agent bookings) and non-CRS marketing channels, including members of our Choice Privileges and affiliated guest loyalty programs that booked directly with Choice Hotels branded properties as well as reservation revenue from wholesale group accounts and global sales accounts, excluding cancelled reservations, divided by that hotel's gross room revenues. "Net Reservations Contribution" is the average of each hotel's revenue generated through the CRS, excluding cancelled reservations, divided by that hotel's gross room revenues. "CRS Average Daily Rate" is the Average Daily Rate for reservations generated through the CRS, excluding cancelled reservations. "CP Contribution" is the average of each hotel's eligible revenue generated through our Choice Privileges guest loyalty program and other affiliated loyalty programs through all sources, including ~~Amtrak and~~ airline loyalty programs and the CRS, and excluding cancelled reservations, divided by that hotel's gross room revenues.

~~Note 3: In 2017, 0 MAINSTAY hotels permanently closed in the United States. In 2018, 4 MAINSTAY hotels permanently closed in the United States. In 2019, 2 MAINSTAY hotels permanently closed in the United States. In 2020, 2 MAINSTAY hotels permanently closed in the United States. At its peak, 4 MAINSTAY hotels in the United States temporarily closed due to reduced customer demand during the pandemic, however, all 4 were reopened as of December 31, 2020~~ "CP Average Daily Rate" is the Average Daily Rate for reservations generated through our Choice Privileges guest loyalty program and other affiliated loyalty programs, including airline loyalty programs, excluding cancelled reservations.

* * *

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

The data presented in the above Tables relate to historical performance of franchised MAINSTAY SUITES hotels in the United States and represent average performance of MAINSTAY SUITES branded hotels in a specific performance sample. We do not claim that you can expect to achieve the same results. Actual results vary from hotel to hotel and depend on the specific size, location, and seasonality of your hotel, and on factors such as your real estate and construction costs, financing terms and arrangements, the length of time that your hotel has been open and operating, the efficiency with which you operate your hotel, and the competitive factors affecting demand for your hotel. We cannot, therefore, estimate the results of any particular location. New franchisees should not expect the same results as the data presented in Tables 1, 2 and 3 above.

Some franchised MAINSTAY SUITES hotels have earned the results indicated above. Your individual results may differ. There is no assurance that you'll earn as much.

The data presented in Tables 1, 2 and 3 is based on information that individual franchise owners provided to us and verified as accurate. We have not audited or otherwise verified the accuracy of the information that the franchisees provided to us. Written substantiation of the financial information that forms the bases for our financial performance representations will be made available to you within a reasonable period of time following receipt of your written request.

Except as stated in this Item 19, we do not furnish to you or authorize our salespersons to furnish to you any oral or written information or representation on the actual or potential sales, income or profits of any MAINSTAY SUITES hotel franchise. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our General Counsel at 1 Choice Hotels Circle, Suite 400, Rockville, Maryland 20850 and (301) 592-5000; the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
MAINSTAY SUITES Hotels
System-wide Outlet Summary
For Years ~~2018~~2019 to ~~2020~~2021

Outlet Type	Year	Outlets at Start of the Year	Outlets at End of the Year	Net Change
Franchised	~~2018~~ 2019	~~60~~ 63	~~63~~ 73	~~+3~~ +10
	2020	73	90	+17
	2021	90	101	+11
Company Owned	~~2018~~ 2019	~~0~~ 0	~~0~~ 0	~~0~~ 0
	2020	0	0	0
	2021	0	0	0
Total Outlets	~~2018~~ 2019	~~60~~ 63	~~63~~ 73	~~+3~~ +10
	2020	73	90	+17
	2021	90	101	+11

Table No. 2
Transfers of MAINSTAY SUITES Outlets from Franchisees to New Owners
(Other than Choice)
For Years ~~2018~~2019 to ~~2020~~2021

State	Year	Number of Transfers
Florida	~~2018~~ 2019	~~0~~ 1
	2020	0
	2021	0
Missouri	~~2018~~ 2019	~~0~~ 1
	2020	0
	2021	0
Ohio	~~2018~~2019	0
	2020	1
	2021	0
Tennessee	2019	0
	2020	~~1~~0
	2021	1

State	Year	Number of Transfers
~~Utah~~	~~2018~~	~~0~~
Utah	2019	1
	2020	0
	2021	0
Total	~~2018~~ 2019	~~3~~ 3
	2020	1
	2021	0

Table No. 3
Status of MAINSTAY SUITES Franchised Outlets
For Years ~~2018~~2019 to ~~2020~~2021

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Choice	Ceased Operations – Other Reason	Outlets at End of the Year
Arizona	~~2018~~ 2019	~~1~~ 1	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~1~~ 1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Arkansas	~~2018~~ 2019	~~1~~ 1	~~0~~ 1	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~1~~ 2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
California	~~2018~~ 2019	~~0~~ 0	~~0~~ 1	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Colorado	~~2018~~ 2019	~~1~~ 2	~~1~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~2~~ 2
	2020	2	2	0	0	0	0	4
	2021	4	0	0	0	0	0	4
Connecticut	~~2018~~ 2019	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Choice	Ceased Operations – Other Reason	Outlets at End of the Year
Delaware	~~2018~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Florida	~~2018~~	~~3~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~4~~
	2019	4	0	0	0	0	0	4
	2020	4	1	1	0	0	0	4
	2021	4	0	0	1	0	0	3
Georgia	~~2018~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2019	1	1	0	0	0	0	2
	2020	2	1	0	0	0	0	3
	2021	3	0	0	0	0	0	3
Idaho	~~2018~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Illinois	~~2018~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2019	0	0	0	0	0	0	0
	2020	0	3	0	0	0	0	3
	2021	3	1	0	0	0	0	4
Indiana	~~2018~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Iowa	~~2018~~							
	2019	3	0	0	0	0	0	3
	2020	3	1	0	0	0	0	4
	2021	4	0	0	0	0	0	4
Kansas	2019	~~3~~0	0	0	0	0	0	~~3~~0
	2020	~~3~~0	~~1~~0	0	0	0	0	~~4~~0
	2021	0	1	0	0	0	0	1
Kentucky	~~2018~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2019	0	1	0	0	0	0	1
	2020	3	1	0	0	0	0	4

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Choice	Ceased Operations – Other Reason	Outlets at End of the Year
	2021	2	1	0	0	0	0	3
Louisiana	~~2018~~	~~3~~	~~1~~	~~0~~	~~0~~	~~0~~	~~1~~	~~3~~
	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	1	0	0	0	0	4
Maryland	~~2018~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Michigan	~~2018~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2019	0	0	0	0	0	0	0
	2020	0	2	0	0	0	0	2
	2021	2	1	0	0	0	0	3
Minnesota	~~2018~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
Mississippi	~~2018~~					0		
	2019	~~1~~	~~0~~	~~0~~	~~0~~		~~0~~	~~1~~
		1	0	0	~~0~~	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Missouri	~~2018~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Montana	~~2018~~					0		
	2019	~~1~~	~~0~~	~~0~~	~~0~~		~~0~~	~~1~~
		1	0	0	~~0~~	0	0	1
	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Nebraska	~~2018~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
	2019	2	0	0	0	0	0	2
	2020	2	1	0	0	0	0	3
	2021	3	0	0	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Choice	Ceased Operations – Other Reason	Outlets at End of the Year
New Mexico	~~2018~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
North Carolina	~~2018~~	~~3~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~	~~2~~
	2019	2	0	0	0	0	0	2
	2020	2	3	0	0	0	0	5
	2021	5	0	0	0	0	0	5
North Dakota	~~2018~~	~~7~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~7~~
	2019	7	0	0	0	0	0	7
	2020	7	0	0	0	0	0	7
	2021	7	0	0	0	0	0	7
~~Ohio~~	~~2018~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
Ohio	2019	1	2	0	0	0	0	3
	2020	3	1	0	0	0	1	3
	2021	3	2	0	0	0	0	5
Oklahoma	~~2018~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Pennsylvania	~~2018~~	~~3~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~4~~
	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4
	2021	4	2	0	0	0	0	6
South Carolina	~~2018~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
	2019	2	0	0	0	0	1	1
	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
South Dakota	~~2018~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Tennessee	~~2018~~	~~6~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~6~~
	2019	6	1	0	0	0	1	6

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Choice	Ceased Operations – Other Reason	Outlets at End of the Year
	2020	6	0	0	0	0	0	6
	2021	6	2	0	0	0	1	7
Texas	~~2018~~	~~10~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~9~~
	2019	9	2	0	0	0	1	10
	2020	10	0	0	0	0	0	10
	2021	10	1	0	0	0	0	11
~~Utah~~	~~2018~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
Utah	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Virginia	~~2018~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Washington	~~2018~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
West Virginia	~~2018~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Wisconsin	~~2018~~	~~1~~	~~1~~	~~0~~	~~0~~	~~0~~	~~1~~	~~1~~
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Wyoming	~~2018~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
~~Total~~	~~2018~~	~~60~~	~~7~~	~~1~~	~~0~~	~~0~~	~~3~~	~~63~~
Total	2019	63	13	0	0	0	3	73
	2020	73	20	1	0	0	2	90
	2021	90	13	0	1	0	1	101

~~* Includes one MAINSTAY SUITES and SLEEP INN dual brand hotel~~

Table No. 4
Status of Company-Owned Outlets
For Years ~~2018~~2019 to ~~2020~~2021

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Total	~~2018~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0

Table No. 5
Projected MAINSTAY SUITES Openings as of December 31, ~~2020~~2021 (Note 1)

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in Fiscal Year ~~2021~~2022	Projected New Company-Owned Outlets in ~~2021~~2022
Alabama	~~4~~5	0	0
Arizona	~~3~~4	0	0
Arkansas	1	0	0
California	~~8~~7	1	0
Colorado	~~10~~5	1	0
Florida	~~11~~10	0	0
Georgia	~~2~~3	~~0~~1	0
~~**Illinois**~~	~~1~~	~~1~~	~~0~~
Indiana	2	0	0
Iowa	4	0	0
~~**Kansas**~~	~~2~~	~~1~~	~~0~~
Kentucky	~~5~~3	~~2~~1	0
Louisiana	~~2~~1	~~1~~0	0
Maine	~~1~~2	~~0~~1	0
Maryland	~~3~~2	0	0
~~**Massachusetts**~~	~~2~~	~~0~~	~~0~~
Michigan	2	~~1~~0	0
~~**Mississippi**~~	~~1~~	~~0~~	~~0~~
Missouri	~~2~~3	~~1~~0	0
Nebraska	~~3~~2	~~0~~1	0
~~**New Jersey**~~	~~1~~	~~0~~	~~0~~

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in Fiscal Year ~~2021~~2022	Projected New Company-Owned Outlets in ~~2021~~2022
New Mexico	3	0	0
New York	~~5~~4	1	0
North Carolina	~~5~~7	1	0
Ohio	~~10~~2	~~1~~0	0
Oklahoma	~~4~~2	0	0
Oregon	1	0	0
Pennsylvania	~~4~~1	~~4~~1	0
Rhode Island	~~2~~1	~~1~~0	0
South Carolina	~~7~~8	1	0
South Dakota	~~2~~1	0	0
Tennessee	~~8~~6	~~2~~0	0
Texas	~~10~~9	~~1~~2	0
Utah	1	0	0
~~**Vermont**~~	~~1~~	~~0~~	~~0~~
Virginia	~~3~~2	~~0~~1	0
Washington	3	0	0
Wisconsin	1	0	0
Wyoming	1	0	0
Total	~~141~~109	~~21~~13	0

Note 1: Projected openings are based on management's current beliefs, assumptions and expectations, which in turn are based on information currently available to management. We caution you not to place undue reliance on these projections, which are made as of December 31, ~~2020~~2021. Projected openings are not a guarantee of future performance and involve uncertainties and other factors.

The number of franchises as of year-end may differ from that in the ~~2020~~2021 audited financial statements as the financial statements also include franchises in Puerto Rico, Dominican Republic, Turks & Caicos, the Cayman Islands and the Bahamas.

The data provided for each table above are as of December 31st of each year presented.

Attached as Exhibit Q is a list of the names, addresses and telephone numbers of all MAINSTAY SUITES franchisees in the United States as of December 31, ~~2020~~2021.

Attached as Exhibit R is the name, last known address and telephone number of each MAINSTAY SUITES franchisee in the United States who had a franchised hotel terminated, canceled or not renewed or who otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the period January 1, ~~2020~~2021 to December 31, ~~2020~~2021 or have not communicated with Choice within 10 weeks before the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have signed confidentiality clauses with current and former franchisees. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Choice. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

Exhibit P lists, to the extent known, the names, addresses, telephone numbers, e-mail addresses and Web addresses of each trademark-specific franchisee organization associated with the franchise system being offered which we have created, sponsored or endorsed.

ITEM 21

FINANCIAL STATEMENTS

Our audited consolidated financial statements for the years ended December 31, 2021, 2020~~,~~ and 2019 ~~and 2018~~ are included in this disclosure document as Exhibit C.

ITEM 22

CONTRACTS

Attached as Exhibits D through K as well as Exhibit S to this disclosure document are copies of the agreements you may be asked to required or accept. These are the Franchise Agreement, Personal Guaranty and State Addenda to the Franchise Agreement, Master Development Agreement, choiceADVANTAGE® Software Terms of Use, Call Forwarding Terms of Use, Gift Card Enrollment Form, Promissory Note, Incentive Promissory Note, Lender Documents and Franchise Disclosure Questionnaire.

ITEM 23

RECEIPT

The last two pages of this disclosure document (Exhibit T) are detachable receipt pages. Please sign and date each of them as of the date you received this disclosure document and return one copy to us.

EXHIBIT A

NEGOTIATED CHANGE APPENDIX FOR USE IN CALIFORNIA

~~A.~~Pursuant to the requirements of Section 31109.1 of the California Franchise Investment Law, the following is a summary of negotiated changes made during the last 12 months:

1. Reduced certain franchise fees including the System Fee, the Royalty Fee, and Liquidated Damages for individual franchisees.

2. Modification to pre-opening liquidated damages.

3. Modification to contract windows.

4. Extensions of milestones including the submission of Plans and Drawings, the Construction Start date and the Opening Date.

5. Modification to transfer/assignment clause providing for a transfer at no charge.

6. Modification to provision disallowing changes to Sleeping Room threshold without the franchisor's prior written consent.

7. Modification to Affiliation Fee.

8. Modification to area of protection.

9. Modification to property improvement milestone.

10. Modification to contract windows.

STATE SPECIFIC ADDENDA FOR THE FOLLOWING STATES:

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

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT FOR CALIFORNIA

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

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

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

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

OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

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

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

ITEM 3 LITIGATION

1. We, nor any person identified in Item 2, is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78 a et seq., suspending or expelling these persons from membership in such association or exchange.

ITEM 6 OTHER FEES

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

ITEM 10 FINANCING

1. We will comply with all appropriate laws governing any direct financing offered by us to you including, if applicable, the California Finance Lenders Law.

~~2.The maximum interest rate in California is 10% annually.~~

2. ~~3.~~Item 10 of the FDD is amended to provide that Balboa Capital Corporation, ~~Access Point Financial,~~ Ascentium Capital LLC, ~~Northeast Bank,~~ and Avana Capital all operate in California under a California Finance Lender license. PMC Commercial Trust holds a license issued directly by the Small Business Administration ("SBA") that allows it to make SBA 7a loans in every state, including the State of California.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

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

3. The Franchise Agreement contains a provision requiring application of the laws of Maryland. This provision may not be enforceable under California law.

4. The Franchise Agreement requires venue to be limited to Maryland. This provision may not be enforceable under California law.

5. The Franchise Agreement requires you to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000-20043).

~~6.California Corporations Code, Section 31125 requires Choice Hotels International, Inc.~~

~~to give you a disclosure document, approved by the Department of Corporations prior to a solicitation of a proposed material modification of an existing franchise.~~

6. ~~7.~~The Franchise Agreement contains a liquidated damages clause. Under Civil Code Section 1671 certain liquidated damages clauses are unenforceable.

~~8.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.~~

7. ~~9.~~The Franchise Agreement requires binding arbitration. The arbitration will occur at our headquarters in Rockville, Maryland with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provision of a franchise agreement restricting venue to a forum outside the State of California.

~~10.OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.~~

~~**ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS**~~

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

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

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

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

This Franchise Disclosure Document contains a summary only of certain material provisions of the Franchise Agreement. The contract or agreement should be referred to for a statement of all rights, conditions, restrictions and obligations of both the franchisor and the franchisee.

1. A. This proposed registration is or will be effective in California, Hawaii, Illinois, Indiana, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Washington and Virginia.

B. This proposed registration is on file in all states with franchise disclosure legislation.

C. No states have refused, by order or otherwise, to register these franchises.

D. No states have revoked or suspended the right to offer these franchises.

E. The proposed registration of these franchises has not been withdrawn from any states.

2. No release language stated in the Franchise Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws on franchising in Hawaii.

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

1. Items 17(v) and 17(w) of the "Franchise Agreement" chart are supplemented by the following:

The conditions under which the Franchise Agreement can be terminated and not renewed may be affected by the Illinois Franchise Disclosure Act ("Act").

The Act will govern any franchise agreement if it applies to a franchise located or domiciled in Illinois.

The parties waive all question of personal jurisdiction or venue. However, any condition in the Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void as to any cause of action that otherwise is enforceable in Illinois, provided that the Franchise Agreement may provide for arbitration in a forum outside of Illinois.

ADDENDUM TO THE DISCLOSURE DOCUMENT FOR MARYLAND

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

ITEM 17

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

2. Our termination of the Franchise Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).

3. The release language set forth in the Franchise Agreement will not apply to any liability under the Maryland Franchise Registration and Disclosure Law (COMAR 02.02.08.16L).

ADDENDUM TO THE DISCLOSURE DOCUMENT FOR MICHIGAN

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

(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 this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its

term except for good cause. Good cause shall include the failure of the 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; and

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

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

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

THE FACT THAT THE NOTICE OF INTENT IS ON FILE WITH THE ATTORNEY GENERAL IN MICHIGAN DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL OF THE FRANCHISE OFFERING.

Any questions regarding the notice should be directed to the Department of Attorney

General, Consumer Protection Division, 525 W. Ottawa Street, 670 Law Building, Landing, MI 48913 (517) 373-7117 (www.ag.state.mi.us/cp).

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

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

.

1. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, Subdivisions 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

2. According to Minnesota Statute Section 2860.4400 (D), no release language stated in the Franchise Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws on franchising in Minnesota, provided, that this part will not bar the voluntary settlement of disputes.

3. Any provision in a franchise agreement that requires the franchisee to consent to liquidated damages and/or termination penalties is deleted from any franchise agreement issued in Minnesota.

4. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logos, slogans and other commercial symbols, or indemnify the franchisee from any loss, costs, or expenses arising out of the use of any trade or service mark in compliance with the Franchise Agreement.

5. The following language will appear at the end of Paragraph 20(f) of any Franchise Agreement issued in the State of Minnesota: Pursuant to Minnesota Statutes, Section 80C.21, this Section does not abrogate or reduce any rights of the franchisee as provided for in the Minnesota Statutes 1987, Chapter 80C.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT FOR NEW YORK

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR 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, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

   D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

   Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

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

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

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

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

6. The following language replaces the "Summary" section of Item 17(d), **"Termination by you"**:

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

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

   However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

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

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

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT FOR NORTH DAKOTA

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

The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees:

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

2. Situs of Arbitration/Litigation Proceedings: Franchise agreements providing that the parties must agree to arbitrate/litigate disputes at a location that is remote from the site of the franchisee's business.

3. Restriction of Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside North Dakota.

4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

5. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.

6. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

7. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

8. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

9. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

10. Enforcement of Agreement: Requiring that North Dakota franchisees pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

ADDENDUM TO THE FRANCHISE DISLCOSURE DOCUMENT FOR RHODE ISLAND

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

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

ADDENDUM TO THE FRANCHISE DISLCOSURE DOCUMENT FOR VIRGINIA

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

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

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

Item 17, "Renewal, Termination, Transfer, and Dispute Resolution," is amended by adding the following at the end of the Item:

1. The state of Washington has a statute, the Washington Franchise Investment Protection Act, RCW § 19.100.010 to § 19.100.940 (the "Act"), which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination, renewal, and transfer of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

2. In any arbitration involving a franchise purchased in Washington, Washington law requires that the arbitration site be either in Washington or in a place as mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

3. A release or waiver of rights executed by a franchisee shall not include rights under the Act; except when a release or waiver is executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. If there are provisions in the franchise agreement that unreasonably restrict or limit a franchise's rights or remedies under the Act, such provisions may not be enforceable.

4. In the event of a conflict of laws, the provisions of the Act will prevail.

5. Subject to applicable state law, transfer or assumption fees are collectable to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.

6. Non-compliance penalties are collectable to the extent that they are reasonable and consistent with RCW §§ 19.100.180(1), 2(h).

7. Pursuant to applicable law, liquidated damages will only be collected to the extent that they bear a reasonable relation to actual damages.

~~In Item 19, the following paragraph is hereby deleted in its entirety:~~

~~The data presented in Tables 1 and 2 above relate to historical performance of franchised ASCEND hotels in the United States and represent average performance of ASCEND hotels in a specific performance sample. Typically, a new hotel requires at least two years of operating experience to reach a stabilized performance.~~

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT FOR WISCONSIN

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

1. Registration does not constitute approval, recommendation or endorsement by the Commissioner of Securities of the State of Wisconsin.

2. The following will apply to Franchise Agreements in the State of Wisconsin:

   a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 will apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.

   b. That Act's requirement, including the requirements that, in certain circumstances, a franchisee receives ninety (90) days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, will supersede the requirements of the Franchise Agreement to the extent they may be inconsistent with the Act's requirements. If the reason for termination, cancellation, or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will have 10 days to cure the deficiency.

   c.

EXHIBIT B

REGISTERED AGENTS FOR SERVICE OF PROCESS

CALIFORNIA

Department of ~~Business Oversight~~Financial Protection and Innovation 1-866-275-2677

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

Sacramento ~~1515 K Street, Suite 200~~2101 Arena Boulevard Sacramento, CA ~~95814-4052~~95834 (916) 445-7205

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

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

HAWAII

~~Corporation Service Company 1003 Bishop Street, Suite 1600 Pauahi Tower Honolul~~

~~u, HI 96813~~
~~And~~

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

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

ILLINOIS

Corporation Service Company 801 Adlai Stevenson Drive Springfield, IL 62703

Or Attorney General State of Illinois 500 South Second Street Springfield, IL 62706

INDIANA

Corporation Service Company Two Market Square Center 251 East Ohio Street, Suite 500 Indianapolis, IN 46204 Or

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

MARYLAND
Corporation
Service Company
7 St. Paul Street,
Suite 1660
Baltimore
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M
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2
1
2
0
2
O
r
Maryland Securities
Commissioner 200 St.
Paul Place
Baltimore, MD 21202-2020

MICHIGAN
Corporation
Service Company
601 Abbot Road
East Lansing, MI 48823

MINNESOTA
Corporation
Service Company
380 Jackson
Street, Suite 700
St. Paul, MN
55101
Or
Commissioner of
Commerce 85 7th
Place East, Suite
280
Minneapolis, MN 55101-2198

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

Or
Secretary of State
41 State Street
Albany, NY 12231

NORTH DAKOTA
Corporation Service Company
316 North 5th Street
P.O. Box 1695
Bismarck, ND 58202
Or
Securities Commissioner North Dakota Securities Department

600 East Boulevard Avenue

State Capitol, Fifth Floor, Dept 414 Bismarck, ND 58505

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

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

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

WASHINGTON
Department of Financial Institutions 150 Israel Rd SW Tumwater, WA98501

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

REGULATORY AUTHORITIES

CALIFORNIA

Department of ~~Business Oversight~~Financial Protection and Innovation 1-866-275-2677

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

Sacramento ~~1515 K Street, Suite 200~~2101 Arena Boulevard Sacramento, CA ~~95814-4052~~95834 (916) 445-7205

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

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

HAWAII

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

ILLINOIS

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

MARYLAND

INDIANA

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

Office of the
Attorney General
Division of
Securities 200 St.
Paul Place
Baltimore, MD
21202-2020
(410) 576-6360

MICHIGAN

Consumer Protection
Division Attn:
Antitrust and
Franchise Unit
G. Mennen
Williams Building
525 W. Ottawa
Street Lansing,
MI 48913
(517) 373-7117

MINNESOTA

Commissioner of
Commerce Minnesota
Department of
Commerce 85 7th Place
East, Suite 280
St.
Paul,
MN
55101
651-53
9-1600

NEW YORK

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

NORTH DAKOTA

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

OREGON

Division of Finance & Corp. Securities
Department of Consumer & Business Services
350 Winter Street NE Room 410 Salem, OR
97301-3881 (503) 378-4140

RHODE ISLAND

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

SOUTH DAKOTA

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

WASHINGTON

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

WISCONSIN

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

VIRGINIA

State Corporation Commission Division of Securities & Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051

EXHIBIT D

CHOICE HOTELS INTERNATIONAL, INC.
FRANCHISE AGREEMENT

THIS AGREEMENT ("Agreement") is made in Maryland, effective as of _____ ("Effective Date"), between **Choice Hotels International, Inc**., a Delaware corporation ("we" or "us"), and «LIC_BLOCK» ("you").

We and you agree as follows:

1. **Definitions.** In addition to the terms that are defined in other parts of this Agreement, the following terms shall have the indicated meanings:

a. "Hotel" means the property located at **«PROP_ADDR1», «PROP_ADDR2» «PROP_CITY», «PROP_ST» «PROP_ZIP»** ("Location") and includes the building, land and all improvements, structures, fixtures, amenities, equipment, furniture and related rights, privileges and properties at such Location.

b. "Sleeping Rooms" means the number **«ROOM_CNT»**, which is and shall be the total number of rentable sleeping rooms in the Hotel, subject to change only in accordance with Section 8, below.

c. "Meeting Rooms" means the total number of meeting, conference and/or banquet or similar rooms generally available for rent in the Hotel, subject to change only in accordance with Section 8, below.

d. "Rentable Rooms" means the Sleeping Rooms and the Meeting Rooms, collectively.

e. "Designated Representative" means the person designated by you to represent you on all matters relating to this Agreement and to receive notices under this Agreement on your behalf. Unless you change the Designated Representative in accordance with Section 15 of this Agreement, your Designated Representative is **«LR1_NAME_FULL»** whose address is **«LR1_ADDRESS1» «LR1_ADDRESS2» «LR1_ADDRESS3», «LR1_CITY», «LR1_STATE» «LR1_POSTAL» and «LR2_NAME_FULL» whose address is «LR2_ADDRESS1» «LR2_ADDRESS2»«LR2_ADDRESS3», «LR2_CITY», «LR2_STATE» «LR2_POSTAL» .**

f. "Opening Date" means the date that you begin to rent any portion of the Rentable Rooms under this Agreement.

g. "Gross Room Revenues" means all revenues from the rental, sale, in kind exchange, use or occupancy of any of the Rentable Rooms (with no reduction for chargebacks, credit card service charges, group booking rebates, or bad debts), for whatever purpose, including cash and credit transactions, whether or not collected by you~~, and any~~. Gross room revenues includes revenue derived from the redemption of points or rewards under any loyalty program, amounts attributable to breakfast (where the guest room rate includes breakfast), guaranteed no show revenue, early departure fees, late checkout fees, day use revenue, attrition or cancellation fees collected from unfulfilled reservations for Sleeping Rooms, proceeds from any business interruption insurance, as required by Section 12 of this Agreement, and other revenues allocable to rooms revenue under the then-current Uniform System of Accounting for the Lodging Industry or such accounting methods specified by us in the Rules and Regulations. Gross Room Revenues also includes the full market value of any Rentable Room (based on the average daily rate for a comparable room on the applicable night) that is provided at a substantial discount compared to the lowest bookable rate on the applicable night in exchange for other items, goods, services, or other consideration. It does not include ~~taxes required by law (including gross receipt taxes, property taxes, and hotel sales taxes),~~sales tax, hotel occupancy tax, or any other taxes or fees that you are legally required to collect on behalf of any state or local government agency. It also does not include revenues from telephone calls, movie rentals,

vending machines, room service or food and beverages sales.

h. "Hotel Supplies" means all furniture, fixtures, equipment (including, without limitation, computers, printers, telephones and facsimile machines), signs, amenities and other supplies used in the construction, renovation, maintenance and operation of the Hotel.

i. "Brand Mark" means the trademark and trade name **«Brand_Name»®** and the logo designated by us for use in association with the Hotel (including designs, stylized letters, colors and other elements that we permit you to use at the Hotel and in advertising for the Hotel) and/or any other trademarks, trade names, trade dress, service marks or logos (whether registered or not), or any domain name, as we may require from time to time be used in connection with the Hotel.

j. "Choice Marks" means collectively all of our trademarks and trade names, including, but not limited to, the Brand Mark, the trademarks and trade names ASCEND HOTEL COLLECTION®, CAMBRIA®, COMFORT INN®, COMFORT SUITES®, CLARION®, CLARION POINTE®, QUALITY®, SLEEP INN®, MAINSTAY SUITES®, SUBURBAN ~~EXTENDED STAY HOTEL~~®, SUBURBAN STUDIOS™, ECONO LODGE®, RODEWAY INN®, WOODSPRING SUITES®, EVERHOME SUITES®, CHOICE HOTELS® and the names of our Property Management System and Reservation System, together with all related logos, trade dress, and any other additional or substituted trademarks, trade names, service marks or logos (whether registered or not) currently owned, licensed or used by us or that we later adopt, purchase or develop.

k. "Rules and Regulations" means our then-current brand rules and regulations, as updated and/or modified by us in our discretion from time to time (and any supplements) and brand guidelines (including any manuals or policies that we may make available), which may contain, among other things, our standards and requirements for constructing, equipping, furnishing, supplying, operating, maintaining and marketing the Hotel. The Rules and Regulations shall apply to all hotels operating under the Brand Mark.

l. "System" means our then-current concepts and methods for providing hotel accommodations with a high standard of service, courtesy and cleanliness using the Choice Marks and any trade secrets and includes our Property Management System and Reservation System, our loyalty program, our business referral, gift card and credit card agreements, this Agreement, the Rules and Regulations, and those identifying brand characteristics as we may from time to time reasonably designate.

m. "Other Choice Brand Hotels" means hotels other than the Hotel that are authorized by us to use the Choice Marks, our System, and our Intellectual Property (as defined in Section 7).

n. "Property Management System" means the then-current version of the automated system that we will license to you on a non-exclusive basis to assist you to operate and manage the Hotel and to capture all data and record all transactions entered into by you and the Hotel in connection with the operation of the Hotel, including all transactions relating to the Rentable Rooms.

o. "Reservation System" means the then-current methods and automated systems that we use (including our call centers and any and all related telecommunications systems, e-commerce tools and techniques, websites or mobile applications, call-forwarding or call-transfer programs and techniques or similar tools or methods used by us as modified from time to time) to take, hold, honor, and report advance reservations that are made in connection with the use of the Rentable Rooms at the Hotel and at the Other Choice Brand Hotels.

2. **Grant of License.** Subject to your compliance with all of your obligations under this Agreement, we grant to you a non-exclusive, limited, revocable license to use (without the right to sublicense) our System and the Brand Mark to operate the Hotel during the Term. You do not have the right to use any of the Choice Marks other than the Brand Mark in connection with the operation of the Hotel, except as expressly authorized by us in writing. We, for ourselves and our affiliates, retain all rights and discretion with respect to the Brand Mark and the System, including, but not limited to, those specified in Section 19(b).

3. **Term.** The term of this Agreement ("Term") begins on the date both you and we sign this Agreement and ends on the date that is 20 years after the Opening Date. You have no right or option to renew this Agreement or extend the Term. If the Hotel is a hotel that is to be newly constructed (as we determine in our sole discretion), then both you and we shall have the right to terminate this Agreement, with or without cause, and as a matter of right, on the 10th and 15th anniversaries of the Opening Date. If the Hotel is not a hotel that is to be newly constructed, then both you and we shall have the right to terminate this Agreement, with or without cause, and as a matter of right, on the 5th, 10th and 15th anniversaries of the Opening Date. You or we may only exercise such termination right by giving prior written notice to the other party, provided, that you may not exercise your termination right under this Section 3 unless you have paid all fees and charges due under this Agreement (and all related agreements, including any promissory notes or other incentive agreements, and any agreements relating to the use of our System) at the time you give us notice and at the time of the proposed termination. The written notice required by this Section 3 shall be given at least 12 months prior to the date that the proposed termination as a matter of right would be effective. If you elect to terminate this Agreement in accordance with this Section 3, you must continue to remain current on all fees and charges under this Agreement through the date of such termination in order for your termination to be effective. Any termination in accordance with this Section 3 will not be subject to liquidated damages as described in Section 10(d)(2).

4. **Fees and Reports.**

a. Affiliation Fee. By no later than the date you sign this Agreement, you will pay us an affiliation fee of **«AFFIL_FEE».00** ("Affiliation Fee"), which is non-refundable except as provided in this Section 4(a). The Affiliation Fee is fully earned upon our receipt, whether or not you open the Hotel. If we do not sign this Agreement for any reason, any monies that you have paid to us towards the Affiliation Fee, less $5,000, will be refunded to you.

b. Monthly Fees. Beginning on the Opening Date, you will pay us for each month during the Term each of the following monthly fees (collectively, "Monthly Fees"):

1. Royalty Fee. A royalty fee of 6.0% of the preceding month's Gross Room Revenues ("Royalty Fee") in consideration for the license granted to you in Section 2;

2. System Fee. A system fee of 2.5% of the preceding month's Gross Room Revenues for the ongoing development, maintenance and upgrading of the Property Management System and Reservation System, and for advertising, publicity, public relations, marketing, promotional programs, website maintenance, reservations and other similar services that we will provide to you under this Agreement and for our System as further described in Section 19(h) below, as we determine in our sole discretion (collectively, the "System Fee"). The System Fee shall not be used for the license or right to use any computer software or computer systems, including but not limited to, the Property Management System and Reservation System, or for the license or right to use the Brand Mark or any other Choice Intellectual Property. You acknowledge and agree that (i) we may increase the System Fee due to cost increases attributable to inflation, increases in the costs of advertising, publicity, public relations or marketing, additional costs of implementing new or improved programs or systems, or increases in our cost of providing the Property Management or Reservation Systems or any of the other aspects of our System, so long as the increases apply to all or most of the U.S. hotels that are authorized to use the Brand Mark; (ii) we may assess additional fees and charges for various components of the System and other services (including promotional programs and use of proprietary software) as described in this Agreement and the Rules and Regulations; and (iii) we may advance monies for the purposes described herein in an amount reasonably necessary to ensure the provision of such services whether or not sufficient System Fees are then available and subsequently obtain reimbursement of such advances by utilizing future System Fees or through the fee increases described above, provided that such increases shall be limited to the amount needed to recover the previous monies advanced; and

3. Other Fees and Commissions. Such other fees and commissions described in the Rules and Regulations which are reasonably charged by us in connection with the rights and obligations granted under this Agreement.

c. Payments and Reports. Beginning on the Opening Date, within 3 days after the end of each calendar month during the Term, you will send us a statement on a form to be determined by us showing the Gross Room Revenues, occupancy and other related information that we request for the immediately preceding month or, in the alternative, at our election, we will gather the Gross Room Revenues, occupancy and other related information through any automated information reporting systems we establish. In the event we elect to have you send us a statement of the Gross Room Revenues, you will certify that your reports are true and accurate. If we elect to have you send us a statement of the Gross Room Revenues, and you do not send us the required reports on time, we will estimate your Gross Room Revenues for interim billing purposes, and you must pay us a late charge of 1.5% of your previous month's Monthly Fees. If we elect to gather the Gross Room Revenues through our automated reporting systems, and we are unable for whatever reason to obtain an accurate report of the Gross Room Revenues, we will estimate your Gross Room Revenues for interim billing purposes. Interim bills will be considered accurate until we receive any late monthly reports or acquire accurate information through our automated reporting systems, as appropriate. We will bill you for the Monthly Fees (and interest or other penalty, if any) due under this Agreement each month, and you will pay us those amounts by the 25th day of the same month. You agree that timely payment of the Monthly Fees and any other amounts and fees due to us is of the essence for the purposes of this Agreement. You also agree that we may apply payments that you make in any order we determine regardless of any contrary language you may indicate. You agree that you will participate in computerized or automated information reporting programs and electronic fund transfer programs that we adopt for use by hotels that are authorized to use our System. If we adopt electronic fund transfer programs, you agree to make the necessary arrangements with your bank to participate in such programs and you agree to purchase computer hardware, computer software and related telephone or other network services reasonably required in order to properly participate in these programs.

d. Hotel Data. You will, in a manner and form satisfactory to us and utilizing accounting and reporting standards as reasonably required by us, prepare on a current basis (and preserve for no less than 7 years), complete and accurate records concerning Gross Room Revenues and all ~~finan cial~~financial, operating, marketing and other aspects of the Hotel specified by us from time to time ("Hotel Data") and maintain an accounting system which fully and accurately reflects all financial aspects of the Hotel and its business. The Hotel Data includes but is not limited to all bank statements, federal tax returns, state tax returns, local occupancy tax returns, daily revenue reports, monthly and annual revenue summary reports, maid logs, guest registration folios, guest complaints, guest satisfaction survey results, any other operating reports or contracts regarding the occupancy of guest and meeting rooms, and complete annual financial statements (profit and loss statements, balance sheets and cash flow statements). The Hotel Data will be maintained at the Hotel, or, if you notify us in writing, at an alternate location suitable for inspection by us. All Hotel Data must be kept separate and apart from all other data. Nothing in the foregoing shall limit us from reviewing Hotel Data that is older than 7 years or from recovering amounts owed to us from any period of time.

e. Financial Statements and Audit. If we request in writing, you will send us copies of the Hotel Data and financial statements certified by you as true and accurate (including a profit and loss statement, balance sheet, cash flow statement, or such other financial data or reports as we may request, in a form satisfactory to us) for the Hotel for the prior fiscal year (or other time period), and you will have the Gross Room Revenues or other monies due hereunder computed and certified as accurate by a certified public accountant. During the Term and for 7 years afterward, we and our authorized representatives will have the right to verify information required under this Agreement by ~~requestin g~~requesting, receiving, inspecting, copying and auditing the Hotel Data and any and all records or documents related to the Hotel Data wherever they may be located. If any inspection or audit discloses a deficiency in any payments due hereunder, you must pay us all deficiencies plus interest at the rate indicated in Section 4(f), below. If the deficiency in any payment is willful or exceeds 5% of the correct amount, you will also immediately pay to us the entire cost of the inspection and audit, including travel, lodging, meals, salaries, professional fees and other expenses of the inspecting or auditing personnel.

f. Profit and Loss Statement. On or before the 5th day of each calendar month, you shall submit to us a profit and loss statement (in such form and detail as we may require, which may include submitting such data via a third party platform or vendor that we may designate) reflecting the computation of all

amounts then due under Section 4 of this Agreement, provided that, if fees will become due under this Agreement more frequently than monthly, upon notice to you, we may require reports to be submitted more frequently. The statement shall include information for the preceding month as to Gross Room Revenue, other revenues, expenses, occupancy and room rates data, reservation data, and such other information as we may require. Any report required to be submitted hereunder not actually received by us on or before the date the related payment was due shall be deemed overdue unless postmarked at least 5 days prior to the date it was due.

g. Interest. You will pay us interest on all charges, costs, fees and amounts due under this Agreement but not paid on time at the rate of 1.5% per month, but not more than the maximum interest rate permitted by applicable law.

5. **Our Duties**. We will during the Term:

a. Rules and Regulations. Make available to you an electronic copy of the Rules and Regulations;

b. Quality Assurance. Administer quality assurance programs as described in the Rules and Regulations that may include periodic visits to the Hotel (by us or authorized third parties) and/or guest satisfaction surveys and guest reviews to evaluate your compliance with this Agreement and the Rules and Regulations and advise you of any defaults and on changes that you must make to the Hotel or its operations to comply with this Agreement or the Rules and Regulations;

c. System Services. (i) Allow you to use the Property Management System and the Reservation System, (ii) provide marketing services, such as national, international and regional advertising, promotional programs, publicity, marketing research, and other related marketing activities, that we reasonably determine are appropriate for the promotion of the Hotel, our System and the Other Choice Brand Hotels; and (iii) periodically make available to the traveling public a directory or other listing of all hotels which are in good standing and that are authorized to use our System, which may be provided in an electronic format, including on the Internet, in our sole discretion. You acknowledge and agree that we may combine the services that we will provide to you in clauses (i), (ii) and (iii), above, with other hotels that are authorized to use the Brand Mark and/or our System, or other hotels that we or our affiliates operate in our sole, but reasonable, discretion. You also acknowledge and agree that we will not be obligated to permit or assist in making reservations for the Hotel for any dates following the scheduled date of expiration or termination of this Agreement, or during any period in which your rights are suspended under Section 10(c) of this Agreement; and

d. Consultation. Make available to you, at our discretion, additional consultation and services to assist you to construct, renovate, maintain, operate, and/or market the Hotel on the same basis as provided to other hotels that are authorized to use our System under the Brand Mark; we reserve the right to charge you reasonable fees that we may establish in advance or on a project-by-project basis for such consultation and services. Any guidance, recommendations, or advice provided to you during such consultation shall be deemed suggestions only, and the decision to follow any such guidance, recommendations, or advice will be made by you in your sole discretion.

6. **Your Duties.** You will during the Term:

a. Compliance with Rules and Regulations. Comply with the requirements of this Agreement and the Rules and Regulations, which you acknowledge we may modify and/or update in our sole discretion from time to time, and not disclose this Agreement or the Rules and Regulations (including any copies of the Rules and Regulations that are no longer the then-current version) to anyone except your authorized employees (or the employees of your management company, if authorized by us)), or your attorneys, accountants, or lenders, or on an as-needed basis;

b. Good Repair; Safe and Secure. Construct, renovate, operate, furnish, maintain and advertise the Hotel according to this Agreement and the Rules and Regulations; undertake all repairs, cleaning, redecoration, repainting, and replacement of obsolete or outdated Hotel Supplies; take such other

corrective action as is necessary to maintain the Hotel interior and exterior, including any parking areas and food and beverage facilities, in a clean, sound, and attractive condition and good repair at all times; and operate the Hotel in a safe and secure manner that optimizes public health and safety. You are solely responsible for determining and addressing all safety concerns relating to the condition of the Hotel and surrounding areas;

c. Ethical Standards; Performance. Establish and maintain a high ethical and moral standard in connection with your operation of the Hotel and not allow or sponsor any activity at the Hotel that could reasonably be determined to negatively impact the Brand Mark, the Choice Marks, our System, the Other Choice Brand Hotels or our business reputation; operate the Hotel in a professional manner that meets or exceeds the generally accepted standards of performance of leading hotel operators in the industry, including any and all communications and interactions with employees and agents of Choice; refrain from disparaging or encouraging others to disparage Choice or its officers, directors, or employees, or otherwise making derogatory comments or statements, orally or in writing, concerning Choice's or its officers', directors', or employees' character or business practices intending to harm Choice's or such individual's goodwill, reputation or standing;

d. Compliance with Laws; Limited Use. Comply with all local, state, and federal laws, rules, regulations and agency orders, and obtain all required permits and licenses, applicable to you, your employees, or the construction, renovation, operation, maintenance or promotion of the Hotel (including, but not limited to, all labor and employment laws), and not permit the Hotel to be used for any purpose or activity that is unlawful or that is not contemplated by this Agreement or the Rules and Regulations;

e. Training. Comply with our training requirements by ensuring that you and the Hotel's general manager(s) attend (at the times required by us) our then-current training programs, including our annual national convention for hotels authorized to use the System ("Training Programs") and pay the cost of tuition, living expenses, and travel expenses associated with attendance at the Training Programs by you and the Hotel's general manager(s). You understand and agree that you will be solely responsible for training your employees in the operation of the Hotel;

f. Signage. Obtain and display prominently at the Hotel our approved interior and exterior signage in compliance with the Rules and Regulations, which may be modified from time to time in our sole discretion, and maintain the signage in a clean and attractive condition, and in good working order at all times;

g. Property Management and Reservation Systems. Use the Property Management System (and the equipment, networks, software and procedures (including hardware and software refresh requirements) that are described in the Rules and Regulations) to operate and manage the Hotel and in connection with all guest transactions (including all transactions relating to the Rentable Rooms), and use our Reservation System to accept, hold, honor and track all reservations for the Rentable Rooms. You understand and agree that your use of the Property Management System is governed by a separate agreement, as we may modify and/or update from time to time ("ChoiceAdvantage Software Terms of Use"), which ChoiceAdvantage Software Terms of Use are expressly incorporated herein by reference and made a part of this Agreement, and you agree that you will abide by such ChoiceAdvantage Software Terms of Use and pay all applicable fees described in the Rules and Regulations. You also acknowledge and agree that you and we have ownership rights in data used or generated by the Property Management System or the Reservation System;

h. Evaluation. Allow us (or any third party authorized by us) to enter the Hotel at any reasonable time to evaluate your compliance with this Agreement, the Rules and Regulations, and any quality assurance program we administer either directly or through an authorized third party. During such visit, you will assist us (or the authorized third party) in such manner as is required for us (or the authorized third party) to conduct our evaluation and, subject to availability, provide us (or the authorized third party) with one free Sleeping Room for one night. In addition, you agree that we (or the authorized third party) may evaluate your compliance with this Agreement, the Rules and Regulations, and any quality assurance program we administer, remotely and/or through data obtained from guest satisfaction surveys or

programs. You agree to take all steps necessary to correct any deficiencies identified in our evaluation within the time periods that we reasonably specify;

i. Rate Information. Upon our request, and in the manner and format we specify, send us a written description of your Hotel and its then-current rates so that we may include this information in directories and other listings and information that we periodically make available to the public. If you do not send us changes to the information that you provide to us by the deadlines that we indicate, you will honor the rates and descriptive information on record at the time of the deadlines;

j. Promotional Programs. Participate in and honor the terms of any loyalty, discount or promotional program and pay all applicable fees or charges associated with such programs (including any room discounts, rewards programs, frequent traveler programs, photographic or virtual tour programs or gift card programs that are applicable to the Hotel or Other Choice Brand Hotels) that we offer to the public on your behalf and any room rate quoted to any guest at the time the guest makes an advance reservation. You agree that you will take all action necessary (including the supply to us of all information and the purchase of any supplies, equipment or services) to participate in any loyalty, discount or promotional programs, and that you will grant us all necessary rights in and to any photographs, video and/or other marketing materials that we may require in order to reasonably undertake such promotional programs on behalf of the Hotel, and/or some or all of the Other Choice Brand Hotels;

k. Travel Agent Commissions. Promptly pay all travel agent commissions and global distribution system charges due from you in connection with the Hotel whether payable by you directly or collected by us on behalf of others, and abide by the Rules and Regulations related to travel agent and global distribution system procedures;

l. System Referrals. Use your best efforts to maximize and increase the business of the Hotel, and if you are unable to accommodate a potential guest, refer the guest to Other Choice Brand Hotels that are near to the Hotel, if any;

m. ADA Certification. Ensure that the Hotel complies with the requirements of the Americans with Disabilities Act ("ADA"). Prior to the Opening Date, you will provide to us a certification from your architect, your general contractor, a consulting architect or you, on a form satisfactory to us, certifying that the Hotel is in compliance with all applicable provisions of the ADA. The Hotel may not open, use the Brand Mark or our System until this certification is properly completed and delivered to us;

n. Franchise Association. Join and maintain membership in a franchise association designated by us for hotels that are authorized to use the Brand Mark ("Franchise Association"), and pay monthly Franchise Association dues to us (or our designee) in an amount we reasonably require. You acknowledge and agree that the purpose of any Franchise Association created, sponsored, or endorsed by us will be to, among other things: affect a high-level relationship among all franchisees, and between individual franchisees and us, for the purpose of mutual advantage and cooperation; improve and encourage a high performance level and cooperative action among all franchisees; advance new ideas, discuss System-wide issues and focus attention on various matters as they relate to a significant number of franchisees; encourage an exchange of operational and promotional ideas; and make appropriate recommendations to us to assure that our plans and policies enhance our mutual interests. However, you acknowledge and agree that we are not required to obtain the consent of any Franchise Association on these or any other matters;

o. Renovations. Undertake, at our written request, remodeling, renovations, and modifications to existing improvements, necessary to modernize and conform the Hotel to the Rules and Regulations or other requirements of our System ("Renovations") and sign a property improvement plan or other writing that we prepare to document your obligation to complete such Renovations. Within 90 days after receipt of our written request that your Hotel undergo Renovations, you will submit to us for our review and approval, complete and professional drawings and plans for such Renovations before beginning any work to complete the Renovations. You will complete the required Renovations within the time reasonably specified by us in our written request. You acknowledge and agree that the obligations described in this Section 6(o)

are in addition to your ongoing obligations to comply with Section 6(b) and Section 6(d);

p. Identifying Information. Send us, before the Opening Date (and any time there is a change in any of the information), the following, as appropriate: (i) the legal name and business type (corporation, limited liability company, limited partnership, etc.) of the Hotel's operating entity; (ii) its federal TIN (taxpayer identifying number); (iii) its state income tax account number(s); (iv) its state payroll tax (withholding and unemployment tax) account number(s); (v) its state sales tax and occupancy tax account number(s); and (vi) its local (county and city) occupancy tax account number(s);

q. Guest Complaints. Participate in, and pay all charges in connection with all required guest complaint resolution programs and ratings and review policies, which we may modify from time to time, as specified in the Rules and Regulations;

r. Construction and Substantial Renovation Related Duties. If the Hotel has yet to be constructed or if the Hotel is to be Substantially Renovated (as defined below):

1. Plans. Ensure that your preliminary drawings and designs for the Hotel satisfy the Rules and Regulations and the then-current prototype design specifications for hotels that are authorized to use the Brand Mark and provide a copy of your preliminary drawings and designs to us for our review and approval at least **6 months** before Construction Start, and final working drawings and final architectural designs for the Hotel ("Plans") to us for our review at least **3 months** before Construction Start. "Construction Start" means the date that bona fide pouring of footings for the Hotel begins at the Location in the case of a hotel to be constructed or the date that renovations begin in the case of an existing hotel that is to be Substantially Renovated. "Substantially Renovated" means the existing building is to be re-constructed on the interior in all areas (public spaces, guestrooms, and bathrooms) down to the concrete or stud walls (or drywall, if in good condition), including replacement of all (or substantially all) floors and ceilings. We agree to provide you with written notice of our review and determination of the Plans within 15 business days after the date we have received the Plans and agree that if we fail to provide you notice in accordance with this Section 6(r)(1), the Plans are deemed to be approved by us. If Construction Start does not commence within 6 months of our written approval of your final architectural designs for the hotel (or within 6 months of automatic approval if we fail to provide you notice within fifteen business days in accordance with this Section 6(r)(1)), then you must resubmit final architectural designs for approval at least 60 days prior to Construction Start;

2. Timing and Extensions. Cause Construction Start to occur within **12 months** of the Effective Date, and within 5 days after Construction Start, inform us in writing that Construction Start has occurred. If you do not cause Construction Start to occur within 12 months of the Effective Date of this Agreement, you may request, before the end of the 12 months, an additional 3 months for Construction Start. We are not obligated to extend the time for Construction Start. If we agree to extend the time for Construction Start beyond the original 12 month requirement, you will pay us an extension fee of $~~5,000~~5,000 for each 3-month extension that we grant to you;

3. Completion. Continue Hotel construction (or renovation) in accordance with the Plans, after Construction Start, without unreasonable interruption, until the Hotel is ready for our inspection. You must complete Hotel construction (or renovation), including furnishing, equipping, and preparing for opening, by the Opening Deadline (as defined in Section 6(s)(6));

4. Progress Reports. Send us, when we request during construction (or renovation), reports showing the progress made toward completing Hotel construction (or renovation);

5. Reporting of Construction Costs. Within 90 days of Opening your Hotel to the public, you will, in a manner and form satisfactory to us, provide us with complete and accurate information on the Construction Costs (defined below) incurred by you. "Construction Costs" shall mean: land acquisition costs; building costs; material, labor costs and other related variables; furniture, fixtures and equipment expenses; exterior signage costs; permits, licenses and governmental fees; and such other construction-related information that we may reasonably request.

s. Opening. Prior to the Opening Date:

1. Use of Brand Mark. Use the Brand Mark only as permitted in Section 7(c) of this Agreement;

2. Cooperation/Inspection. Cooperate with us, and require your architect, engineer, contractors and subcontractors to cooperate with us, and allow us to inspect the Location and the Hotel to determine whether construction (or renovation) satisfies the Rules and Regulations, the then-current prototype design specifications for hotels that are authorized to use the Brand Mark, and the Plans and/or the property improvement plan set forth in Attachment A (if applicable);

3. Hotel Supplies. Order, purchase and/or lease and install all Hotel Supplies, related equipment, supplies and other required items to operate the Hotel;

4. Advertising. Advertise the Hotel locally, at your expense and in a manner meeting our specifications; and

5. Opening Authorization. Notify us in writing at least 30 days before the Opening Date so that we can inspect, and if we reasonably determine it to be appropriate, authorize you to begin operating the Hotel under the Brand Mark and this Agreement. You will not begin operation of the Hotel using the Brand Mark or our System until you have received our specific written authorization to do so~~; and~~.

6. Opening Deadline. Ensure that the Opening Date occurs within **12 months** after Construction Start (if the Hotel has yet to be constructed or if the Hotel is to be Substantially Renovated), or the BES Deadline (if set forth in Attachment A) ("Opening Deadline");

t. Sources of Products and Services. Ensure that all products and services sold or offered for sale at the Hotel, and other products, materials, supplies, paper goods, fixtures, furnishings and equipment used at the Hotel, meet our standards and specifications. You must also purchase all products and ~~servic es~~services that we designate in the Rules and Regulations solely from suppliers (including manufacturers, distributors and other sources) approved by us (collectively, "Qualified Vendors"), which demonstrate, to our continuing reasonable satisfaction, the ability to meet our standards and specifications, who possess adequate quality controls and capacity to supply your needs promptly and reliably, and who have been approved by us in writing. We reserve the right to require you to purchase any or all approved products or services solely from us or our designated affiliate. We also reserve the right to receive a rebate or other benefit from Qualified Vendors based on purchases by you and other franchisees. We may limit the number of Qualified Vendors to obtain volume discounts and to promote consistent quality and adequate supplies for the brand. If you desire to purchase designated products or services from a party other than a Qualified Vendor, you must submit to us a written request to approve the proposed supplier, together with such information as we may reasonably require. Among the criteria that we consider is the financial stability of the supplier, whether the product or service meets our standards and specifications, and whether the product or service is of use to our franchisees. Our complete written criteria are available for review upon your request. Where applicable, the proposed supplier must submit product samples and specifications to us. We will use our best efforts to notify the proposed supplier within 90 days after we receive all required information and samples, although a longer period may be required for certain products or services due to their cost or importance to the brand or their financial impact on our franchisees. We may revoke our approval of particular products or Qualified Vendors when we determine, in our sole discretion, that such products or suppliers no longer meet our standards or specifications. By entering into this Agreement, you consent to Choice sharing your contact information with Qualified Vendors who provide services to franchisees under the Brand Mark. If such contact information is deemed "personal information" under state or federal law, and you do not want us to share this information, please contact us.

u. Confidential Information. Maintain the absolute confidentiality of the Confidential Information (as defined below) during and after the term of this Agreement. You agree that you: (i) will not use the Confidential Information in any capacity or business or purpose other than what is explicitly authorized

under the terms of this Agreement; (ii) will not make unauthorized copies of any Confidential Information disclosed in written form; (iii) will adopt and implement all reasonable procedures we direct to prevent unauthorized use or disclosure of the Confidential Information. You shall divulge such Confidential Information only to such of your employees, attorneys, accountants, agents, lenders, or prospective purchasers of the Hotel as must have access to it in order to operate, loan money in connection with, or purchase the Hotel. "Confidential Information" includes the methods, techniques, formats, marketing and promotional techniques and procedures, specifications, information, Rules and Regulations, systems, costs and financial information that we communicate to you or that you otherwise acquire in operating the Hotel under the System. Confidential Information does not include information, processes or techniques that are generally known to the public, other than through disclosure (whether deliberate or inadvertent) by you.

7. **Intellectual Property.**

a. No Ownership Rights. You acknowledge and agree that except as expressly permitted by this Agreement or any ChoiceAdvantage Software Terms of Use, you do not have any right, title or interest in and to the Brand Mark or the Choice Marks, Rules and Regulations, System , our then current concept and method for providing hotel accommodations using any of the Choice Marks, Property Management System, Reservation System, trade secrets or business methods (collectively "Intellectual Property") and you will not contest our rights in and to such Intellectual Property or to current or future derivations of or improvements made to the Intellectual Property, nor our right to register our rights in the Intellectual Property or to grant to others the right to use the Intellectual Property or any other intellectual property that we own. You understand that the Intellectual Property will remain our property, and that your use of any portion of the Intellectual Property inures to our benefit. You also agree that you will not sub-license the Intellectual Property rights we have granted to you under this Agreement, to any other person or entity and you will not use such Intellectual Property for any purpose other than in connection with the Hotel in accordance with the terms of this Agreement. You agree to assign and you do hereby assign any and all rights you or any other party working on your behalf may have or develop in the Intellectual Property at no cost to us. You acknowledge and agree that all rights to our Intellectual Property that have not been granted to you in this Agreement will remain ours.

b. Limited Use; Web Sites. You acknowledge and agree that you will not include the Brand Mark (or any other Choice Marks), any words that constitute a portion of the Brand Mark (or any other Choice Marks), words that describe the Brand Mark (or any other Choice Marks), any portion of the names of our Property Management System or Reservation System, or anything confusingly similar to these marks or words ("Choice-Related Words") in your name or the name of any of your affiliates, whether a partnership, corporation, limited liability company, joint venture or any other type of ~~busine ss~~business organization. You will not establish, or operate a previously established web site on the internet (or on any other network, wireless or otherwise) using any domain name (or other identifying characteristics) that contains any of the Choice - Related Words, or any other portion of our Intellectual Property or anything similar to our Intellectual Property or which does not comply with our then-current domain name policy or our property website guidelines, internet distribution policy, or such similar policies or regulations adopted by us from time to time and made available to you. You acknowledge and agree that the restrictions on your use of the Choice - Related Words will survive the expiration or earlier termination of this Agreement and that we retain the right to pre-approve your use of linking and framing between your internet (or other network) web pages and all other web sites. We have the right to determine the content and use of online or electronic media associated with any of the Choice Marks. You may not participate in any website or other electronic media (including social media) that markets goods and services under the Choice Marks unless it is first approved in writing by us.

c. Limited Use of Brand Mark. After the Effective Date but before the Opening Date, you may make the following limited use of the Brand Mark:

1. Temporary Signs. No earlier than 90 days prior to the Opening Date, use the Brand Mark on a temporary sign, meeting our standards, at the Location advising the general public that a hotel authorized to use the Brand Mark is under construction;

2. Local Media. No earlier than 90 days prior to the Opening Date, use the Brand Mark to

promote the Hotel construction and opening in the local media;

3. Supplies. No earlier than 90 days prior to the Opening Date, purchase operating supplies and equipment bearing the Brand Mark required for Hotel operation; and

4. Permanent Signs. No earlier than 30 days before the Opening Date and only with our written consent, install permanent Hotel signs meeting our standards bearing the Brand Mark and the designated logo.

d. Permitted Registration. If you are required by law to register any of our Intellectual Property, your registration application must specify that you will use our Intellectual Property: (i) only at the Hotel and in advertising for the Hotel; (ii) only during the Term; and (iii) without claiming any rights in and to the Intellectual Property during or after the Term.

e. Notice of Suit; Injunctive Relief; Survival. You will promptly notify us of any suit filed or demand made against you challenging the validity of our Intellectual Property ("IP Claim"). Following the receipt of such notice from you and using our attorneys, we agree to defend you against any IP Claim, and to defend and indemnify you against your loss, cost or expense related to such IP Claim, except where such IP Claim arose because you used our Intellectual Property in violation of our domain name policy, property website guidelines, internet distribution policy, this Agreement, the ChoiceAdvantage Software Terms of Use, or the Rules and Regulations. You will not settle or compromise any IP Claim without our prior written consent, and you agree to cooperate with us in defending against any such IP Claim. In connection with such IP Claim, you acknowledge and agree that if at any time during the Term you do not immediately discontinue the use of our Intellectual Property (including the Brand Mark) or the Choice -Related Words following our notice to you to discontinue such use, we will seek injunctive and equitable relief for your infringement (or use of the Choice-Related Words) and, in that event, you waive, to the maximum extent permitted by law, any requirement for any bond for the issuance of any injunction, and if a bond is required, you agree that it will not exceed $1,000. The provisions of this Section 7 will survive the expiration or earlier termination of this Agreement.

f. Changes to Brand Mark. You agree and acknowledge that we have the right, in our sole discretion, to modify, add to, or discontinue use of the Brand Mark, or to substitute different proprietary marks, for use in identifying the System and/or the Hotel. You shall promptly comply with such changes, revisions and/or substitutions, and bear all the costs of modifying your interior and exterior signage, advertising materials, interior graphics and any other items which bear the Brand Mark to conform therewith.

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

9. **Assignment**.

a. Our Assignment. We may sell or assign all or part of our rights or obligations under this Agreement to any person or legal entity. Any such sale or assignment will inure to the benefit of any assignee or other successor.

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

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

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

10. **Default and Termination.**

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

regard.

b. Termination By Us.

1. Termination with Notice and Opportunity to Cure. If you default in your material obligations under this Agreement, we may terminate this Agreement, effective on the date stated in our notice (or the earliest date permitted by applicable law) as follows:

(a) Non-Payment of Fees. If you do not pay us the Monthly Fees or any other fees, charges and amounts due under this Agreement (including travel agent commissions and global distribution system fees) or file required monthly reports of Gross Room Revenues, within 10 days of our written notice of default to you; or

(b) Other Breach. If you do not cure fully any other breach of your obligations or warranties under this Agreement, within 30 days of our written notice of default to you (or such longer period we designate in our sole discretion).

(c) Cure Periods. You acknowledge and agree that we may, in our sole discretion, extend the time period for you to cure any default but are under no obligation to do so, and any such extension shall not constitute a waiver of the cure periods set forth in this Agreement.

2. Immediate Termination Effective on Notice. Upon written notice to you, we may terminate this Agreement immediately, without giving you an opportunity to cure the default, if:

(a) Imminent Threat. There is an imminent threat or danger to public health or the safety of persons or property resulting from the construction, renovation, maintenance, or operation of your Hotel;

(b) Abandonment; Loss of Possession; Failure to Open. Subject to Section 14 of this Agreement, you stop operating the Hotel using the Brand Mark or according to the requirements of our System or this Agreement for any period of time, you abandon the Hotel, you temporarily or permanently lose the right to possess the Hotel (including, without limitation, due to the appointment of a Receiver or an event of condemnation), you lose the right to operate the Hotel, you fail to open the Hotel using the Brand Mark or in accordance with this Agreement, or you lose the right to transact business in the jurisdiction in which the Hotel is located;

(c) Criminal Behavior. You (or a beneficial owner of you) are charged with or plead guilty to a felony, a fraud, a crime involving moral turpitude or any other crime or offense that we reasonably believe is likely to have an adverse effect on the Brand Mark, the Choice Marks, our System, the Other Choice Brand Hotels, our business, our goodwill, our Intellectual Property, or our interest in this Agreement or any other instrument or agreement that we may have entered with you;

(d) Transfer. You (or a beneficial owner of you) transfer or purport to transfer any rights or obligations under this Agreement, any Controlling Interest in you, your interest in the Hotel, or a Controlling Interest in the Hotel without our prior written consent, except as otherwise permitted under Section 9(b) or 9(c) hereof;

(e) False Records. You maintain false books or records, send us false reports, or make any materially false statement in your franchise application or any other document you are required to submit to us;

(f) Bankruptcy. You file a petition in bankruptcy, become insolvent, make a general assignment for the benefit of creditors, or are unable to pay your debts to creditors on a timely basis;

(g) Insurance. You do not buy, maintain or send us evidence of insurance as required by this Agreement, or if we opt to procure, on your behalf, insurance required by this Agreement and you fail to reimburse us as we require under Section 12(f);

(h) Multiple Defaults. We send you 2 or more written notices of default under this Agreement for the same or a similar cause or reason in any consecutive 12 month period during the Term, whether or not cured;

(i) Construction. You do not (i) begin construction or renovation of the Hotel on or before the date required by Section 6(r)(2) of this Agreement, (ii) submit Plans to us for our approval prior to Construction Start, and in accordance with Section 6(r)(1), or (iii) once begun, continue, without unreasonable interruptions, the construction or renovation of the Hotel;

(j) Opening Deadline. You fail to open the Hotel by the Opening Deadline in accordance with Section 6(s)(6);

(k) Property Improvement Deadline. You fail to complete required improvements and/or repairs to upgrade the Hotel by the deadline(s) set forth in a property improvement plan;

(l) Goodwill. You engage in conduct that impairs the image, identity, value or goodwill associated with the Brand Mark (or any other Choice Marks) or the System;

(m) Confidential Information. You make a material unauthorized disclosure of Confidential Information; or

(n) Other Agreements. You or your affiliate (or a beneficial owner of you or your affiliate) materially breaches any other instrument or agreement with us or our affiliates, or any mortgage, deed of trust or lease covering the Hotel, unless cured within any applicable notice or grace periods contained in such document.

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

d. Our Remedies.

1. No System Services. If this Agreement expires or is terminated, we will cease to provide you with any services in connection with our System, which will include removal of the Hotel from any directories, websites, and other distribution channels, cessation of promotion programs and advertising, and cessation of your right to use our Intellectual Property. In addition, we may notify guests holding reservations that the Hotel is no longer authorized to use the Brand Mark, use our Intellectual Property or receive services in connection with our System, and we may relocate such guests upon their request.

2. Liquidated Damages – Post-Opening Termination. If we terminate this Agreement due to your default after the Opening Date, you will pay us, within 30 days after termination, as liquidated damages and not as a penalty for the premature termination of this Agreement, an amount equal to the product of (i) the average monthly Gross Room Revenues during the prior 12 full calendar months (or such shorter time that the Hotel has been open), multiplied by (ii) the maximum Royalty Fee payable under Section 4(b)(1), multiplied by (iii) the number of months (including partial months, which will be prorated) between the date of termination and the next date that you could have terminated this Agreement under Section 3, not to exceed 60 months. However, the product of (i) multiplied by (ii) will not be less than the product of $ 40.00

multiplied by the number of contractually approved Sleeping Rooms.

3. Liquidated Damages – Pre-Opening Termination. If we terminate this Agreement due to your default prior to the Opening Date, you will pay us, within 30 days after the termination, as liquidated damages and not as a penalty for the premature termination of this Agreement, an amount equal to the product of (i) the number of contractually approved Sleeping Rooms, multiplied by (ii) $40.00, multiplied by (iii) 36 months.

4. Reasonable Estimate. You acknowledge and agree that the injury to us caused by your breach of this Agreement and its termination is difficult or impossible to accurately estimate, and that the methods of calculating liquidated damages in Sections 10(d)(2), 10(d)(3), and 11(a) are reasonable estimates of our probable loss resulting from your breach of this Agreement and its termination. Payment of liquidated damages by you does not affect your obligation to pay us all Monthly Fees and other fees and amounts due to us that accrued before the termination of this Agreement nor does it affect your continuing indemnification obligations pursuant to Section 13 of this Agreement.

5. Discounted Liquidated Damages. We will reduce the amount of liquidated damages payable to us under this Section 10(d) by 20% (the "Discounted Liquidated Damages Amount") if, within 15 days of termination of this Agreement, you (i) discontinue all use of our Intellectual Property (including the Brand Mark and Choice-Related Words), (ii) pay all outstanding fees and charges due under this Agreement and any other franchise agreement between Choice and you or your affiliate, and (iii) pay the Discounted Liquidated Damages Amount to us by certified or cashier's check. Notwithstanding the foregoing, if we terminate this Agreement pursuant to Section 10(b)(2)(b) because you abandon the Hotel or stop operating the Hotel using the Brand Mark or according to the requirements of our System or this Agreement, we will reduce the amount of liquidated damages payable to us under this Section 10(d) by only 5%, provided that you comply with (i) through (iii) above.

e. Evidence of Breach. If the validity of the termination of this Agreement is disputed, we may introduce evidence of a breach of this Agreement or evidence of any claim associated with the Hotel, including any facilities that are managed by others at the Hotel, whether or not stated in the default or termination notice.

11. **Obligations on Termination.** On termination or expiration of this Agreement for any reason, you must, at your expense:

a. Intellectual Property. Immediately discontinue all use of our Intellectual Property, refrain from using the Brand Mark to identify the Hotel and cease to use the Choice-Related Words. If you do not immediately discontinue use of our Intellectual Property (including the Brand Mark) or use of the Choice-Related Words following the expiration or termination of this Agreement, you will pay us as liquidated damages and not as a penalty, the sum of $2,500 for each day following the expiration or termination of this Agreement that you continue to use our Intellectual Property (including the Brand Mark) or the Choice-Related Words, and we will have the right to seek injunctive and equitable relief for your infringement (or use of the Choice-Related Words) and, in that event, you waive, to the maximum extent permitted by law, any requirement for any bond for the issuance of any injunction, and if a bond is required, you agree that it will not exceed $1,000;

b. Registration. Cancel any assumed name or similar registration containing our Intellectual Property (including the Brand Mark) or any variation or portion of our Intellectual Property (including the Brand Mark) or the Choice-Related Words, discontinue all use of any web sites or other electronic media (including social media) that markets goods and services under the Choice Marks and furnish us with reasonable evidence showing that you complied with these obligations within 30 days after termination or expiration of this Agreement;

c. Payment. Promptly pay all sums owed to us and our subsidiaries or affiliates, and all damages, costs, and expenses, including reasonable attorneys' fees, that we incur, either before or following the termination of this Agreement, as a result of your default, including all outstanding Monthly Fees, any

liquidated damages due under this Agreement, and any costs and expenses we incur to obtain injunctive relief for the enforcement of any portion of this Agreement; and

d. Return or Destroy Materials. Immediately return to us, or at our option, destroy all originals and copies of any materials that we have provided to you relating to our System and your operation of the Hotel, including all copies of any manuals, the Rules and Regulations and any data stored in or generated by our Property Management System and Reservation System. Except for your copy of this Agreement and other documents that you reasonably need to comply with applicable laws, you may not retain any material that we provided to you during the Term.

12. **Insurance.**

a. Pre-Opening Coverage. You must purchase by Construction Start and maintain until the Opening Date, at your expense, directly or through your general contractor, the types and amounts of insurance coverage as we may require in the Rules and Regulations or otherwise in writing, including, but not limited to:

1. General Liability. Commercial General Liability Insurance (including automobile liability, bodily injury and property damage) protecting you and naming us and our affiliates and subsidiaries, our and their respective officers, directors, agents and employees as Additional Insureds (as defined in Section 12(c)) from and against all types of liabilities, including personal injury and property damage, together with the costs of defense and/or adjustments arising out of the operations to construct or renovate the Hotel. The insurance must include coverage for contractual liability, explosion, collapse and underground property damage hazard liability, personal injury liability, products and completed operations liability, owner' s and contractor's protective liability, and independent contractor's liability and must be accompanied by waivers of subrogation in our favor and the favor of our affiliates and subsidiaries, the officers, directors, agents and employers of us, our affiliates and subsidiaries.

2. Builder's Risk. All-risk builder's risk coverage to insure the Hotel buildings under construction or renovation to 100% of their replacement cost value, protecting you, us and the Additional Insureds, and a workers' compensation policy as required by statute.

b. Post-Opening Coverage. Beginning no later than the Opening Date and for the rest of the Term, you must purchase and maintain, at your expense, the types and amounts of insurance coverage as we may require in the Rules and Regulations or otherwise in writing, including, but not limited to:

1. Physical Damage Coverage. All-risk physical damage coverage, insuring the Hotel and its contents for its full replacement cost. If the Hotel is damaged or destroyed, and unless a mortgagee requires otherwise, the proceeds of any insurance will be used to repair or restore the Hotel in accordance with your plans that we approve. Your insurance must contain a waiver of subrogation in our favor and the favor of our affiliates and subsidiaries, the officers, directors, agents and employees of us, our affiliates and subsidiaries.

2. General Liability; Automobile. Commercial Automobile and Commercial General Liability Insurance policies written on an occurrence form protecting you and the Additional Insureds (as defined in Section 12(c)) from and against all manner of liability. The coverage described in the preceding sentence is primary to any coverage that we maintain and must include Contractual, Products and Completed Operations, Independent Contractors, Personal Injury, Property Damage, Bodily Injury and Host Liquor Liability coverage (if applicable), together with the costs and expenses of the defense and/or adjustment of injury or damage, without exception, from or in any way related to any operation or activity conducted under this Agreement and/or of the Hotel, including adjacent areas like swimming pools, parking lots, restaurants, and bars. Your Automobile Liability Policy must cover owned, hired and non-owned vehicles used in the operation of the Hotel. The policies described in this Section 12(b)(2) must cover lawsuits or actions brought anywhere in the world. These policies must provide limits per location and per occurrence as required in the Rules and Regulations and must be accompanied by a waiver of subrogation in favor of the Additional Insureds. You may meet the required total minimum limits through a combination of primary and umbrella

policies. If alcoholic beverages are sold at the Hotel (whether or not you own the establishment that sells the alcohol), you must purchase and maintain Dram Shop/Liquor Liability Insurance with such limits as required in the Rules and Regulations.

3. Workers' Compensation. Statutory Workers Compensation and Employers Liability insurance with minimum Employers Liability limits per accident and per disease as required in the Rules and Regulations.

4. Business Interruption. Business interruption insurance which shall provide for coverage of a minimum of three (3) months in the event the Hotel is not operational at any time during the Term. Your business interruption insurance policy must name us as a specific loss payee.

5. Cyber Liability. Cyber Liability insurance providing minimum coverage as required by the Rules and Regulations.

c. Additional Insured Requirement. You must also obtain and attach an endorsement for all commercial automobile, commercial general and umbrella policies used to meet the requirements in Sections 12(a) and 12(b) adding us, our affiliates and subsidiaries, our and their respective officers, directors, agents, partners and employees, as additional insureds ("Additional Insureds").

d. Rating; Primary Coverage; Notice of Change. You must place your insurance with insurance companies reasonably acceptable to us and with an A.M. Best Rating of A-, VI or better. All insurance, commercial automobile, commercial general liability, umbrella and dram shop/liquor liability (if applicable), that you purchase must be specifically endorsed to provide that the coverage will be primary and that any insurance carried by Additional Insureds will be excess and non-contributory. We may reasonably change the insurance coverage requirements set forth in this Section 12 during the Term by giving you at least 30 days' notice of the change. You must comply with our directions, at your expense, and deliver to us evidence of your compliance before the change becomes effective.

e. Certificates of Insurance. You must send us, by no later than ten (10) days prior to Construction Start and/or the Opening Date, as applicable under Sections 12(a) and 12(b), certificates of insurance, endorsements, declarations and/or other documents requested by us, indicating your property code, the Hotel name and address, and proof that you have purchased the required insurance coverage and the Additional Insureds endorsement has been accepted by your insurance carrier. You must also provide us with evidence of renewal before the expiration date of each insurance policy. You are responsible for providing us with 30 days advanced written notice if the certificate of insurance by the insurer has been canceled, reduced in coverage, or otherwise altered. Acceptance by Choice of an improper certificate of insurance shall not constitute a waiver, release or modification of any of the insurance coverage and endorsements required under this Agreement.

f. Procurement of Insurance. If you, for any reason, fail to procure or provide us with evidence that you maintain at least the minimum insurance required by Section 12(a) or 12(b), as applicable (or as designated by us from time to time in the Rules and Regulations) together with the endorsement required by Section 12(c), you acknowledge and agree that we will have the immediate right and authority, but not the obligation, to procure such insurance on your behalf, and charge you the cost of the insurance and, at our option, a reasonable penalty. You agree that you will reimburse us for the cost of such insurance and for any reasonable out-of-pocket costs that we incur should we elect to obtain such insurance within 30 days of receipt of our notice that such costs are due and payable to us. The foregoing shall not limit our right to terminate this Agreement pursuant to Section 10(b)(2)(g).

g. No Waiver of Obligations. Your purchase and maintenance of insurance and your performance of your obligations under this Agreement are in addition to your obligation to indemnify us. If applicable, you should obtain additional insurance coverage since we do not require insurance against all potentially insurable risks, such as Employment Practices Liability insurance; if you do, for your protection, you should name us as an Additional Insured on this additional coverage.

13. **Indemnification**. To the fullest extent permitted by law, you must defend, indemnify and hold

harmless us, our affiliates and subsidiaries, our and their respective officers, directors, agents, partners and employees (each, an "Indemnified Party") from and against any claim, loss, cost, damage, expense judgment and liability, including, but not limited to, employment related liability and environmental liability (a "Claim"), including reasonable attorneys' fees (whether or not a lawsuit has been filed) and any court costs, resulting in whole or in part from any damage or loss, including personal injury, of any nature, connected with the Hotel construction, renovation or operation, or any facilities that are managed by others in the Hotel, or out of, or as a result of, in whole or in part your (or your agent's or employee's) error, omission, act or failure, even where negligence of an Indemnified Party is alleged, except to the extent that the loss, costs, damage, expense or liability is solely and proximately caused by the negligence of an Indemnified Party. Notwithstanding the foregoing, if we are required by a court of law to contribute to any Claim, the amount of our contribution will be calculated by applying principles of ~~compa rative~~comparative negligence where a Claim was jointly caused by your negligence and by our negligence. You must reimburse us for all amounts we reasonably spend, including attorneys' fees and court costs, to protect the Indemnified Parties from, or to remedy, your defaults under this Agreement or claims arising out of your operation of the Hotel. We will have the sole and exclusive control (including the right to be represented by attorneys of our choosing) over the defense of any Claims against an Indemnified Party and over their settlement, compromise or other disposition. This provision will be deemed divisible, such that if it is in any way (or to any extent) determined to be invalid or unenforceable, it will be deemed modified so as to be valid and enforceable and to be in full force and effect to the fullest extent permitted by law. This provision will survive the expiration or earlier termination of this Agreement.

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

15. **Notices.** All notices required or permitted under this Agreement must be in writing, must be personally delivered or mailed by registered or certified mail, return receipt requested, or by a nationally recognized delivery or courier service that allows tracking of packages or letters, to us at **Choice Hotels International, Inc., 1 Choice Hotels Circle, Suite 400, Rockville, Maryland 20850, Attention: General Counsel**, or at such other address we require upon written notice to you, and to you at the Designated Representative's address set forth in Section 1 of this Agreement. You authorize the Designated Representative to submit written notices to us or receive our written notices to you as your agent. Any notice by registered or certified mail or by delivery or courier service is deemed given and received at the date and time of sending. You may change the Designated Representative and/or the Designated Representative's address by written notice to us.

16. **Attorneys' Fees**. Attorneys' fees must be paid according to the terms of this Section 16 and also, as may be applicable, Section 13 of this Agreement. The prevailing party (as determined by the court or arbitrator) in any arbitration or claim filed to enforce the terms of this Agreement will recover from the other party the reasonable expenses of its attorneys, whether that attorney is employed by you or us or specially retained in connection with the proceeding, along with any court costs, arbitration costs, arbitrator fees, the reasonable costs of necessary expert witnesses, and the reasonable travel costs (including food and lodging) of the prevailing party's witnesses in the proceeding. If such a claim seeks, in whole or in part, attorneys' fees under Section 13, that provision will control. Attorneys' fees, including those payable to any attorney who is an employee of yours or ours, will be determined by reference to the usual and customary rate for such attorney, and the rates charged by attorneys of similar background and experience performing similar work in the area where the proceeding is conducted. Any judgment or arbitration award for fees or other amounts owed to us to enforce our rights under Section 4, Section 10(d) or Section 21 of this

Agreement will bear interest at the rate referred to in Section 4(f) until paid.

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

a. Taxes. You must pay when due all taxes related to the Hotel that may be levied or assessed by any federal, state, or local taxing authority, and all other indebtedness related to the Hotel. You ~~must pay any sales tax, gross receipts tax, or similar~~shall comply with all federal, state, and local tax laws. You shall pay all property taxes imposed on ~~us (but not our income taxes) on any payments that you must make to us under this Agreement. If there is a bona fide dispute as to liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness under the procedures of the taxing authority or applicable law. You may not permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor to occur against the Hotel or the Location. If any amount to be paid or reimbursed under this Agreement to us, or any of our affiliates, is subject to state gross receipts or other state income tax, then you must pay or reimburse an additional amount to us (or to our affiliate as the case may be), so that the amount actually received by us (or our affiliate) after such deduction, payment or withholding will equal the full amount stated to be payable or reimbursable under~~your property when they are due. You shall be responsible for all state and local sales and transaction taxes that are imposed on, or measured by, the gross receipts paid to Choice pursuant to this Agreement.

b. Permits. You must timely obtain and maintain all permits, certificates, and licenses necessary for the construction, renovation, operation and maintenance of the Hotel, including licenses to do business, fictitious name registration and sales tax permits, health and sanitation permits, and ratings and fire clearances. You must send us, within 10 days of your receipt, copies of all inspection reports, warnings, certificates, and ratings, received from any governmental entity.

c. Notice of Suit. You must notify us in writing and provide us with copies, within 5 days of your receipt, of any actual or threatened criminal or civil action, suit, proceeding, or the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality affecting you or the Hotel.

18. **Approvals and Waivers.**

a. Approvals. Our approvals and consents will not be effective unless signed by one of our duly-authorized representatives. We may withhold our consent in our reasonable discretion or at any time when you are in breach of any obligation under this Agreement.

b. Reliance; No Liability. Except as otherwise expressly stated in this Agreement (including any addenda or amendments), we make no warranties or guarantees on which you may rely. We assume no liability or obligation to you by providing any waiver, approval, consent, suggestion to you, or by reason of any delay or denial of any request that you make to us.

c. No Waiver/Forbearance. Failure to exercise any power or to insist on strict compliance with any obligation or condition under this Agreement is not a waiver of any future right to demand exact compliance with any of the terms in this Agreement. Waiver of any particular default or extension of any cure period will not affect or impair a party's right with respect to any later default of the same, similar, or a different nature. No delay, forbearance, or omission to exercise any power or right of a party following any breach or default of any of the terms, sections, or covenants of this Agreement by the defaulting party, will affect or impair the rights of the party not in default.

19. **Acknowledgments.**

a. No Warranty or Guarantee. You acknowledge and agree that you have conducted an independent investigation of the benefits of signing this Agreement, and you understand that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent on your ability as an independent businessperson. We have not made, and you acknowledge that you have not received from us or our agents, any ~~representation s~~representations, projection, warranty

or guarantee, express or implied, as to the profitability or other potential success of the business venture contemplated by this Agreement, except as expressly set forth in the Franchise Disclosure Document.

b. Limited Rights. You acknowledge and agree that this Agreement and the limited rights to use the Intellectual Property granted to you under this Agreement relate only to the Hotel and the Location. Except as may be specifically set forth in Section 2, this Agreement does not grant you any protected area, market or territorial rights. Subject to the terms of our then-current incremental impact policy ("Impact Policy") and our then-current version of the fair franchising policy ("Fair Franchising Policy"): (i) we may own, operate, or franchise other hotels and/or allow such hotels to use our Intellectual Property (including the Brand Mark), at any other location, either separately or combined ; and (ii) we, and any of our affiliates and other franchisees may now or in the future engage in transient lodging or related business activities that may compete with the Hotel.

c. Control; No Duty; Independent Contractor. You acknowledge and agree that you are solely responsible for exercising ordinary, day-to-day business control over the Hotel, including all personnel and employment related matters and decisions and pricing of rooms and other services at the Hotel, regardless of any advice or consultation received from us. This includes, but is not limited to, hiring and firing employees, supervising and controlling employees' work schedules and conditions of employment, determining employees' rate and method of payment, and maintaining employees' employment records. Neither this Agreement nor the Rules and Regulations create a fiduciary or joint employer relationship between you and us or between your employees and us. You are an independent contractor. Nothing in this Agreement or the Rules and Regulations makes, or is intended to make, either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other (except that you agree that we may act as your agent when making reservations for your Hotel).

d. No Right to Contract; No Third Party Obligations; Truthfulness. You acknowledge and agree that you are not authorized to make any contract, agreement, warranty, or representation on our behalf, or to incur any debt or other obligation in our name; and we shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action. You acknowledge and agree that you will not represent in any proposed financing agreement or to any proposed lender or participant in a public or private investment offering that we or any of our affiliates is, or will, become responsible for your obligations under the financing agreement, nor that we are, or will be, participating in any private or public investment offering. Before you distribute a prospectus of your intended private or public offering, you must send us a copy for our prior written approval, not to be unreasonably withheld, of references made to us in the prospectus. You warrant the truth and completeness of all your statements in your application and the content of all other documents that you send to us as part of the application process and that you are required to submit to us under this Agreement.

e. Disclosure. You acknowledge that you received from us the Franchise Disclosure Document required by the Federal Trade Commission and by the applicable state(s) in which you live and where the Hotel is located at least 14 days before you signed this Agreement or paid to us any consideration for the hotel franchise.

f. Ownership. You warrant that you are the true owner of, and record holder of title to, the Hotel, or that you are currently leasing the Hotel under a lease that allows you the right to enter into this Agreement. If you are a corporation, limited liability company, partnership, or other entity, all owners of the entity, including any subsequent person or entity that becomes an owner at any time after the Effective Date, shall sign our then-current form of personal guaranty agreement, unless expressly waived by us in our sole discretion.

g. Data Security. You acknowledge and agree that we and you each own the rights in and to any data captured by the Property Management System or Reservation System ("Guest Data") and that we may use Guest Data in any reasonable manner that we determine. You also acknowledge and agree that you are obligated to comply with all information security and data privacy standards and requirements contained in the Rules and Regulations and all applicable federal and state laws, regulations, and standards relating to information security and data privacy, including, without limitation, the Payment Card Industry Data

Security Standard ("PCI DSS"). You must secure all Guest Data against loss or theft and against unauthorized or unintended access, disclosure, copying, use or modification. You agree to notify us in writing as soon as practicable (and at least within 24 hours) of any known, suspected, or alleged security breach of Guest Data in your possession or custody or under your control. You also acknowledge and agree that you are obligated to indemnify us from and against any Claim resulting from any such data security breach pursuant to Section 13 of this Agreement. Without limiting the foregoing, to the extent we possess or otherwise provide services that allow for the storage, processing, or transmittal of Guest Data as defined by the PCI DSS ("Services"), or to the extent we could impact the security of the Guest Data environment, we will remain in compliance with the applicable PCI DSS requirements with respect to those Services. We will also remain aware of changes to the PCI DSS and implement all procedures and practices as may be reasonably necessary for the Services to remain in compliance with the PCI DSS, in each case at our sole cost and expense.

h. System Fee. You acknowledge and agree that we may use the System Fee to meet all costs incident to providing the Hotel (and all Other Choice Brand Hotels) with marketing and advertising services, the Property Management System, and the Reservation System, and that such costs may include certain of our overhead expenses that are reasonably allocated to provide such services. You further agree that we have the absolute and unilateral right to determine, when, how and what portion of the System Fee may be used for (i) marketing purposes, including the right to purchase and pay for marketing services, product research and development, production materials, ad slicks, brochures, videotapes, radio and television commercials, media advertising (internet, e-commerce, television, radio, cable, magazines, newspapers and other print), services provided by advertising agencies, market research, trade shows, conventions, promotions, research and design, public relations, and loyalty programs, (ii) the development, operation and maintenance of the Property Management System and Reservation System, and (iii) the cost of personnel, accounting services, travel expenses, office space, overhead costs, administrative costs, computers, other equipment, furniture, salaries and fringe benefits, development, design and maintenance of internet web-pages and websites, including internet service provider costs, network costs, and for other similar costs that we reasonably deem to be appropriate. You also acknowledge that other franchisees authorized to use our System may not contribute the same percentage or total amount that you must pay to us as the System Fee. You further acknowledge and agree that we are not obligated, in expending the System Fee, to make expenditures for your Hotel or Brand Mark which are equivalent or proportionate to your contribution.

i. ChoiceAdvantage Software Terms of Use. You acknowledge and agree that your right to use the Property Management System will be governed by the ChoiceAdvantage Software Terms of Use that are provided to you in an online format which you agree to review periodically. You acknowledge and agree that the ChoiceAdvantage Software Terms of Use are specifically incorporated as part of this Agreement and you will comply with the terms and conditions of the then-current ChoiceAdvantage Software Terms of Use. You agree that you, the Hotel's general manager, or any other authorized employee of the Hotel ("Authorized User") may accept and agree on behalf of you to the terms and conditions of the ChoiceAdvantage Software Terms of Use. You also acknowledge and agree that we have the right, in our sole discretion, to modify, add or remove any terms or conditions of the ChoiceAdvantage Software Terms of Use. Changes to the ChoiceAdvantage Software Terms of Use will be posted online and will be immediately effective. You agree that use by an Authorized User of the Property Management System after we post any such changes will indicate that you accept and agree to the ChoiceAdvantage Software Terms of Use, as modified.

j. No Liability. You acknowledge and agree that we will not assume liability for, or be deemed liable as a result of, any act or omission of yours relating to the construction, renovation, operation, maintenance or promotion of the Hotel or for any claim or judgment arising from such act or omission.

k. Anti-Terrorism / Anti-Bribery Laws. You individually represent and warrant to us that neither you (including your directors and officers, senior management and shareholders (or other persons) having a controlling interest in you), nor any affiliates or funding sources are (a) owned or controlled by, or acting on behalf of, the government of any country that is subject to an embargo imposed by the United States government; or (b) an entity or individual ("Person") identified by any government or legal authority under

applicable laws as a Person with whom dealings and transactions by us are prohibited or restricted, including Persons designated on the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) List of Specially Designated Nationals and Other Blocked Persons (including known terrorists and narcotics and human traffickers). You will promptly notify us in writing upon the occurrence of any event which would render the foregoing representations and warranties incorrect. You further represent and warrant to us that you, including persons having a controlling interest in you, are not in violation of any anti-money laundering laws, anti-terrorism, anti-bribery, trade sanctions or other laws or embargoes, including without limitation the U.S. Patriot Act and the U.S. Foreign Corrupt Practices Act and related regulations and executive orders. You represent and warrant that you are qualified to do business in the United States, have the authority to execute this Agreement, and are eligible under applicable United States laws to carry out the obligations under this Agreement and any subsequent assumption of your rights and obligations under this Agreement.

l. Child Protection Code of Conduct. We are a member of "The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism" (www.thecode.org) ("The Code"), which is an industry-driven responsible tourism initiative with a mission to provide awareness, tools, and support to the tourism industry in order to prevent the sexual exploitation of children. You agree to support the principles of The Code and to take all reasonable steps at the Hotel, including the training of staff, to recognize and prevent all forms of human trafficking.

20. **Miscellaneous.**

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

b. No Third Party Beneficiaries. Except as otherwise expressly provided in this Agreement, nothing in this Agreement is intended, nor will anything in this Agreement be deemed, to confer on any person or legal entity other than us or you, or our respective successors and permitted assigns, any rights or remedies under or by reason of this Agreement.

c. Headings. All captions and headings in this Agreement are intended solely for the convenience of the parties and do not affect the meaning or construction of any section.

d. References. All references to the masculine, neuter, or singular, include the masculine, feminine, neuter, or plural. The word "include" and its derivatives are not to be construed as terms of limitation. If "you" consists of more than one person or entity, your acknowledgments, promises, covenants, agreements, and obligations made or undertaken in this Agreement are jointly and severally undertaken by each of you.

e. Counterparts. If this Agreement is executed in multiple counterparts, each executed copy is an original.

f. Governing Law. This Agreement becomes valid and effective only when we have signed it, and it will be interpreted under the substantive laws of Maryland, not including its conflict of laws provision or such provisions of any other jurisdiction; except that nothing herein shall be construed to establish independently your right to pursue claims under Maryland's Franchise Registration and Disclosure Law.

g. Cumulative Rights and Remedies. Rights and remedies stated in this Agreement are cumulative and not exclusive of any other right or remedy.

h. Attachments/Addenda. All attachments, addenda and amendments to this Agreement are incorporated into and a part of this Agreement. Any addenda or amendments to this Agreement will not be

effective unless signed by one of our duly-authorized representatives and by you. All duly-executed addenda and/or amendments are incorporated into and will become a part of this Agreement.

i. Survival. Those of your obligations and our obligations under this Agreement which expressly or by their nature survive the expiration or earlier termination of this Agreement will survive ~~su ch~~such expiration or termination, including, but not limited to, Sections 7, 10(d), 11, 13, 16, 17, 18, 19, 20, 21, 22, 23 and 24.

j. Seal. This Agreement is a contract under seal and is intended by the parties to be a specialty under Maryland law.

k. Electronic Signatures. The parties hereby acknowledge and agree that electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called "pdf" format shall be legal and binding and shall have the same full force and effect as if an original of this Agreement had been signed and delivered by hand. You and we both (i) intend to be bound by the signatures (whether original, faxed or electronic) on any document sent by electronic means, (ii) are aware that the other party will rely on such signatures, and (iii) hereby waive any defenses to the enforcement of the terms of this Agreement based on the foregoing forms of signature.

21. **Arbitration. Except for our claims against you for indemnification or actions seeking to enjoin you from using any of our Intellectual Property (including the Brand Mark) or the Choice-Related Words in violation of this Agreement or any other related agreements (including the ChoiceAdvantage Software Terms of Use), any controversy or claim arising out of or relating to this Agreement or any other related agreements, or the breach of this Agreement or any other related agreements, including any claim that this Agreement or any part of this Agreement or any related agreements is invalid, illegal, or otherwise voidable or void, as well as any claim that we violated any laws in connection with the execution or enforcement of this Agreement or any related agreements and any claim for declaratory relief, will be sent to final and binding arbitration in the state of Maryland before either the American Arbitration Association, J.A.M.S., or National Arbitration Forum in accordance with the Commercial Arbitration Rules of the American Arbitration Association, including its rules for emergency measures of protection, except to the extent that the Commercial Rules of the American Arbitration Association may be interpreted to require you or us to produce documents, witnesses, or information at a time other than at a hearing on the claim without our mutual consent. In the event more than one demand for arbitration is filed in connection with this Agreement or any related agreements, the demand filed with the American Arbitration Association, J.A.M.S., or National Arbitration Forum office having jurisdiction over Maryland proceedings shall take precedence, and any other demand shall be withdrawn and presented in the Maryland filing. The arbitrator will apply the substantive laws of Maryland, without reference to its conflict of laws provision, except that nothing herein shall be construed to establish independently your right to pursue claims under Maryland's Franchise Registration and Disclosure Law. Judgment on the arbitration award may be entered in any court having jurisdiction. If any party fails to appear at any properly noticed arbitration proceeding, an award may be entered against the party, notwithstanding its failure to appear. Any arbitration will be conducted at our headquarters office in Maryland and the parties agree that any state laws attempting to prohibit arbitration in Maryland are pre-empted by the Federal Arbitration Act. Nothing in this Section 21 will be construed as requiring you or us to make a claim in arbitration before exercising any rights you or we may have to give notice of default or termination in accordance with the terms of this Agreement or any related agreements.**

22. **NO CLASS ACTIONS. NEITHER YOU NOR WE SHALL SEEK TO LITIGATE OR ARBITRATE AGAINST THE OTHER PARTY TO THIS AGREEMENT OR SUCH PARTY'S AFFILIATES, EITHER AS A REPRESENTATIVE OF, OR ON BEHALF OF, ANY OTHER PERSON, CLASS, OR ENTITY, ANY DISPUTE, CONTROVERSY, OR CLAIM OF ANY KIND ARISING OUT OF, OR RELATING TO, THIS AGREEMENT, THE RIGHTS AND OBLIGATIONS OF THE PARTIES, THE SALE OF THE FRANCHISE, OR OTHER CLAIMS OR CAUSES OF ACTION RELATING TO THE PERFORMANCE OF EITHER PARTY TO THIS AGREEMENT. NO ARBITRATION OR OTHER ACTION OR PROCEEDING UNDER**

THIS AGREEMENT SHALL ADD AS A PARTY, BY CONSOLIDATION, JOINDER, OR IN ANY OTHER MANNER, ANY PERSON OR PARTY OTHER THAN US AND YOU AND ANY PERSON IN PRIVITY WITH, OR CLAIMING THROUGH, IN THE RIGHT OF, OR ON BEHALF OF, US OR YOU, UNLESS BOTH WE AND YOU CONSENT IN WRITING. WE HAVE THE ABSOLUTE RIGHT TO REFUSE SUCH CONSENT. YOU AGREE AND ACKNOWLEDGE THAT ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING FROM OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP BETWEEN THE PARTIES, OR ANY AGREEMENT OR RELATIONSHIP BETWEEN YOU AND US OR ANY AFFILIATE OF OURS WILL BE CONSIDERED UNIQUE ON ITS FACTS AND MAY NOT BE BROUGHT AS A CLASS OR GROUP ACTION.

23. **WAIVER OF JURY TRIAL. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER.**

24. **INTEGRATION. THIS AGREEMENT, ALL OF ITS ATTACHMENTS, AND ANY AGREEMENT SPECIFICALLY MADE A PART OF THIS AGREEMENT PURSUANT TO THE TERMS HEREOF, CONTAIN THE COMPLETE UNDERSTANDING OF THE PARTIES AND REPLACE ANY PREVIOUS WRITTEN OR ORAL AGREEMENT ON THE SAME SUBJECT MATTER. NO REPRESENTATION, INDUCEMENT, PROMISE OR AGREEMENT, ORAL OR OTHERWISE, NOT CONTAINED IN THIS AGREEMENT, WILL BE OF ANY FORCE OR EFFECT. NOTHING IN THIS AGREEMENT OR IN ANY RELATED AGREEMENT, HOWEVER, IS INTENDED TO DISCLAIM THE REPRESENTATIONS WE MADE IN THE FRANCHISE DISCLOSURE DOCUMENT THAT WE FURNISHED TO YOU.**

ATTACHMENT A

PROPERTY IMPROVEMENT PLAN

[For existing hotels converting to use the Brand Mark]

ATTACHMENT B

RIDER TO THE FRANCHISE AGREEMENT

[Other Modifications to the Franchise Agreement]

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

Choice Hotels International, Inc., a
Delaware corporation

By:_____(Seal)
Name: Christopher J. Wallace
Title: Vice President and Assistant General Counsel

«LIC_BLOCK»

«FRANCHISEE»

By:_____(Seal)
Name:
Title:

Date:_____

PLEASE INITIAL THE ATTACHED SCHEDULE A

Schedule A – for Individuals

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

Name of Individual Hotel Owner *Percentage owned*

_____ _____%
(type or print)

_____ _____

_____%
(type or print)

_____ _____%
(type or print)

_____ _____

_____%
(type or print)

_____ _____%
(type or print)

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_____%
(type or print)

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(type or print)

_____ _____

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(type or print)

_____ _____%
(type or print)

_____ _____%
(type or print)

_____ _____%
(type or print)

INITIAL HERE_____

Schedule A – Entity Ownership Breakdown

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

Name of member/shareholder/partner *Percentage owned*

_____

_____%

(type or print)

_____

_____%

(type or print)

_____ _____%

(type or print)

_____ _____% (type or print)

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_____%

(type or print)

_____ _____%

(type or print)

INITIAL HERE _____

Schedule A – Entity Ownership Breakdown

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

Name of member/shareholder/partner *Percentage owned*

_____ _____%
(type or print)

_____

_____%
(type or print)

_____ _____%
(type or print)

_____ ~~_____% (type or print)~~

_____ _____%
(type or print)

_____ _____%
(type or print)

_____

_____%
(type or print)

_____ _____%
(type or print)

_____ _____%
(type or print)

INITIAL HERE _____

GUARANTY

This Guaranty ("Guaranty") is made as of_____, by **(name of guarantors)** ("each, individually a Guarantor"), in favor of and for the benefit of Choice Hotels International, Inc., a Delaware corporation ("Choice"). In consideration of and as an inducement to Choice to execute a Franchise Agreement by and between Choice and **«LIC_BLOCK»** ("F

hat
all of Franchisee's representations and warranties in (a) any application submitted by Franchisee
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not
be reduced, limited, terminated, discharged, impaired or otherwise affected by: (a) the occurrence
or ny
as or
co nt;
~~(c)~~
(d) the voluntary or involuntary liquidation, sale or other disposition of Franchisee's assets, or the receivership, insolvency, bankruptcy, reorganization or similar proceedings affecting Franchisee or its assets or the release or discharge of Franchisee from any of its obligations under the Franchise Agreement; or (e) any change of circumstances, whether or not foreseeable, and whether or not any such change does or might vary the risk of Guarantor hereunder. Any failure by rm
un ith
an

4. Guarantor unconditionally and irrevocably waives notice of acceptance of this G to
wh

, or
affiliates, and all damages, costs, and expenses, including reasonable attorneys' fees, that Ch the
Fr ed
da its
subsidiaries or affiliates incur to obtain injunctive relief for the enforcement of any portion of this G

6. If more than one person or entity has signed this Guaranty as a Guarantor, the liability of each such Guarantor shall be joint, several and primary. Each Guarantor shall be bound by his/her/its/their signature block below, and such Guarantor's obligations hereunder are not co

Choice Hotels International, Inc.

7. All notices required or permitted under this Guaranty must be in writing, must be personally delivered or mailed by registered or certified mail, return receipt requested, or by a nationally recognized courier service, to Choice at **Choice Hotels International, Inc., 1 Choice Hotels Circle, Suite 400, Rockville, Maryland 20850, Attention: General Counsel**, and to Guarantor care of the Designated Representative at the address set forth in the Franchise Agreement. Any notice by registered or certified mail or by courier service is deemed given and received at the date and time of sending. Guarantor may change its address only by written notice to Choice and Choice may change our address by written notice to Guarantor.

not

in

of

any of our Intellectual Property or the Choice-Related Words in violation of the Franchise Agreement, any controversy or claim founded upon or arising out of or relating to this Guaranty, the Franchise Agreement, or any related Agreement, or to the breach of this Guaranty, the Franchise Agreement, or any related Agreement, will be sent to final and binding arbitration before either the American Arbitration Association, J.A.M.S., or National Arbitration Forum in accordance with the Commercial Arbitration Rules of the American Arbitration Association, including its rules for emergency measures of protection, except to the extent that the Commercial Rules of the American Arbitration Association may be interpreted to require you or us to produce documents, witnesses, or information at a time other than at a hearing on the claim without our mutual consent. In the event more than one demand for arbitration is filed in connection with this G the An on over Maryland proceedings shall take precedence, and any other demand shall be withdrawn and presented in the Maryland filing. The arbitrator will apply the substantive laws of Maryland, without reference to its conflict of laws provision, except that nothing herein shall be construed to establish independently a right to pursue claims under Maryland's Franchise Registration and Disclosure Law. Judgment on the arbitration award may be entered in any court having jurisdiction. If any party fails to appear at any properly noticed arbitration proceeding, an award may be entered against the party, notwithstanding its failure to appear. Any arbitration will be conducted at Choice's headquarters office in Maryland. Nothing in this Section will be construed as requiring you or us to make a claim in arbitration before exercising any rights Choice or G his G

on

the

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

Choice Hotels International, Inc.

(name of

By:_____–L.S.
Name: Title:

Social Security No._____

Date:_____

Address:_____

_____

,

_____ L.S.

Sc

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–

Choice Hotels International, Inc.

ADDENDUM TO THE FRANCHISE AGREEMENT PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT

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

1. Section 10 (Default Termination) of the Agreement is supplemented by the following:

   If any of the provisions of this Section 10 governing termination are inconsistent with the provisions of Section 705/19 of the Illinois Franchise Disclosure Act, then such provisions of the Act will apply.

2. The provisions of Sections 20(f) and 21 of the Agreement and ~~Sections 9 and 10.2 of the Cambria Master Development Agreement, if applicable, and Sections 17 and 18~~Section 8 of the MainStay Suites and Suburban Extended Stay Hotels Master Development Agreement, if applicable, that designate choice of law and jurisdiction for venue of any lawsuit in a forum outside of the State of Illinois, will be governed by the Illinois Franchise Disclosure Act, provided that the Agreement may provide for arbitration in a forum outside of Illinois.

3. Section 23 (WAIVER OF JURY TRIAL) of the Agreement is supplemented by the following:

   If any provisions of this Section of the Agreement are inconsistent with the provisions of Section 705/41 of the Illinois Franchise Disclosure Act, then such provisions of the Act will apply to the extent such law is constitutional and the jurisdictional requirements of the Act (as amended) are met.

4. Franchisor reserves the right to challenge the applicability of any law that declares provisions in the Agreement void or unenforceable.

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

Witness:

_____
Name: Title: Date:

Choice Hotels International, Inc.,
a Delaware corporation

By:_____L.S.
Name:
Title:
Date:

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

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

1. Minnesota Law may provide you with certain termination and non-renewal rights. Minnesota Statutes, Section 80C 14, Subdivisions 3, 4 and 5 require, except in certain specified cases, that you be given 90 days of notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Agreement.

2. According to Minnesota Statute Section 2860.4400 (D), no release language in the Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws on franchising in Minnesota, provided that this part will not bar the voluntary settlement of disputes.

3. Any provision in the Agreement that requires you to consent to liquidated damages and/or termination penalties is deleted from the Agreement if issued in Minnesota.

4. The Franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logos, slogans and other commercial symbols, or indemnify the franchisee from any loss, costs, or expenses arising out of the use of any trade or service mark in compliance with the Agreement.

5. The following language will appear at the end of Section 20(f) of the Agreement if issued in Minnesota:

> "Pursuant to Minnesota Statutes, Section 80C.21, this Section does not abrogate or reduce any rights of the franchisee as provided for in the Minnesota Statutes 1987, Chapter 80C."

6. All other rights, obligations and provisions of the Agreement remain in full force and effect. Only the Sections added to or amended by the Addendum are affected. This Addendum is incorporated in and made part of the Agreement if and to the extent the Minnesota Franchise Investment Law applies.

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

Witness:

_____
Name: Title: Date:

Choice Hotels International, Inc.,
a Delaware corporation

By:_____L.S.
Name:
Title:
Date:

ADDENDUM TO THE FRANCHISE AGREEMENT FOR NEW YORK

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

1. If the Agreement requires that it be governed by the law of a state, other than the State of New York, the choice of law provision will not be considered to waive any rights conferred upon the franchisor or upon the franchisee under New York General Business Law, Article 33, Sections 680 through 695.

2. We will not assign our rights under the Agreement except to an assignee who in our good faith and judgment is willing and able to assume our obligations under the Agreement.

3. If your franchise is located in the state of New York, you may terminate the Agreement on any ground available by law.

4. All other rights, obligations and provisions of the Agreement remain in full force and effect. Only the Sections added to or amended by this Addendum are affected. This Addendum is incorporated in and made part of the Agreement if and to the extent the New York General Business Law applies.

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

Witness:

Choice Hotels International, Inc.,
a Delaware corporation

_____
Name: Title: Date:

By:_____L.S.
Name:
Title:
Date:

ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF NORTH DAKOTA

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

1. The North Dakota Franchise Law prohibits a franchisor from requiring a franchisee to consent to liquidated damages and termination penalties. If the Agreement contains a provision that is inconsistent with the North Dakota Franchise Law, the provisions of the Agreement will be superseded by the North Dakota Franchise Law's requirements and Franchisee will not be deemed to have consented to the calculation of the amount of such damages.

2. Sections 20(f) and 21 of the Agreement require: (a) the Agreement to be governed and interpreted under Maryland Law, and (b) certain disputes to be resolved by arbitration in Maryland. To the extent that such provisions conflict with the North Dakota Franchise Law, the North Dakota Franchise Law will control.

3. Section 23 of the Agreement require Franchisee and Franchisor to waive their respective rights to a jury trial. To the extent such provisions violate North Dakota Franchise Law, such law will prevail and such provisions will not apply with respect to claims thereunder.

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

Witness:

_____

Name: Title: Date:

Choice Hotels International, Inc.,
a Delaware corporation

By:_____ L.S.

Name:
Title:
Date:

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF RHODE ISLAND

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

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

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

Witness:

Choice Hotels International, Inc.,
a Delaware corporation

_____
Name: Title: Date:

By:_____L.S.
Name:
Title:
Date:

ADDENDUM TO THE FRANCHISE AGREEMENT AND FRANCHISE DISCLOSURE ACKNOWLEDGEMENT FORM AND ANY OTHER RELATED DOCUMENTS PURSUANT TO THE WASHINGTON FRANCHISE INVESTMENT PROTECTION ACT

This Addendum to the Franchise Agreement (the "Agreement") pertains to franchises sold in the State of Washington. If and to the extent that the Washington Franchise Investment Protection Act, RCW 19.100.010 to 19.100.940 ("Washington Franchise Investment Protection Act" or "Act") applies to the Agreement, the following provisions supersede anything to the contrary in the Agreement:

1. The state of Washington has a statute, RCW 19.100.180 which may supersede the Agreement in your relationship with us including the areas of termination and renewal of your franchise. There may also be court decisions that may supersede the Agreement in your relationship with us including the areas of termination and renewal of your franchise.

2. In any arbitration involving a franchise purchased in Washington, the arbitration site will be either in the state of Washington, or in a place mutually agreed on at the time of the arbitration, or as determined by the arbitrator. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

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

6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington

7. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Agreement or elsewhere are void and unenforceable in Washington.

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

Witness:	**Choice Hotels International, Inc**., a Delaware corporation
_____	By:_____L.S.
Name:	Name:
Title:	Title:
Date:	Date:

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF WISCONSIN

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

1. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 will apply to and govern the provisions of the Franchise Agreement.

2. That Act's requirement, including the requirements that, in certain circumstances, a franchisee receives ninety (90) days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, will supersede the requirements of the Franchise Agreement to the extent they may be inconsistent with the Act's requirements.

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

Witness:	**Choice Hotels International, Inc**., a Delaware corporation
_____	By: _____ L.S.
Name:	Name:
Title:	Title:
Date:	Date:

EXHIBIT E

[LOGO]

CHOICE HOTELS INTERNATIONAL, INC.

[BRAND]

MASTER DEVELOPMENT AGREEMENT

[DEVELOPER]

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MASTER DEVELOPMENT AGREEMENT

This Master Development Agreement (this "**MDA**") is entered into by and between **CHOICE HOTELS INTERNATIONAL INC.**, a Maryland corporation ("**Choice**") and _____, a _____ ("**Developer**") (each a "**Party**", collectively the "**Parties**") effective as of _____, 20 (the "**Effective Date**").

RECITALS

A. Capitalized terms not defined in the body of this MDA have the meanings set forth in **Exhibit C** ("**Definitions**") attached hereto and incorporated herein by reference.

B. Choice and Choice's Affiliates own and operate the System and the Proprietary Marks.

C. Developer wishes to develop newly constructed hotels (each a "**Hotel**" and collectively the "**Hotels**") branded as **[BRAND]** (each a "**System Property**" and collectively the "**System Properties**") with each System Property subject to a separate Franchise Agreement.

D. Choice wishes to grant Developer the exclusive right to develop, open, and operate a minimum of _____) System Properties within the __ (__) geographically defined areas set forth on **Exhibit A** (each an "**Exclusive Territory**", and together "**Exclusive Territories**") and enter into Franchise Agreements for each System Property developed by Developer or its Affiliate, pursuant to the terms and conditions of this MDA during the Term.

NOW, THEREFORE, in consideration of the promises in this MDA and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Developer and Choice agree as follows:

1. GRANT

1.1 Grant. Subject to the terms of this MDA, Choice hereby grants Developer the exclusive right to develop, open, and operate System Properties in the Exclusive Territories with the number of System Properties per Exclusive Territory set forth in **Exhibit A** (the "**Development Schedule**"). Developer may assign its rights to submit an Application and enter into a Franchise Agreement for the development of any System Property to an Affiliate as set forth in Section 4.1 and Section 4.2.

1.2 Exclusivity. Except as provided in Section 1.3 and Section 1.4, so long as Developer continues to meet the development thresholds set forth in the Development Schedule, neither Choice nor any of Choice's Affiliates will operate or allow any third party to operate any System Property in an Exclusive Territory until the earlier of (i) the last date to open a System Property under the Development Schedule for such Exclusive Territory, or (ii) the date Developer signs the minimum number of Franchise Agreements required under the Development Schedule for such Exclusive Territory, or (iii) the end of the Term.

1.3 Exclusivity Exceptions. The exclusivity set forth in Section 1.2 does not apply to the System Properties listed as "**Exclusivity Exceptions**" in **Exhibit B**, which consists of System Properties that are either open for business or under development with pending Applications or executed franchise agreements as of the Effective Date of this MDA, nor does the exclusivity set forth in Section 1.2 apply to (a) the relicensing of any System Property listed as an Exclusivity Exception, or (b) the licensing of any System Property at

any location inside the Exclusive Territory that replaces a System Property listed as an Exclusivity Exception which has departed or which is scheduled to depart the System; provided, however, Choice will not grant a replacement franchise inside the Exclusive Territory if the replacement hotel would entail more than a 50% increase in the number of rooms over that of the departed/departing hotel.

1.4 Reserved Rights. Choice and Choice's Affiliates ~~may~~reserve the right to own, operate, franchise, or otherwise allow any person to own or operate (i) System Properties and other Affiliate System Hotels at any location outside the Exclusive Territories; and (ii) Affiliate System Hotels at any location inside the Exclusive ~~Territories~~Territory.

1.5 Not a Franchise Agreement. The System Properties developed under this MDA shall be established and operated pursuant to a separate Franchise Agreement (each, a "**Franchise Agreement"**) as provided in Section 4.2. This MDA is not a Franchise Agreement. The right of Developer or an Affiliate to use the Proprietary Marks and System will arise solely out of, and be limited as set forth in, an applicable Franchise Agreement for each System Property.

1.6 Permitted Assignment. From time to time, Choice may request Developer's consent to permit a different Choice franchisee to develop a System Property within one of the Exclusive Territories during the exclusive development period. If Developer provides such consent, in writing, Choice agrees to credit the third party franchisee's executed franchise agreement towards Developer's Development Schedule obligations in the Exclusive Territory. Once the third party's franchise agreement is fully executed, at Developer's option, Choice will either refund Developer its prepaid $50,000 affiliation fee or credit such fee towards a future System Property.

2. TERM

2.1 Term. This MDA commences on the Effective Date and, unless otherwise terminated pursuant to the terms provided herein or extended upon mutual agreement of the Parties hereto, expires on the date that is the earlier of (i) the last date to open a System Property under the Development Schedule, as it may be extended in accordance with the terms of this MDA, or (ii) the date Developer signs the minimum number of Franchise Agreements required under the Development Schedule (the "**Term**").

3. RIGHTS DEPOSIT

3.1 Deposit. On or before the Effective Date of this MDA, Developer will deposit _____ **Dollars ($_____)** with Choice (the "**Rights Deposit**"), which shall be credited to Developer as set forth in Section 4.1 or reimbursed to Developer as set forth in Section 1.6.

4. OBLIGATIONS OF THE PARTIES

4.1 Development Schedule. Developer or an Affiliate must submit an Application (the "**Application**") for a Franchise Agreement for each System Property that Developer or such Affiliate intends to develop under this MDA. Choice will process each Application according to Choice's then-current standards for approval of Franchise Agreements. Choice will not unreasonably withhold, condition or delay its approval of any Application. Upon written approval of the Application by Choice, and full execution of a Franchise

Agreement by Choice and Developer or an Affiliate, Choice will credit fifty thousand dollars ($50,000) of the Rights Deposit against the Affiliation Fee (the "**Affiliation Fee**") associated with each Franchise Agreement. Franchise Agreements must be executed by the deadline set forth in the Development Schedule.

4.2 Franchise Agreements. Each Franchise Agreement will be on Choice's then-current form, provided that:

4.2.1. The Royalty Fee will be six percent (6%) of Room Revenue, for the duration of the Term;

4.2.2 The System Fee will be two and one-half percent (2.5%) of Room Revenue for the duration of the Term (subject to adjustment in accordance with the Franchise Agreement);

4.2.3. The Affiliation Fee of fifty thousand dollars ($50,000) will be credited from the Rights Deposit after approval of each Application and execution of each Franchise Agreement.

4.3 Failure to Meet Development Schedule. If Developer (i) fails to execute the minimum number of Franchise Agreements required under the Development Schedule, or (ii) fails to commence construction on or open a System Property in accordance with the deadlines set forth in the Franchise Agreement, then Developer will forfeit such Exclusive Territory and such portion of the Rights Deposit not previously credited against Affiliation Fees equal to $50,000 multiplied by the remaining number of System Properties specifically allocated to the applicable Exclusive Territory.

4.3.1. Notwithstanding the foregoing, if an Application is under review by Choice, then the corresponding Development Schedule for the applicable Exclusive Territory shall be extended until the Application is either approved or denied by Choice.

4.3.2. The termination with respect to one Exclusive Territory shall not terminate Developer's right to develop System Properties allocated to any other Exclusive Territory that has not been terminated.

4.4 Legal Compliance. In developing System Properties and otherwise performing Developer's obligations under this MDA, Developer must strictly comply with all applicable Laws. Developer will notify Choice promptly and in writing if Developer reasonably believes that any obligation under this MDA or any provision of the System violates any Law.

4.5 Development of Additional Hotels During Term. During the Term, Developer may, but is not obligated to, enter into Franchise Agreements for additional System Properties outside of the Exclusive Territories, subject to Choice's standard franchise application and approval procedures. If Choice permits Developer to develop System Properties in areas other than the Exclusive Territories, such franchise agreements will not count toward Developer's development obligations under this MDA.

5. DEFAULT AND TERMINATION

5.1 Immediate Termination by Choice. Choice may terminate this MDA immediately, without giving Developer an opportunity to cure the default, effective upon Choice's delivery of

written notice to Developer (or such later date as required by Law), without the need to obtain the authorization of any third party or any arbitral, judicial or administrative resolution and without liability to Developer, if:

5.1.1. Developer commences any case, proceeding or other action seeking Developer's reorganization, arrangement, adjustment, liquidation, dissolution or composition or of Developer's debts under any Laws relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for Developer or for all or any substantial part of Developer's property;

5.1.2. Any case, proceeding or other action against Developer is commenced seeking to have an order for relief entered against Developer as debtor, or seeking Developer's reorganization, arrangement, adjustment, liquidation, dissolution or composition or of Developer's debts under any Laws relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for Developer or for all or any substantial part of Developer's property, and such case, proceeding or other action: (i) results in the entry of any order for relief against Developer which is not fully stayed within seven (7) days after entry, or (ii) remains undismissed for a period of forty-five (45) days after entry;

5.1.3. Developer breaches Section 9.8 (Corrupt Practices) or Section 9.9 (Sanctioned Persons);

5.1.4. Developer or any of its members is, or Choice discovers that Developer or any of its members has been, convicted of a felony; or

5.1.5. Developer knowingly submits false reports or other information of a material nature to Choice.

5.2 Termination After Opportunity to Cure. Choice may terminate this MDA, effective on the date stated in Choice's written notice (or the earliest date permitted by Law), without the need to obtain the authorization of any third party or any arbitral, judicial or administrative resolution and without liability to Developer, if:

5.2.1. Developer fails to pay Choice any fees or other amounts when due under this MDA, and does not cure that default within ten (10) days after Choice delivers written notice of default to Developer; or

5.2.2. Subject to Choice's immediate right to terminate in Section 5.1, Developer fails to comply with any other provision of this MDA or Laws and does not cure that default within thirty (30) days after Choice delivers written notice of default to Developer.

5.3 Reduction or Elimination of Developer Rights. In lieu of termination, Choice may reduce or eliminate all or only certain of Developer's rights under this MDA (including, but not limited to, reducing the size of the Exclusive Territory; reducing the number of System Properties to be developed under the Development Schedule; or limiting Developer's exclusivity).

5.4 Costs and Attorneys' Fees. In addition to other available remedies, if Choice terminates this MDA as a result of Developer's default, Developer must pay Choice all of Choice's associated costs and expenses, including attorneys' fees.

5.5 No Cross-Default. A default under this MDA does not constitute a default under any Franchise Agreement.

6. TRANSFERS

6.1 Transfer by Choice. Choice may, in its reasonable discretion, transfer this MDA, all or any part of Choice's rights, duties or obligations under this MDA, to an entity (i) that is sufficiently capitalized; (ii) that is experienced and qualified to act as franchisor of the System; and (iii) who expressly assumes Choice's obligations. Such a Transfer will constitute a release and novation and Choice will not have any further obligations under this MDA.

6.2 Transfer By Developer. Developer may transfer this MDA, all or any part of Developer's rights, duties or obligations under this MDA (including any pledge of this MDA to any mortgage lender), to any Person who is approved by Choice. Choice's approval will not be unreasonably withheld, delayed, or conditioned, but will require, among other things, that the transferee entity (i) is sufficiently capitalized; (ii) is experienced and qualified to act as a developer hereunder; and (iii) expressly assumes Developer's obligations hereunder. Such a Transfer will cause such transferee to take over all of Developer's rights under this MDA and Developer will have no further obligations hereunder. Choice has the right to require payment of its then-current transfer fee.

7. RELATIONSHIP OF THE PARTIES

7.1 The business relationship between Choice and Developer is defined entirely by this MDA. This MDA does not create a franchise, partnership, joint venture, affiliate, agency, fiduciary, or employment relationship. Developer acknowledges that Choice does not (a) direct, supervise, manage, dictate, control, nor have the right to control Developer's labor or employment matters nor (b) have the right to set any terms or conditions of employment for Developer's employees.

8. GOVERNING LAW, COSTS OF ENFORCEMENT, WAIVERS

8.1 Governing Law. This MDA shall be governed by and construed in accordance with the laws of the state of Maryland and the reference to such laws shall not, by the application of conflict of law rules, or otherwise require the application of the laws in force in any jurisdiction other than the state of Maryland; except that nothing herein shall be construed to establish independently a right to pursue claims under Maryland's Franchisee Registration and Disclosure Law.

8.2 Arbitration. Except for actions/claims seeking an injunction or equitable relief, any other controversy or claim arising out of or relating to this MDA, or the breach of this MDA, including any claim that this MDA or any part of this MDA is invalid, illegal, or otherwise voidable or void, will be sent to final and binding arbitration before the American Arbitration Association in accordance with the Commercial Arbitration Rules of the American Arbitration Association, including its rules for emergency measures of protection, except to the extent that the Commercial Rules of the American Arbitration

Association may be interpreted to require Choice or Developer to produce documents, witnesses, or information at a time other than at a hearing on the claim without the mutual consent of the parties. In the event more than one demand for arbitration is filed in connection with this MDA, the demand filed with the American Arbitration Association office having jurisdiction over Maryland proceedings shall take precedence, and any other demand shall be withdrawn and presented in the Maryland filing. Judgment on the arbitration award may be entered in any court having jurisdiction. If any Party fails to appear at any properly noticed arbitration proceeding, an award may be entered against the party, notwithstanding its failure to appear. Any arbitration will be conducted at Choice's headquarters office in Maryland. Nothing in this Section 8.2 will be construed as requiring Choice to make a claim in arbitration before exercising any rights Choice may have to give notice of default or termination in accordance with the terms of this MDA.

8.3 Venue. Any Claim brought by any Party against the other in any forum or court, whether federal or state, which is not subject to arbitration under Section 8.2, shall be brought within the judicial district in which Choice's U.S. principal place of business is at the time the action or proceeding is initiated, and both Parties consent to personal jurisdiction in that forum.

8.4 Cost. Except as set forth in Section 8.8, each Party shall bear the cost of their respective legal counsel and other costs related to the various agreements and transactions contemplated by this MDA.

8.5 WAIVER OF PUNITIVE DAMAGES. THE PARTIES EACH WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR SIMILAR DAMAGES AGAINST EACH OTHER.

8.6 WAIVER OF JURY TRIAL. THE PARTIES EACH WAIVE TRIAL BY JURY OF ANY ACTION OR PROCEEDING, AT LAW OR IN EQUITY, BROUGHT AGAINST EACH OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN THE ACTION OR PROCEEDING.

8.7 NO CLASS ACTIONS. NEITHER DEVELOPER NOR CHOICE SHALL SEEK TO LITIGATE OR ARBITRATE AGAINST THE OTHER PARTY TO THIS AGREEMENT OR SUCH PARTY'S AFFILIATES, EITHER AS A REPRESENTATIVE OF, OR ON BEHALF OF, ANY OTHER PERSON, CLASS, OR ENTITY, ANY DISPUTE, CONTROVERSY, OR CLAIM OF ANY KIND ARISING OUT OF, OR RELATING TO, THIS AGREEMENT. YOU AGREE AND ACKNOWLEDGE THAT ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING FROM OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP BETWEEN THE PARTIES, OR ANY AGREEMENT OR RELATIONSHIP BETWEEN YOU AND US OR ANY AFFILIATE OF OURS WILL BE CONSIDERED UNIQUE ON ITS FACTS AND MAY NOT BE BROUGHT AS A CLASS OR GROUP ACTION.

8.8 Arbitration/Enforcement Costs. If either Party shall initiate a legal proceeding to enforce its rights hereunder, the prevailing party in such legal proceeding shall be entitled to recover from the other Party all costs, expenses and reasonable legal fees incurred in connection with such proceeding.

9. MISCELLANEOUS

9.1 Entire Agreement. This MDA, together with any agreements to be executed and delivered pursuant to this MDA, constitutes the entire agreement between the Parties with respect

to the subject matter of this MDA and supersedes all prior understandings and writings between them. This MDA may not be modified except by an instrument in writing executed and delivered by both Parties.

9.2 Confidentiality. Choice and Developer each agree to keep confidential the terms of this MDA and shall not disclose (and shall direct their respective agents not to disclose) the terms of this MDA or any discussions or negotiations in relation to this MDA, except as may be required by applicable law or regulatory authority. This Section 9.2 shall survive the termination of this MDA.

9.3 Severability. If any provision of this MDA is determined to be void, illegal, or unenforceable under the law, all other provisions of this MDA shall continue in full force and effect, and the Parties will negotiate in good faith to replace the void, illegal or unenforceable provision with a valid, legal and enforceable provision that corresponds as close as possible to the spirit and purpose of the void, illegal, or unenforceable provision.

9.4 Interpretation. Section headings are for convenience and are not to be used to interpret the Sections to which they refer. All Exhibits and Schedules to this MDA are incorporated by reference. Words indicating the singular include the plural and *vice versa* as the context may require. References to days, months and years are all calendar references.

9.5 No Third-Party Beneficiary. There are no third-party beneficiaries to this MDA.

9.6 Waiver. No waiver by a party of any provision, or the breach of any provision, of this MDA shall be effective unless it is contained in a written instrument duly executed by the Party granting the waiver. Such waiver shall affect only the matter specifically identified in the instrument granting the waiver and shall not extend to any other matter, provision or breach. The failure of a Party to give notice to any other Party or to take any other steps in exercising any right, or in respect of the breach or non-fulfillment of any provision of this MDA, shall not operate as a waiver of that right, breach or provision nor shall any single or partial exercise of any right preclude any other or future exercise of that right or the exercise of any other right, whether in law or in equity or otherwise.

9.7 Notices. All notices, requests or other communications required or permitted under this MDA shall be delivered in writing, either in person, by facsimile or email, overnight courier or by United States first-class mail. Postage prepaid, addressed, if to the Parties at the addresses set forth below, or to such other address as the Parties may specify by written notice. Notice shall be deemed given, delivered and received on: (a) the actual date of personal delivery (including delivery by overnight courier), or on the first Business Day thereafter if the delivery is not on a Business Day; (b) the date of a machine generated confirmation of a completed facsimile or email transmission (or on the first Business Day thereafter if the transmission is not on a Business Day); or (c) three (3) days after deposit in the United States Mail as set forth above.

Notices to Choice:

Choice Hotels International Inc.
1 Choice Hotels Circle, Suite 400
Rockville, MD 20850
Attn: General Counsel

Notices to Developer:

_____

_____

_____

Attn: _____

9.8 Corrupt Practices. Neither Party, nor any person acting for or on behalf of such Party, shall, and each Party acknowledges that the other Party will not: (a) make any expenditure for any unlawful purposes in the performance of its obligations under this MDA or in connection with its activities in relation thereto; or (b) bribe or offer to bribe any government official, any political party or official thereof, or any candidate for political office, for the purpose of influencing any action or decision of such person in their official capacity or any Government Entity of any jurisdiction, or for any other reason, or any third party. Each Party, and any person acting on behalf of such Party, shall comply with all applicable Anti-Corruption Laws and anti-money laundering laws and regulations in connection with the performance of this MDA (including construction, development, opening and operation of any System Property).

9.9 Sanctioned Persons. The Parties represent and warrant to each other that as of the Effective Date, and the Parties covenant throughout the Term, that the Parties, the Parties' directors, officers, shareholders, managers, and members are not (and will not be) and are not (and will not be) owned or controlled by, or acting on behalf of, any Sanctioned Persons. The Parties will notify each other in writing immediately upon the occurrence of any event which would render the foregoing representation, warranty and covenant incorrect.

9.10 Developer's Representations and Warranties. Developer represents and warrants to Choice as of the Effective Date as follows:

9.10.1. **DISCLOSURE**. DEVELOPER ACKNOWLEDGES THAT DEVELOPER HAS RECEIVED FROM CHOICE A FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY FEDERAL OR STATE LAW AT LEAST FOURTEEN (14) DAYS BEFORE DEVELOPER HAS EXECUTED THIS MDA OR PAID ANY CONSIDERATION TO CHOICE.

9.10.2. **INDEPENDENT INVESTIGATION**. DEVELOPER ACKNOWLEDGES THAT IT HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS CONTEMPLATED HEREUNDER, AND RECOGNIZES THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS MDA INVOLVES BUSINESS RISKS, AND THAT DEVELOPER'S SUCCESS WILL BE LARGELY DEPENDENT UPON DEVELOPER'S ABILITY AS INDEPENDENT ~~BUSINESS PERSONS~~BUSINESSPERSONS. CHOICE EXPRESSLY DISCLAIMS THE MAKING OF, AND DEVELOPER ACKNOWLEDGES THAT IT HAS NOT RECEIVED, ANY WARRANY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESSS VENTURE CONTEMPLATED BY THIS MDA

9.10.3 **SYSTEM PROPERTY SITES.** DEVELOPER ACKNOWLEDGES THAT IT SHALL POSSESS

ULTIMATE RESPONSIBILITY FOR THE DECISION OF ANY SITE THAT DEVELOPER CHOOSES TO DEVELOP. DEVELOPER ALSO ACKNOWLEDGES THAT CHOICE HAS GIVEN NO REPRESENTATION, PROMISE, OR GUARANTEE OF DEVELOPER'S SUCCESS IN GENERAL OR IN ANY EXCLUSIVE TERRITORY AND THAT DEVELOPER SHALL BE SOLELY RESPONSIBLE FOR ITS OWN SUCCESS IN GENERAL AND IN ANY EXCLUSIVE TERRITORY.

9.11 Force Majeure. If a Force Majeure Event occurs, the Development Schedule shall be extended by an amount of time agreed upon by Developer and Choice. A "**Force Majeure Event**" shall mean: (i) fire or other casualty; (ii) act of God or superior force; (iii) strike or other labor unrest; (iv) war; (v) terrorist activity; (vi) riot or other civil commotion; (vii) pandemic or epidemic; (viii) unavailability of materials for a continuous period of two months; (ix) where there is a declared recession and no GDP growth for four (4) or more consecutive quarters.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this MDA as of the Effective Date.

CHOICE HOTELS INTERNATIONAL, INC., **a Maryland corporation**	**_____,** **a_____**
By:_____	**By:_____**
Name:_____	**Name:_____**
Title:_____	**Title:_____**

EXHIBIT A

EXCLUSIVE TERRITORIES AND DEVELOPMENT SCHEDULE

1. Exclusive Territory. As used in this MDA, the "**Exclusive Territories**" consist of _____ally defined areas with the right to develop the number of System Properties per Exclusive Territory, all as set forth in the table below:

Exclusive Territories	**System Properties per Exclusive Territories**
	Minimum of_____System Properties
	Minimum of_____System Properties
Total	**Minimum of_____System Properties**

2. Development Schedule: Developer shall develop and open a minimum of_____( ) System Properties within the Exclusive Territories pursuant to the below schedule and the terms of the Franchise Agreements:

Deadline	**Cumulative Number of Executed Franchise Agreements in _____ Territory**	**Cumulative Number of Executed Franchise Agreements in _____ Territory**	**Cumulative Number of Executed Franchise Agreements in _____ Territory**
First (1st) Anniversary of the Effective Date			
Second (2nd) Anniversary of the Effective Date			
Third (3rd) Anniversary of the Effective Date			

EXHIBIT B
EXCLUSIVITY EXCEPTIONS

Exceptions: The exclusivity granted in Section 1.2 of the MDA does not apply to the following locations and properties in the Exclusive Territories, which may be modified by Choice consistent with Section 1.2 (i.e., any System Property open and operating, in development with a pending Application, ~~or~~ subject to an executed franchise agreement as of the Effective Date, or with a Replacement System Property).

EXHIBIT C DEFINITIONS

The following capitalized terms will have the meanings set forth after each term:

"**Affiliate**" means with respect to a person (including any legal person), (i) a person (including any legal person) that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such person; and (ii) any parent, spouse, lineal descendent or adopted child of such person, any spouse or adopted child of any such descendant or any child of such spouse, the executors, administrators, conservators, or personal representatives of any such person or any person referred to in this clause (ii) and any person which, directly or indirectly, is owned or controlled by one or more of the persons referred to in this clause (ii).

"**Affiliate System Hotels**" means Hotels under another franchise system or chain owned and operated by Choice or its Affiliates under another name, trade name, service mark, trademark, logo, emblem, or other indication of origin other than the Proprietary Marks.

"**Affiliation Fees**" means the fee of Fifty Thousand Dollars ($50,000) due upon execution and delivery of the Application and Franchise Agreement as provided in Article 4.

"**Anti-Corruption Laws**" means the (i) the United Nations Convention Against Corruption; (ii) the U.S. Foreign Corrupt Practice Act, available in many languages a, 15 U.S.C. § 78m, 78dd-l, 78dd-2, and 78dd-3;
(iii) the Organization For Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (and related implementing legislation); (iv) the relevant common law or legislation from time to time in force in England and Wales, including the Public Bodies Corrupt Practices Act 1889 and the Prevention of Corruption Act 1906 as supplemented by the Prevention of Corruption Act 1916 and the Anti-Terrorism, Crime and Security Act 2001, the Criminal Law Act 1977, and The Bribery Act 2010; and (v) any anti-bribery or anti-corruption provisions in the criminal, anti-competition, anti-bribery and/or anti-corruption laws of the jurisdiction in which Developer operates; together with any amending, consolidating or successor legislation or case law which has effect from time to time in the relevant jurisdiction.

"Application" means Developer's application to enter into a Franchise Agreement for a proposed Site for approval by Choice.

"**Brand**" means the brand name of the System Properties.

"**Choice Marks**" means collectively all of the trademarks and trade names, including, but not limited to, the Brand Mark, the trademarks and trade names ASCEND®, CAMBRIA®, COMFORT INN®, COMFORT SUITES®, CLARION®, CLARION POINTE™, QUALITY®, SLEEP INN®, MAINSTAY SUITES®, SUBURBAN EXTENDED STAY HOTEL®, WOODSPRING SUITES®, ECONO LODGE®, RODEWAY INN®, and the names of Choice's Property management System and Reservation System, together with all related logos, trade dress, and any other additional or substituted trademarks, trade names, service marks or logos (whether registered or not), that are currently owned, licensed or used by Choice or its Affiliates or that Choice or its Affiliates later adopt, purchase or develop.

"**Control**" (and any form thereof, such as "**controlling**" or "**controlled**") means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, or of the power to veto major policy decisions of an entity, whether through the ownership of voting securities, by contract, or otherwise.

"**Development Schedule**" means the deadlines set forth in **Exhibit A** to this MDA.

"**Effective Date**" has the meaning defined in the preamble to this MDA.

"**Franchise Agreement**" means an agreement to be entered into by Developer and Choice Hotels International Inc. to operate as a Franchisee under the Proprietary Marks.

"**Franchise Disclosure Document**" means that certain document that Choice provides to prospective franchisees of System Properties as required by the trade regulation rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising" and as Choice may update from time to time.

"**Government or Government Entity**" means: (i) any agency, instrumentality, subdivision or other body of any national, regional, local or other government; (ii) any commercial or similar entities owned or controlled by such government, including any state-owned and state-operated companies; (iii) any political party; and (iv) any public international organization.

"**Hotel**" means each hotel located at a Site that Developer develops pursuant to this MDA. The Hotel includes all structures, facilities, appurtenances, guest rooms, meeting facilities, supplies, entrances, exits, and parking areas located on the Site or any other real property that Choice approves for Hotel expansion, signage, or other facilities.

"**Laws**" means all public laws, statutes, ordinances, orders, rules, regulations, permits, licenses, certificates, authorizations, directions and requirements of all Governments and Government Entities having jurisdiction over the Hotel, Site or over Developer to operate the Hotel, which, now or hereafter, may apply to the construction, renovation, completion, equipping, opening and operation of the Hotel, including Title III of the Americans with Disabilities Act, 42 U.S.C. § 12181, et seq., and 28 C.F.R. Part 36.

"**Master Development Agreement**" or "**MDA**" means this Master Development Agreement, including any Exhibits, attachments and addenda.

"**Metropolitan Statistical Area**" is a geographic area defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core. Qualification of a Metropolitan Statistical Area requires the presence of an urbanized area with a total population of at least 50,000.

"**Party**" or "**Parties**" means Developer or Choice when referred to individually, and collectively when referred to in plural.

"**Person(s)**" means a natural person or entity.

"**Proprietary Marks**" means the name set forth in Recital C of this MDA, and such names and other trade names, service marks, trademarks, logos, emblems, or other indication of origin as are now or hereafter designated by Choice as part of the System.

"**Rights Deposit**" means the amount set forth in Section 3.1, which is the product of the Affiliation Fee of fifty thousand dollars ($50,000) multiplied by the number of System Properties to be developed pursuant to the Development Schedule. The Rights Deposit shall be credited towards the Affiliation Fee upon approval of each Application and execution of each Franchise Agreement in accordance with Section 4.1.

"**Room Revenue**" means revenues attributable to or payable for the use or occupancy of the guestrooms at the Site, including barter and credit transactions (before commissions and discounts for credit cards), whether or not collected, proceeds from any business interruption insurance or other loss of income insurance applicable to loss of revenues due to the non-availability of rooms, and proceeds for guaranteed no-show revenue and other cancellation fees which are collected, but excluding sales taxes, room taxes or other taxes collected by Developer from customers for transmittal to appropriate taxing authorities. Room Revenue shall also exclude revenue derived from vending, laundry exchange, and laundry machines. Room Revenue shall be accounted for in accordance with the Uniform System of Accounts for The Lodging Industry, Eleventh Revised Edition, 2014 (the "**2014 11th Edition**"), as published by the Hotel Association of New York City, Inc., except as otherwise provided in the accounting procedures set forth in the Standards; subject, however, to the right of Choice to designate any subsequent edition or to designate a reasonable alternative accounting system if, the 2014 11th Edition is no longer recognized as the authoritative lodging accommodations accounting practice.

"**Royalty Fee**" means the continuing royalty fee set forth in Section 4.2.1.

"**Sanctioned Person**" means: (a) the government of any country that is subject to an embargo imposed by the United States government or United Kingdom government; (b) in the event of entities, any Person located in, or organized under, the laws of any country that is subject to an embargo imposed by the United States government or United Kingdom government; (c) in the event of individuals, any Person that ordinarily reside in any country that is subject to an embargo imposed by the United States government or United Kingdom government; or (d) any Person identified from time to time by any government or legal authority under applicable laws as a Person with whom dealings and transactions by Choice and/or its Affiliates are prohibited or restricted, including Persons designated on the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) List of Specially Designated Nationals and Other Blocked Persons (including terrorists and narcotics traffickers), any Person designated on the United Kingdom government's asset freeze lists and similar restricted party listings, including those maintained by other governments pursuant to applicable United Nations, European Union, regional or national trade or financial sanctions.

"**Site**" means the real property on which the Hotel is located or to be located, as approved by Choice.

"**Standards**" means Choice's confidential Brand standards, systems, guides, programs, other requirements (including those relating to insurance), directives, specifications, design criteria, and such other information, initiatives and controls that are necessary for planning, designing, constructing, renovating, refurbishing, and operating System Properties.

"**System**" means the distinctive design, ~~décor~~décor, color scheme, and furnishings; the Proprietary Marks designated to be part of the System; standards, specifications, programs and procedures for operations; programs and procedures for quality control; training and assistance; advertising, direct sales, and promotional programs developed by Choice for the operation of a Property under the Proprietary Marks utilizing the Trade Secrets providing value-oriented, extended-stay accommodations; and may, now or in the future, include the Property Management System and Reservation System, loyalty program, business referral, gift card and credit card agreements, this MDA, the Brand Standards, and those identifying brand characteristics as Choice may from time to time reasonably designate. Choice may add, change, modify, withdraw, or otherwise revise any element of the System in its sole discretion. Choice may operate multiple franchise systems under different Proprietary Marks in which case, for purposes of this MDA, "System" only encompasses the above to the extent applicable to the franchise system being licensed hereunder to the Franchisee.

"**System Fee**" means the continuing System Fee set forth in Section 4.2.2.

"**Taxes**" means all taxes (including any sales, gross receipts, value-added, goods and services, or similar taxes), levies, charges, impositions, stamp or other duties, fees, deductions, withholdings or other payments levied or assessed by any competent Government Entity.

"**Term**" has the meaning set forth in Section 2.1.

"**Transfer**" means any sale, conveyance, assignment, exchange, pledge, encumbrance, lease or other transfer or disposition, directly or indirectly, voluntarily or involuntarily, absolutely or conditionally, by operation of law or otherwise.

* * *

WASHINGTON ADDENDUM TO THE MASTER DEVELOPMENT AGREEMENT

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

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

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20 _____.

_____ _____

FRANCHISOR FRANCHISEE

EXHIBIT F

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

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Address of Choice

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http://www.choicehotels.com

For Canada:
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5090 Explorer Drive, Suite 500
Mississauga, Ontario L4W 4T9

EXHIBIT G

Call Forwarding Reservations Services Program — Terms of Use

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

Terms of Use

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

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

1. The Program.

Subject to these Terms of Use, Choice will make available to Your Hotel each of the Service Options described below. You will select the Service Option that fits Your needs for Your Hotel (Premium, DiGITAL, or Flex) by checking the appropriate box at the end of each Service Option description. DiGITAL and Flex are not mutually exclusive and may be used in conjunction with one another.

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

With Premium, callers to Your Hotel will continue to use Your existing Main Number as they did before You

enrolled in the Program. With this Service Option, You will assign to us and we will assume that Main Number (also referred to as the "**Ported Number**") by executing a Letter of Agency we provide to you.

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

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

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

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

Select Service Option #1 — Premium

Service Option #2 — DiGITAL

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

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

Incoming Calls on Your Call Forwarding Number will be routed to an automated "interactive voice response" system (IVR) with a message specific to Your Hotel (similar to the Premium service). The caller will be prompted to choose either "reservations" or "all other inquiries," or a third option of your choice if required If the caller chooses the "reservations" option, then the call will be forwarded to our Reservation Center and You will be charged the standard fee detailed in Section 3. If the caller chooses the "all other inquiries"

option, then the caller be routed to Your Hotel's front desk agent and no fee will apply. If you should also like to implement a third option on the IVR, calls will be transferred to a designated telephone number of your choice and no fee will apply.

You also have the option to also have Incoming Calls on Your Call Forwarding Number routed through Your Hotel's PBX system. You then can treat the Incoming Call as a Manual Transfer or an Automatic Transfer, as outlined under Service Option #2. Dependent on your agreement with your telephone provider, additional fees may apply.

○ **Select Service Option #2 — DiGITAL**

Service Option #3 — Flex

Incoming calls to Your Hotel ("**Incoming Calls**") will be screened by Your Hotel front desk. If the caller requests a reservation at Your Hotel, Your Hotel's front desk agent will manually transfer the caller (a "**Manual Transfer**") to a sales agent at a Choice Hotels Central Reservation Center ("**Reservation Center**") using a unique Call Forwarding Number that we provide (the "**CF Number**") and You will be charged the standard Call Forwarding fee (the "Fee") detailed in Section 3. This special CF Number must be programed into Your Hotel's PBX system and You must ensure that Your employees are properly trained to make a Manual Transfer.

Instead of Your Hotel's front desk agent manually screening Incoming Calls, You may set up an auto-attendant in Your PBX System and allow the caller to choose "reservations", in which case the Incoming Call will be transferred automatically from Your Hotel's PBX directly to the Reservation Center via the CF Number (an "**Automatic Transfer**"). If You choose the Automatic Transfer option, You will be charged the standard Fee for each Automatic Transfer.

You acknowledge that prior to activation of Service Option #3 – Flex, it is Your responsibility to contact Your PBX service provider and direct them to program Your CF Number into Your Hotel's PBX switch and any automated transfer features You may require. Once this programming is complete, You must notify Choice's Call Forwarding Operations Services that Your CF Number has been programmed so we can then activate the Program Service Option #3 for Your Hotel.

○ **Select Service Option #3 — Flex**

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2. Obligations and Representations

Once You accept these Terms of Use and select Your Service Option(s), You will be enrolled in the Program and You will receive an e-mail confirmation including the Call Forwarding Technical & Enrollment Checklist (the "**Enrollment Checklist**"). You represent and warrant that the Enrollment Checklist You submit is and will be complete and accurate. You agree to notify Choice promptly of any changes to the

information You provide in the Enrollment Checklist. If You wish to enroll additional Hotels in the Program, You must accept these Terms of Use and complete a separate Enrollment Checklist for each Hotel.

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

To enable the full functionality of the Program, You may be required to take additional actions, such as providing us with certain information, directions and preferences. We will provide You with a supplemental Enrollment Checklist detailing the requirements and requests if necessary. If You fail to satisfy the enrollment requirements and our requests, You may impair Your Hotel's ability to implement/participate in the Program.

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

It is possible for the CF Number we assign to Your Hotel when You select Service Options #2 or #3 to become compromised by an unaffiliated third party. If we determine that has occurred, we will issue You a credit for calls not sent by Your Hotel, and we will provide You with a new CF number for Your Hotel. However, You are solely responsible for arranging any new CF Number to be programmed into Your Hotel’s PBX switch at Your own expense (and also removing the compromised CF Number from the PBX switch).

3. Fees

You will pay Choice a fee of $2.95 USD per call that is forwarded to the Reservation Center under any of the Service Options (the "**Fee**"). We have the right to increase the Fee at any time upon sixty (60) days' prior notice to You. The Fee is due and payable by You to us for each call that is forwarded to the Reservation Center, regardless of whether the forwarded call results in a booking. If You do not have room inventory available for the dates requested, the Reservation Center sales agent may cross -sell the caller to another hotel property within the Choice franchise system. We will invoice You monthly for the Fees and other amounts due under these Terms of Use and You must pay each invoice in full by the first day of the month following the month in which the invoice is issued. Choice reserves the right to suspend Your participation in and use of the Program if You fail to pay any invoice in a timely manner. Fees do not include any taxes. You are solely responsible for paying taxes applicable to Your participation in and use of the Program, which may include sales tax, gross receipts tax, use tax, transaction privilege tax or other taxes.

4. Term and Termination

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

Default and Termination

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

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

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

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

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

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

5. Limitation of Liability

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

6. No Warranty

Choice provides the Program "as is" and without warranties of any kind, either express or implied,

except to the extent that any warranties implied by law cannot be validly waived or disclaimed. The disclaimed warranties, to the extent allowed by law, include but are not limited to the implied warranties of merchantability, non-infringement of intellectual property, and fitness for a particular purpose.

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

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

7. Indemnity

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

8. Trademarks

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

9. Governing Law

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

10. General

The waiver by Choice of a breach or right under these Terms of Use will not constitute a waiver of any subsequent breach or right. If any provision of these Terms of Use is found to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be severed from the remainder of these Terms of Use,

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

Choice and You relating to the Program, superseding all other agreements, proposals and communications (oral or written) related to the Program.

11. Notices

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

EXHIBIT H

Choice Hotels Gift Card Enrollment Form

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

This Enrollment Form constitutes an agreement ("**Agreement**") between _____ ("**You**") and the company selected by Choice Hotels International, Inc. ("**Choice**") to administer the Choice Gift Card Program ("**Program**"), ~~SVM, LP~~Blackhawk Network (the "~~**ProgramAdministrator**~~**Program Administrator**"), dated _____, ~~201~~21.

Redemption of Gift Cards.

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

~~**Sale of Gift Cards (Optional)**~~.

~~Unlike the redemption of Gift Cards which is mandatory, ***You are not required to sell Choice Gift Cards at Your property, but You have the option to do so.*** If You choose to sell Gift Cards at Your property (Option 3), You agree to the following terms and conditions:~~

~~Supply of Cards for Sale: You will pay the Program Administrator a one-time fee of $99.95 to cover the cost of an initial package of 100 Gift Cards, a counter display, and start-up materials. This fee and all subsequent orders of Gift Cards will be billed to You electronically via an ACH debit to Your account. Subsequent card orders will be billed to You at a cost of $0.60 per Gift Card, subject to a 100 card minimum order. Payment for card orders will be made via an ACH debit to Your account. Please note that the cost of the Gift Cards, counter displays and start-up materials may vary based on particular promotions that are being run by the Program Administrator and you will be notified of any changes.~~

~~Payments: Each time You sell and activate a Gift Card at Your property, You will be charged 95% of the value of the card sold. You will retain the remaining 5% value of the gift card sold as payment for the sale. If You sell Gift Cards under the Program, You **must** complete the attached ACH Authorization Form and supply a copy of a voided check to the Program Administrator with this signed Agreement so that any payment amounts that are to be paid to the Program Administrator may be made by electronic debit to the bank account that You have designated for the Program.~~

Payment Options.

(***SELECT ONLY "ONE" OF THE ~~THREE~~TWO OPTIONS***).

☐ **OPTION 1 : ONLY REDEEM GIFT CARDS (ELECTRONIC). I wish only to "redeem" Gift Cards under the Program and I want to participate in the electronic payments option. Therefore, I am supplying my bank account information in order to electronically receive funds via ACH at no additional**

~~Property Code:~~ **cost. I have completed the ACH form, I am supplying a copy of a voided check, and I am attaching both items to this Agreement.**

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

~~☐OPTION 3 : SELL & REDEEM GIFT CARDS. I wish to " sell and redeem" Gift Cards under the Program. Therefore I am supplying my bank account information in order to electronically exchange funds via ACH at no additional cost. I have completed the ACH form, I am supplying a copy of a voided check, and I am attaching both items to this Agreement.~~

You agree to ~~mail~~email, f ax or email a signed copy of this Agreement (and ACH Form and voided check, if applicable) to the Program Administrator ~~at the following address, OR alternatively, You agree to fax these materials to the~~. The Program Administrator's ~~secure~~email address, fax ~~at~~number and mailing address are listed below.

Property Code: _____

EMAIL ADDRESS: info@svmcards.com
FAX NUMBER:
~~1-847-553-9223~~1-847-890-6206

~~**SVM, LP**~~
~~**3727 Ventura Drive Arlington Heights, IL 60004**~~
~~**Attention: CHOICE HOTELS PROGRAM**~~

You understand that a signed copy of this Agreement (and the ACH Form and voided check, if applicable) must be received by the Program Administrator so that all payments due under this Agreement can be properly administered. You also understand that it is Your responsibility to notify the Program Administrator of any changes to Your relevant bank account information and that a fee may be levied by the Program Administrator for all returned ACH transactions due to incorrect bank account information or non-sufficient funds.

You understand that this Agreement will remain in force until either You or the Program Administrator terminates this Agreement. Choice will make reports available to You in a format designed to assist You to

track Gift Card activity at Your hotel.

ACCEPTED AND AGREED:

Franchisee:_____ Address:_____

By: _____ _____

Printed Name:_____ _____

Title:_____ Property Code:_____

~~SVM, LP~~Blackhawk Network

Bank Account Information for ACH Credits/Debits

*~~If you plan to **SELL and REDEEM** cards at your property, this form must be completed for ACH credits and debits.~~ If you plan to ONLY REDEEM cards at your property, this form must be completed ONLY if you select the ACH option for redemption reimbursement.*

You must include a voided check or a copy of a voided check with this form

Franchisee Name: _____ Property Code: _____

Property Name: _____ ~~PhoneNumber~~Phone Number:_____

PropertyAddress: _____ ~~EmailAddress~~Email Address:_____

_____

_____

Federal Tax ID #: _____

Bank Name: _____ Bank Address: _____

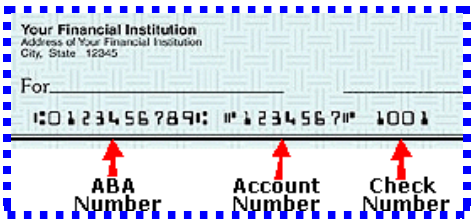
~~*Include a voided check with this completed form~~

_____ *Include a voided check with this completed form

_____

Routing (ABA) #: _____

_____



_____ Bank Account #: _

_____ Account Type:

Date:_____

□ Checking □ Savings

Authorized Signature:_____

Initial Program Pricing (Subject to Change or Termination with 60 Days Written Notice):
Card Redemptions: 97.5% of transaction amount remitted to Franchisee (2.5% service fee)

Note: If you selected electronic funds transfer, this form must be completed and returned to ~~SVM~~Blackhawk. Franchisees are responsible for communicating bank account changes. Check with your bank to confirm that your account is set up to receive ACH deposits. Returned ACH's are subject to a $15 fee.

(ACH is the Automated Clearing House for electronic banking transactions. See www.nacha.org for more information.)

Please return a scan of this form ~~with~~a with a voided check ~~and your Choice Hotels Gift Card Enrollment Form to SVM LP, 3727 Ventura Drive, Arlington Heights, IL60004~~to info@svmcards.com

OR

Fax both forms and your voided check to ~~SVM'~~Blackhawk Network's secure ~~fax~~**eFax** at ~~1-847-553-9223~~**1-847-890-6206**

EXHIBIT I

«PROP_CODE» - «CONTRACT_ID»
«Brand_Name»

Promissory Note

Issuance Date:_____

Maturity Date: _____

$_____ **«PROP_CITY», «PROP_ST»**

FOR VALUE RECEIVED, each of the undersigned (collectively, "Maker"), jointly and severally, hereby promises to pay to the order of Choice Hotels International, Inc. ("Holder") the principal sum of _____ and 00/100 Dollars ($_) ("Principal Amount") as provided for herein.:

1. Franchise Agreement. Maker and Holder are parties to a franchise agreement dated _____ (as may be amended or supplemented from time to time, the "Franchise Agreement"). The parties have agreed upon certain conditions pursuant to which Holder will make a loan to Maker pursuant to a promissory note in substantially similar form to this promissory note (" Note"). Capitalized terms used but not defined herein will have the meaning set forth in the Franchise Agreement.

2. Payment. Unless otherwise accelerated pursuant to Section 3, this Note matures on the Maturity Date, at which time the entire Principal Amount will be due and payable in full.

3. Default. The occurrence of any one or more of the following events shall constitute a "Default": (1) Maker's failure to observe or perform any covenant, condition or agreement under the terms of this Note; (2) if any representation or warranty made in connection with this Note is in Holder's opinion, false, misleading or incorrect in any material respect; (3) if for any reason, the Franchise Agreement terminates or is otherwise rendered ineffective prior to the Maturity Date; (4) the occurrence of any event(s) or existence of any situation that, after providing for any applicable notice/cure rights set forth in the Franchise Agreement, would provide Holder with a right to terminate the Franchise Agreement; (5) if all or any portion of the premises to which the Franchise Agreement applies ("Premises"), any interest in the Premises (including an ownership interest in any entity that owns the Premises), or any interest in this Note is transferred, leased, or conveyed, other than as security for a debt or other obligation, whether done by a direct or indirect method, or should Maker enter into any contractual arrangement to transfer or convey the Premises, any interest in the Premises (including an ownership interest in any entity that owns the Premises), any part of this Note, or any interest in this Note other than as security for a debt; and (6) the death of any Maker or the filing of any insolvency or bankruptcy proceeding by or against any Maker or the appointment of a receiver for any Maker or any Maker's assets. If a Default occurs, the entire Principal Amount will be due and payable in full within fifteen (15) days after Maker's receipt of a written Notice of Default from Holder.

4. Interest. If the Principal Amount, or any portion thereof, is not paid on or before the Maturity Date (or such earlier date required by Section 3), this Note will bear interest from the date on which funds are due until paid in full at the annual rate of eighteen percent (18%). The maximum interest rate in California is 10% annually. Interest will be computed on the basis of a 360-day year and charged for the actual number of days elapsed in each interest calculation period. Nothing in this Note will be construed or operate to require Maker to pay interest at a greater rate than the maximum allowed by law. Should any interest or other charges paid or payable by Maker under this Note result in the computation or earning of interest in excess of the maximum allowed by law, then all excess interest charges are waived by Holder, and any such excess interest received by Holder will be automatically credited against the Principal Amount, and any such remaining excess received by Holder that exceeds the Principal Amount will be credited by Holder against Royalty Fees payable to Holder pursuant to the Franchise Agreement.

5. Confession of Judgment. **Upon the occurrence of a Default, Maker hereby irrevocably authorizes and empowers any attorney or clerk of any court of record in the United States or elsewhere to appear for and, with or without declaration filed, confess judgment against Maker in favor of Holder or an assignee or successor of Holder, of the Note, at any time, for the full or total Principal Amount under this Note, together with all indebtedness provided for therein, with interest, costs of suit, and reasonable attorneys' fees; and the undersigned expressly releases all errors, waives all stay of execution, rights of inquisition and extension upon any levy upon real estate and all exemption of property from levy and sale upon any execution hereon; and Maker expressly agrees to condemnation and expressly relinquishes all rights to benefits or exemptions under any**

and all exemption laws now in force or which may hereafter be enacted. Maker acknowledges and agrees that Maker is voluntarily, knowingly, and intelligently giving up its right to notice and hearing prior to the entry of judgment, is granting Holder, or Holder's assignee or successor, the right to confess judgment against Maker and is freely waiving its due process rights. Maker further consents to immediate execution on the judgment and waives all right of appeal, ratifying and confirming all that the attorney or clerk may do by virtue of this Note.

6. General.

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

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

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

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

Negotiable and payable at the office of: CHOICE HOTELS INTERNATIONAL, INC., 1 Choice Hotels Circle, Suite 400, Rockville, Maryland 20850, Attention: Billing Department.

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

EXHIBIT J

«PROP_CODE» - «CONTRACT_ID»
«Brand_Name»

INCENTIVE PROMISSORY NOTE

$_____ **City, State** Date:_____

FOR VALUE RECEIVED, each of the undersigned (collectively, "Maker"), jointly and severally hereby promises to pay to the order of Choice Hotels International, Inc. ("Holder") the principal sum of_____ Dollars ($_____) (the "Principal Amount"), or such lesser amount as shall then equal the outstanding Principal Amount hereof on the terms and conditions set forth hereinafter, together with interest thereon, as provided for herein. Pursuant to the terms of the Franchise Agreement (defined below), Holder will lend Maker the sum of $_____ upon the occurrence of the Opening Date, as defined in the Franchise Agreement. Capitalized terms used but not defined herein will have the meaning ascribed to such terms in the Franchise Agreement.

1. Background and Certain Definitions. Maker and Holder are parties to a franchise agreement dated_____, (as may be amended or supplemented from time to time, the "Franchise Agreement"), which Franchise Agreement, among other items, set forth certain conditions pursuant to which Holder will make a loan to Maker pursuant to a promissory note in substantially similar form to this promissory note (the "Note").

2. Interest.

2.1 This Note will bear interest from the date on which funds are advanced to Maker (the "Distribution Date") until paid in full at the annual rate of Prime plus two percent (2%) (the "Rate of Interest"). "Prime" initially refers to the prime rate quoted by the Wall Street Journal Prime Rate as of the Distribution Date, and during the period in which all or any portion of the Principal Amount remains outstanding, shall adjust from time to time as the rate quoted by the Wall Street Journal adjusts. Rate of Interest will be computed on the basis of a 360-day year and charged for the actual number of days elapsed in each interest calculation period. The maximum interest rate in California is 10% annually.

2.2 Nothing in this Note will be construed or operate to require Maker to pay interest at a greater rate than the maximum allowed by law. Should any interest or other charges paid or payable by Maker under this Note result in the computation or earning of interest in excess of the maximum allowed by law, then all excess interest charges are waived by Holder, and any such excess interest received by Holder will be automatically credited against the Principal Amount, and any such remaining excess received by Holder that exceeds the Principal Amount will be credited by Holder against Royalty Fees payable to Holder pursuant to the Franchise Agreement.

3. Use of Proceeds. Maker agrees that the entire proceeds of this Note will be used solely for purposes related to the operation of a **«Brand_Name»** hotel pursuant to the Franchise Agreement.

4. Payment.

4.1 Unless otherwise accelerated pursuant to Section 5.2, this Note matures one hundred and twenty (120) months from the Opening Date (the "Maturity Date"), at which time the entire Principal Amount, all accrued and unpaid interest on this Note and all other sums due under this Note will be due and payable in full.

4.2 Notwithstanding the foregoing, no payments (of either the Principal Amount or any associated interest) will be due or payable under this Note unless and until a Default (as defined in Section 5.1 hereof) occurs. If no Default (i) has occurred before the Maturity Date, or (ii) is occurring on the Maturity Date, then the entire Principal Amount and all accrued interest will be waived and forgiven by Holder as of the Maturity Date.

4.3 As of each anniversary of the Opening Date, unless a Default has occurred, the loan balance shall automatically be reduced by: (a) 1/10th of the Principal Amount (the "Forgiven Amount"), and (b) all accrued interest on the Forgiven Amount.

4.4 Payments on this Note shall be made in lawful currency of the United States of America to Holder, at the address set forth in Section 6.3 of this Note or such other address as Holder may designate by written notice to Maker.

5. Default.

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

5.2 If a Default occurs, at Holder's option, the Default Payment Amount (as defined below) will immediately become due and payable by Maker to Holder without notice to Maker or any other person or entity. The "Default Payment Amount" means the sum of: (a) the original Principal Amount less an amount equal to the product resulting from multiplying the original Principal Amount by a fraction, the numerator of which is the number of full calendar months that have elapsed since the Opening Date, and the denominator of which is one hundred twenty (120) (the amount resulting from this calculation is referred to as the "Amount Due"); plus (b) interest on the Amount Due calculated from the Distribution Date at the Rate of Interest.

5.3 Interest will accrue on the Default Payment Amount at the Rate of Interest until the Default Payment Amount has been paid in full; provided, that if such Default Payment Amount has not been paid in full by the date that is fifteen (15) days after the date such amount became due and payable, interest will begin to accrue at a default annual rate equal to Prime plus seven percent (prime plus 7%). The maximum interest rate in California is 10% annually.

5.4 The following provisions are applicable upon the occurrence of a Default: (A) Maker will pay Holder all expenses, costs and attorneys' fees that Holder incurs in connection with Holder's collection of any monies due under this Note or for the enforcement of any right under this Note or under any other agreement related to the loan evidenced by this Note, and (B) Holder may exercise any or all other rights, powers and remedies provided for in any instrument, document or agreement now or later evidencing security or otherwise relating to the loan evidenced by this Note or now or later existing at law or in equity or by statute or otherwise.

5.5 **CONFESSION OF JUDGEMENT. Upon the occurrence of a Default, Maker hereby irrevocably authorizes and empowers any attorney or clerk of any court of record in the United States or elsewhere to appear for and, with or without declaration filed, confess judgment against Maker in favor of Holder or an assignee or successor of Holder, of the Note, at any time, for the full or total Default Payment Amount under this Note, together with all indebtedness provided for therein, with interest, costs of suit, and reasonable attorneys' fees; and the undersigned expressly releases all errors, waives all stay of execution, rights of inquisition and extension upon any levy upon real estate and all exemption of property from levy and sale upon any execution hereon; and Maker expressly agrees to condemnation and expressly relinquishes all rights to benefits or exemptions under any and all exemption laws now in force or which may hereafter be enacted. Maker acknowledges and agrees that Maker is voluntarily, knowingly, and intelligently giving up its right to notice and hearing prior to the entry of judgment, is granting Holder, or Holder's assignee or successor, the right to confess judgment against Maker and is freely waiving its due process rights. Maker further consents to immediate execution on the judgment and waives all right of appeal, ratifying and confirming all that the attorney or clerk may do by virtue of this Note**.

5.6 Maker waives demand, presentment for payment, protest and notice of dishonor and agrees that at any time and from time to time and with or without consideration, Holder may, without notice to or further consent of Maker and without in any manner releasing, lessening, or affecting the obligations of any of them: (1) release, surrender, waive, add, substitute, settle, exchange, compromise, modify, extend, or grant indulgences with respect to (a) this Note, (b) all or any part of any collateral or security for this Note, and (c) Maker or any of them; and (2) grant any extension or other postponements of the time of payment of this Note.

6. General.

6.1 Cumulative Rights. Each right, power and remedy of Holder as provided for in this Note or now or hereafter existing at law or in equity or by statute or otherwise is cumulative and concurrent and is in addition to every other right, power or remedy, and Holder's exercise or beginning of exercise of any one or more of these rights, powers or remedies will not preclude Holder's simultaneous or later exercise of any or all these other rights, powers or remedies.

6.2 No Waiver; Application of Payment. No failure or delay by Holder to insist on the strict performance of any term of this Note or to exercise any right, power or remedy upon the occurrence of a Default or any other breach of this Note, is a waiver of any term or agreement or of any breach, or preclude Holder from exercising any right, power or remedy at any later time unless in writing. If Holder accepts any payment after its due date, this act will not be a waiver of Holder's right to receive timely payment of all other amounts or to declare a default for the failure to make any other payment when due. Any partial payments under this Note may be applied to pay interest, the Principal Amount, the Amount Due or costs as Holder, in its sole discretion determines.

6.3 Notices. All notices required under this Note must be in writing, must be personally delivered or mailed by registered or certified mail, return receipt requested, or by a nationally recognized courier service, to Holder at **Choice Hotels International, Inc., 1 Choice Hotels Circle, Suite 400, Rockville, MD 20850**, and to Maker at the Designated Representative's address identified in the Franchise Agreement. Either Holder or Maker may change the applicable address to which such notices are to be sent by written notice to the other party; provided, that Maker may only change the Designated Representative by written notice to Holder delivered in compliance with the Franchise Agreement. Maker authorizes the Designated Representative to receive Holder's written notices to Maker as its agent. Any notice by registered or certified mail or by reputable national courier service is deemed given and received at the date and time of sending.

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

6.5 Assignment. If Holder or any future holder of this Note assigns its rights under this Note, the term "Holder" as used in this Note will refer to such then-current assignee.

6.6 Choice of Law. This Note is a contract made under, and for all purposes will be construed in accordance with, the internal laws and judicial decisions of the State of Maryland. Maker and Holder agree that any dispute arising out of this Note is subject to the jurisdiction of both the state and federal courts in the State of Maryland. For that purpose, Maker submits to the jurisdiction of the state and federal courts of the State of Maryland. Maker further agrees to accept service of process out of any of the before-mentioned courts in any dispute by registered, certified mail or international courier service addressed to Maker.

6.7. Confidentiality. You agree to keep the provisions of this Note in strict confidence and

will not disclose them to any persons other than your directors, officers, partners, employees, agents and advisors that have a need to know. Any unauthorized disclosure is a Default under this Note as defined in Section 5.1 hereto.

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

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

EXHIBIT K

~~ACCESS POINT FINANCIAL~~

EQUIPMENT LOAN AND SECURITY AGREEMENT

THIS EQUIPMENT LOAN AND SECURITY AGREEMENT ("Agreement") is made and entered into as of this _____day of_____, 2015, by and between **ACCESS POINT FINANCIAL, INC.**, a Delaware corporation ("Lender"), and _____, a _____ ("Borrower"), whose principal place of business is located at _____.

RECITALS

Borrower has applied to Lender for a loan to acquire certain personal property. Lender has agreed to make such loan on certain terms and conditions, all of which have been accepted by Borrower. Lender and Borrower are entering into this Agreement to set forth more fully the terms and conditions of the loan transaction.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants herein set forth and other good and valuable consideration, and the receipt and adequacy of which are hereby acknowledged, Borrower and Lender do hereby agree as follows:

1. LOAN AMOUNT AND PURPOSE.

(a) Subject to the terms and conditions of this Agreement, and provided no Event of Default (hereafter defined) has occurred, Lender agrees to lend to Borrower the principal amount not to exceed $ _____(the "Loan"). The Loan may be disbursed in one or more advances, but each such disbursement shall reduce Lender's loan commitment hereunder, and any sums advanced hereunder may not be repaid and then re-borrowed. Notwithstanding the foregoing, all advances of the Loan now or at any time hereafter made by Lender to Borrower under this Agreement shall constitute one loan secured by Lender's security interest in the Collateral (hereafter defined).

(b) The Loan shall be used by Borrower only to acquire the furniture, fixtures and equipment identified in each approved Draw Request (hereafter defined) to be used in connection with the refurbishing or operations of the Location Premises (hereafter defined) and to pay for such closing costs incidental to the Loan as Lender may approve. Borrower and Lender agree that no more than twentypercent (20%) of the Collateral shall consist of Soft Cost Items. For purposes of this Agreement, "Soft Cost Items" are personal property which Lender, in its sole discretion, believes will be of little or no residual value upon termination of the Loan.

2. RESERVE ACCOUNT/LOAN ADVANCES. Lender shall approve advances for FF&E to be used in the operation of the Premises, as described in the Budget. Lender shall fund the entire loan amount at the time of closing into a reserve account held by the Servicer and shall permit advances to be made for a period of _____days from the date Applicant executes the Loan Documents. Such Advances shall be paid directly to vendors for FF&E delivered to Applicant upon receipt of an executed Rental Schedule and Delivery and Acceptance Certificate for each set of invoices received.

3. TERMS AND CONDITIONS. The Loan is subject to the following terms and conditions:

(a) [TERMS AND CONDITIONS 1 - Subject to subordination of the Management Fees.] _____
Initial

(b) [TERMS AND CONDITIONS 2 - Lender, in its sole discretion may require that the

~~outstanding principal balance of this Note, together with all accrued and unpaid interest thereon and all other sums payable in connection with the indebtedness evidenced hereby is due and payable by _____ unless the first mortgage is refinanced. The first Mortgage matures on or by~~

~~Initial~~

(c)[TERMS AND CONDITIONS 3 - As a condition of Lender making the loan to Borrower, during the term of this loan Borrower agrees]

(d)[ ]

(e)[TERMS AND CONDITIONS 5 - Subject to verification of cash balances stated on the Guarantor's personal financial statements.]

4.PAYMENT TERMS. The Loan shall be evidenced by Borrower's Promissory Note ("Note") executed by Borrower to the order of Lender in the stated principal amount equal to the maximum amount of the Loan, providing for the payment of principal, together with interest thereon and a late charge for delinquent payments at the rate(s) set forth therein, in such installments, at such times and according to such further terms as set forth in the Note. (For purposes hereof, the "Note" shall include any extensions, renewals, modifications or replacements thereof.)

5.COLLATERAL AND SECURITY INTEREST.

Initial

Initial

(a)Grant of Security Interest. As security for payment of all indebtedness, interest, late charges and other fees, and all other obligations or other liabilities which may be now or hereafter owing by Borrower to Lender in connection with the Loan or arising under the Note, this Agreement or any other Loan Document (hereafter defined), and for any extensions, renewals, refinancings, restructurings, modifications or replacements, in whole or in part, of the Note (collectively, the "Obligations"), Borrower hereby grants to (USE THIS LANGUAGE IF THERE IS NO INTERCREDITOR AGREEMENT) OR (USE THIS LANGUAGE AND ATTACH EXHIBIT IF THERE IS AN INTERCREDITOR AGREEMENT)

(b)Collateral Designation. The Collateral consists of any and all furnishings, fixtures and equipment acquired with the proceeds of the Loan, together with all attachments, accessories, accessions, parts, replacements, substitutions, additions, and improvements thereto, and all service contracts, warranty claims and other general intangibles relating thereto, and all insurance proceeds and condemnation awards received or receivable with respect thereto, and all cash and non-cash proceeds of the foregoing (collectively, "Collateral"). Unless otherwise defined herein, all terms used in defining the Collateral shall have the meanings under the Uniform Commercial Code ("UCC") as in effect in the State of Georgia to the extent a definition is provided therein. In addition, the term "proceeds" as used herein includes whatever is receivable or received, cash or non-cash, when any Collateral or any proceeds thereof is sold, collected, exchanged or otherwise disposed of, whether such disposition is voluntary or involuntary, and also includes without limitation all rights to payment (including returned premiums) with respect to any insurance relating to the Collateral. In addition, all references herein to a particular type or item of Collateral shall be deemed to include all now existing or hereafter acquired books and records of Borrower relating to such Collateral (including, without limitation, all computer materials and records). Borrower agrees that the Collateral shall be and remain personal property

and shall not, by reason of its attachment or other connection to any real property, either become or be deemed to be a fixture or appurtenance to such real property and shall at all times be deemed severable therefrom.

(c) Perfection of Security Interest. Borrower shall keep, procure, execute, and deliver from time to time any and all endorsements, notifications, registrations, assignments, financing statements, fixture filings, certificate of title applications, blank transfer powers, and other writings deemed necessary or appropriate by Lender to perfect, maintain, and protect its security interest in and lien on the Collateral hereunder and the priority thereof, and Borrower shall take such other actions as Lender may request to protect the value of the Collateral and of Lender's security interest in the Collateral, including, without limitation, obtaining such landlord waivers, mortgagee waivers and other assurances from third parties regarding Lender's access to and right to foreclose on or sell the Collateral and right to realize the practical benefits of such foreclosure or sale as Lender may request. Unless prohibited by applicable law, Borrower hereby authorizes Lender to execute and file any financing statement or fixture filing on Borrower's behalf, and the parties further agree that any carbon, photographic, or other reproduction of this Agreement shall be sufficient as a financing statement and may be filed in any appropriate office in lieu thereof.

(d) Power Of Attorney. Borrower hereby makes, constitutes and appoints (which appointment is coupled with an interest and shall be irrevocable so long as this Agreement is in effect) Lender as its attorney-in-fact with full power and authority to take any action contemplated by subsection (c) above and also to take any of the following actions at any time during the existence of any Event of Default hereunder (but Lender shall have no obligation to and shall incur no liability to Borrower or any third party for failing to exercise any such power or authority): (i) to collect by legal proceedings or otherwise and endorse and receive all interest, payments, proceeds, and other sums and property now or hereafter payable on or on account of any of the Collateral; (ii) to insure, process, and preserve any of the Collateral or to take any other action which Borrower is obligated by this Agreement to take; (iii) to transfer any of the Collateral to its own or its nominee's name; (iv) to make any compromise or settlement, and take any action it deems advisable, with respect to any of the Collateral; (v) to endorse Borrower's name upon any checks or other proceeds of any Collateral and apply same to amounts due under the Loan in such priority and proportions as Lender deems appropriate; (vi) to endorse Borrower's name on any other document, instrument or other agreement relating to any of the Collateral; (vii) to use the information recorded on or contained in any data processing equipment, other computer hardware or any software relating to any Collateral; and (viii) to make, adjust or enforce claims under any insurance policy relating to any Collateral. Lender may exercise the foregoing power of attorney in its discretion, in its name or Borrower's name, and without prior notice to or demand upon Borrower.

6. LOAN DOCUMENTS AND COLLATERAL LOAN DOCUMENTS. In addition to this Agreement and the Note, Borrower shall grant, execute and deliver to Lender, or cause to be granted, executed and delivered to Lender, as the case may be, all of the documents requested by Lender, all of which shall be in form and substance acceptable to Lender and its counsel. Such Loan documents along with the Note and this Agreement are referred to herein together as the "Loan Documents."

7. CONDITIONS TO LOAN ADVANCES. At the time of the making of each advance of the Loan by Lender to Borrower under this Agreement, the following conditions shall have been fulfilled to Lender's satisfaction:

(a) All conditions and requirements of this Agreement shall have been provided and satisfied in form and substance satisfactory to Lender;

(b) The Loan Documents shall have been duly executed and delivered by all required parties thereto and in form and substance satisfactory to Lender;

(c) Lender shall have received and approved the Draw Request and the Delivery and Acceptance Certificate for the Collateral which shall be substantially in the form attached hereto as Exhibit A ("Delivery and Acceptance Certificate");

(d) Borrower shall have executed and delivered to Lender any and all instruments, agreements and documents required by Lender in connection with such Draw Request or as Lender deems necessary or

appropriate to perfect or continue the perfection of Lender's security interest in the Collateral to be acquired with the proceeds thereof;

(e)Borrower shall have delivered to Lender the insurance certificates required by Section 10 of this Agreement;

(f)No Event of Default shall exist hereunder or under any of the other Loan Documents nor shall any event or condition exist which, with the giving of notice where applicable or the expiration of applicable grace or cure periods, or both, would constitute such an Event of Default;

(g)All representations and warranties by Borrower and/or any guarantor of the Loan ("Guarantor" and sometimes referred to with Borrower as "Credit Parties") in the Loan Documents, as well as in any other notice, material or document provided by a Credit Party to Lender in connection with the Draw Request for the advance being funded, shall be true and correct in all material respects with the same effect as if such representations and warranties had been made on and as of the date of such advance;

(h)Since the date of the most recent annual financial statements for any Credit Party delivered to Lender, no material adverse change shall have occurred in the financial condition of any Credit Party;

(i)Each and all of the covenants set forth in this Agreement shall have been performed and complied with in all material respects to the extent required by Lender in connection with such advance; and

(j)The advance to be made and the use of the proceeds thereof shall not violate any applicable law, regulation, injunction or order of any government or court.

8.PROCEDURE FOR LOAN ADVANCES.

(a)Borrower shall submit written application for advances of the Loan ("Draw Request(s)") to Lender which shall identify in reasonable detail the Collateral to be purchased with such advance and shall be accompanied by original invoices or paid receipts of the party claiming payment due and a Delivery and Acceptance Certificate unless waived by Lender. Draw Requests may be submitted not more than twice a month, unless otherwise agreed by Lender, each request for an advance (unless it is the final request for an advance) shall be in the minimum amount of 10% of the maximum amount of the Loan; Soft Cost Items may only be included in the final Draw Request. Upon Lender's approval of the form and content of a Draw Request and confirmation that all conditions precedent to an advance have been satisfied, Lender will disburse or advance the amount requested. If Lender determines that the advance requested or any part thereof is not to be made, Lender will inform Borrower of the reasons for not making any such advance. All advances shall be made by wire transfer to the party entitled to receive such payment as designated on the Certificate of Acceptance and Delivery, as Lender deems appropriate in each case. All payments to parties other than Borrower shall be deemed made for the use and benefit of Borrower with the same force and effect as if disbursed or advanced directly to Borrower.

(b)Each Draw Request submitted shall constitute a representation and certification by Borrower to Lender that (i) the Collateral for which payment is requested has been ordered and received by Borrower; (ii) the Collateral has the value as stated in the Draw Request; (iii) each and all of the representations and warranties set forth in Section 9 hereof continue to be true, complete and correct in all material respects; and (iv) no event has occurred nor does any condition exist which, with the giving of notice where applicable or the expiration of applicable grace or cure periods, or both, would constitute an Event of Default.

9.REPRESENTATIONS AND WARRANTIES. Borrower makes the following representations and warranties to Lender, which shall be true, complete and correct as of the date hereof and upon each advance of the Loan:

(a)Authority. Borrower has full power, authority and legal right to execute this Agreement, to own the Collateral, to borrow the Loan and grant to Lender the security interest hereby contemplated, and to

perform all of Borrower's obligations under this Agreement and the other Loan Documents.

(b) Legal Status and Authority. Borrower (i) is duly organized, validly existing and in good standing under the laws of its state of organization or incorporation; (ii) is duly qualified to transact business and is in good standing in the state where the Collateral is to be located; and (iii) has all necessary approvals (governmental and otherwise) to carry out its business as now conducted and proposed to be conducted.

(c) Validity of Documents. Borrower's execution, delivery and performance of this Agreement and the other Loan Documents (i) are within Borrower's power and authority; (ii) have been duly authorized by all requisite organizational action; (iii) have received all necessary approvals and consents (organizations, governmental or otherwise); (iv) will not violate, conflict with, result in a breach of, nor constitute a default under any provision of law (including, without limitation, any usury law), any order or judgment of any court or governmental authority, Borrower's organizational documents or any indenture, contract or other agreement to which Borrower is a party or by which Borrower or any of Borrower's assets (including the Collateral) may be bound or affected; and (v) will not require any authorization or license from, or any filing with, any governmental or other body (except for UCC filings relating to the security interest created hereby).

(d) Authorized Signer. The person signing this Agreement and the other Loan Documents on Borrower's behalf has been validly authorized and directed to sign such documents. This Agreement and the other Loan Documents, when executed by or on behalf of Borrower, shall be the legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with their respective terms, except to the extent enforcement of the remedies hereunder may be limited under applicable bankruptcy and insolvency laws.

(e) Litigation. No action, suit or proceeding, judicial, administrative or otherwise (including any condemnation of the property where the Collateral is to be located or similar proceeding) currently is pending or, to Borrower's knowledge, threatened or contemplated against Borrower, the property where the Collateral is to be located, or any Guarantor, that (i) has not been disclosed in writing to Lender, and (ii) will have (singularly or in the aggregate) a material, adverse effect on the ability of Borrower or of any Guarantor to perform its obligations to Lender under this Agreement, any of the other Loan Documents or the guaranty, as applicable.

(f) Financial Condition. All financial statements and information relating to Borrower and to each Guarantor which have been delivered to Lender in connection with the Loan are true and correct, fairly represent the financial condition or results of operations of Borrower or such Guarantor as of the date(s) or period(s) set forth therein and have been prepared in accordance with generally accepted accounting principals consistently applied. No material adverse change in the condition (financial or otherwise) of Borrower or any Guarantor has occurred since the date(s) of such financial statements. No bankruptcy, reorganization, insolvency or similar proceedings under any state or federal law have been initiated by or against Borrower or any such Guarantor. The granting of the security interest contemplated hereby does not constitute a fraudulent conveyance.

(g) Place of Business. Borrower's principal place of business is located at the address stated in the first paragraph of this Agreement. Borrower does not use any trade, assumed or fictitious name. The Collateral will at all times be used for commercial or business purposes and will be located at _____ ("Location Premises").

(h) Condition of the Location Premises. The Location Premises currently is in compliance with all applicable laws, regulations, ordinances, directives and orders of each governmental agency having jurisdiction thereof.

(i) Title to Collateral; No Encumbrances. Borrower is or will be on delivery the sole owner of the Collateral and has or will have upon delivery good and marketable title thereto. Except for the security interest and lien granted hereunder in favor of Lender, no person has (or, in the case of any after-acquired Collateral, at the time Borrower acquires rights therein, will have) any right, title, claim, or other interest (whether in the nature of a security interest, other lien or charge, or otherwise) in, against or to any Collateral or any interest therein.

(j) Disclosure. To the best of Borrower's knowledge, Borrower has not failed to disclose any material fact that could cause any representation or warranty made herein to be false or materially misleading.

10. BORROWER COVENANTS. In addition to the covenants set forth in other sections of this Agreement or in the other Loan Documents, Borrower agrees to comply with the following covenants so long as this Agreement is in effect:

(a) Ownership and Restrictions on Transfers. Legal and equitable ownership of the Collateral shall at all times be and remain solely held by Borrower, subject only to the security interest and lien in favor of Lender. Borrower will not change Borrower's name (including its trade name or names) or, if not an individual, Borrower's corporate, partnership or other entity structure without, in each case, notifying Lender of such change in writing at least 30 days prior to the effective date of such change, and, in the case of a change in Borrower's structure, without first obtaining Lender's prior written consent. Without limiting the foregoing, Borrower will not, directly or indirectly, (i) sell, contract to sell, convey, mortgage, pledge, hypothecate, grant a security interest in or otherwise transfer, encumber or suffer a lien upon or against any of the Collateral, or (ii) assign, lease, sublet or grant licenses to use the Collateral or any part thereof (collectively, "Transfer"). For purposes of this Agreement, a "Transfer" shall be deemed to include, without limitation, any change in the ownership or control of Borrower, whether by operation of law, merger, consolidation or otherwise, unless Borrower is publicly traded in which case transfers of stock shall not be deemed to be a Transfer.

(b) Change in Organization Documents. Borrower shall promptly notify Lender of any changes in the organizational documents of Borrower or any other Credit Party; provided, however, that no changes shall be made which would affect such Credit Party's ability to perform any of its obligations under the Loan Documents, without in each case obtaining Lender's prior written consent.

(c) Change of Borrower's Principal Place of Business. Borrower shall give Lender not less than 30 days prior written notice of any change in Borrower's principal place of business or primary residence if Borrower is an individual.

(d) Restriction on Location of Collateral. Borrower will cause the Collateral to be installed and located only at the Location Premises. Other than as may be necessary for repairs or maintenance, Borrower will not remove, nor permit removal of, the Collateral from the Location Premises nor part with possession or control of the Collateral without Lender's prior written consent.

(e) Use of Collateral. Borrower will use the Collateral only for the normal and customary use for which such Collateral is intended and only so as to subject it to ordinary wear and tear. Borrower will cause the Collateral to be operated in accordance with the applicable manufacturer's manuals or instructions by competent and duly qualified personnel and only in accordance with applicable law or other governmental regulations, if any.

(f) Repair and Maintenance. Borrower shall do all acts that may be necessary to maintain, preserve, and protect the Collateral and shall keep the Collateral in good condition and repair and shall not cause or permit any waste of any of the Collateral. Without limiting the foregoing, Borrower, at its sole expense, will repair and maintain each item of the Collateral so as to keep it in as good condition as of the date of the Loan or advance with respect thereto, ordinary wear and tear excepted, including, without limitation, the provision of Replacement Parts (defined below) as and when necessary. Borrower, at its sole expense, also will perform all maintenance of the Collateral necessary to satisfy the requirements of and keep in full force and effect any manufacturer's or other warranty. Any replacement of a part or component added to the Collateral ("Replacement Part(s)") made by Borrower shall be a new part or component of the same or better quality than the part or component being replaced and shall be considered an accession to such item of the Collateral upon installation or affixation thereof. Except as set forth above as to Replacement Parts, Borrower, without the prior written consent of Lender, shall not affix or install any accessory, equipment or device on any item of Collateral or otherwise alter the Collateral.

(g) Mechanic's Liens and Other Encumbrances. Borrower shall keep the Collateral free and clear of all liens and claims of others and promptly pay and discharge any mechanic's liens or other

encumbrances or claims of any party which may be filed or recorded against any of the Collateral, within 30 days after Borrower receives notice thereof, whether such notice is received from Lender or otherwise.

(h)Taxes. Borrower shall pay promptly when due, and agrees to indemnify and hold Lender harmless on an after-tax basis from and against, all titling, filing, recordation and other fees and taxes (including without limitation sales, use, excise, personal property, franchise or other taxes, levies, imposts, duties, assessments and all other charges or withholding of any nature together with any penalties, fines or interest thereon), arising at any time prior to or during the term of the Loan or any renewal or extension hereof, upon or relating to the Collateral, or this Agreement or any other Loan Documents, whether the same be assessed to Lender or Borrower by any federal, state or local government or taxing authority or any subdivision thereof', excluding, however, taxes on, or measured by, the net income of Lender. All amounts payable by Borrower pursuant to this section shall be payable to the extent not theretofore paid, on demand by Lender, and the obligation of Borrower under this section shall survive the expiration or earlier termination of this Agreement.

(i)No Additional Indebtedness. Borrower shall not, without Lender's prior written consent, incur additional indebtedness (secured or unsecured), except for trade payables in Borrower's ordinary course of business.

(j)Books and Records. Borrower shall keep adequate books and records of account with respect to the Borrower's financial conditions and operation of the Location Premises and the Collateral, in accordance with methods acceptable to Lender and consistently applied. Lender and its agents shall have the right upon prior written notice to Borrower (notice to be given unless an Event of Default has occurred and is then continuing) to inspect such books and records and to make copies and abstracts from such materials for Lender's records. Borrower shall furnish to Lender and its agents convenient facilities at the Location Premises for the examination and audit of any such books and records at all reasonable times. Borrower shall furnish to Lender the following within 120 days after the end of each of Borrower's fiscal year:

(a)an annual operating statement for the Location Premises and (b) an annual balance sheet, profit and loss statement, and source and application of funds of Borrower, all of which shall be in reasonable detail and certified by Borrower to be true, complete and accurate. Lender reserves the right to request the foregoing statement(s) to be delivered at more frequent intervals, but, unless an Event of Default has occurred, not more frequently than quarterly. Lender also shall cause any guarantor of Borrower's obligations to Lender to furnish to Lender within the time period set for the above (1) if the guarantor is an individual, a copy of his/her prior year federal income tax return and a certified net worth statement, or (b) if the guarantor is not an individual, the information set forth above.

(k)Inspections and Right of Entry. Lender and its agents shall have the right to enter upon the Location Premises for the purpose of inspecting the Collateral. In making such entry and inspection, Lender agrees to use reasonable efforts to minimize disturbance to Lender's operations. Unless an emergency exists or an Event of Default has occurred and is then continuing, Lender will provide reasonable notice to Borrower prior to its planned entry or inspection.

(l)Performance at Borrower's Expense. Borrower acknowledges and confirms that Lender shall impose certain administrative processing and/or commitment fees in connection with (i) the extension, renewal, modification, amendment and termination of its loans, (ii) the release or substitution of collateral therefor, (iii) obtaining certain consents, waivers and approvals with respect to the Collateral, or (iv) the review of any subordination, non-disturbance or intercreditor agreement (occurrence of any of the above shall be called an "Event"). Borrower hereby acknowledges and agrees to pay, immediately, with or without demand, all such fees (as the same may be increased or decreased from time to time), and any additional fees of a similar type or nature which may be imposed by Lender from time to time, with respect to any Event or otherwise. Such costs and expenses shall include, but not be limited to, all reasonable fees and disbursements for legal counsel (whether of retained firms or of in-house staff). All such amounts shall accrue interest at the Default Rate provided in the Note if not paid in full within 5 days of Lender's written demand therefor, which interest shall accrue from the date demanded by Lender until paid in full by Borrower.

(m)Costs of Enforcement. Borrower shall pay, on demand by Lender all reasonable fees and disbursements for legal counsel (whether of retained firms or of in-house staff) incurred by Lender in connection with (i) protecting its interest in the Collateral or (ii) in collecting any amount payable hereunder

(including recovery of amount under subsection (l) above) or (iii) in enforcing its rights hereunder with respect to the Collateral, whether or not any legal proceeding is commenced hereunder and whether or not any default or Event of Default shall have occurred and is continuing. All such amounts shall accrue interest at the Default Rate provided in the Note if not paid in full within 5 days of Lender's written demand therefor, which interest shall accrue from the date demanded by Lender until paid in full by Borrower.

(n)Risk of Loss. Borrower agrees that all risk of loss of the Collateral shall at all times be and remain upon Borrower irrespective of whether such Collateral is then in Borrower's or Lender's possession.

(o)Insurance. Borrower, at its sole expense, shall obtain and maintain on each item of Collateral, all-risk casualty and liability insurance in such amounts, against such risks (including theft and vandalism), in such form and with such insurers as shall be satisfactory to Lender; provided, however, that the amount of property damage insurance at any particular time shall not be less than the full replacement value of the Collateral and shall not require co-insurance. Each casualty insurance policy will name Lender as loss payee and each liability insurance policy shall name Lender as an additional insured, and each policy shall contain clauses (a) requiring the insurer to give Lender at least 30 days prior written notice of any alteration in the terms of such policy or of the cancellation or nonrenewal thereof and (b) providing that, as to the interest of Lender thereunder, such policy shall not be suspended, invalidated or in any manner prejudiced by any action or inaction of Borrower or any other party (other than Lender) and shall insure Lender regardless of any default, misrepresentation or breach of warranty or conditions by Borrower or any other party (other than Lender). At Lender's option, Borrower shall furnish to Lender a certificate of insurance or other evidence satisfactory to Lender that such insurance coverage is in effect; provided, however, that Lender shall be under no duty either to ascertain the existence of or to examine such insurance or to advise Borrower in the event such insurance shall not comply with the requirements of this section. Borrower hereby appoints Lender as Borrower's attorney-in-fact to claim receipt for, receive payment of and execute and endorse all documents, checks or drafts for loss or damage under any of said insurance policies, and Borrower hereby assigns to Lender all proceeds of any such policy paid on account of any damage to or loss of the Collateral or any part thereof.

(p)Borrower Certificate. At the end of each calendar quarter from and after the date hereof, Borrower shall deliver to Lender a Borrower Certificate in the form attached hereto as Exhibit B certifying to Lender the following:

i.The quarterly management prepared financial statements are true and correct;

ii.The STR Report is based on the current competitive set and is an accurate picture of the performance of the hotel on which the Collateral is located (the "Hotel"); and

iii.The Hotel is current on the franchise fees with Borrower's franchisor and, otherwise, not in default of any of its obligations under the franchise agreement.

11.GENERAL INDEMNITY. Borrower agrees to indemnify, defend (at Lender's option and with counsel approved by Lender) and hold harmless Lender, on an after-tax basis, against and from all losses, damages (including punitive damages), injuries to persons or property (including death), claims (including claims for strict liability, negligence or other tort), demands and expenses (including reasonable fees and expenses for legal counsel), of any kind or nature (collectively, "Claims"), imposed on, incurred by or asserted against Lender in any way relating to or arising out of the execution, delivery or performance of this Agreement or the other Loan Documents or arising out of or relating to any injury to persons or property resulting from or based upon the Collateral; provided, however, that this indemnity shall not extend to any of the foregoing caused solely by the willful misconduct or gross negligence of Lender. All amounts payable by Borrower pursuant to this section shall be payable on demand by Lender, shall accrue interest at the rate then prevailing under the Note and shall be secured by the lien and security interest granted hereby. The obligations of Borrower under this section shall survive the expiration or other termination of this Agreement.

12.EVENTS OF DEFAULT. The term "Event of Default", whenever used herein, shall mean the occurrence of any of the following events:

a.If an Event of Default as defined in the Note or any of the Other Loan Documents shall have occurred; or

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b.Except for the specific defaults set forth in this Section 12 or declared to be an immediate default under any other Loan Documents, any other default hereunder or under any of the other Loan Documents occurs which is not cured (i) in the case of any default which can be cured by the payment of a sum of money, within 5 days after written notice from Lender to Borrower, or (ii) in the case of any other default, within 30 days after written notice from Lender to Borrower; provided that if such default cannot reasonably be cured within such 30-day period and Borrower shall have commenced to cure such default within such 30-day period and thereafter diligently and expeditiously pursues the cure, such 30-day period shall be extended for so long as it shall require Borrower in the exercise of due diligence to cure such default, it being agreed that no such extension shall be for a period in excess of 120 days; or

c.If any representation or warranty of Borrower or any Guarantor, or any member, general partner, principal or beneficial owner in or of any of the foregoing, made herein or in any guaranty, or in any certificate, report, financial statement or other instrument or document furnished to Lender in connection herewith or in connection with any request for Lender's consent or approval, shall have been false or misleading in any material respect when made; or

d.If Borrower or any Guarantor shall make an assignment for the benefit of creditors or shall generally not be paying its debts as they become due; or

e.If Borrower or any Guarantor is adjudged insolvent or becomes a debtor in any voluntary or involuntary bankruptcy or other proceeding under any existing or future law of any jurisdiction, domestic or foreign, seeking relief with respect to it or its debts; provided that in the case of any such proceeding commenced against Borrower or any Guarantor an Event of Default shall not be deemed to have occurred if such proceeding is dismissed or discharged as to Borrower or such Guarantor within 60 days from the filing thereof; or

f.If any default occurs under any guaranty executed in connection with the Loan and such default continues after applicable notice and the expiration of applicable grace or cure periods, if any, or if any Guarantor repudiates or terminates such guaranty; or

g.If any Guarantor become deceased unless Lender is provided with a substitute guarantor or alternative collateral satisfactory to Lender in its sole discretion within 90 days; or

h.Any judgment for monetary damages is entered against Borrower or any Guarantor which, in Lender's sole judgment, has a material, adverse effect on the ability of Borrower or of such Guarantor to perform its obligations to Lender under any of the Loan Documents or is not covered to Lender's satisfaction by collectible insurance proceeds; or

i.If the insurance Borrower is required to maintain hereunder is not kept in full force and effect, or Borrower has not delivered evidence of the renewal thereof at least 10 days prior to the expiration as required in Section 10 hereof; or

j.Any Transfer (as defined in Section 10 hereof) shall occur without Lender's prior written consent, or if the Collateral shall be removed or relocated from the Location Premises except to the extent permitted for repairs in Section 10 hereof; or

k.Borrower shall default in the performance of any other obligation or agreement with Lender for money borrowed or equipment leased, which continues following applicable notice and the expiration of applicable grace or cure periods, if any.

l.Failure of Borrower to provide Lender on or before _____ , with proof reasonably acceptable to Lender that the renovations and improvements have been substantially completed.

m.Failure of Borrower to maintain its brand and franchise with _____.

13.REMEDIES.

a.Upon the occurrence of an Event of Default, Lender may, at its option, without notice or demand of any kind, and in addition to any and all other rights available to Lender under applicable law, exercise any one or more of the following remedies, as Lender, in its sole discretion, shall elect:

i.Declare the entire unpaid balance of the Loan immediately due payable;

ii.Cease making any further disbursements or advances hereunder and terminate any further obligation to do so;

iii.Proceed by appropriate court action, either at law or in equity, to enforce performance by Borrower of its obligations under this Agreement or to recover damages for the breach thereof;

iv.Exercise any and all rights and remedies available to a Lender under the UCC;

v.Require Borrower, at Borrower's expense, to promptly assemble and return the Collateral or any selection thereof to the possession of Lender at such place or places as Lender shall designate, or Lender, at its option, may enter upon the Location Premises where the Collateral is located and take immediate possession of and remove the same by summary proceedings or otherwise, all without liability accruing to Lender for or by reason of such entry or taking of possession or removal, whether for the restoration of damaged property caused by such action or otherwise;

vi.Sell, for cash or upon credit, all or any part of each item of Collateral at public or private sale(s) and at such time and locations, as Lender, in its sole discretion, may determine, or otherwise dispose of, hold, use, operate, lease to others or keep idle all or any part of each item of Collateral as Lender, in its sole discretion, may determine, in each case free and clear of any rights, title or interest of Borrower therein; or

vii.Set-off, hold and apply against all amounts due to Lender hereunder or under any of the other Loan Documents, any security deposits, cash, credits or accounts of any nature whatsoever, now or hereafter held or maintained by or on behalf of Borrower with Lender, regardless of whether such account is general or special, individual or joint.

b.All sums collected by Lender may be applied by Lender to the payment of Borrower's obligations hereunder in such priority and proportions as Lender, in its sole discretion, shall deem proper.

c.If Lender shall have sold or otherwise disposed of each item of Collateral, Borrower shall remain liable for the amount of any deficiency between the net proceeds of such sale(s) or other disposition(s) (after deducting all costs, charges and expenses, including without limitation reasonable fees and disbursements of legal counsel, incurred by Lender in connection therewith and otherwise as a result of the default or Lender's exercise of its remedies with respect thereto) and the outstanding indebtedness payable hereunder. If any item of Collateral, in Lender's sole judgment shall require repair or maintenance, Lender, at Borrower's cost, shall have the right, but shall not be obligated, to perform such repair or maintenance for the purpose of putting such item of Collateral in condition suitable for sale or other disposition as Lender deems appropriate, but Lender shall have the right to sell or otherwise dispose of such item of Collateral without such repair or maintenance.

d.Upon the occurrence of any Event of Default, Lender also may, but without any obligation to do so and without notice to or demand on Borrower, cure the same in such manner and to such extent as Lender may deem necessary to protect the Collateral and Lender's interest therein. Lender is authorized for such purposes to enter upon the property at which the Collateral is located and to appear in, defend or bring

any action or proceeding to protect its interest in the Collateral. Costs and expenses incurred by Lender in remedying such Event of Default or in appearing in, defending or bringing any action or proceeding shall bear interest at the rate then prevailing under the Note, commencing with notice from Lender that such cost or expense was incurred to the date of full payment thereof to Lender.

e. Lender shall have the right to conduct sales on Borrower's premises, without any charge therefor, and all sales of the Collateral (or any part thereof) may be adjourned from time to time in accordance with applicable law. Lender may purchase all or any part of the Collateral at any public sale or, if permitted by law, any private sale and, in lieu of actual payment of such purchase price, Lender may set-off the amount of such price against Borrower's unpaid obligations hereunder. If any sale is of less than all of the Collateral, the security interest created by the Loan Documents shall continue as a lien and security interest on the remaining portion of the Collateral, unimpaired and without loss of priority.

f. Upon the occurrence of any Event of Default, Lender also may, but without any obligation to do so and without notice to or demand on Borrower, notify Borrower's franchisor of the Event of Default and Lender's proposed remedies.

g. No remedy referred to herein is intended to be exclusive, but each, except to the extent otherwise expressly provided herein, shall be cumulative and in addition to any other remedy referred to above or in the other Loan Documents or otherwise available to Lender at law or in equity.

14. CASUALTY LOSS.

a. Borrower shall promptly and fully inform Lender of any Casualty Loss (as defined below) with respect to all or any item of Collateral. Sums recovered or paid in connection with any Casualty Loss (after deducting Lender's reasonable legal fees and costs in collection thereof) shall be retained and applied by Lender toward the outstanding amount of the Loan (including unpaid and accrued interest thereon), whether or not then due, in such priority and proportions as Lender in its discretion shall deem proper, or Lender, in its sole discretion, may make such proceeds available to Borrower upon such terms and condition as Lender deems appropriate (including without limitation requiring Borrower to deposit in escrow with Lender the difference, if any, between the amount of such proceeds and the estimated cost to fully restore and repair the Collateral). Except for funds applied toward indebtedness as provided above in this section, Borrower shall not be released from its obligations hereunder in the event of any Casualty Loss to the Collateral.

b. The term "Casualty Loss" as used herein shall mean any of the following: Any item of Collateral shall be or become worn out, lost, stolen, destroyed, vandalized, or, in the opinion of Lender, irreparably damaged from any cause whatsoever, or taken, seized, or impounded by any governmental authority, or requisitioned by condemnation or otherwise permanently appropriated to the public use by any governmental authority.

15. NO LIABILITY FOR COLLATERAL. Borrower has selected or will have selected all of the Collateral and Lender has not had and shall not have any responsibility whatsoever for the selection of the Collateral or the quality of materials or workmanship thereof, it being understood and agreed that Lender's sole function is that of a Lender making the Loan to Borrower in accordance with and subject to the terms of this Agreement. Neither Borrower nor any other party shall have any right to rely on any procedures required by Lender herein for inspection of the Collateral, such procedures being solely for the protection of Lender as a lender.

16. ASSIGNMENT OF LENDER'S INTEREST.

a. Lender, and each successor to Lender's interest, has the right, in its sole discretion, to transfer, sell, pledge, assign or otherwise encumber or dispose of its interest in the Loan and/or servicing rights with respect thereto, to grant participations herein, or to issue pass-through certificates or other securities ("Securities") evidencing a beneficial interest in a rated or unrated public offering or private placement of which the Loan will be made a part; provided, however, that for so long as Borrower is not in default hereunder, each such transfer shall be subject to Borrower's rights hereunder. Upon notification of any such transfer, Borrower

agrees to make all payments required under the Note and this Agreement to the designated transferee without asserting any defense, setoff, recoupment, claim or counterclaim which Borrower may have against Lender.

b.If Lender, or any successor to Lender's interest, determines to undertake any action contemplated by subsection (a) above, Borrower acknowledges that Lender may forward to each prospective purchaser, transferee, assignee, servicer, participant, investor or their respective successors (collectively, "Investor") or any agency rating the Securities, all documents and information which Lender now has or may hereafter acquire relating to the Loan (including personal financial statement of Borrower or any guarantor), as Lender determines necessary or desirable. Borrower's execution of this Agreement shall be deemed Borrower's written consent to Lender's furnishing of such information, but, if requested by Lender, Borrower agrees to confirm such consent to writing to Lender. Borrower further agrees to cooperate, and to cause each guarantor to cooperate with Lender in connection with any action contemplated under subsection (a) including, without limitation, executing any financing statements, continuation statements or other documents deemed necessary by such Lender or such transferee to create, perfect, protect or preserve the rights and interests to be acquired by it, meeting with any rating agency for due diligence purposes, and providing all information concerning the Location Premises, the financial condition of Borrower, or the financial condition of any guarantor as Lender may request.

17.BORROWER ESTOPPEL CERTIFICATES. Upon Lender's request from time to time, Borrower agrees to execute and deliver to Lender (or to such party as Lender may designate from time to time) an estoppel certificate in form and substance satisfactory to Lender (or such other party designated by Lender). Borrower's failure to execute and deliver such estoppel certificate within 10 business days of Lender's written request therefor shall be deemed, at Lender's option, to be Borrower's conclusive statement of the facts set forth in such certificate.

18.USURY. The Loan is being made to the Borrower subject to the express condition that at no time shall Borrower be obligated or required to pay interest on the Loan or amounts due hereunder at a rate which could subject the holder of the Note to either civil or criminal liability as a result of being in excess of the maximum interest rate which Borrower is permitted by applicable law to contract or agree to pay. If by the terms of this Agreement or the Note, Borrower is at any time required or obligated to pay interest on the Loan at a rate in excess of such maximum rate, the rate of interest under Note shall be deemed to be immediately reduced to such maximum rate and the interest payable shall be computed at such maximum rate and all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of the principal balance of the Note. All sums paid or agreed to be paid to Lender for the use, forbearance, or detention of the Loan shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Note until payment in full so that the rate or amount of interest on account of the Loan does not exceed the maximum lawful rate of interest from time to time in effect and applicable to the Loan for so long as the Loan is outstanding.

19.NOTICES. All notices and other communications under this Agreement are to be in writing, addressed to the respective party to the address as set forth below such party's signature hereto, and shall be deemed to have been duly given (a) upon delivery, if delivered in person with receipt acknowledged by the recipient thereof, (b) one business day after having been timely deposited for overnight delivery, fee prepaid, with any reputable overnight courier service, or (c) three business days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by registered or certified mail, postage prepaid, return receipt requested. Each party may establish a new address from time to time by written notice to the other given in accordance with this section; provided, however, that no such change of address will be effective until written notice thereof is actually received by the party to whom such change of address is sent. Notice to additional parties designated by a party entitled to notice are for convenience only and are not required for notice to a party to be effective in accordance with this section.

20.MISCELLANEOUS.

a.Entire Agreement Modification. This Agreement, together with the other Loan Documents, represents the entire agreement between Borrower and Lender with respect to the transaction contemplated thereby and supersede all prior discussions, representations, communications and agreements (oral and written) by and between Lender and Borrower with respect thereto. In the event of any conflict between the

terms of the Loan Documents, the following order of priority shall be used to resolve such conflict: the Note shall control over this Agreement, and this Agreement shall control over all other Loan Documents. Neither the terms of this Agreement nor any of the other Loan Documents shall be waived, modified, supplemented or terminated in any manner whatsoever, except by a written instrument signed by the party against whom enforcement thereof is sought and then only to the extent expressly set forth in such writing. Time is of the essence of this Agreement.

b. Binding Effect; Joint and Several Obligations. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of Borrower and Lender and their respective heirs, executors, legal representatives, successors, and assigns, whether by voluntary action of the parties or by operation of law. The foregoing shall not be construed, however, to permit assignments or transfers otherwise prohibited. If Borrower consists of more than one person or entity, each shall be jointly and severally liable to perform the obligations of Borrower under this Agreement.

c. Duplicate Originals; Counterparts. This Agreement may be executed in any number of duplicate originals, and each duplicate original shall be deemed to be an original. This Agreement (and each duplicate original) also may be executed in any number of counterparts, each of which shall be deemed an original and all of which together constitute a fully executed agreement even though all signatures do not appear on the same document.

d. Waiver. Lender will not be deemed as a consequence of any act, delay, failure, omission or forbearance or for any other reason to have waived or be estopped from exercising any of its rights or remedies under this Agreement. No single or partial exercise by Lender of any right or remedy will preclude other or further exercise thereof or preclude the exercise of any other right or remedy, and a waiver expressly made in writing on one occasion will be effective only in that specific instance and only for the precise purpose for which given, and will not be construed as a consent to or a waiver of any right or remedy on any future occasion. No notice to or demand on Borrower in any instance will entitle Borrower to any other or further notice or demand in similar or other circumstances or constitute a waiver of Lender's rights to take any other or future action in any circumstances without notice or demand.

e. Survival. All indemnities, representations and warranties contained in this Agreement shall survive the termination of this Agreement.

f. Unenforceable Provisions. If any provision of this Agreement is found by competent judicial authority to be invalid or unenforceable, the other provisions of this Agreement that can be carried out without the invalid or unenforceable provision will not be affected, and such invalid or unenforceable provision will be ineffective only to the extent of such invalidity or unenforceability and shall be construed to the greatest extent possible to accomplish fairly the purposes and intentions of the parties hereto.

g. Ambiguity; Headings and Construction of Certain Terms. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Lender by virtue of the fact that such document has originated with Lender as drafter. Borrower agrees that this Agreement shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of the parties hereto. Words used in this Agreement may be used interchangeably in singular or plural form, and any pronoun shall be deemed to cover all genders. Section headings are for convenience only and shall not be used in interpretation of this Agreement. "Herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or other subdivision; and "section" refers to the entire section and not to any particular subsection, paragraph of other subdivision. Reference to days for performance shall mean calendar days unless business days are expressly indicated.

h. Governing Law. Except to the extent that the laws of another jurisdiction may govern the perfection of any security interest or lien in the Collateral granted hereunder, this Agreement shall be construed in accordance with, and shall be governed by, the laws of the State of Georgia (without giving effect to its conflicts of law rules).

i.Consent to Jurisdiction. Borrower and Lender agree and consent to the jurisdiction and venue of any state or federal court sitting in Dekalb County, Georgia, with respect to any legal action, proceeding, or dispute between them and hereby expressly waive any and all rights under applicable law or in equity to object to the jurisdiction and venue of said courts. Nothing herein shall, however, preclude or prevent Lender from bringing any one or more actions against Borrower in any other jurisdiction as may be necessary to enforce or realize upon the security provided for the obligations herein. Borrower further irrevocably consents to service of process by certified mail, return receipt requested, to Borrower at the address for Borrower last provided to Lender in accordance with the notice provision of this Agreement and agrees that, should Borrower fail to appear or answer to any summons, complaint or other process within 30 days after the mailing thereof in accordance with the preceding sentence, Borrower shall be deemed in default and judgment may be entered in Lender's favor against Borrower for the amount demanded in said summons, complaint or other process.

j.WAIVER OF JURY TRIAL. BORROWER, AS AN INDUCEMENT TO LENDER TO MAKE THE LOAN AND ENTER INTO THIS AGREEMENT, HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN ANY LEGAL ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THE INTERPRETATION, CONSTRUCTION, VALIDITY, ENFORCEMENT OR PERFORMANCE OF THIS AGREEMENT.

k.BORROWER WAIVER OF NOTICE. BORROWER HEREBY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO NOTICE OR HEARING PRIOR TO SEIZURE OR RECLAMATION OF ANY ITEM OF COLLATERAL WHETHER BY JUDICIAL PROCESS OR OTHERWISE.

l.BORROWER'S WAIVER OF REDEMPTION. BORROWER HEREBY WAIVES (TO THE MAXIMUM EXTENT PERMITTED BY LAW) ALL RIGHTS OF REDEMPTION, STAY OR APPRAISAL WITH RESPECT TO THE COLLATERAL (AND EACH PART THEREOF) WHICH BORROWER HAS OR MAY HAVE UNDER ANY APPLICABLE LAW NOW EXISTING OR HEREAFTER IN EFFECT.

m.ADVERTISING. LENDER IS AUTHORIZED TO STATE IN ADVERTISING OR OTHER PRESS RELEASES THE FACT THAT THE TYPE AND AMOUNT OF FINANCING CONTEMPLATED UNDER THIS LOAN AGREEMENT HAS BEEN PROVIDED FOR BORROWER BY LENDER.

[Continued on Next Page]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly signed and sealed, all as of the day and year first above written, intending to be legally bound hereby.

LENDER	**BORROWER**
ACCESS POINT FINANCIAL, INC.	_____
By:_____	By:_____
Name: Dilip R. Petigara	Name:_____
Title: Chief Operating Officer	Title:_____
	Borrower's Tax ID:_____
Address for Lender:	Address for Borrower:
Access Point Financial, Inc. 1 Ravinia Drive, Suite 900 Atlanta, GA 30346 Attn: Dilip R. Petigara	_____ _____ Attn:_____

EXHIBIT A

DELIVERY AND ACCEPTANCE CERTIFICATE

Draw # 000 / Loan No._____

Sample

This Certificate is given pursuant to that certain Loan Agreement, dated _____ by and between **ACCESS POINT FINANCIAL, INC.**, a Delaware corporation ("Lender"), with offices at 1 Ravinia Drive, Suite 900, Atlanta, GA 30346, and _____, a _____ ("Borrower"), with its principal place of business at _____.

Borrower hereby (a) certifies and acknowledges to Lender that the following equipment ("Equipment") has been delivered to the premises situated at____ (the "Premises"); has been inspected by Borrower; is a size, design, capacity and manufacture acceptable to Borrower; is suitable for Borrower's purposes; is in good working order, repair and condition; and has been installed in the Premises to the satisfaction of Borrower; and, (b) unconditionally accepts the Equipment for all purposes as of the date hereof.

Equipment Description:_____
(See attached invoices)

Borrower hereby authorizes and directs Lender to pay the following parties the sum(s) set opposite their respective name(s).

Name: Amount:

TOTAL:

Payment when so made shall be deemed to be payment to Borrower and shall be without liability to Lender of any kind or character.

BORROWER:

_____

By:_____
Name:_____
Date:_____

EXHIBIT B

BORROWER'S CERTIFICATE

The undersigned_____, a _____ (hereinafter referred to as the "Borrower"), as an inducement to **ACCESS POINT FINANCIAL, INC.**, a Delaware corporation, (hereinafter referred to as the "Lender") to make a loan to the Borrower evidenced by that certain Promissory Note of even date herewith in the principal amount of _____ AND NO/100 DOLLARS ($__) (hereinafter referred to as the "Note"), which Note is secured by that certain Equipment Loan and Security Agreement of even date herewith (hereinafter referred to as the "Security Instrument"), which Security Instrument encumbers certain hotel property located at _____ (hereinafter referred to as the "Hotel") hereby certifies, warrants and represents to Lender that as of this date:

1. The quarterly management financial statements are true and correct;

Sample

2.The STR Report is based on the current competitive set and is an accurate picture of the performance of the Hotel;

3.The Hotel is current on the franchise fees with Borrower's franchisor and, otherwise, not in default of any of its obligations under the franchise agreement; and

4.This Certificate is given by Borrower to Lender as required by the Security Instrument, with the knowledge that Lender is relying upon the truth of the statements made herein.

IN WITNESS WHEREOF, the undersigned has hereunto caused these presents to be executed under seal by persons duly authorized thereunto in its name and behalf, this _____ day of _____, 20_.

Sworn to and subscribed before me

this ____day of _____, 20_

BORROWER:

_____

_____

Notary Public

My Commission Expires: (NOTARIAL SEAL)

By:_____(SEAL)

Name:_____ Title:_____

~~EXHIBIT C~~

~~REPLACEMENT COST REPORT~~

~~NOTE: DELETE THIS EXHIBIT PAGE IF YOUR DEAL DOES NOT HAVE AN INTERCREDITOR AGREEMENT~~

PROMISSORY NOTE

$_____

_____, 2015

FOR VALUE RECEIVED,_, a_ (the "Borrower"), promises to pay to the order of ACCESS POINT FINANCIAL, INC., a Delaware corporation, or its successors and assigns (collectively, the "Lender"), the principal sum of _____ AND _____/100 DOLLARS (U.S. $_____) or so much thereof as shall be advanced and from time to time remain unpaid, plus interest on the principal balance hereof from time to time outstanding, at the interest rate(s) set forth below. All defined terms not defined herein shall have the meaning given to them in the Loan Agreement (as hereinafter defined).

1.INTEREST.

A.Interest Rate: The interest rate is fixed at_____% ("Interest Rate").

B.Interest Accrual: Interest at the fixed Interest Rate shall accrue on the Loan Amount from the date of this Promissory Note (the "Closing Date") and shall be payable to Lender on the first day of the month immediately following the Closing Date and continuing on the first day of each succeeding month until Maturity Date (hereinafter defined)

2.DISBURSEMENTS.

A.Lender Controlled Escrow Account: The entire Loan Amount will be disbursed by Lender into a Lender Controlled Escrow Account on the Closing Date.

B.Draw Down Period: The full disbursement of the Loan Amount from the Lender controlled escrow account for the completion of the renovation project will be made on or before the_____day following the Closing Date (the "Target Date").

3.PAYMENTS.

A.Interest Only Period: Beginning on the Closing Date, and for_____ consecutive months thereafter, on the first day of each consecutive calendar month installments of interest payments only shall be due and payable. The amount of such monthly payments shall be calculated by Lender as of the Closing Date and shall be confirmed to Borrower in writing.

B.Amortizing Period. Beginning on the_____anniversary of the Closing Date and thereafter on the first day of each consecutive calendar month, the Loan Amount shall be payable in_____consecutive equal (or as equal as possible) monthly installments of principal and interest due and payable ("Permanent Loan"). The amount of such monthly payments shall be calculated by Lender as of

the Closing Date and shall be confirmed by Lender to Borrower in writing.

C.Application of Payments; Calculation of Interest. All payments on this Note shall be applied first to accrued and unpaid interest, then in reduction of principal amount. Interest calculations shall be based upon a 360 actual/day year.

D.ACH Automatic Debit. All required payments are to be made no later than 2:00 p.m. (EDT) on the date when due (the "Regular Payment Date") in immediately available funds in lawful money of the United States of America which is legal tender for public and private debts, by ACH automatic debit.

4.MATURITY DATE.

The outstanding principal balance of this Note, together with all accrued and unpaid interest thereon and all other sums payable in connection with the indebtedness evidenced hereby shall mature and be due and payable in full to Lender, unless sooner accelerated pursuant to Section 5 below or otherwise, on the _____ anniversary of the Closing Date which is _____ (the "Maturity Date").

5.ACCELERATION; EXPENSES.

Lender may accelerate the Maturity Date, and at the option of Lender the entire outstanding principal balance hereof and all accrued and unpaid interest and other sums due hereon shall be due and payable in full, if (i) default be made in the payment within ten (10) days of the date when due of any installment of principal and/or interest or other sum due under this Note or any other Loan Document (hereinafter defined), and such default shall have continued unremedied beyond the expiration of any applicable notice and/or grace period: or (ii) Borrower shall default in the performance of any other obligation under this Note or any other Loan Document, and such default shall have continued unremedied for thirty (30) days after written notice thereof from Lender to Borrower, provided that if such default cannot reasonably be cured within such 30-day period and Borrower shall have commenced to cure such default within such 30-day period and thereafter diligently and expeditiously pursues the cure, such 30-day period shall be extended for so long as it shall require Borrower in the exercise of due diligence to cure such default, it being agreed that no such extension shall be for a period in excess of 120 days, or beyond the expiration of any applicable notice and/or grace period; or (iii) an Event of Default (as defined in that certain Loan and Security Agreement of even date herewith, between Borrower and Lender, which is referred to herein as the "Loan Agreement") shall occur, regardless of any prior forbearance. Borrower shall pay all costs and expenses incurred by Lender in connection with collecting or attempting to collect any sums due under this Note or enforcing or preparing to enforce any right of Lender in connection with this Note, the Loan Agreement or any other Loan Document, including, but not limited to, reasonable attorneys' fees and disbursements and other costs and expenses, whether incurred out of court or in litigation, including pre-trial, appellate and bankruptcy proceedings that are actually incurred without giving effect to statutory presumption.

6.LATE PAYMENTS AND DEFAULT INTEREST.

A.Late Charge: If any amount due under this Note is not received by Lender on or before within ten (10) calendar days after the date such amount is due, Borrower shall pay to Lender a late charge equal to five (5%) percent of such overdue amount, which late charge shall be immediately due and payable without notice or demand by Lender.

B.Interest on Delinquent Payments and Events of Default: During the continuance of any Event of Default, interest on the outstanding principal balance hereof shall accrue at a rate of eighteen percent (18%) per annum (the "Default Rate"), until the earlier to occur of (i) the date on which any and all Events of Default have been remedied to the satisfaction of Lender; or (ii) the date on which the Principal Amount, together with all accrued and unpaid interest thereon and other amounts payable in connection herewith are paid and satisfied in full. The foregoing shall not be construed as a waiver by Lender of its right to pursue any other remedies available to it under this Note, the Loan Agreement, or any other document or instrument now or hereafter executed, issued or delivered in connection with the loan evidenced hereby (together with all extensions, renewals, modifications, amendments and substitutions thereof or therefor, the "Loan Documents"). All amounts evidenced hereby shall bear interest at the Default Rate from and after the Maturity Date, whether maturity occurs by reason of acceleration or otherwise.

7.PREPAYMENT.

The Loan may not be prepaid during the Interest Only period. Provided no default exists under the Note or the other Loan Documents, and Borrower is in current and good standing on all obligations and accounts with Lender, Borrower may prepay the Loan, in full, including all accrued and unpaid interest, at any time upon not less than thirty (30) days with prior written notice to Lender. If the loan is paid off in an amount above the scheduled principal amortization prior to the end of the loan term, a prepayment premium will be earned by the lender. The premium amount will be calculated based on the principal amount prepaid multiplied by the following schedule.

Lockout in Year 1 of the Loan_% in Year 2 of the Loan_____% in Year 3 of the Loan_____% in Year 4 of the Loan___% in Year 5 of the Loan_____% in Year 6 of the Loan
_____% in Year 7 of the Loan

8.WAIVERS; NO RELEASE; REMEDIES CUMULATIVE.

Presentment, demand, notice of dishonor, notice of protest and protest are hereby waived by all makers, sureties, guarantors and endorsers hereof. No release of any person liable for the indebtedness evidenced hereby or any portion thereof, no release of any security for the indebtedness evidenced by this Note or any portion thereof, and no extension, alteration, amendment, subordination or waiver of any provision of this Note or any other Loan Document shall release, discharge, modify, change or affect the liability of Borrower or any other person now or hereafter liable for payment of this Note or any amount payable pursuant to any other Loan Document. The remedies provided Lender in this Note, the Loan Agreement and the other Loan Documents shall be cumulative and concurrent, and shall be in addition to every other right or remedy now or hereafter provided by law or equity. Such remedies may be pursued singly, successively or together against Borrower, any of the collateral described in the Loan Agreement or any other security, at the option of Lender. The failure to exercise or a delay in exercising any such remedy shall not be construed as a waiver or release thereof.

9.LOAN DOCUMENTS.

This Note is issued pursuant to the terms and conditions of the Loan Agreement, and is secured by, among other things: (a) the Loan Agreement; and (b) UCC Financing Statements. All of the terms, covenants, provisions, conditions, stipulations, promises and agreements contained in

the Loan Documents to be kept, observed, and performed by Borrower are hereby made a part of this Note and incorporated herein by reference to the same extent and with the same force and effect as if they were fully set forth herein, and Borrower promises and agrees to keep, observe and perform them, or cause them to be kept, observed, and performed, strictly in accordance with the terms and provisions thereof.

10. GOVERNING LAW; SUCCESSORS AND ASSIGNS; JOINT AND SEVERAL LIABILITY.

This Note shall be governed by the laws of the State of Georgia, without regard to conflicts of law provisions, and shall be binding upon and inure to the benefit of the parties hereto and their respective successor and assigns.

11. LEGAL RATE OF INTEREST.

This Note is subject to the express condition that at no time shall Borrower be obligated or required to pay interest on the principal balance hereof at a rate in excess of the maximum rate which Borrower is permitted by law to contract for or agree to pay. If pursuant to the terms of this Note or any other Loan Document Borrower at any time is required or obligated to pay interest on the principal balance hereof at a rate in excess of such maximum rate, then the rate of interest payable hereunder shall be deemed to be reduced immediately and automatically to such maximum rate, interest payable hereunder shall be computed at such maximum rate and any prior interest payment made in excess of such maximum rate shall be immediately and automatically applied to, and shall be deemed to have been a payment made in reduction of, the principal balance hereof.

12. INVALIDITY.

In the event anyone or more of the provisions contained in this Note or any other Loan Document shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Note or such other Loan Document, but this Note and the other Loan Documents shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

13. RELATIONSHIP OF PARTIES.

Lender shall in no event be construed for any purpose to be a partner, joint venturer or associate of Borrower, or of any lessee, operator, concessionaire or licensee of Borrower, in the conduct of their respective businesses.

14. MODIFICATION.

This Note may not be modified, amended, discharged or waived orally, but only by an agreement in writing signed by the party against whom such modification, amendment, discharge or waiver is sought to be enforced.

15. CAPTIONS.

The captions and headings set forth in this Note are for convenience purposes only and

shall not limit, define or otherwise have any effect on the interpretation of the agreements and understandings set forth herein.

16.PURPOSE OF LOAN.

Borrower warrants and represents that the loan evidenced hereby is being made for business or investment purposes.

[Continued on Next Page]

IN WITNESS WHEREOF, the undersigned has caused this Note to be signed, sealed and delivered as of the day and year first above written.

_____, a

WITNESS/ATTEST:

_____

By: _____
Name: _____
Title: _____

Borrower's Address

Attn: _____

GUARANTY AGREEMENT

FOR VALUE RECEIVED, and in order to induce **ACCESS POINT FINANCIAL, INC.,** a Delaware corporation ("Lender"), to extend credit or other financial accommodations to _____, a _____("Borrower"), and for other good and valuable consideration, the receipt and adequacy of all of the foregoing as legally sufficient consideration being hereby acknowledged, each of the undersigned (each a "Guarantor") hereby agrees in favor of Lender as follows:

1. Guaranty of Obligations.

(a) Guarantor hereby irrevocably, absolutely and unconditionally guarantees to Lender the prompt payment when due, whether at stated maturity, by acceleration or otherwise, of the Debt (as hereinafter defined). Guarantor acknowledges and agrees that this Guaranty Agreement ("Guaranty") is a guaranty of payment and not of collection and upon any default of Borrower under the Loan Documents (as defined below), Lender may, at its option, proceed directly and at once, without notice, against Guarantor to collect and recover the full amount of the liability hereunder or any portion thereof, without proceeding against Borrower or any other person, or foreclosing upon, selling, or otherwise disposing of or collecting or applying against any of the collateral for the Debt. It is expressly understood and agreed that this is a continuing guaranty and that the obligations of Guarantor hereunder are and shall be absolute under any and all circumstances, without regard to the validity, regularity or enforceability of the Loan Documents, a true copy of each of said documents Guarantor hereby acknowledges having received and reviewed.

(b) Guarantor further covenants that this Guaranty shall remain and continue in full force and effect as to any modification, extension or renewal of the Loan Documents; that Lender shall not be under a duty to protect, secure or insure any security or lien provided by the Security Instrument (defined below) or other such collateral; and that indulgences or forbearance may be granted under any or all of such documents, all of which may be made, done or suffered without notice to, or further consent of Guarantor.

2. Obligations and Documents Defined.

(a) The term "Debt" as used in this Guaranty shall mean the principal sum evidenced by the Note and secured by the Security Instrument, or so much thereof as may be outstanding from time to time, together with interest thereon at the rates of interest specified in the Note, late fees, prepayment consideration, and all other sums which may or shall become due and payable pursuant to the provisions of the Loan Documents.

(b) The term "Loan Documents" shall mean and include the following: The Promissory Note dated the date thereof, in the original principal amount of $_____and executed by Borrower to the order of Lender ("Note"), and the Equipment Loan and Security Agreement of the date herewith between Borrower and Lender ("Security Instrument"), together with any extensions, renewals, refinancings, restructurings, modifications or replacements, in whole or in part, of or for any of the foregoing.

3. Guaranty Absolute. Guarantor agrees that the validity of this Guaranty and the obligations of Guarantor hereunder shall in no way be terminated, affected or impaired (a) by reason of the assertion by Lender of any rights or remedies which it may have under or with respect to any of the Loan Documents, against any person obligated thereunder; (b) by reason of any failure to file or record any of such instruments or to take or perfect any security intended to be provided thereby; (c) by reason of the release or exchange of any covered by the Security Instrument or other collateral for the Debt; (d) by reason of Lender's failure to exercise, or delay in exercising, any such right or remedy or any right or remedy Lender may have hereunder or in respect to this Guaranty; (e) by reason of the commencement of a case under the Bankruptcy Code (hereafter defined) by or against any person obligated under the Note or the other Loan Documents, or the death or dissolution of any Guarantor; or (f) by reason of any payment made on the Debt, whether made by Borrower or Guarantor or any other person, which is required to be refunded pursuant to any bankruptcy or insolvency law; it being understood that no payment so refunded shall be considered as a payment of any portion of the Debt, nor shall it have the effect of reducing the liability of Guarantor hereunder. It is further understood, that if Borrower shall have taken advantage of, or be subject to the protection of, any provision in the Bankruptcy

Code, the effect of which is to prevent or delay Lender from taking any remedial action against Borrower, including the exercise of any option Lender has to declare the Debt due and payable on the happening of any default or event by which under the terms of the Note or the other Loan Documents the Debt shall become due and payable, Lender may, as against Guarantor, nevertheless, declare the Debt due and payable and enforce any or all of its rights and remedies against Guarantor provided for herein.

4. Subordination of Borrower's Obligations to Guarantor. Any indebtedness of Borrower to Guarantor now or hereafter existing (including, but not limited to, any rights to subrogation Guarantor may have as a result of any payment by Guarantor under this Guaranty), together with any interest thereon, shall be, and such indebtedness is, hereby deferred, postponed and subordinated to the prior payment in full of the Debt. Until payment in full of the Debt (and including interest accruing on the Debt after the commencement of a proceeding by or against Borrower under the Bankruptcy Reform Act of 1978, as amended, 11 U.S.C. Sections 101 et seq., and the regulations adopted and promulgated pursuant thereto (collectively, "Bankruptcy Code"), which interest the parties agree shall remain a claim that is prior and superior to any claim of Guarantor notwithstanding any contrary practice, custom or ruling in cases under the Bankruptcy Code generally), Guarantor agrees not to accept any payment or satisfaction of any kind of indebtedness of Borrower to Guarantor and hereby assigns such indebtedness to Lender, including the right to file proof of claim and to vote thereon in connection with any such proceeding under the Bankruptcy Code, including the right to vote on any plan of reorganization. Further, if Guarantor shall be comprised of more than one person, firm or corporation, Guarantor agrees that until such payment in full of the Debt, (a) no one of them shall accept payment from the others by way of contribution on account of any payment made hereunder by such party to Lender, (b) no one of them will take any action to exercise or enforce any rights to such contribution, and (c) if any of Guarantor should receive any payment, satisfaction or security for any indebtedness of Borrower to any of Guarantor or for any contribution by the others of Guarantor for payment made hereunder by the recipient to Lender, the same shall be delivered to Lender in the form received, endorsed or assigned as may be appropriate for application on account of, or as security for, the Debt and until so delivered, shall be held in trust for Lender as security for the Debt.

5. Subrogation and Other Rights. Guarantor agrees that no payment, performance or enforcement of Guarantor's liabilities and obligations under this Guaranty shall cause Guarantor, by subrogation or otherwise, to acquire any of Lender's rights against Borrower or any property of Borrower (or any interest in such rights) unless and until Lender has received full and indefeasible payment of the Debt.

6. Waivers. Guarantor hereby waives, to the fullest extent permitted by law: (a) notice of acceptance of this Guaranty; (b) notice of any acceleration or other demand for payment of the Debt; (c) any and all notice of nonpayment, nonperformance or nonobservance or other proof, notice or demand, whereby to charge Guarantor therefor, or to which Guarantor might otherwise be entitled with respect to the Debt or the Loan Documents or with respect to Lender's enforcement of its rights and remedies thereunder; (d) notice of presentment, demand, protest, and notice of dishonor or nonpayment as to any instrument; (e) the pleading of any statute of limitations as a defense to the obligation hereunder; and (f) jury trial and the right to personal service in accordance with section 14(g).

7. Guarantor Due Diligence and Benefit. Guarantor represents and warrants to Lender that it is fully aware of the financial condition, assets and prospects of Borrower and that Guarantor is executing and delivering this Guaranty based solely upon Guarantor's own independent investigation thereof and in no part upon any representation, warranty or statement of Lender with respect to Borrower's financial condition, assets or prospects. Guarantor hereby knowingly accepts the full range of risks encompassed within a contract of guaranty, which risks Guarantor understands may include, without limitation, the possibility that Borrower may incur additional indebtedness to Lender for which Guarantor may be liable hereunder after Borrower's financial condition or means or ability to pay its lawful debts when they fall due has deteriorated.

8. Application of Payments. Lender may apply all moneys available to Lender for application in payment or reduction of the Debt in such priority and proportions as set forth in the Loan Documents.

9. Collection Costs. Guarantor shall be liable to Lender for, and shall pay to Lender on demand, all costs (including without limitation reasonable fees and expenses of legal counsel, whether of retained firms or of in-house staff) incurred by Lender in enforcing performance of or collecting any payments due under this

Guaranty. All such amounts shall accrue interest at the Default Rate provided in the Note if not paid in full within five (5) days of Lender's written demand therefor, which interest shall accrue from the date demanded by Lender until paid in full by Guarantor. Interest at the greater of the Default Rate or the legal rate applicable to judgments shall accrue on any judgment obtained by Lender in connection with this Guaranty.

10. Guarantor Information. Guarantor agrees that, so long as this Guaranty remains in effect, Guarantor shall furnish to Lender from time to time, at such intervals and by such dates as may be required by Lender (by no more frequently than annually unless an Event of Default under the Note or the Security Instrument has occurred), Guarantor's Federal and state income tax returns and a balance sheet and statement of changes in Guarantor's financial position, each certified by Guarantor as true, complete and accurate. Each such financial statement shall be in reasonable detail and prepared in accordance with consistently applied accounting methods acceptable to Lender. Guarantor shall permit Lender or its representatives to visit and inspect Guarantor's books and records during reasonable business hours and agrees to discuss Guarantor's financial condition with Lender.

11. Assignment and Transfer.

(a) Guarantor acknowledges that Lender, and each successor to Lender's interest, has the right, in its sole discretion, to transfer, sell, pledge, assign or otherwise encumber or dispose of its interest in the loan evidenced by the Loan Documents, to grant participations therein, or to issue pass- through certificates or other securities ("Securities") evidencing a beneficial interest in a rated or unrated public offering or private placement of which the loan evidenced by the Loan Documents will be made a part, without Guarantor's consent or any notice thereof to Guarantor. Lender also may split the Debt into one or more separate obligations, each of which will be separately guaranteed by this Guaranty.

(b) If Lender, or any successor to Lender's interest, determines to undertake any action contemplated by subsection (a) above, Guarantor acknowledges that Lender may forward to each prospective purchaser, transferee, assignee, servicer, participant, investor or their respective successors (collectively, "Investor") or any agency rating the Securities, all documents and information which Lender now has or may hereafter acquire relating to Guarantor (including personal financial statement of Guarantor), as Lender determines necessary or desirable. Guarantor's execution of this Guaranty shall be deemed Guarantor's written consent to Lender's furnishing of such information, but, if requested by Lender, Guarantor agrees to confirm such consent to writing to Lender. Guarantor further agrees to cooperate with Lender in connection with any action contemplated under subsection (a) including, without limitation, ratifications of this Guaranty or execution of other documents deemed necessary by Lender or such transferee to create, perfect, protect or preserve the rights and interests to be acquired by it, meeting with any rating agency for due diligence purposes, and providing all information concerning Guarantor's financial condition as Lender reasonably may request.

12. Power to Execute Guaranty. Guarantor hereby certifies, represents, and warrants to Lender that Guarantor has full power and authority to execute this Guaranty, that Guarantor's execution and delivery of this Guaranty has been fully authorized and directed, that, as applicable, the persons executing this Guaranty on behalf of Guarantor have been duly authorized to do so by Guarantor, and that this Guaranty, once executed, shall be the valid and binding obligation of Guaranty enforceable in accordance with its terms.

13. Notices. All notices and other communications under this Guaranty are to be in writing, addressed in the case of Lender to the address as set forth below and in the case of each Guarantor as set forth below such Guarantor's signature hereto, and shall be deemed to have been duly given (a) upon delivery, if delivered in person with receipt acknowledged by the recipient thereof, (b) one business day after having been timely deposited for overnight delivery, fee prepaid, with any reputable overnight courier service, or (c) three business days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by certified mail, postage prepaid, return receipt requested. Each party may establish a new address from time to time by written notice to the other given in accordance with this section; provided, however, that no such change of address will be effective until written notice thereof is actually received by the party to whom such change of address is sent. Notice to additional parties designated by a party entitled to notice are for convenience only and are not required for notice to a party to be effective in accordance with this section. Lender's notice address is as follows: Access Point Financial, Inc., 1 Ravinia Drive, Suite 900, Atlanta, GA 30346, Attention: Dilip Petigara.

14. Miscellaneous.

(a) Entire Guaranty; Modification. All prior agreements, understandings, representations and communications between the parties, whether oral or written, with respect to this Guaranty are merged into this Guaranty which alone and completely expresses the agreement of Guarantor and Lender. Neither this Guaranty nor any provisions hereof will be modified, supplemented or waived, except by an agreement in writing signed by the party against whom enforcement is thereof is sought and then only to the extent expressly provided in such writing.

(b) Binding Effect. The Guaranty shall be binding upon and inure to the benefit of Lender, its successors and assigns. This Guaranty shall be binding upon Guarantor and its heirs, executors, legal representatives, successors, successors and assigns, whether by voluntary action of the parties or by operation of law. If Guarantor shall be a partnership, the agreements and obligations on the part of such Guarantor herein contained shall remain in force and application notwithstanding any changes in the individuals composing the partnership and the term "Guarantor" shall include any altered or successive partnerships, but the predecessor partnerships and their partners shall not thereby be released from any obligations or liability hereunder. The foregoing shall not be construed to permit assignments or other transfers otherwise prohibited. If Guarantor consists of more than one person or entity, the obligations and liabilities of each such person or entity hereunder shall be joint and several.

(c) Applicable Law. This Guaranty shall be deemed to be a contract entered into pursuant to the laws of the State of Georgia and shall in all respects be governed, construed, applied and enforced in accordance with applicable federal law and the laws of the State of Georgia, without giving effect to any conflict of laws principles.

(d) Enforceability. If any provision of this Guaranty is found by competent judicial authority to be invalid or unenforceable, the other provisions of this Guaranty that can be carried out without the invalid or unenforceable provision will not be affected, and such invalid or unenforceable provision will be ineffective only to the extent of such invalidity or unenforceability and to the greatest extent possible to accomplish fairly the purposes and intentions of the parties hereto. All rights and remedies under this Guaranty are distinct and cumulative not only as to each other but as to any rights or remedies afforded by law or equity. They may be exercised together, separately or successively. Any failure by Lender to exercise any of its remedies does not constitute a waiver of that remedy in the future as to the same or any other default.

(e) Ambiguity; Headings; Gender; and Certain Terms. Neither this Guaranty nor any uncertainty or ambiguity herein shall be construed or resolved against Lender by virtue of the fact that such document has originated with Lender as drafter. Guarantor agrees that this Guaranty shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of the parties hereto. Words used in this Guaranty may be used interchangeably in singular or plural form, and any pronoun shall be deemed to cover all genders. Section headings are for convenience only and shall not be used in interpretation of this Guaranty. "Herein," "hereof" and "hereunder" and other words of similar import refer to this Guaranty as a whole and not to any particular section, paragraph or other subdivision. Reference to days for performance shall mean calendar days unless business days are expressly indicated.

(f) Multiple Counterparts. This Guaranty may be executed in one or more counterparts, each of which counterpart will, for all purposes, be deemed an original, but all such counterparts together will constitute one instrument.

(g) Consent to Jurisdiction; Service of Process. Each Guarantor agrees and consents to the jurisdiction and venue of any state or federal court sitting in or having jurisdiction over the DeKalb County, Georgia with respect to any legal action, proceeding, or dispute between them and hereby expressly waives any and all rights under applicable law or in equity to object to the jurisdiction and venue of said courts. Each Guarantor further irrevocably consents to service of process by certified mail, return receipt requested, to the address for such party last provided in accordance with the notice provision of this Guaranty and agrees that within thirty (30) days after such mailing, Guarantor so served shall appear or answer to any summons and complaint or other process and should Guarantor so served fail to appear or answer within said thirty-day period, said Guarantor shall be deemed in default and judgment may be entered by Lender against the said

party for the amount as demanded in any summons and complaint or other process so served.

(h)WAIVER OF JURY TRIAL. GUARANTOR, IN ORDER TO INDUCE LENDER TO EXTEND FINANCIAL ACCOMODATIONS TO BORROWER, HEREBY WAIVES ANY RIGHT SUCH PARTY MAY HAVE UNDER ANY APPLICABLE LAW TO A TRIAL BY JURY WITH RESPECT TO ANY SUIT OR LEGAL ACTION WHICH MAY BE COMMENCED BY OR AGAINST GUARANTOR CONCERNING THE INTERPRETATION, CONSTRUCTION, VALIDITY, ENFORCEMENT OR PERFORMANCE OF THIS GUARANTY TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.

IN WITNESS WHEREOF, the undersigned has/have signed, sealed and delivered this Guaranty as of this_____day of_____, 2015, intending to be legally bound hereby.

GUARANTORS:

Signed, sealed and delivered in the presence of:

Signature:_____
Printed Name:_____

Date:_____, 2015

_____
SSN#:_____
Notary Public
My Commission Expires: _____
Address for Notice:

[Notary Seal]

_____

ASCENTIUM CAPITAL LLC

Your Application for Financing is Approved

Finance Agreement

_____

Prepared On March 6, 2017

Prepared For
Customer Name
Address City,
State, Zip Code

Financing Provided By **Ascentium Capital LLC** 23970 HWY 59 N Kingwood TX 77339

Enclosed is your Finance agreement. The below instructions will help you complete your documents:

- Include a copy of your driver's license (all signors).
- Include a copy of your business check payable to Ascentium Capital LLC for the below invoice amount. Please write your agreement number on the memo line. This check copy will be used to initiate payment via ACH/EFT withdrawal. Do not mail the original check.

- Return completed cover page and documents by Email to VSR@AscentiumCapital.com or by Fax to 1-866-846-3680.

Please Complete Signor Information for_____

			832-766-7224
	Updated address:		

$	Advanced Payment Amount
$	Processing Fee(s)
$0.00	**Less Money Received**

Ascentium Capital greatly appreciates your business. If you have any questions, please contact me.

Phone:
Email: .

AUTHORIZATION TO PERFORM VERBAL VERIFICATION

Ascentium Capital LLC
23970 HWY 59 N
Kingwood, TX 77339-1535
AscentiumCapital.com

Agreement No. _____

The undersigned hereby authorizes Ascentium Capital LLC to perform a verbal verification accepting the terms and conditions of the above-referenced Agreement and confirming the identification and condition of the Collateral or Equipment subject thereto.

The undersigned agrees that a facsimile or other image of this Authorization to Perform Verbal Verification, as executed, shall be deemed the equivalent of the originally executed copy for all purposes.

Person(s) Authorized to Provide Verbal Verification:

Name: _____ Title: _____ Phone: _____

Name: _____ Title: _____ Phone: _____

Name: _____ Title: _____ Phone _____

CUSTOMER: _____

Signature: _____

Printed Name: _____

Title: _____ **Date:** _____

EQUIPMENT FINANCE AGREEMENT
No. _____

Ascentium Capital LLC
23970 HWY 59 N
Kingwood, TX 77339-1535
AscentiumCapital.com

DEBTOR:	ADDRESS	TERM:

PAYMENT SCHEDULE: ___ @ $_____

COLLATERAL: Items of personal property as generally described herein which Ascentium Capital LLC ("Secured Party") and Debtor agree that a more detailed description of the property being financed shall be maintained by us among our books and records in whatever more detailed description of the property financed is received from the supplier of such property and, absent manifest error, such detailed description shall be considered incorporated into this Equipment Finance Agreement and shall be provided to Debtor promptly upon request.

Personal Property Description: _____

1. Definitions: The words "you" and "your" refer to the DEBTOR, its successors and permitted assigns, as shown above. The words "we", "us" and "our" refer to the SECURED PARTY, its successors and assigns.

2. Acceptance; Representations & Warranties: We agree to lend to you, and you agree to borrow from us, an amount for the financing of the Collateral. This Equipment Finance Agreement (this "Agreement") has an interim term ("Interim Term") and an initial term ("Initial Term"). The foregoing, collectively, the "Term". The Interim Term starts on the date of the funding of the loan evidenced by this Agreement. The Initial Term starts on the billing date specified by us in our sole discretion (the "Commencement Date"). We shall have no obligations under this Agreement whatsoever until we accept and sign this Agreement at our office and the satisfaction in our sole discretion of all conditions we may specify including our receipt of all documents we specify. You represent and warrant to us that all information conveyed to us in connection with this Agreement and all related documents whether by you, a guarantor, the supplier or any other person, is true, accurate, complete and not misleading. If you are an entity, the person executing this Agreement on your behalf represents to us that they are authorized to do so, making this Agreement the valid and binding act of the entity.

3. Security Interest: You hereby grant to us a security interest under the Uniform Commercial Code ("UCC") in the Collateral and all accessories and additions thereto and replacements thereof and all proceeds and products of the foregoing. Such security interest is granted to secure payment and performance by you of your obligations hereunder. All amounts received from you under this Agreement shall be applied towards your obligations to us as we determine.

4. Payments: You promise to pay us the number of payments shown above, each in the amount shown above, commencing on the Commencement Date and continuing on the same day of each month thereafter during the Initial Term (each a "Payment", and each day a Payment is due hereunder a "Payment Date"), without need of an invoice, together with all other amounts due from time to time by you hereunder. The total initial payment shall be paid upon your execution of this Agreement. If the contemplated transaction is not consummated, the total initial payment may be retained by us as partial compensation for costs and expenses incurred by us in preparation for the transaction. The amount of each Payment is based upon the total estimated cost of the Collateral, or the portion thereof being purchased with the proceeds of the loan evidenced hereby, you have provided to us and which is set forth above. If the final cost of the Collateral (or the portion being purchased) we pay the supplier is higher or lower than that estimate, we will adjust the amount of each Payment proportionately higher or lower than the Payment amount specified above. You also agree to pay, when invoiced, an amount equal to 1/30th of the Payment amount for each day from and including the date we fund the loan evidenced by this Agreement, to but excluding the first Payment Date. Following the first Payment Date, the Term shall continue without interruption for the number of months indicated above. YOUR OBLIGATION TO MAKE PAYMENTS AND PAY OTHER AMOUNTS DUE HEREUNDER IS ABSOLUTE AND UNCONDITIONAL AND NOT SUBJECT TO ABATEMENT, REDUCTION OR SET-OFF FOR ANY REASON WHATSOEVER. THIS IS A NON-CANCELABLE AGREEMENT: THIS AGREEMENT, THE TERMS OF WHICH HAVE BEEN FREELY NEGOTIATED BY EACH PARTY, IS ALSO SUBJECT TO THE TERMS AND CONDITIONS ON THE FOLLOWING PAGE WHICH IS MADE PART HEREOF AND WHICH DEBTOR AND SECURED PARTY ACKNOWLEDGE THEY HAVE READ AND ACCEPTED.

5. DISCLAIMER OF WARRANTIES AND CLAIMS; LIMITATION OF REMEDIES: THERE ARE NO WARRANTIES BY OR ON BEHALF OF SECURED PARTY AND NEITHER THE SUPPLIER NOR ANY OTHER PARTY IS SECURED PARTY'S AGENT. DEBTOR ACKNOWLEDGES AND AGREES: (A) SECURED PARTY MAKES NO WARRANTIES WHETHER EXPRESS OR IMPLIED AS TO THE CONDITION OF THE COLLATERAL, ITS MERCHANTABILITY, ITS FITNESS FOR ANY PARTICULAR PURPOSE; (B) DEBTOR ACCEPTS THE COLLATERAL "AS IS" AND WITH ALL FAULTS; (C) DEBTOR AGREES THAT THE COLLATERAL WILL BE USED SOLELY FOR COMMERCIAL OR BUSINESS PURPOSES; (D) IF THE COLLATERAL IS UNSATISFACTORY FOR ANY REASON DEBTOR'S ONLY REMEDY, IF ANY, SHALL BE AGAINST THE SUPPLIER OR MANUFACTURER OF THE COLLATERAL AND NOT AGAINST SECURED PARTY; (E) DEBTOR SHALL HAVE NO REMEDY FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES AGAINST SECURED PARTY, ALL OF THE SAME BEING DISCLAIMED AND WAIVED; AND (F) NO DEFECT, DAMAGE OR UNFITNESS OF THE COLLATERAL SHALL RELIEVE DEBTOR OF THE OBLIGATION TO MAKE PAYMENTS OR RELIEVE DEBTOR OF ANY OTHER OBLIGATION UNDER THIS AGREEMENT.

6. Location; Maintenance; Installation; Insurance: You agree to maintain records showing the location of each item of Collateral. You shall report each location to us upon our request and shall not change the location of the Collateral without our advance written consent. You are responsible for installing and keeping the Collateral in good working order. You shall not make any alterations, additions or improvements to the Collateral which detracts from its economic value or functional utility. If the Collateral is damaged or lost, you agree to continue making scheduled Payments unless we have received the Casualty Value pursuant to Section 11. You agree to keep the Collateral insured against loss during the Term and to have us named as loss payee n such coverage amounts as we may specify from time to time, from anyone who is acceptable to us. You agree to provide us with a certificate of insurance acceptable to us upon our request and if at any time you fail to deliver to us a valid certificate of insurance reflecting such insurance as being in effect, then we will have the right, but no obligation, to have such insurance protecting us placed for the Term at your expense; and if so placed, we will add to the Payments and you will pay us our costs of obtaining such insurance and any customary charges or fees of ours.

7. Taxes and Fees; Indemnification: You agree to pay when due and to indemnify and hold us harmless from all taxes, fees, fines, interest and penalties, including, without limitation, personal property or documentary stamp taxes, ("Taxes") relating to the use or ownership of the Collateral or to this Agreement now or hereafter imposed, levied or assessed by any taxing authority. We may in our sole discretion, elect to pay any such Taxes directly to a taxing authority and if so you agree to reimburse us on our demand for any such Taxes paid on your behalf together with any filing or processing fee charged by us. If any taxing authority requires any Taxes to be paid in advance, and we pay such Taxes, we may increase the cost of the Collateral we are financing by such amount as described in Section 4 above thereby increasing the amount of each Payment to reflect the payment of such Taxes. You also agree to pay us and reimburse us for all costs and expenses in documenting and servicing this Agreement. You agree to indemnify and hold us harmless from any suits, claims, losses or damages we suffer in any way relating to the use or ownership of the Collateral. Your obligations under this Section 7 shall survive the expiration or earlier termination of this Agreement. You agree to pay us fees in an amount in effect from time to time in connection with the documentation of the Agreement and any site inspection or lien search we deem necessary. You agree that all such fees and any insurance we obtain pursuant to the last sentence of Section 6 may not only cover our costs they may also include a profit.

8. Personal Property: The Collateral will be and shall remain personal property and, if requested by us, you will obtain real property waivers satisfactory to us. You shall keep the Collateral free from any and all liens and encumbrances other than those in our favor. You shall give us immediate notice of any attachment or other judicial process, liens or encumbrances affecting the Collateral. You hereby irrevocably authorize us and appoint us as your attorney-in-fact with the power to execute and to file this Agreement and any financing statement(s) or security agreement(s) with respect to the Collateral. If your signature on any financing statement or similar document is required by law, you shall execute such supplemental instruments and financing statements we deem to be necessary and advisable and shall otherwise cooperate to defend and perfect our interest in the Collateral by filing or otherwise. You also agree to pay us on demand filing and registration fees prescribed by the UCC or other law. Any Collateral that is subject to title or registration laws shall be titled and registered as directed by us.

9. Default; Remedies; Late Charges: If any one of the following events occur with respect to you or any Guarantor, you will be in default: (i) you fail to pay any Payment or other amount due under this Agreement, when due, (ii) you breach or fail to perform any of your other covenants and promises under this Agreement, (iii) you become insolvent, any action under the United States Bankruptcy Code is filed by or against you, make an assignment for the benefit of creditors, admit your inability to pay your debts as they become due, or if you terminate your entity existence or take any actions regarding the cessation or winding up of your business affairs. If you are in default, at our election, we can accelerate and require that you pay, as reasonable liquidated damages for loss of bargain, the "Accelerated Balance". The Accelerated Balance will be equal to the total of: (i) accrued and unpaid amounts then due under this Agreement, and (ii) the remaining Payments discounted to their then present value at 3% per annum. We can also pursue any of the remedies available to us under the UCC or any other law. In the event we seek to take possession of any part of the Collateral, you irrevocably waive to the fullest extent permitted by law any bonds, surety or security required by statute, court rule or otherwise as an incident of such possession. You agree to pay our reasonable attorneys' fees and actual costs incurred by us in enforcing our rights hereunder including repossession, storage, refurbishment and sale of the Collateral and collection costs, and all non-sufficient funds charges and similar charges. If any part of a payment is late, you agree to pay us upon our demand the following, or if less, the maximum amount allowed under applicable law: (x) a late charge equal to the greater of 10% of the payment or $25.00, (y) a charge of $30.00 for each check returned for any reason or if any ACH debit charge is not honored and (z) if we have had to perform collection activities in connection with such late payment, our specified collection charges then in effect. The foregoing will not be construed as interest but as reimbursement to us to cover administrative and overhead expenses related to the processing and collection of the late payment.

10. Assignment; Inspection: YOU HAVE NO RIGHT TO SELL, TRANSFER, ASSIGN, LEASE OR ENCUMBER THE COLLATERAL OR THIS AGREEMENT. We may sell, transfer, assign or encumber this Agreement, in whole or in part, without notice to you or your consent. You agree that if we sell, transfer, assign or encumber this Agreement, the assignee will have the rights and benefits that we assign to the assignee and will not have to perform any of our obligations. You agree that the rights of the assignee will not be subject to any claims, defenses or set-offs that you may have against us. We and our agents and representatives shall have the right at any time during regular business hours to inspect the Collateral and for that purpose to have access to the location of the Collateral.

11. Risk of Loss: You assume and shall bear the entire risk of loss, theft, damage and destruction of the Collateral from any cause whatsoever, and no loss, theft, damage or destruction of the Collateral shall relieve you of the obligation to make Payments or any other obligation under this Agreement. You shall promptly notify us in writing of such loss, theft, damage or destruction. If damage of any kind occurs to any item of Collateral, you, at our option, shall at your expense (a) place the Collateral in good repair, condition or working order, or (b) if the Collateral cannot be repaired or is lost, stolen or suffers a constructive loss under an insurance policy covering the Collateral, pay to us the "Casualty Value." The Casualty Value will be equal to the total of (i) accrued and unpaid amounts then due and owing, and (ii) the remaining Payments discounted to present value at 3%, in both cases as of the date the Casualty Value is received by us.

12. Choice of Law; Waiver of Jury Trial: Subject to the following sentence, this Agreement shall be governed by, construed, interpreted and enforced in accordance with the laws of the state of California. If any amount contracted for, charged or received in connection with this Agreement constitutes interest or regulated time-price differential governed by, not exempt from, and in excess of amounts lawfully permitted, under California law (the "Subject Amount"), then (i) if the law of state in which Debtor resides (as indicated in Debtor's address above; the "Debtor's State") would permit the lawful contracting for, charging or receipt of any part of the Subject Amount, then the parties agree that the law of Debtor's State shall govern as to the contracting for, charging and receipt of such interest or regulated time-price differential and (ii) if clause (i) preceding is not applicable, Secured Party shall make any necessary adjustments so as to eliminate such excess. Debtor agrees to provide Secured Party advance written notice and an opportunity to cure pursuant to the preceding sentence any contract, charge or receipt claimed by Debtor to be unlawful; and Secured Party may calculate maximum lawful amounts by amortizing, prorating, allocating reallocating, discounting, treating months as equal intervals, and spreading in each case to the fullest extent permitted by applicable law. You consent to the non-exclusive jurisdiction of the federal and state courts located in the state of California in any action or proceeding relating to this Agreement, YOU WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH ACTION OR PROCEEDING, AND YOU WAIVE ANY RIGHT TO ASSERT THIS IS AN INCONVENIENT FORUM.

13. Miscellaneous: During the Term, you agree to provide us with all financial statements and copies of tax returns we may request. If we supply you with labels, you shall label any and all Collateral and shall keep the same affixed in a prominent place. If any provision hereof or any remedy herein provided is found to be invalid under any applicable law, the remaining provisions hereof, shall be given effect in accordance with the manifest intent hereof. The parties agree that each Payment includes interest. You agree that a waiver of breach will not be a waiver of any other subsequent breach, and that any delay or failure to enforce our rights under this Agreement does not prevent us from enforcing any rights at a later time. YOU AGREE THAT WE WILL NOT BE LIABLE FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES FOR ANY DEFAULT BY US UNDER THIS AGREEMENT. Section headings are for convenience and are not a part of this Agreement. You agree that by providing us with an email address or telephone number for a cellular or other wireless device, you expressly consent to receiving communications including email, voice and text messages from us or our affiliates or assigns at that email address or telephone number, and this express consent applies to each such email address or telephone number that you provide to us now or in the future and permits such communications regardless of their purpose. These calls and messages may incur access fees from your internet or wireless provider. You agree that the original of this Agreement may be electronically duplicated and a copy hereof may be introduced in lieu of the original thereof and without further foundation. The parties hereto expressly waive the secondary evidence rule. You agree that this Agreement will be binding upon your successors, permitted assigns, heirs and legal representatives. You authorize us to complete any blank in this instrument or in any document executed or delivered in connection herewith that contemplates a date by inserting a date deemed appropriate by us. Time is of the essence with respect to your obligations hereunder. No term or provision of this Agreement may be amended, altered, waived or discharged except by a written instrument signed by both parties to this Agreement. Any formal notice given pursuant to this Agreement shall be deemed given 2 business days after being placed with the U.S. Postal Service, postage prepaid, addressed to the Debtor at its address set forth above, or to Secured Party at 23970 Hwy 59 N, Kingwood, TX 77339-1535, or such other address as a party may designate by written notice to the other. If Debtor constitutes more than one person, you agree that the liability of each such person hereunder is joint and several. Any restrictive endorsement on any check you give us in payment of any amount due hereunder shall be void. You may not prepay this Agreement without our prior written consent. A facsimile or other copy of this Agreement, as executed, shall be deemed the equivalent of the originally executed copy for all purposes. All amounts payable hereunder by you if not paid when due shall accrue interest at a rate of interest of 1.5% per month or the highest rate allowed by applicable law if less, from the due date thereof until received by us in cash and shall be payable on demand. This Agreement may be executed in separate counterparts which together shall constitute one and the same instrument. You agree this Agreement may be signed electronically pursuant to the Electronic Signatures in Global and National Commerce Act and other applicable law.

By signing below Debtor hereby irrevocably accepts the Collateral under this Agreement and irrevocably authorizes Secured Party to pay the supplier on behalf of the Debtor. The person executing this Agreement is authorized to do so, making this Agreement the valid and binding act of the Debtor.

Debtor Name:		**Accepted By:**	Ascentium Capital LLC
By:		**By:**	
Printed Name and Title:	⊠	**Printed Name and Title:**	Bryan Wheeler, Senior Vice President

GUARANTY: The undersigned ("you", "your", jointly and severally if more than one) unconditionally guarantees to Secured Party and its assigns the prompt payment and performance when due of all of the obligations of the Debtor under the Agreement and all related documents executed by the Debtor in connection with it (collectively with the Agreement, the "Agreements"). We shall not be obligated to proceed against the Debtor, the property being financed under the Agreements or enforce any other remedy before proceeding against you to enforce this Guaranty. Notwithstanding any changes made to the Agreements in the course of our dealings with the Debtor, this Guaranty will remain in effect with respect to the Agreements as so changed even if you are not notified of the changes and will remain in effect even if the Agreements or any of them are no longer enforceable against the Debtor. You waive all presentments, demand for performance, notices of protest, notices of dishonor, notices of acceptance of this Guaranty and all other notices to which you may have a right. You agree to pay us all the expenses incurred by us in enforcing this Guaranty. You may not assign this Guaranty without our written consent. This Guaranty shall be governed by, construed, interpreted and enforced in accordance with the laws of the state of California without reference to its principles of conflicts of laws. You consent to the non-exclusive jurisdiction of the federal and state courts located in the state of California in any action to enforce this Guaranty and you waive any right to assert this is an inconvenient forum. You consent to us conducting a credit evaluation of you from all sources, periodically updating it and sharing the results with others. This Guaranty may be executed in separate counterparts which together shall constitute one and the same instrument.

Guarantor Signature:		**Printed Name:**	
Guarantor Signature:	⊠	**Printed Name:**	

AUTHORIZATION FOR ACH PAYMENTS: Debtor authorizes Secured Party or Secured Party's successors and assigns to automatically initiate and make debit entry charges to Debtor's bank account indicated below for the payment of all amounts owed by you from time to time under the Agreement. This Authorization is to remain in effect during the Term of the Agreement Agreement. Any incorrect charge will be corrected upon notification to us, by either a credit or debit to Debtor's account.

Bank Name:		**Account Holder Name:**	
Account No:		**ABA No.:**	
Authorized Signature:	⊠	**Printed Name and Title:**	,

COMMENCEMENT AGREEMENT

Ascentium Capital LLC
23970 HWY 59 N
Kingwood, TX 77339-1535
AscentiumCapital.com

Agreement No. _____

Date: March 6, 2017

You, the Customer, and Ascentium Capital LLC ("we", "us", "our") have entered into the above referenced equipment lease, equipment finance agreement, secured loan or similar agreement (which may be one or more schedules to a master agreement) ("Agreement") pursuant to which we will be financing the Equipment or Collateral as defined in and described in the Agreement (in either case "Equipment") as set forth in this Commencement Agreement ("CA"). The Equipment is being delivered at various times and the vendor or vendors of the Equipment have to be paid for each item of Equipment at or before its delivery to you. You agree to commence the initial non-cancelable term of the Agreement immediately even though items of Equipment remain to be delivered to and accepted by you from one or more vendors.

NOW THEREFOR, you and we hereby agree as follows:

1. The term of the Agreement will commence on the date of this CA, with the interim term commencing on the date set forth above and the initial term commencing as provided in the Agreement. You acknowledge and agree that notwithstanding the fact that not all items of Equipment have been delivered to and accepted by you as of the date set forth above, the terms and conditions of the Agreement, including your obligation to pay all amounts of rent or debt service set forth in the Agreement, shall commence immediately and, except as otherwise specifically set forth in this CA, irrevocably.

2. You agree to inspect and accept for purposes of the Agreement all undelivered items of Equipment immediately upon their delivery to you. If, when delivered, an item of Equipment is damaged or non-conforming, you agree to cause the vendor in question to repair and/or replace any such item of Equipment and you agree to immediately accept any conforming replacement and/or repaired Equipment for all purposes under the Agreement while continuing to meet all of your payment and other obligations under the Agreement.

3. All amounts anticipated to be disbursed by us on your behalf that have not been disbursed as of the date of this CA will be deemed disbursed by us into a separate holding account for your benefit ("Account"), the contents of which shall be debited by the amount of each subsequent disbursement to vendor(s) as contemplated by this CA. To secure your obligations to us under the Agreement and this CA, you hereby grant to us a security interest in the contents of the Account and any proceeds.

4. The Agreement contemplates a pro-rata adjustment to the payments owed by you under the Agreement in the event the purchase price of the Equipment and other amounts, if any, paid by us on your behalf are higher or lower than those on which the payments set forth in the Agreement are based. Following the delivery and acceptance of all items of Equipment set forth in the Agreement, we shall make any necessary adjustments to the payments as contemplated by the Agreement. You agree that we will have no liability to you in the event we determine to terminate the funding of any vendor because we have determined, in our sole discretion, that there has been a material adverse change in your creditworthiness from that on which we based our approval of the Agreement. In any circumstance contemplated by the preceding sentence, we will continue the Agreement with the Equipment accepted by you and funded by us as of the date we determine to terminate funding the Agreement and we will reduce the amount of each payment of rent or debt service you owe under the Agreement proportionally, taking into account the higher payments made by you up to the date of that determination and any balance in the Account shall revert to us.

5. This CA sets forth the entire agreement of the parties with respect to its subject matter and it may only be amended by a written instrument executed by you and us. In the event of a conflict between this CA and the terms of the Agreement, the terms of this CA shall govern and control, provided however, except as explicitly set forth in Section 4 above, nothing set forth in this CA shall be deemed to affect your obligation to pay and perform all of your obligations as set forth in the Agreement without setoff, abatement or counterclaim. This CA shall terminate and be of no further force and effect following your acceptance and our funding of the last item of Equipment being financed under the Agreement. This CA will be governed by and construed in accordance with the laws of the jurisdiction governing the Agreement.

You agree that a facsimile or other copy of this CA, as executed, shall be deemed the equivalent of the originally executed copy for all purposes.

CUSTOMER:		**SECURED PARTY:**	**Ascentium Capital LLC**
Signature:	⊠	**By:**	
Printed Name:		**Printed Name:**	Bryan Wheeler
Title:		**Title:**	Senior Vice President

DELIVERY AND ACCEPTANCE CERTIFICATE

Ascentium Capital LLC
23970 HWY 59 N
Kingwood, TX 77339-1535
AscentiumCapital.com

Agreement No. _____

To: Ascentium Capital LLC

The undersigned hereby certifies: (i) that all of the property which is to be leased, financed or sold, as applicable, pursuant to the rental agreement, lease agreement, equipment finance agreement, note, security agreement, loan and security agreement, conditional sale agreement or similar document referenced above (which may be one or more schedules to a master agreement) (the "Agreement") between Ascentium Capital LLC as payee, lessor, lender, secured party or seller and the undersigned as renter, lessee, debtor, buyer or other obligor (the "Equipment"), has been delivered to, and received by, the undersigned, (ii) the Equipment conforms in all respects to that ordered by the undersigned, (iii) its condition is satisfactory in all respects to the undersigned and (iv) that the Equipment is accepted by the undersigned under the Agreement in all respects, and the undersigned hereby irrevocably directs Ascentium Capital LLC to pay the equipment suppliers the purchase price of the Equipment.

The undersigned agrees that a facsimile or other copy of this Delivery and Acceptance Certificate, as executed, shall be deemed the equivalent of the originally executed copy for all purposes. By executing this Delivery and Acceptance Certificate the undersigned irrevocably acknowledges and agrees that the undersigned's non-terminable installment payment and other obligations under the Agreement have commenced.

CUSTOMER: _____

Signature: _____

Printed Name: _____

Title: _____

Date Signed: _____

BALBOA CAPITAL CORPORATION

DocF ents

BALBOA
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000-000

Dote March 5 2014

Debtor Name Example Docs LLC

Debtor Address d3RD ST
Owatonna, MN J5060

Dear Valued Customer,

Balboa Capital is pleased to be working with you fo earn your business and complete the equipment financing transaction. We strive to give you the best customer service possible, so please feel kee to call your Account Executive with any questions you may hove.

Enclosed you will find fhe necessary documents to complete your equipment financing. Please complete and sign the documents as indicated and return them by one of the following options:

Return documents via overnight mail to the following eclclress:

Balboa Capitol Corporation Atm: Business Cenfer
2010 Main Street 17" Floor Irvine, CA 916J 4

Be sure to follow these simple instructions when signing the documents:

J . Please ensure Ihe Company Resolution, if applicable, is signed by an officer or other authorized representative of your company other than the person signing the agreement.
2. Please do nof cross out or make any changes on the documents without first discussing such changes with your Account Executive.

Enclosed Documents:

Equipment Financing Agreement
ACH Agreement
Company Resolution
Disbursement Authorization
Exhibit "A"
Request for Drivers License Copy
Personal Guaronly
EFA PG

Please forward the above documents with fhe following ifems.

Advance Payment(s):	**So.oo**
Loan Fee.	**$0.00**
Total Amount Due:	$0•00

6 **Tax ID Numbers** _____

& **Email Address:** _____

& **Oobile Numbers** _____

& **Fax Number•.** _____

& **Tax Exemption Cerfificofe (If available)**

4 Copy of all invoices and cancelled checks

& **Copy of current and valid driver's license for each of the lease signors and guarantors**

Please note that you will be invoiced for standard closing costs once your equipment financing transaction has been completed including applicable prorated rent and other expenses directly related to the completion of your equipment financing.

If you have any questions, pleose contact your Account Executive a{ ENGG M. Bisson mt **949-553-3480**

Thank you for choosing Balboa Capital Corporation for your financing needs. Balboa is here fo help you get the equipment you need to help your business grow.

EFA337E

BALBOA CAPITAL

EQUIPMENT FINANCING AGREEMENT (Page 1 of 2)

Agreement # 000-000

Debtor Information

Business Name:	Business Address:	Collateral Location:
Example Docs LLC	**43RD ST** **Owatonna, MN 55060**	**(if different than billing address of Debtor)**
Business Phone: **9495533480** Business Tax ID#:		

Full Description Of Collateral Including Model, Serial Numbers:	Equipment Cost:	**Initial Payment** (Check For This Amount Must Accompany Agreement)
As delineated on Exhibit "A", attached hereto and made a part hereof.	**$100,000.00**	SECURITY DEPOSIT: $0.00 FIRST PAYMENT: $1,909.98 LAST PAYMENT: $1,919.98
Monthly Payment: **$1,909.98**	Initial Payment Date:	Loan Fee: $0.00
Loan Term In Months: **60**		**Total Amount Due: $0.00**

TERMS OF EQUIPMENT FINANCING AGREEMENT

Debtor and Creditor agree as follows:

1. SECURITY INTEREST: Debtor hereby grants Creditor a security under the Uniform Commercial Code in the above property (collectively the "Collateral" and individually an "Item" or "Item of Collateral"). Such security interest is granted to secure performance by Debtor if its obligations thereunder and under any other present or future agreement with Creditor. Debtor shall insure that such security interest is and shall remain a sole first lien security interest. **DEBTOR HEREBY AUTHORIZES CREDITOR TO FILE A COPY OF THIS AGREEMENT AS A FINANCING STATEMENT AND APPOINTS CREDITOR OR ITS DESIGNEE AS DEBTOR'S ATTORNEY-IN-FACT TO EXECUTE AND FILE, ON DEBTOR'S BEHALF, FINANCING STATEMENTS COVERING THE COLLATERAL.** 2. PAYMENTS: Debtor shall repay creditor the above Total of Payments in the number of monthly installments of the amount indicated above. The initial installment payment shall be deemed due as of the date indicated above and subsequent installment payments shall be due on the same day of each month thereafter until paid. A prorata portion of the installment payment based on a daily charge of one-thirtieth (1/30) of the installment payment calculated from the payment commencement date to the start of the base term shall be due and payable at the payment commencement date. All other amounts due thereunder shall be due upon Debtor's Receipt of Creditor's invoice therefor. Advance payments shall be applied to the last installment payments in reverse order until exhausted; provided that if there is a default, any payments under this agreement may be applied to Debtor's obligations to Creditor in such order as Creditor chooses. 3. NO AGENCY. DEBTOR ACKNOWLEDGES THAT NO SUPPLIER OF AN ITEM OR INTERMEDIARY NOR ANY AGENT OF EITHER THEREOF IS AN AGENT OF CREDITOR AND FURTHER THAT NONE OF SUCH PARTIES IS AUTHORIZED TO WAIVE OR ALTER ANY ITEM OR CONDITION OF THIS AGREEMENT. NO REPRESENTATION AS TO ANY MATTER BY ANY SUCH PARTY SHALL BIND CREDITOR OR AFFECT DEBTORS DUTY TO PAY THE INSTALLMENT PAYMENTS AND PERFORM ITS OTHER OBLIGATIONS THEREUNDER. 4. **NON CANCELABLE AGREEMENT;** PREPAYMENT, NO OFFSET, THIS AGREEMENT IS NON CANCELABLE BY DEBTOR FOR ANY REASON WHATSOEVER. DEBTOR MAY REPAY THE INSTALLMENT PAYMENTS ONLY IN ACCORDANCE HEREWITH. ALL PAYMENTS THEREUNDER ARE TO BE MADE WITHOUT OFFSET. 5. FINANCING. THIS AGREEMENT IS SOLELY A FINANCING AGREEMENT. SEE REVERSE SIDE FOR ADDITIONAL TERMS AND CONDITIONS WHICH ARE PART OF THIS AGREEMENT. **CREDITOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, OR THAT THE EQUIPMENT IS FIT FOR A PARTICULAR PURPOSE OR THAT THE EQUIPMENT IS MERCHANTABLE.** DEBTOR AGREES THAT DEBTOR HAS SELECTED THE SUPPLIER AND EACH ITEM OF EQUIPMENT BASED UPON DEBTOR'S OWN JUDGMENT AND DISCLAIMS ANY RELIANCE UPON ANY STATEMENTS OR REPRESENTATIONS MADE BY CREDITOR. CREDITOR DOES NOT TAKE RESPONSIBILITY FOR THE INSTALLATION OR PERFORMACE OF THE EQUIPMENT. THE SUPPLIER IS NOT AN AGENT OF CREDITOR'S AND NOTHING THE SUPPLIER STATES CAN AFFECT DEBTOR'S OBLIGATION UNDER THE AGREEMENT. DEBTOR WILL CONTINUE TO MAKE ALL PAYMENTS UNDER THIS AGREEMENT REGARDLESS OF ANY CLAIM OR COMPLAINT AGAINST SUPPLIER. This agreement is effective only upon execution by an authorized officer of Creditor following Debtor's execution hereof, and upon execution Creditor shall fund the Equipment Cost/Advanced. Debtor hereby authorizes Creditor to Disburse the Equipment Cost/Advance as indicated on the attached Disbursement Authorization. Creditor reserves the right to pay the applicable portion of the Equipment Cost/Advance jointly to any party not specified in the preceding sentence with a security interest in an Item of Collateral. 6. LOCATION; INSPECTION; USE. Debtor shall keep, or, as to an Item which is movable, permanently garage and not remove from the United States, as appropriate, each Item of Collateral in Debtor's possession and control at the Collateral Location or at such other location to which such Item may have been moved with the prior written consent of Creditor, Upon request, Debtor shall advise Creditor as to the exact location of an Item of Collateral. Creditor may inspect the Collateral during normal business hours and enter the premises where the Collateral may be located for such purposes. Each Item shall be used solely for commercial or business purposes and operated in a careful and proper manner an in compliance with all applicable governmental requirements, all requirements of insurance policies carried hereunder and all manufacturer's instructions and warranty requirements.

7. ALTERATIONS; SECURITY INTEREST COVERAGE. Without Creditor's prior written consent, Debtor shall not make any alterations, additions **or** improvements to an Item of Collateral which detract from its economic value or functional utility. All additions and improvements made to an Item shall be deemed accessions thereto, and shall not be removed if removal would impair the Item's economic value or functional utility. Creditor's security interest shall cover all modifications, accessions, additions to and replacements and substitutions for the Collateral. Debtor will not make any replacements or substitutions without Creditor's prior written consent. 8. MAINTENANCE. Debtor shall maintain the Collateral in good repair, condition and working order. Debtor shall cause all repairs required to maintain the Collateral in such condition to be made promptly by qualified parties. Debtor will cause each Item of Collateral for which a service contract is generally available to be covered by such a contract which provides coverage typical as to property of the type involved and is issued by a competent servicing entity. 9. LOSS AND DAMAGE; CASUALTY VALUE. In the event of loss, theft, destruction or requisition of or damage to an Item of Collateral from any cause Debtor shall give Creditor prompt notice thereof and shall thereafter place the Item in good repair, condition and working order; provided, however, that if such Item is determined by Creditor to be lost, stolen, destroyed or damaged beyond repair or is requisitioned or suffers a constructive total loss under an insurance policy carried hereunder Debtor shall cause the Equipment to be replaced and shall immediately provide Creditor with information necessary to perfect Creditor's security interest in the replacement Equipment, or shall pay Creditor the "Casualty Value" of such Item which shall equal (a) any amounts due at the time of such payment, and (b) each future installment payment due with respect to such Item discounted at three percent (3%) per annum simple interest from the date due to the date of such payment. 10. PAYMENT OF FINANCING AGREEMENT OBLIGATIONS: Payment of the Financing Agreement Obligation shall be made by electronically withdrawing funds from the bank account on which Debtors deposit check was drawn, or any other account from which Debtor paid any obligation under this Agreement. Debtor authorizes Creditor to debit from this account on which Debtors deposit check was drawn, or any other account from which Debtor paid any obligation under this Agreement on or after the due date of Debtors monthly installment, for scheduled Financing Agreement Payments or other amounts due and owing at the time under the Financing Agreement. Debtor acknowledges that, if Creditor assigns the Financing Agreement to a third party, the assignee is authorized to debit the account on which Debtors deposit check was drawn, or any other account from which Debtor paid any obligation under this Agreement. If Debtor would prefer to authorize Creditor to debit another account, fill in the blanks provided below along with a copy of a voided check from the specified account. However, Debtor agrees that Creditor, or its assignees, has the right, but not the obligation, to electronically withdraw funds from the bank account on which Debtor's deposit check was drawn, the account specified below, or any other account from which Debtor paid any obligation under this Agreement to pay for any unpaid Financing Agreement Payment or other amounts due and owing at the time under this Agreement.

Account Number: _____ ABA / Routing Number: _____

Financial Institution Name: _____ Initials _____ sign

SEE REVERSE SIDE FOR ADDITIONAL TERMS AND CONDITIONS WHICH ARE PART OF THIS AGREEMENT.

(CREDITOR)	(DEBTOR)
BALBOA CAPITAL CORPORATION **2010 Main Street** **11th Floor** **Irvine, Ca 92614**	**Example Docs LLC** 43RD ST Owatonna, MN 55060
By: _____ Vice President	sign By: _____ Name: John Johnson Title: Managing Member
Date _____	Date 03/05/14 Home Phone _____

EFA244C

11. TITLING. If requested by Creditor, Debtor shall cause an Item of Collateral subject to title registration laws to be titled as directed by Creditor. Debtor shall advise Creditor promptly as to any necessary re-titling. Debtor shall cause all documents of title to be furnished Creditor within sixty (60) days of the date of any titling effected by Debtor.

12. TAXES. Debtor agree to pay when due all taxes (including personal property tax, fines and penalties) and fees relating to this Agreement or the Equipment. If Creditor pays any of the above for Debtor, Debtor agrees to reimburse Creditor and to pay Creditor a processing fee for each payment Creditor makes on Debtors behalf. In addition, Debtor also agrees to pay Creditor any filing fees prescribed by the Uniform Commercial Code or other law and reimburse Creditor for all costs and expenses involved in documenting and servicing this transaction. Debtor further agrees to pay Creditor an origination fee on or before the date the first payment is due. Debtor also acknowledges that in addition to the lease payments, Creditor may assess and Debtor may be required to pay additional taxes and/or fees. Such fees may not only cover Creditors costs they may also include a profit.

13. INSURANCE. Debtor agrees to maintain, at Debtor's expense, "Special Form" property insurance protecting the Equipment for its full replacement value, naming Creditor as a loss payee on a "Lender's Loss Payable" endorsement; and public liability insurance, in amounts acceptable to Creditor, naming Creditor as an additional insured (together "Required Insurance"). Debtor must provide Creditor satisfactory written evidence of Required Insurance within thirty (30) days of the commencement date of this Equipment Finance Agreement or of any subsequent written request. If Debtor does not do so, Creditor may obtain insurance from an insurer of Creditor's choosing in such forms and amounts as Creditor selects ("Insurance"). Insurance covers the Equipment and Creditor only and not Debtor. Debtor shall pay Creditor periodic charges for Insurance ("Insurance Charges") that include: a premium that may be higher than if Debtor maintained Required Insurance separately; a finance charge of up to the implicit rate of the Equipment Finance Agreement on any premium advances made by Creditor or Creditors agents; and billing and processing fees; each of which may generate a profit to Creditor and Creditor agents. If Debtor fails to pay billed Insurance Charges within 30 days of their due date, Creditor may pay them by applying funds paid under the Equipment Finance Agreement or debiting Debtor's account under any previously authorized automatic payment. Debtor agrees to arbitrate any dispute with Creditor or Creditor agents regarding Insurance or Insurance Charges under the rules of the American Arbitration Association in Los Angeles, California; provided however, such agreement does not authorize class action arbitration. At Creditor's election, in lieu of obtaining or continuing Insurance, Creditor may require Debtor to pay a monthly additional fee up to 2% of the Equipment Cost. This fee is not calculated with reference to additional risk and constitutes additional profit for Creditor, but represents the basis on which Creditor is willing to forbear from exercising remedies and continue this Agreement without Required Insurance. Debtor will receive no insurance coverage and will not be released from any obligations. Creditor is not selling insurance. Creditor will cease charging the additional fee or billing for Insurance 30 days after Debtor provides satisfactory proof of Required Insurance and compliance with this section.

14. CREDITOR'S PAYMENT. If Debtor fails to perform any of its obligations hereunder, Creditor may perform such obligation, and Debtor shall (a) reimburse Creditor the cost of such performance and (b) pay creditor the service charge contemplated in paragraph 21.

15. INDEMNITY. Debtor shall indemnify, defend and hold Creditor harmless against any claim, action, liability or expense, including attorneys' fees and court costs, incurred by Creditor related to this agreement. While it is not anticipated that Creditor shall have any liability for torts related to the Collateral, this indemnity covers tort proceedings including any strict liability claim, any claim under another theory related to latent or other defects and any patent, trademark or service mark infringement claim.

16. DEFAULT. Any of the following constitutes an event of default hereunder: (a) Debtor's failure to pay any amount hereunder, within three (3) business days of when due; (b) Debtor's default in performing any other obligation hereunder or under any agreement between Debtor and Creditor; (c) death or judicial declaration of competency of Debtor, if an individual; (d) the filing by or against Debtor of a petition under the Bankruptcy Code or under any other insolvency law or law providing for the relief of debtors, including, without limitation, a petition for reorganization, agreement or extension; (e) the making of an assignment of a substantial portion of its assets by Debtor for the benefit of creditors, appointment of a receiver or trustee for Debtor or for any Debtor's assets, institution by or against Debtor of any other type of insolvency proceeding or other proceeding contemplating settlement claims against or winding up of the affairs of Debtor, Debtor's cessation of active business affairs or the making by Debtor of a transfer of a material portion of Debtor's assets or inventory not in the ordinary course of business; (f) the occurrence of an event described in (c), (d), or (e) s to a guarantor of other surety of Debtor's obligations hereunder, (g) any misrepresentation of a material fact in connection herewith by or on behalf of Debtor; (h) Debtor's default under a lease or agreement providing financial accommodation with a third party or (i) creditor shall in good faith deem itself insecure as a result of a material adverse change in Debtor's financial condition or otherwise.

17. REMEDIES. Upon the occurrence of an event of default Creditor shall have the right, options, duties and remedies of a secured party, and Debtor shall have the rights and duties of a Debtor, under the Uniform Commercial Code (regardless of whether such Code or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) and in connection therewith Creditor may: (a) declare the Casualty Value or such lesser amount as may be set by law immediately due and payable with respect to any or all Items of Collateral without notice or demand to Debtor; (b) take possession of and, if deemed appropriate, render unusable any or all Items of Collateral, without demand or notice, wherever located, without any process of law and without liability for any damages occasioned by such taking of possession including damages to contents; (c) require Debtor to assemble any or all Items of Collateral at a location in reasonable proximity to their designated location hereunder, (d) upon notice to Debtor required by law, sell or otherwise dispose of any Items of Collateral, whether or not in Creditor's possession, in a commercially reasonable manner at public or private sale and apply the net proceeds of such sale after deducting all costs of such sale, including, but not limited to, costs of transportation, repossession, storage, refurbishing, advertising and brokers fees, to the obligations of Debtor hereunder with Debtor remaining liable for any deficiency and with any excess being returned to Debtor or (e) utilize any other remedy available under the Uniform Commercial code or otherwise to Creditor.

All remedies are cumulative. Any sale may be adjourned by announcement at the time and place appointed for such sale without further published notice, and Creditor may if permitted by law bid and become the purchaser at any such sale.

18. LITIGATION EXPENSES. Debtor shall pay Creditor its costs and expenses not offset as provided in paragraph 17, including repossession and attorneys' fees and court costs, incurred by Creditor in enforcing this agreement. This obligation includes the payment of such amounts whether an action is filed and whether an action which is filed is dismissed.

19. ASSIGNMENT. Without the prior written consent of Creditor, Debtor shall not sell, lease or create or allow any lien other than Creditor's security interest against an Item of Collateral or assign any of Debtor's obligations hereunder. Debtor's obligations are not assignable by operation of law. Consent to any of the foregoing applies only in the given instance.

Creditor may assign, pledge or otherwise transfer any of its rights **but none of its obligations** hereunder without notice to Debtor. If Debtor is given notice of any such assignment, Debtor shall acknowledge receipt thereof in writing and shall thereafter pay any amounts due hereunder as directed in the notice. The rights of an assignee to amounts due hereunder shall be free of any claim or defense Debtor may have against Creditor, and Debtor agrees not to assert against an assignee any claim or defense which Debtor may have against Creditor.

Subject to the foregoing, this agreement inures to the benefit of, and is binding upon, the heirs, legatees, personal representatives, successors and assigns of the parties.

20. MARKINGS; PERSONAL PROPERTY. Debtor shall mark the Collateral or its location as requested by Creditor to indicate Creditor's security interest. As between the parties the Collateral shall at all times be deemed personal. Debtor will provide Creditor any real property waivers requested by Creditor as to the real property where an Item of Collateral is or is to be located.

21. LATE PAYMENT. If Debtor fails to pay any amount to be paid hereunder within Three (3) days of when due, Debtor agree to pay us (a) eighteen percent (18%) of each such late payment (to the extent permitted by law) (b) amounts Creditor pays others in connection with the collection of the payment and (c) interest on such unpaid amount from the date due until paid at the lesser of eighteen percent (18%) per annum or the highest rate permitted by applicable law. No more than a single charge under subparagraph (a) will be due in any given month.

22. SECURITY INTEREST RELEASE. At such time as there is no outstanding obligation secured hereby (including obligations under other agreements contemplated under paragraph 1) Creditor shall provide Debtor such termination statements related to the Collateral as Debtor shall reasonably request. Debtor shall be responsible for the filing of each such termination statement.

23. ADDITIONAL DOCUMENTS. Debtor shall provide to Creditor such financing statements and similar documents as Creditor shall request. Debtor authorizes Creditor where permitted by law to make filings of such documents without Debtor's signature. Debtor further shall furnish Creditor (a) a fiscal year end financial statement including balance sheet and profit and loss statement within one hundred twenty (120) days of the close of each fiscal year and (b) such other information and documents not specifically mentioned herein relative to this agreement as Creditor may request. Debtor shall reimburse Creditor for all search and filing fees incurred by Creditor related hereto.

24. NOTICES. Notices shall be in writing, and sufficient if mailed to the party involved, United States mail first class postage prepaid, at its respective address set forth above or at such other address as such party may provide on notice in accordance herewith. Notice so given shall be effective when mailed. Debtor shall promptly notify Creditor of any change in Debtor's address.

25. GENERAL. This agreement constitutes the entire agreement of the parties as to the subject matter and shall not be amended, altered or changed except by a written agreement signed by the parties. Any waiver by Creditor must be in writing, and forbearance shall not Constitute a waiver. Whenever the context of this agreement requires, the neuter includes the masculine or feminine and the singular includes the plural. If there is more than one Debtor named in this agreement, the liability of each shall be joint and several. The titles to the paragraphs of this agreement are solely for the convenience of the parties and are not an aid in the interpretation. This agreement shall be governed by the law of the State of California. Venue for any action related to this agreement shall be in an appropriate court in Orange County, California or the home county and state of anyone holding Creditor's interest as it may be assigned from time to time, to which Debtor consents, or in an appropriate court in another jurisdiction selected by Creditor which has jurisdiction over the parties. Any provision declared invalid shall be deemed severable from the remaining provisions which shall remain in full force and effect. Time is of the essence of this agreement. The obligations of Debtor shall survive the release of the security interest in the Collateral.

26. DEBTOR'S WARRANTIES. DEBTOR CERTIFIES AND WARRANTS:(a) THE FINANCIAL AND OTHER INFORMATION WHICH DEBTOR HAS SUBMITTED, OR WILL SUBMIT, TO CREDITOR IN CONNECTION WITH THIS AGREEMENT IS, OR SHALL BE AT TIME OF SUBMISSION, TRUE AND COMPLETE; (b) THIS AGREEMENT HAS BEEN DULY AUTHORIZED BY DEBTOR AND UPON EXECUTION BY DEBTOR SHALL CONSTITUTE THE LEGAL, VALID AND BINDING OBLIGATION, CONTRACT AND AGREEMENT OF DEBTOR ENFORCEABLE AGAINST DEBTOR IN ACCORDANCE WITH ITS TERMS; AND (c) EACH SHOWING PROVIDED BY DEBTOR IN CONNECTION HEREWITH MAY BE FULLY RELIED UPON BY CREDITOR NONWITHSTANDING ANY TECHNICAL DEFICIENCY IN ATTESTATION OR OTHERWISE. THE PERSON EXECUTING THIS AGREEMENT ON BEHALF OF DEBTOR WARRANTS THAT PERSON'S DUE AUTHORITY TO DO SO. DEBTOR FURTHER WARRANTS THAT EACH ITEM OF COLLATERAL SHALL AT THE TIME CREDITOR FUNDS THE TOTAL ADVANCE BE OWNED BY DEBTOR FREE AND CLEAR OF LIENS OR ENCUMBRANCES AND BE IN GOOD CONDITION AND WORKING ORDER.

27. Counterparts and Facsimile Signatures. If this Agreement was sent electronically, Debtor hereby warrants that this Agreement has not been altered in any way. Any alteration or revision to any part of this Agreement or any attached documents will make all alterations or revisions non-binding and void. Only one counterpart of this Agreement and of each Schedule, Addenda, or Exhibit attached hereto shall bear our ink signed signature and shall be marked "Original". To the extent that any Equipment Financing Agreement, Schedule, Addenda or Exhibit hereto constitute chattel paper (as that term is defined by the Uniform Commercial Code), a security interest may only be created in this Agreement, Schedule, Addenda or Exhibit that bears our ink signed signature and is marked "Original".

BALBOA CAPITAL

DISBURSEMENT AUTHORIZATION

TO: Balboa Capital Corporation

The undersigned hereby certifies that all the property described below (the "Equipment"), which is to be financed for the undersigned pursuant to the Equipment Financing Agreement No. 000-000 dated as of _____, (the "Agreement") between **Balboa Capital Corporation** and the undersigned, as Debtor, has been furnished to the undersigned, that delivery and installation has been fully completed and that the Equipment is acceptable in all respects to the undersigned.

In view of the above, the undersigned hereby authorizes and requests you to pay for the Equipment in accordance with the terms of any purchase orders the undersigned may have issued for the same and/or to pay the undersigned the advance amount to the extent the undersigned has previously paid for the Equipment, as appropriate. The undersigned acknowledges that you are relying upon this executed Delivery and Acceptance Certificate in so doing. Debtor hereby authorizes Creditor to disburse the Total Advance as follows:

Payee Name	Amount
Example Vendor	$100,000.00
Total Amount to be Disbursed	$100,000.00

EQUIPMENT - SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

The undersigned recognizes that by executing this Delivery and Acceptance Certificate the undersigned's non-terminable installment payment obligation under the Agreement will commence. The undersigned reaffirms its understanding that the Agreement is solely a financing agreement and that, accordingly, you have made no express warranties as to the Equipment of any other matter and that there are no related implied warranties created by law and further that, accordingly, the undersigned's obligation to pay amounts due under the Agreement will not be affected by any problems the undersigned experiences with the Equipment or any similar or dissimilar occurrence as also set forth in the Agreement.

Date Equipment accepted by Debtor *("Acceptance Date")*

_____ (Date)

I hereby authorize _____ to orally verify my/our acceptance of the equipment subject to Equipment Finance Agreement # 000-000 in my absence

"Delivery of this document bearing a facsimile signature or signatures shall have the same force and effect as if the document bore an original signature."

Debtor Name: Example Docs LLC

sign

By: _____
Name: John Johnson
Title: Managing Member

Date: 03/05/14

BALBOA CAPITAL

EXHIBIT 'A'
EQUIPMENT DESCRIPTION

The following invoice(s) are referenced, and hereby incorporated, for the purpose of describing the equipment subject to Equipment Financing Agreement ("Agreement") Number **000-000**. By signing below, I, the debtor, acknowledge that I choose to finance the equipment listed on the invoice(s) per the payment schedule and the terms and conditions set out in the agreement, which is the governing document to this equipment financing regardless of the price and terms (if any) indicated on the invoice(s).

EQUIPMENT DESCRIPTION	INVOICE #	INVOICE DATE	VENDOR NAME

Equipment Financing Agreement Number 000-000

Debtor Name Example Docs LLC

sign **By:** _____

Name: John Johnson

Title: Managing Member

Date: 03/05/14

"Delivery of this document bearing a facsimile signature or signatures shall have the same force and effect as if the document bore an original signature."

BALBOA CAPITAL

COPY OF DRIVERS LICENSE

Equipment Financing Agreement Number: 000-000

Debtor Name: Example Docs LLC

Please include a copy of your driver's license; with picture and signature, or another form of photo identification with signature.

Please provide a copy from the following individuals:

Signor	**John Johnson**
PG 1	**John Johnson**
PG 2	**Jane Johnson**
PG 3	
PG 4	

Place copy of Driver's License(s) below:

BALBOA CAPITAL

PERSONAL GUARANTY

Equipment Financing Agreement # 000-000

THIS PERSONAL GUARANTY CREATES SPECIFIC LEGAL OBLIGATIONS. When we use the words **you** and **your** in this Personal Guaranty, we mean the **Personal Guarantor (s)** indicated below. When we use the words **we, us** and **our** in this Personal Guaranty, we mean **BALBOA CAPITAL CORPORATION,** its successors and assigns.

In consideration of our entering into the equipment financing agreement above ("EFA"), you unconditionally and irrevocably guarantee to us, our successors and assigns, the prompt payment and performance of any and all obligations of the Customer ("Debtor") under the EFA and any other financial transaction of any kind whatsoever, whether now existing or hereafter arising with us. You agree that this is a guaranty of payment and not of collection, and that we can proceed directly against you without first proceeding against the Debtor or against the Equipment covered by the EFA or against any collateral or security held by us. You waive all defenses and notices, including those of protest, presentment and demand. You agree that we can renew, extend or otherwise modify the terms of the EFA and you will be bound by such changes. If the Debtor defaults under the EFA, you will immediately perform all obligations of the Debtor under the EFA, including, but not limited to, paying all amounts due under the EFA. You will pay to us all expenses (including attorneys' fees) incurred by us in enforcing our rights against you or the Debtor. This is a continuing guaranty that will not be discharged or affected by your death and will bind your heirs and personal representatives. You waive any rights to seek repayment from the Debtor in the event you pay us. If more than one personal guarantor has signed this Personal Guaranty, each of you agree that your liability is joint and several. You authorize us or any of our affiliates to obtain credit bureau reports regarding your personal credit, and make other credit inquiries that we determine are necessary.

THIS PERSONAL GUARANTY IS GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA. YOU CONSENT TO THE JURISDICTION OF THE COUNTY OF ORANGE IN THE STATE OF CALIFORNIA. YOU HEREBY EXPRESSLY WAIVE THE RIGHT TO TRIAL BY JURY.

"Delivery of this document bearing a facsimile signature or signatures shall have the same force and effect as if the document bore an original signature."

sign **X** _____

John Johnson — **Name**

03/05/14 — **Date**

S. Oak Ave
Owatonna, MN 55060
Home Street Address, City, State, Zip Code

111111111 — **Social Security Number**

_____ — **Phone Number**

BALBOA CAPITAL

PERSONAL GUARANTY

Equipment Financing Agreement # 000-000

THIS PERSONAL GUARANTY CREATES SPECIFIC LEGAL OBLIGATIONS. When we use the words **you** and **your** in this Personal Guaranty, we mean the **Personal Guarantor (s)** indicated below. When we use the words **we, us** and **our** in this Personal Guaranty, we mean **BALBOA CAPITAL CORPORATION,** its successors and assigns.

In consideration of our entering into the equipment financing agreement above ("EFA"), you unconditionally and irrevocably guarantee to us, our successors and assigns, the prompt payment and performance of any and all obligations of the Customer ("Debtor") under the EFA and any other financial transaction of any kind whatsoever, whether now existing or hereafter arising with us. You agree that this is a guaranty of payment and not of collection, and that we can proceed directly against you without first proceeding against the Debtor or against the Equipment covered by the EFA or against any collateral or security held by us. You waive all defenses and notices, including those of protest, presentment and demand. You agree that we can renew, extend or otherwise modify the terms of the EFA and you will be bound by such changes. If the Debtor defaults under the EFA, you will immediately perform all obligations of the Debtor under the EFA, including, but not limited to, paying all amounts due under the EFA. You will pay to us all expenses (including attorneys' fees) incurred by us in enforcing our rights against you or the Debtor. This is a continuing guaranty that will not be discharged or affected by your death and will bind your heirs and personal representatives. You waive any rights to seek repayment from the Debtor in the event you pay us. If more than one personal guarantor has signed this Personal Guaranty, each of you agree that your liability is joint and several. You authorize us or any of our affiliates to obtain credit bureau reports regarding your personal credit, and make other credit inquiries that we determine are necessary.

THIS PERSONAL GUARANTY IS GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA. YOU CONSENT TO THE JURISDICTION OF THE COUNTY OF ORANGE IN THE STATE OF CALIFORNIA. YOU HEREBY EXPRESSLY WAIVE THE RIGHT TO TRIAL BY JURY.

"Delivery of this document bearing a facsimile signature or signatures shall have the same force and effect as if the document bore an original signature."

sign **X** _____

Jane Johnson
Name

03/05/14
Date

S. Oak Ave
Owatonna, MN 55060
Home Street Address, City, State, Zip Code

111111111
Social Security Number

Phone Number

~~PMC COMMERCIAL TRUST~~

U.S. Small Business Administration

NOTE

SBA Loan #
SBA Loan Name
Loon Amount
Interest Rate
Operating Company
Lender

1. PROMISE TO PAY:

la maim ter u›• Ln•o- Borrower in to to the order of Leo4»rt6e amount o

2. DEFINITIONS:

"Loan Documents" means the documents related to this loan signed by Borrower, any Guarantor, or anyone who pledges collateral.

"SBA" otcaas tbo gasatl Buslacaa Admioiazatiao, aa Agmcy of tbs Unitnd Ststes oi'Amcztcc

3. PAYMENT TRRMS:

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the prime rate in effect on the first business day of the month in which SBA received the loan application, plus 2.75%. The initial interest rate must remain in effect until the first change period begins unless reduced

Borrower must pay a total of 2 payments of interest only on the disbursed principal balance beginning one * *tit b tbc m th !h*s *"f0tc i6 datcd aod ¢v¢zy jooatli thocaflsr", payoseats razst be zoade oo (bc **calendar day in the months they are due.**

Borrower must pay principal and interest payments o every month, beginning three months from the month this Note is dated; payments must be made on the first calendar day in the months they are due.

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The interest rate will be adjusted every calendar quarter (the "change period").

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Thu cdjuitod inlcrcvt no wilt be 2.75a abovu the Prime Rcte. Lender will adjust the interest rate on 41c first cnlt•dar &y of each change period. The charge in interest rate is efléctim on that day whether or not

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Lender must adjust the payment amount at least annually as needed to amortize principal over the remaining

LOAN PREPAYMENT:

Bank mcplrepay thb Netc. Borrower may PrzPay 20 pnrceat or Jc8a of tbc unpaid pdoclpal balaacs ct a Y **Lima** ^ifhout ooticc. If Bzmower pmp4yz aiors tbaa 20 percent aod tha £oca hea bccn ¥oJd oo tltc eecood Borrower a ”

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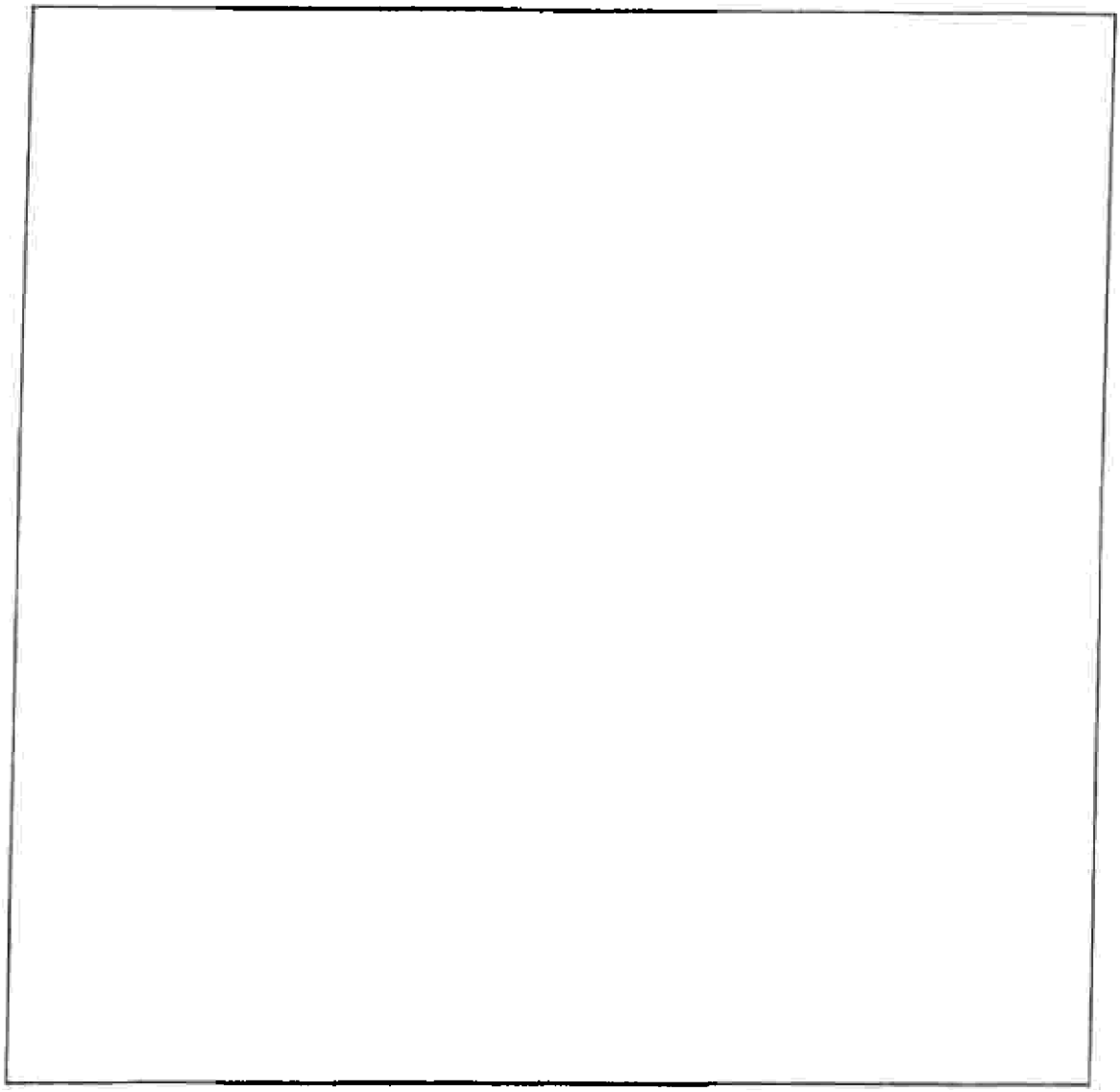

EXHIBIT L

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Brand Pages

Product Information Reports

Vendor Directory

Profitability Resources

» Home » Brand Pages » MainStay Suites » R&Rs by Categories

Brand News

Rules & Regulations

Compliance & QA

Small Marketing, Logos & Style Guides

Architecture & Interior Design

» View Rules & Regulations by: By Products By Category

Owners Council Website

Rules & Regulations by Categories

MainStay Suites Rules & Regulations

Preface & Introduction

Operating Standards

Rules of Operation

Food & Beverage Operations

Product Standards

Construction/Project Management

Architecture & Engineering

Rules & Regulations by Categories

MainStay Suites Rules & Regulations

Preface & Introduction

Operating Standards

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- 140.0 Marketing Programs
- 150.0 Guest Amenities & Supplies

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- 520.1 Guest Bath
- 520.2 Guest Room Finishes & Furnishings
- 520.3 Guest Bath Finishes & Standards
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Identity Standards

Service Marks/Signage

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- 530.3 Back of House Circulation
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Identity Standards

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1996 - 2021 Choice Hotels International

EXHIBIT M

FAIR FRANCHISING POLICY

(Updated January 2021)

Choice Hotels International, Inc. ("Choice," "we," or "us") and our franchisee(s) ("Franchisee", "Franchisees", or "you") share substantial interests in the success of our brands, as well as the worldwide lodging system they comprise ("System"). Choice and its Franchisees all benefit when Choice considers System interests first when making policies. For these reasons, Choice has adopted the following guiding principles, which may be modified from time to time in our sole discretion. Any substantive changes to this policy will be conducted in consultation with our Franchisee Associations.

Mission Statement

Both Choice and our Franchisees have a responsibility to build and maintain the System. At the individual property level, it is your responsibility to represent your hotel's brand in a manner that continually builds brand equity; and we are responsible for confirming that general System and individual brand standards are met throughout the entire Choice franchise System.

Even under the best of circumstances, however, we realize that situations can arise that may create conflict between Choice and our Franchisees. Accordingly, Choice maintains this fair franchising policy ("Fair Franchising Policy") to help us mutually address these situations. The Fair Franchising Policy contains standards relating to the System and is available for review at any time. We also have an Ombudsperson and Vice President of Owner & Portfolio Strategy dedicated to addressing any conflicts between Choice and Franchisees in a manner that is fair and non-retaliatory to all parties concerned. We encourage you to contact any member of our Fair Franchising Department to discuss the Fair Franchising Policy or any concerns that you have regarding your relationship with Choice.

Impact

Choice and Franchisees agree that every Choice brand, each property, and the entire System benefit from strategic growth and strong brand awareness.

Impact Policy.[1] In some cases, a Franchisee may believe that a third party's application for a new Choice franchise is too close in proximity to the Franchisee's existing property. To address this concern, Choice has instituted an incremental impact policy ("Impact Policy"), which has been benchmarked with our competitors and tailored to carefully balance the rights of existing Franchisees with the need for growth that benefits our entire System. The Impact Policy permits a Franchisee (in good standing) to object to the grant of a same-brand franchise, if the applying franchise is within a specified radius of the existing Franchisee's property.

Under the Impact Policy, we will notify both your designated representative and the general manager of your property: (i) by electronic mail, if we have received an application for a hotel of a different brand than your hotel, the proposed hotel is within 5 miles of your existing property, and your existing brand is covered by the Impact Policy; (ii) in writing (via express mail to the designated representative and via first - class mail to the general manager), if we have accepted an application for a same-brand hotel and the applying franchise is within a specified radius of your property; or (iii) by telephone, if you are an applicant and we have received an additional application for a same-brand hotel to be located within the Area of *Enhanced Protection (as defined more fully* in the Impact Policy) of your proposed hotel.

b

First opportunity to develop in franchisee's Area of Enhanced Protection (AOEP). In addition to the objection rights described above, each existing franchisee in good standing with Choice will have the

[1] As of the date of this Fair Franchising Policy, the Impact Policy applies only to the following brands: Clarion, Comfort, Econo Lodge, MainStay Suites, Quality, Rodeway Inn, Sleep Inn, and certain WoodSpring properties.

option of submitting an application for a new same-brand hotel within its AOEP before Choice will approve a same-brand application within that AOEP from another prospective franchisee. Specifically, Choice will permit existing franchisees to submit an application for a same-brand property within 15- calendar days of being notified of a proposed application by another prospective franchisee, and the existing franchisee will receive preference in the application for a same-brand property. In making a final decision, however, we will also consider other factors, such as site location, financing, relative strength of each application and Choice's past experience with the existing franchisee. Finally, our Franchise Development team will inform the existing franchisee of our decision before we grant final approval of an application for a same-brand hotel within that franchisee's AOEP.

Consultation. As has been our practice, we will continue to consult with our Franchisees on amendments and modifications to the Impact Policy. For more information, please refer to our **Impact Policy,** at www.choicecentral.com or call the Fair Franchising Department for a detailed explanation of our Impact Policy.

Exercise of Contractual Outs

Company Philosophy. Choice is committed to meeting the evolving needs of its guests across all of its brands and driving continued brand equity. It is imperative that each hotel delivers a top-notch, consistent experience to every guest, every time. Our brands are as strong as their weakest performer, so if a guest has a bad experience at one hotel, it adversely impacts us all and the System. Not only should each hotel be clean, in good condition and in working order, they should be modern, up-to-date, and competitive within their markets. Choice's contractual out evaluation process was created to ensure that we all meet these objectives.

Contractual Out Evaluation Process. For some brands the franchise agreement may include a mutual right to terminate the franchise agreement on the 5th, 10th, or 15th anniversary of the Opening Date by providing advance written notice.[2] Choice reviews every active property prior to these anniversaries and evaluates the following aspects of the hotel:

- How well does the hotel meet guest expectations as measured by Guest Insight System ("GIS") scores and customer complaints?
- How do the hotel's GIS scores and guest complaints compare to other hotels within its brand?
- How strongly does the hotel compete in its local market as determined by Smith Travel Research (STR) reports compared to both local competitive set and tract chain scale?
- What is the hotel's historic pass/fail rate for Quality Assurance ("QA") inspections?
- Has the hotel been defaulted in the past for any reason, including but not limited to QA, After Entering System ("AES"), credit or legal reasons?
- How does the physical plant of the hotel compare to its competitive set within its market?
- How does the physical plant of the hotel compare to other hotels within its brand?
- If there are gaps between the property and its competitive set or peers, can the property be updated cost-effectively?

Risk Factors. In keeping with Choice's philosophy, we review in detail the aggregate results of these questions referenced above for each hotel. In particular, we take into account any unique aspects of the hotel's market or its guest base. There is no standardized formula that is applied to every hotel and each situation is evaluated independently. Furthermore, typically Choice reserves the right under the franchise agreement to exercise its contractual out for any reason or no reason at all, subject to state law. There are certain factors, however, that place a property at greater risk that Choice typically will exercise its

[2] As of the date of this Fair Franchising Policy, there is no mutual right of termination in our standard WoodSpring franchise agreement. For our Comfort brands, the standard franchise agreement includes an out on the 5th anniversary of the Opening Date for conversion properties only. For Cambria, the standard form franchise agreement includes outs at the 10th and 15th anniversary of the Opening Date for Mainstay and Sleep, the standard franchise agreement includes an out on the 10th and 15th anniversaries of the Opening Date for new construction properties only. For Rodeway, the standard franchise agreement includes annual outs on the anniversary of the Opening Date.

contractual out, including but not limited to (subject to state law):

- The property's Likelihood to Recommend ("LTR") score places it in the bottom third of its brand for the most recent 12 month period.
- The property has guest complaints per thousand ("CPT") higher than the brand average for the most recent 12 month period.
- The property has a history of shifting between passing and failing scores on QA inspections.
- The property passes its QA inspections but only minimally.
- The property performs below the tract chain scale as determined by STR.
- The physical plant of the property is outdated, worn, and/or in poor condition.

Note on Comfort Inn: To achieve the brand's goal of becoming one of the top 3 brands in the Midscale without Food & Beverage segment, all Comfort Inn properties must be held to a higher standard in terms of both guest satisfaction and physical representation. For example, the outside appearance of the hotel must meet or be able to achieve a consistent, above-average guest experience when compared to other hotels within the brand and to its national competitive set, which includes Holiday Inn Express and Fairfield Inn.

If the physical plant of a Comfort Inn property resembles economy-level competitors in the market due to its room size, lobby size, public space, corridor type (interior v. exterior), single loaded v. double loaded, or other aspects, then Choice may elect to exercise its contractual out or, if desirable, discuss the potential for the property to reposition to another Choice brand.

Management Committee. Due to the importance of these decisions and their impact on both Choice and the Franchisee, no single person at Choice has the ability to exercise a contractual out. All decisions to exercise this right are made by a Committee and must be unanimously supported by each member of that Committee. The Management Committee is comprised of representatives from:

- Fair Franchising
- Owner & Portfolio Strategy
- Legal
- Development
- Services
- Credit

Contractual Out Notification Process. Approximately eighteen (18) months prior to a contractual out, a representative from Choice will contact the Franchisee's Designated Representative if:

1. Choice is considering whether to exercise its contractual out and feels that a Product Improvement Plan ("PIP") is necessary to continue the relationship.
    - The Franchisee's Designated Representative will receive a letter explaining Choice 's position and the PIP process. A copy of the letter will be sent to the hotel's General Manager.
    - Once the PIP is prepared, the Franchisee's Designated Representative will receive a phone call from a member of Choice's Owner & Portfolio Strategy department to discuss the scope of work to update the property. (See below)

2. Choice has decided to exercise its contractual out.
    - The Franchisee's Designated Representative will receive a phone call from Choice to discuss the decision.
    - If Choice is unable to reach the Franchisee's Designated Representative by phone, Choice will send a letter notifying the hotel of its attempts to contact the Designated Representative by phone and requesting the hotel contact Choice immediately. If Choice is unsuccessful in contacting the Franchisee, then Choice will release a formal Notice of Termination letter generally twelve (12) months prior to the contractual out date. Individual franchise agreements may contain different notice periods. If that is the case, those notice periods will apply, however Choice will attempt to provide as much notice as is reasonably possible.

Please note that each Franchisee is obligated to maintain accurate contact information with Choice. If the Franchisee's Designated Representative name, address, or telephone number on file is no longer valid,

then Choice cannot be held responsible for any resulting delays in reaching the Franchisee.

Product Improvement Plans. In many cases, Choice will agree to continue its relationship based on an agreed scope of work to update and refresh the property and/or additional training. These requirements will be detailed in the PIP. If Choice and the Franchisee's Designated Representative cannot finalize and execute the PIP twelve (12) months prior to the contractual out date, then Choice may issue a Notice of Termination to the Franchisee's Designated Representative.

This Notice of Termination can be rescinded if subsequent discussions result in a mutually agreeable PIP Addendum that is executed by both parties within 30 days of the Notice of Termination letter.

Options Available to Properties. There are 4 options available to properties where Choice has exercised its contractual out:

1. Reposition to Another Choice Brand

In many cases, there will be another Choice brand available in the market for the hotel to ~~conside r~~consider. There may be many financial benefits to remaining with the Choice System rather than exiting the System completely. When Choice calls the Franchisee's Designated Representative to inform them that Choice is exercising its contractual out, he or she will discuss the availability of this option.

2. Replace the Existing Hotel

Many owners prefer to replace their hotel with a newer product in their market. Please let a Choice representative know your interest in this option and the appropriate person will contact you.

3. Appeal the Decision

If a Franchisee's Designated Representative would like to appeal a contractual out decision, then a letter detailing the request and the reasons for appeal should be emailed to the contact person on the termination notice. Upon receipt of the appeal request, a confirmation email will be sent within approximately 48 hours. The Management Committee will generally review the appeal within 7-10 business days following the receipt confirmation. The Franchisee's Designated Representative will receive the results of the Committee review via email.

4. Early Termination following Choice's exercise of a window.

When Choice exercises its option to terminate a franchise agreement at a contractual out, and a franchisee in good standing wishes to leave the Choice system before the agreed-upon termination date, Choice will take special consideration, on a case-by-case basis, in reviewing a franchisee's request to discount or waive any liquidated damages that may be owed due to the early termination.

Non-retaliation. In deciding whether to exercise our contractual out, Choice will not discriminate or retaliate against a property that has requested or is in the process of requesting an impact study or has challenged some other action taken by Choice.

Marketing and Reservation Services Funds:

Consultation. Choice is committed to the practice of consulting with its applicable franchisee association(s) on certain marketing campaigns the company undertakes and generally on the use of monthly fees designated for marketing, and reservation services. The franchise associations also are consulted on changing the amounts of those fees.

Disclosure. Upon request, Choice will make available to Franchisees its unaudited financial statements for those portions of System fees that are designated for marketing and reservation services purposes. Choice has no obligation to separate incomes or expenditures between Choice brands. Moreover, as a public company, Choice will continue to report its System fees (including marketing and reservations fees) in accordance with GAAP (generally accepted accounting principles) on its income statements, which are reviewed and published quarterly.

Corporate Ethics:

Ethical Conduct. Choice expects all Choice associates, franchisees and vendors to practice "good faith and fair dealing" in all business matters. All Choice associates are subject to a corporate ethics policy that mandates certain standards of conduct. In addition, your franchise agreement contains provisions that require you to operate your franchise in a manner that does not negatively impact Choice and the brand or violate any laws.

Termination for Cause:

Liquidated Damages. For most brands, if the standard franchise agreement is terminated before the end of its term, we have generally capped both pre-opening and post-opening liquated damages at 36 months of historical royalty fees (membership fees for Ascend properties) and the formula applicable to each brand.[3] In addition, under certain circumstances and for certain brands, a 20% discount on liquidated damages will be applied as an incentive for quickly settling accounts unless the franchise agreement was terminated due to your abandonment of the hotel or your cessation of operating the hotel as our brand.
Moreover, Choice's approach to liquidated damages seeks only to recoup future lost royalty fees, not lost system fees. Individual franchise agreements may contain different terms, and your agreement will control the amount of liquidated damages you will have to pay.

Extraordinary Circumstances. If you encounter extraordinary, unforeseen circumstances (such as the death of franchisee, environmental issues, permanent disabilities, etc.) that affect your ability to operate your franchise in good standing, it is your responsibility to contact us in a timely manner to work towards possible resolutions. In these instances, we will attempt in good faith to find a mutually acceptable resolution to the particular situation.

Transfers:

Family Transfer.[4] If you wish to transfer your franchise to a close adult family member (*e.g.*, current spouse, parent, child, sibling, grandchild or grandparent) ("Close Family Member"), that Close Family Member must demonstrate to us that he or she has both the financial ability and experience necessary to operate your franchise in accordance with Choice standards before we will approve a transfer, among other requirements. If the transfer to a Close Family Member occurs outside of circumstances involving death and/or mental incapacity, you must pay an application fee (not to exceed $7,500), which will be fully refunded if we do not approve the transfer. The terms of your franchise agreement may differ and, in that

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case, the terms of your agreement may override the family transfer provision described above.

Supplier Options:

Vendor Exclusivity. Our Procurement Services Department maintains a list of "Qualified Vendors" of products and services for our franchisees. Certain Qualified Vendors are designated in the Rules and Regulations as exclusive suppliers. Unless required by the Rules and Regulations, you do not have to purchase products that otherwise meet brand standards from Qualified Vendors. We frequently solicit feedback from the elected members of our franchisee associations before implementing new brand standards or vendor requirements. Additionally, for most products and services, we attempt to identify 3 or more vendors who are capable of meeting our brand standards.

Building Brand Equity:

Quality Assurance Reviews. Our entire System benefits from positive brand equity. Building brand equity begins at the local level with how you operate your hotel and also includes Brand Standards or Rules and Regulations that we communicate to you in order to ensure that each of our hotels is meeting or exceeding

[3] Typically, 60 months of historical royalty fees for Cambria. In addition, typically 60 months historical royalty fees for Post-Opening liquidated damages for Suburban and MainStay Hotels.
[4] Ascend Membership Agreements allow a transfer to a close family member for estate planning purposes and does not include a transfer to a Close Family Member based on death and mental incapacity.

customer expectations.

Brand Standards or Rules and Regulations, as applicable, change from time to time to reflect changing customer trends and in response to our competition. Where applicable, we will consult with the various brand associations regarding significant changes contemplated for the Brand Standards/Rules and Regulations before implementation, and we will provide our franchisees with a reasonable period to absorb such changes financially.

In addition, each of us has an obligation to your guests to require that your hotel meets or exceeds our brand-specific performance and quality standards. In that regard, we will continue to apply our Quality Assurance process in a fair and impartial manner. If at any time you wish to dispute your Quality Assurance scores, you may make an appeal to the Brand Standards & Compliance.

Database Information:

Prohibited Uses. We have agreed not to share individual, hotel-specific property reservation data for the sole purpose of selling new franchises.

Dispute Resolution:

There are two mechanisms for handling disputes. The first is an informal process, and the second is through arbitration.

Informal Process. We have found that certain disputes with our franchisees can be handled locally or through our established organizational structure. Our Ombudsperson and Vice President of Owner & Portfolio Strategy both provide a retribution-free outlet for our franchisees to share their concerns regarding fairness.

Arbitration. The terms of the franchise agreement (which control) generally require all franchise disputes to be resolved by submitting the claim to binding arbitration before the American Arbitration Association or alternative arbitration groups.

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EXHIBIT N

Choice Hotels International
Incremental Impact Policy

(Updated January 1, 2021)

Choice Hotels International, Inc. ("Choice") establishes this domestic Incremental Impact Policy ("Policy") to assist Choice and Choice's franchisees ("you") in pursuing the important mutual goals of i) avoiding an unfair depletion of your room revenues through same-brand competition, and ii) expanding the various Choice hotel brand systems.

Under this Policy, your hotel will be granted an Area of Enhanced Protection in which Choice will not generally grant hotel franchises for the same brand as your hotel. Additionally, you will be granted the right to object to (and, possibly, to exclude) same-brand franchises that are proposed to be located within a specified radius from your hotel determined by the market and location of the applying franchise. Finally, this Policy grants you certain other objection rights if your hotel is newly constructed, is located within a declining market or has recently had an incremental impact study conclude in its favor. If you have a negotiated exclusive territory in your contract and waived rights outside of that negotiated territory, impact policy rights do not apply.

I. Definitions:

- **Incremental Impact** - For the purposes of this Policy, "incremental impact" means that portion of projected room revenue loss for an existing Choice hotel which is **solely** attributable to the subject applicant's proposed hotel being part of the same Choice hotel brand system.

- **Good Standing** - For the purposes of this Policy, a Choice hotel is in "good standing" if:

    - It is not 90 days past due on its franchise and related fees or assessments without Choice approved repayment plan in place; (See Interpretational Note No. 1);

    - It is not in red status of the performance zone program;

    - It is not subject to a notice of non-renewal or termination; and

    - It is not subject to a notice of default for a material obligation under its Franchise Agreement (and other related agreements) after expiration of any applicable cure period.

II. Area of Enhanced Protection:

Each Choice hotel is hereby granted an Area of Enhanced Protection for such time as it remains in good standing. The Area of Enhanced Protection for your hotel is determined by identifying your hotel's appropriate market category in the chart below (e.g., Primary/Airport) and is expressed in terms of radial miles from your hotel. The pre-defined market categories set forth in the chart and your hotel's appropriate placement within these categories will be determined from Smith Travel Research data, if available (See Interpretational Note No. 3).

	Primary	Secondary	Tertiary
Airport	1	5	7
Highway	2	5	7
Urban	.5	1.5	5
Resort	1	5	7
Suburban	2	5	5
Small Town Metro	2	5	7

Except as set forth below, Choice will not grant a franchise for a same-brand hotel within your hotel's Area of Enhanced Protection.

- ***When Choice Can Approve an Application Within Your Hotel's Area of Enhanced Protection:***
  Notwithstanding the Area of Enhanced Protection granted to your hotel above, Choice will initiate an incremental impact study, providing your hotel is in good standing, when it receives a franchise application for a same-brand hotel to be located within your hotel's Area of Enhanced Protection if Choice determines that the market containing your hotel is inadequately served by that Choice brand system. You must formally object to the application in order for Choice to initiate the incremental impact study. If the incremental impact study concludes that the proposed franchise will not result in an incremental impact of more than a 5% reduction in your hotel's annual gross room revenues in any of the first 3 years of projections, Choice may grant the proposed franchise. You will select the consulting firm to perform the incremental impact study from the approved consultant list and Choice will pay for the study, regardless of the outcome.

III. **Your Objection Rights for Applications Outside Your Hotel's Area of Enhanced Protection:**

In addition to the Area of Enhanced Protection granted in Section II, you have the right to object to (and, possibly, to exclude) any franchise application for a same- brand hotel, if your hotel is located within a specified radius of the location of the applying franchise. The notification areas are determined by identifying the applying franchise's appropriate market category in the chart below and is expressed in terms of radial miles.

Primary	Secondary	Tertiary
7	10	15

You can object by following the procedures set forth below:

- ***Notice to You of an Application Received by Choice:***

  Choice will notify, in writing, your Designated Representative and the General Manager of your hotel of any franchise application for a same-brand hotel to be located within the specified notification areas noted above. In addition to

same-brand notification, Choice will also notify by email all other Choice branded hotels included in the Impact Policy within a 5-mile radius of the proposed hotel. You will have the right to object to a franchise application, however, only if it is for a same-brand hotel to be located within the specified notification areas. If requested, Choice will deliver the above notice by fax. You should address written requests for faxed notification to:

Ms. Shellome Pinnock Ombudsperson One Choice Hotels Circle Suite 400 Rockville, MD 20850 (301) 592-6165 FAX (301) 592-6360

Please include your property code and the name, address and fax number of the person to whom the notice should be faxed.

- ***Your options upon receiving a notice:***

  You may object to a franchise application for a same-brand hotel to be located within the specified notification areas if your hotel is in good standing at the time Choice issues notification of the application, provided your hotel does not subsequently become subject to a notice of non-renewal or termination. You may object by electing either or both of the objection options set forth below:

  Option A: Letter Objection

  You may write a Letter Objection and deliver it to Shellome Pinnock, Ombudsperson, (via the address or fax previously listed or via email ombudsperson@choicehotels.com) within 15 calendar days after Choice issues notification of a franchise application for a same-brand hotel, providing Choice with information you would like us to consider when reviewing the application. Before acting upon the application, Choice will fairly consider your letter and any information you submit in support.

  Choosing to exercise Option A does not preclude you from also exercising Option B, provided you do so in a timely manner.

  Option B: Formal Objection

  You may file a Formal Objection to a franchise application for a same-brand hotel by completing an "Incremental Impact Form" (attached hereto) and delivering it to Shellome Pinnock, Ombudsperson, (via the address or fax previously listed or via email ombudsperson@choicehotels.com) within 15 calendar days after Choice issues notification of the application. This option must be selected for you to be eligible to request an incremental impact study.

  Upon sending your Formal Objection, contact the Ombudsperson or another representative of Choice if you would like to discuss your objection ("impact discussion"). If this impact discussion does not resolve your objection concerns, you may request an independent incremental impact study by an approved hotel consulting firm that you choose from the attached list. Each firm is a member of the International Society of Hospitality Consultants and is experienced in performing incremental impact studies. Your request for an

incremental impact study must be made in writing to the Ombudsperson within 5 business days after receipt of the impact study correspondence sent by Choice and must include a check for the full incremental impact study fee made payable to Choice Hotels International. During that 5-day period, you may request an extension of the 5-day period, which Choice may, in its sole discretion, grant under compelling circumstances. The amount of the incremental impact study fee charged by each individual consulting firm is set forth on the approved list (and may be exclusive of expenses). The consulting firm you select will be contacted by Choice. If the selected firm cannot complete the study within 28 days, you will be contacted by the Ombudsperson and asked to select another consulting firm. You must notify the Ombudsperson of your new selection within 48 hours.

Following receipt of the incremental impact study results (approximately 28 days), Choice will deny the subject application if the study concludes that the proposed franchise will result in incremental impact of more than a 5% reduction in your hotel's annual gross room revenues in any of the first 3 years of projections. Moreover, if you signed your franchise agreement for a new construction hotel within 18 months prior to Choice's issuance of notification of the subject application, Choice will deny the application if the incremental impact study concludes that the proposed franchise will result in incremental impact of more than a 3% reduction in your hotel's annual gross room revenues in any of the first 3 years of projections. If Choice denies the application due to the results of the incremental impact study, Choice will refund the incremental impact study fee you paid.

If the incremental impact study concludes that the proposed franchise will not result in an incremental impact of more than a 5% reduction (or 3% reduction, if applicable) in your hotel's annual gross room revenues in each of the first 3 years of projections, Choice may approve the subject application in its sole discretion. In that event, you will forfeit the incremental impact study fee you paid and you will be obligated to remit the balance of any fees or expenses due the consulting firm by submitting a check payable to Choice Hotels International.

If your hotel is a designated winner of a Gold or Platinum Award at the time you file your Formal Objection, Choice will bear the cost of the incremental impact study regardless of the outcome.

Choice will refund any incremental impact study fees you paid if the franchise you objected to is terminated due to failure to commence construction or to complete a BES addendum.

IV. **Your Additional Rights:**

Along with the rights granted to you in Sections II and III, you are granted the following additional rights:

- If an incremental impact study concludes against your hotel’s favor, you may request a second incremental impact study ("second study") not less than 365 days and not more than 400 days after the hotel you objected to ("new hotel") opens to the public. In the event the second study concludes that the new hotel resulted in an incremental impact of more than a 5% reduction in your hotel's gross room revenues in the first year of the new hotel's operation, you may

terminate your Choice Franchise Agreement, without payment of liquidated damages. You must submit the applicable incremental impact study fee at the time you request the second study, and the fee will be non-refundable, regardless of outcome.

- If an incremental impact study concludes in your hotel's favor, Choice will not, for a period of 12 months following the study, accept any franchise applications for a same-brand hotel to be located within your hotel's submarket (as such submarket is defined by the previous study).

- Choice will not approve any franchise application for a same-brand hotel to be located within your hotel's market tract (as such market tract is defined by Smith Travel Research) if your hotel is in a declining market, is operating below a 52% annual occupancy, is in good standing at the time Choice issues notification of the application and is operating at a RevPAR yield of at least 95% of your hotel's local competitive set. You must notify Choice in writing that you believe you qualify for the protections afforded by this paragraph within 15 days after Choice issues notification of a same-brand franchise application.

V. **Choice's Right to Replace Franchises**

Notwithstanding the Area of Enhanced Protection granted in Section II or the additional rights of exclusion granted in Sections III and IV, Choice reserves the right to replace any franchise which has departed or which is scheduled to depart from a Choice brand system ("departed/departing franchise") with a same-brand franchise, located anywhere within the Area of Enhanced Protection of the departed/departing franchise. Choice, however, will not grant a replacement franchise if it is to be located within the Area of Enhanced Protection of a same-brand hotel in good standing, unless the departed/departing franchise was/is already located in such same-brand hotel's Area of Enhanced Protection.

For the purpose of this provision, a "departed/departing franchise" means any open hotel, executed franchise agreement or approved franchise application. Moreover, Choice will not grant a replacement franchise if the replacement hotel would entail more than a 50% increase in the number of rooms over that of the departed/departing franchise. If a replacement franchise is to be granted for a hotel to be located within a specified radius from your hotel, determined by the market and location of the applying franchise, we will notify you of this action.

VI. **Scope and Term of This Policy**

This Policy shall apply to all Choice hotels that are part of the Clarion, Comfort, Quality, Sleep, Econo Lodge, Rodeway, or MainStay brands (including all hotels that are part of any sub-segment of those brands, such as Comfort Suites, for example) and that are located in the United States of America (including all not-yet-operating hotels that are subject to a Choice Franchise Agreement) and its provisions shall be in effect until such time this Policy is withdrawn, amended or modified. Any withdrawal, amendment or modification of this Policy shall be within Choice's sole discretion.

Interpretational Notes

1. In assessing the payment history component of the "good standing" requirement under Section I of the Impact Policy, Choice will consider the payment history for only those fees or charges contained in the Monthly Franchise Services Invoice. These charges include, without limitation, royalty fees, marketing fees, reservation fees, franchise association dues, technology services fees (Choice Link support, Profit Manager support) and hardware sublease payments. Travel Agent commissions are not included in the Monthly Franchise Services Invoice.

   In assessing the payment history component of the "good standing" requirement under Section I of the Impact Policy, a hotel will be considered "past due" only if it has been 90 days late beyond the contractual due date in making payment on the Monthly Franchise Services Invoice over the payment history period being considered without of repayment plan in place.

2. If a property has expressly waived impact rights to a specific brand, such property's rights under this Policy, including the Area of Enhanced Protection, do not apply to applications within that specific brand system.

3. With respect to the Area of Enhanced Protection chart set forth in Section II of the Impact Policy, the following terms shall be defined as follows:

   Primary: All market tracts contained **within any of the top fifty Metropolitan Statistical Areas** identified by Smith Travel based on total room supply.

   Secondary: All market tracts contained **within all BUT the top fifty Metropolitan Statistical Areas** identified by Smith Travel based on total room supply

   Tertiary: All market tracts contained **within any of the Non-Metropolitan Statistical Areas** identified by Smith Travel.

   Resort hotels in cities located in Tertiary (Non-MSA) markets

   Primary: Cities with over 2,000 resort rooms

   Secondary: Cities with 1,000 – 1,999 resort rooms

   Tertiary: Cities with less than 1,000 resort rooms

EXHIBIT O

March ~~21~~10, ~~2021~~2022

Lender Name Lender
Address Lender Address
Attention:
Lender contact name/title

Re: **«Contract_Brand» «Contract_Product»** **«Contract_Legal_Sec_Name»** (**«Contract_Property» - «Contract_Contract_ID»**)
«Contract_Property_Address_for_ChoiceMap» (the "Hotel")

Dear Lender:

Choice Hotels International, Inc. ("Franchisor") and **«Customer_Customer_Name»** ("Franchisee") are parties to a Franchise Agreement dated **«Contract_EffectiveExecution_Date»** (as amended, the "Franchise Agreement"). The Franchise Agreement permits Franchisee to operate the Hotel as a **«Contract_Brand» «Contract_Product»**® hotel.

As of the date of this letter agreement, the Franchise Agreement is in full force and effect, Franchisee is in good standing with Franchisor, and Franchisor has not issued ~~no~~a notice of default under the Franchise Agreement which has not been cured; and to the best of Franchisor's knowledge and belief, Franchisee is not currently in default of the Franchise Agreement. "Franchisor's knowledge" means the actual knowledge of obvious Hotel development, construction, and operational matters regularly reviewed by company employees who have given their attention to such matters in the ordinary course of business and does not include any investigation by those employees or others of other matters or beyond their usual and customary reviews of the Hotel, nor does it include constructive notice of matters or information located in public or Hotel records. "Default" means matters which have been the subject of an actual notice of default under the Franchise Agreement and does not include matters which are or may be in process, under discussion, or otherwise addressed.

_____ ("Lender") and Franchisee have informed Franchisor that Lender has issued a commitment to loan funds (the "Loan") to Franchisee to be used for the direct benefit of the Hotel and secured by the Hotel.

Lender and Franchisee have requested that Franchisor enter into this letter agreement (the "Comfort Letter") and have submitted the nonrefundable current processing fee. The undersigned parties agree as follows:

1. Opportunity to Cure Defaults.

(a) Notice and Cure Period. Franchisor will copy Lender on any notice of default or termination issued to Franchisee under the Franchise Agreement. To the extent any default is curable, Lender shall

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have the right, but not the obligation, to cure the default within a cure period of fifteen (15) calendar days for monetary defaults or forty-five (45) days for non-monetary defaults beyond the expiration of the cure period, if any, given to Franchisee ("Lender's Cure Period"). ~~The~~For non-monetary default, Lender must ~~notify Choice in writing of their intent~~provide notice to Franchisor of Lender's intended method to cure ~~within the original cure period, if applicable~~non-monetary default.

(b) Non-Monetary Default Requiring Possession to Cure. ~~If~~In the ~~default is~~event of a non-monetary default ~~which~~, Lender ~~can only cure by acquiring ownership of~~must obtain Franchisor's prior written consent to apply for the right to acquire the Hotel (~~an~~the "Acquisition")~~,~~. Lender ~~may have an additional~~must provide notice to Franchisor in accordance with Section 1(a) of this Comfort Letter, and has, upon request, one hundred eighty (180) calendar days ("Additional Period") commencing at the expiration of Lender's Cure Period to complete the Acquisition, through foreclosure or other appropriate proceedings. ~~If requested by Lender, Franchisor may extend the Additional Period, at Franchisor's determination taking into consideration the period of time that may be necessary to complete the foreclosure or other proceeding in the applicable jurisdiction and any period of time during which such action has been stayed or enjoined. To request the Additional Period, Lender must: (i) notify Franchisor no later than the date it commences proceedings (or promptly after action is stayed or enjoined) that Lender wants the Additional Period;~~

~~(ii) commence proceedings within Lender's Cure Period and diligently prosecute~~To request the Additional Period, Lender must: (i) notify Franchisor no later than the date it commences proceedings (or promptly after action is stayed or enjoined) that Lender wants the Additional Period; (ii) commence proceedings within Lender's Cure Period and diligently prosecutes such proceedings to completion; and (iii) comply with the obligations of Franchisee under the Franchise Agreement not being performed by Franchisee during the Additional Period, including payment of all monetary obligations but excluding those obligations ~~which~~that can only be performed by Franchisee or which Lender cannot perform without ownership of the Hotel. If requested by Lender, Franchisor may extend the Additional Period, at Franchisor's determination taking into consideration the period of time that may be necessary to complete the foreclosure or other proceeding in the applicable jurisdiction and any period of time during which such action has been stayed or enjoined. If Lender fails to timely request the Additional Period, Lender acknowledges that the Franchise Agreement terminates pursuant to Franchisor's notice of default and termination.

(c) Foreclosure. If Lender commences a foreclosure or other proceeding intended to result in the Acquisition but Franchisor has not issued a default notice to Franchisee or Lender has cured Franchisee's default during Lender's Cure Period, Lender may exercise the rights under this Comfort Letter if Lender (i) notifies Franchisor of its proceeding as required by this Comfort Letter and confirms its intention to proceed under the terms of this Comfort Letter and (ii) subsequently completes its Acquisition within one hundred eighty (180) calendar days of the date Lender commenced its proceeding (as such one hundred eighty (180) day period may be extended by Franchisor in its determination if requested by Lender, which determination shall take into consideration the period of time required to complete a foreclosure in the applicable jurisdiction, and any period of time in which Lender's action has been stayed or enjoined). Lender must also comply with the obligations in Paragraph 1(b)(iii) while the Acquisition is pending. Franchisor acknowledges and agrees that an Acquisition shall not be deemed a sale or lease of the Hotel under the Franchise Agreement, nor a violation of any control or transfer provisions of the Franchise Agreement, and shall not be subject to any right of first refusal or right of first offer contained in the Franchise Agreement.

(d) Franchisor's Rights to Terminate Franchise Agreement. Notwithstanding any other provision of this Comfort Letter, and without limiting Franchisor's ~~rights under~~right to terminate the Franchise Agreement, Franchisor may terminate the Franchise Agreement if any of the following occur: ~~(i)~~ (i)Franchisee's default or any subsequent default, in the sole opinion of Franchisor, damages the image or reputation of Franchisor or any brand name owned and/or licensed by Franchisor; (ii) Franchisor is required to terminate the Franchise Agreement by court order or action of any trustee in bankruptcy or debtor in possession of the Hotel; (iii) the Additional Period expires without other arrangements, satisfactory to Franchisor in its sole discretion, having been entered into between Franchisor and Lender~~,~~; or (iv), as

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applicable, Franchisor has the right to terminate the Franchise Agreement without cause under Section 3 of the Franchise Agreement.

(e) Expiration of Franchise Agreement. Nothing in this Comfort Letter will extend the Franchise Agreement beyond its stated Term.

2. Elections Upon Lender Acquisition.

(a) Election Not to Operate. If Lender completes its Acquisition before the expiration of the applicable time periods set forth in Paragraph 1, Lender may elect not to continue operating the Hotel under the terms of the Franchise Agreement. In such event, Lender must give written notice to Franchisor within thirty (30) calendar days after the Acquisition of its election not to operate. Upon receipt by Franchisor of such notice, Franchisor shall terminate the Franchise Agreement in accordance with the terms thereof.

Upon such termination of the Franchise Agreement pursuant to this Paragraph, Lender shall not be liable for any termination fees or liquidated damages for early termination. Lender shall be solely liable for all fees and obligations of Franchisee that accrued during the time period from the date of the Acquisition through the date of Lender's notice not to operate, and Lender shall be responsible for complying with the de-identification obligations contained in the Franchise Agreement.

(b) Election to Operate. If Lender completes its Acquisition before the expiration of the applicable time periods set forth in Paragraph 1 and Lender elects to continue operating the Hotel as a **«Contract_Brand» «Contract_Product»** hotel, Lender may, by notice and payment to Franchisor of an affiliation fee in the amount of $15,000 by no later than thirty (30) days after the Acquisition and, ~~elect to~~ enter into a new franchise agreement on Franchisor's then-current form. Lender and Franchisor will execute the new franchise agreement within thirty (30) days of Lender's Acquisition. Such franchise agreement shall be dated as of the later of (i) the date that Lender acquired the Hotel or (ii) the date that we sign the new franchise agreement. ~~Additionally, in connection with a new franchise agreement pursuant to this Paragraph 2(b)., Lender shall: (a) comply with any renovation or upgrading requirements that are set forth in the new franchise agreement, and (b) cure any quality, service, monetary or other deficiency in Franchisee's prior performance of obligations under the Franchise Agreement; however, Lender shall not be liable for any termination fees or liquidated damages. Lender will, within ten (10) business days after the request by Franchisor, provide Franchisor all information necessary for Franchisor to determine that Lender is not a Sanctioned Person as defined in Paragraph 10(a) herein. If Lender fails to timely execute and deliver to Franchisor the franchise agreement, Franchisor shall have the unrestricted right to terminate the Franchise Agreement.~~

The conditions contained in the Section 9 transfer provisions of the Franchise Agreement relevant to a new franchisee as determined appropriate by Franchisor shall apply with respect to the transfer to Lender, including but not limited to submission by Lender of its ownership structure, evidence of ADA compliance and evidence of insurance. Any renovation requirements imposed by Franchisor will not exceed those which Franchisor could have imposed had Franchisee remained as the Franchisee under the Franchise Agreement. Lender must diligently cure all defaults which it could not cure before the Acquisition under the terms of Paragraph 1(b), except for personal and non-curable defaults as defined below, within the time period determined by Franchisor based on the nature of the default and/or the condition of the Hotel at the time of Lender's Acquisition. The term "personal and non-curable defaults" as used in this Paragraph shall mean such defaults that (i) occurred before the date of Lender's Acquisition; (ii) are non-curable; (iii) are purely personal to Franchisee (*e.g.*, failure to provide adequate notice or past failure to maintain Franchisee's company status); and (iv) are unrelated to the operation of the Hotel. However, Lender shall not be liable for any termination fees or liquidated damages.

3. Receivership. If a receiver is appointed by court order to operate the Hotel, and Lender desires the Hotel to continue to be operated as a **«Contract_Brand» «Contract_Product»** hotel, Lender may, by notice and payment to Franchisor of a non-refundable $7,500 administrative fee within thirty (30) days of receiver's appointment and subject to Paragraph 2(b) above, elect to have receiver enter into an

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assumption of the franchise agreement on Franchisor's then-current form. The receiver must execute an assumption of the Franchise Agreement within thirty (30) days of receiver's appointment. Before Franchisor approves such assumption of the Franchise Agreement pursuant to this Paragraph 3, (i) Franchisor, Lender and receiver must reach agreement concerning the cure of any quality, service or other deficiencies in Franchisee's prior performance of its obligations under the Franchise Agreement, including any deficiencies under any other agreements with Franchisor and/or its affiliates relating to the Hotel but excluding liquidated damages; (ii) receiver must enter into an assumption of the Franchise Agreement containing all terms required by Franchisor, which will be dated as of receiver's possession date; and (iii) receiver must specifically be authorized by court order to operate the Hotel and enter into and comply with the agreements referenced in subsection (ii) above.

4. Notifications to Franchisor. Lender agrees to notify Franchisor: (i) contemporaneously with commencement of foreclosure proceedings regarding the Hotel; (ii) contemporaneously with the filing of any petition for appointment of a receiver, to obtain the entry of an order for relief, or take any action under federal or state bankruptcy laws or similar laws with regard to the Hotel; (iii) contemporaneously with the acceptance of a deed for the Hotel in lieu of foreclosure; and (iv) promptly, after taking ownership, possession or control of the Hotel, directly or indirectly, in any manner. Lender's notice to Franchisor must identify the court in which any such action referred to in subsection (i) or subsection (ii) is or will be filed. Lender shall promptly notify Franchisor in writing of the commencement by another party of foreclosure proceedings or the filing of an action for the appointment of a receiver or petition for relief under state or federal bankruptcy laws after Lender receives notice of commencement of such proceedings.

5. No Consent to Assignment of Franchise Agreement. Lender and Franchisee acknowledge and agree that any current and any future collateral assignment, pledge, grant of a security interest or other transfer to Lender or its Affiliates of any interest in the Franchise Agreement: (i) has not been and will not be consented to by Franchisor; (ii) does not and will not affect Franchisor's rights under the Franchise Agreement; (iii) does not and will not grant Lender or any person gaining ownership or possession of the Hotel any rights under the Franchise Agreement or with respect to the license granted thereunder, including the right to operate the Hotel as a **«Contract_Brand» «Contract_Product»** hotel; and (iv) is and will be limited by the terms and conditions of this Comfort Letter. If the Hotel is acquired by anyone other than Lender neither Lender nor Franchisee will have the right or authority to sell, convey, assign or in any manner transfer any rights under this Comfort Letter or under the Franchise Agreement without the prior written consent of Franchisor. Lender's only rights with respect to the Franchise Agreement and the license granted thereunder, including the right to operate the Hotel as a **«Contract_Brand» «Contract_Product»** hotel, are stated in this Comfort Letter.

6. Subsequent Sale. Any subsequent sale, assignment or transfer of the Hotel by Lender to a third party who desires to continue to operate the Hotel as a **«Contract_Brand» «Contract_Product»** Hotel must be in accordance with the transfer and assignment provisions of the Franchise Agreement, which require, among other things, submission of a relicensing application, payment of an affiliation fee, and payment of all amounts due to Franchisor. Franchisor will require the transfer applicant to sign the then-current form of franchise agreement, which will include a new property improvement plan.

7. No Claims. Franchisor may discuss with Lender or its designee the status of the Hotel, the Franchise Agreement, the terms of any agreement contemplated by this Comfort Letter and any of the matters to which Lender is entitled to notice. Franchisor and its respective owners, affiliates, agents, employees, officers, directors, successors, assigns and representatives ("Released Persons") shall not be liable to any person for taking any action or providing any information required or contemplated by this Comfort Letter ("Comfort Letter Acts") and Franchisee, on behalf of itself and its owners, affiliates, agents, officers, directors, employees, representatives, successors and assigns, hereby releases the Released Persons of and from any and all actions, causes of action, suits, claims, demands, contingencies, debts, accounts and judgments whatsoever, at law or in equity, for any Comfort Letter Acts.

8. Notices. All notices required under this Comfort Letter shall be in writing, sent by certified mail, return receipt requested, or by Federal Express or other national express delivery service and addressed, if

1 Choice Hotels Circle, Suite 400, Rockville, MD 20850
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to Lender, to:

Lender name Lender address Lender address
Attention: Lender contact/title if to

Franchisee, to:

«Customer_Customer_Name» «Licensee_Rep_Account_Billing_Address_Li»
«Licensee_Rep_Account_Billing_Address_Li1» «Licensee_Rep_Account_Billing_Address_Li2»
«Licensee_Rep_Account_City», «Licensee_Rep_Account_StateProvince»
«Licensee_Rep_Account_ZipPostal_Code» Attention: «Licensee_Rep_Contact»

If to Franchisor, to:

Choice Hotels International, Inc. 1
Choice Hotels Circle, Suite 400

Rockville, MD 20850 Attention:
Legal Department

Any notice sent pursuant to this Comfort Letter shall be deemed to be given three (3) days after mailing or on the next business day after such notice is deposited with a national express delivery service.

9. Franchisee Estoppel and Release. As consideration for this Comfort Letter relating to the Loan, Franchisee hereby:

(a) certifies to Franchisor that the Franchise Agreement is in full force and effect, and no default, claim, breach, offset, defense to full and strict enforcement, waiver, or estoppel (collectively, a "**Claim**"), or condition that could with passage of time, giving notice or otherwise become a Claim, currently exists or has existed against Franchisor under the Franchise Agreement~~.~~;

(b) agrees that this Comfort Letter will remain in full force and effect in favor of Lender with respect to the Loan, as the Loan may periodically be modified, amended, extended, supplemented, or restated~~.~~;

(c) agrees that this Comfort Letter was provided to Lender at Franchisee's request~~.~~; and

(d) fully and forever releases, discharges, and agrees to indemnify, defend, and hold harmless Franchisor, its predecessors, successors and assigns and each of their respective former and present officers, employees, directors, shareholders, partners, members, parents, subsidiaries, affiliates, alter egos, representatives, agents, and attorneys (collectively, the "Released Parties"), from any and all Claims, demands, liens, actions, agreements, suits, causes of action, obligations, controversies, debts, costs, attorney's fees, expenses, damages, judgments, orders, and liabilities of whatever kind or nature in law, equity, or otherwise, whether now known or suspected which have, may or do exist ("Released Claims"), based on any facts, events, or omissions occurring before the execution of this Comfort Letter which arise out of, concern, pertain, or relate in any way to the subject matter of this Comfort Letter. Franchisee acknowledges that it may hereafter discover Claims presently unknown or unsuspected, or facts in addition to or different from those which it now knows or believes to be true, with respect to the matters released by this Comfort Letter. Nevertheless, Franchisee fully and finally settles and releases all such matters, and all Claims relative thereto, which do now exist, may exist or have existed between the Released Parties and Franchisee.

10. Lender Estoppel and Release. As consideration for this Comfort Letter relating to the Loan, Lender hereby:

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(a) certifies to Franchisor that Lender is not a Sanctioned Person. "Sanctioned Person" means any person or entity (including financial institutions) who is: (i) or is controlled by or acting on behalf of the Government of any country subject to comprehensive U.S. sanctions in force and which currently include the Government of Cuba, Iran, North Korea, Sudan, and Syria ("Sanctioned Countries"); (ii) located in, organized under the laws of or ordinarily resident in Sanctioned Countries; and/or (iii) identified by any government or legal authority under applicable Trade Restrictions as a person with whom dealings and transactions by Lender and/or its affiliates are prohibited or restricted, including but not limited to persons designated under United Nations Security Council Resolutions, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") List of Specially Designated Nationals and Other Blocked Persons; the U.S. Department of State's lists of persons subject to non-proliferation sanctions; the European Union Financial Sanctions List; persons and entities subject to Special Measures regulations under Section 311 of the USA PATRIOT Act and the Bank Secrecy Act;

(b) agrees that this Comfort Letter shall remain in full force and effect in favor of Lender with respect to the Loan, as the Loan may periodically be modified, amended, ~~ext ended~~extended, supplemented or restated; ~~***if Lender is a party to the existing LCL, add:*** and certifies to Franchisor that no Claim or condition that could with the passage of time, giving notice or otherwise, become a Claim by or through Lender, currently exists or has existed against Franchisor under the existing comfort letter;~~and

(c) fully and forever releases and discharges the Released Parties from any and all Released Claims by or through Lender based on any facts, events, or omissions occurring before the execution of this Comfort Letter which arise out of, concern, pertain, or relate in any way to this Comfort Letter.

11. No Representations or Warranties. In no event shall this Comfort Letter or any other circumstances surrounding the provision of financing by Lender be construed to involve: (i) any representation by Franchisor that Franchisor endorses, approves, recommends or otherwise concurs in the financing; (ii) any guarantee or assurance by Franchisor that Franchisee or any other party to the Loan will be able to repay the Loan in accordance with its terms; (iii) any endorsement, approval, recommendation or concurrence in any financial projections submitted to Lender in connection with the Loan; or (iv) any endorsement, approval or recommendation of Franchisee's character or reputation. Franchisor's representation in the second paragraph of this Comfort Letter regarding the status of the Franchise Agreement pertains to the status of the Franchise Agreement as of the date of this Comfort Letter only. As a result, Lender acknowledges that Franchisor makes no representation that it has or has not issued any default notice after the date hereof, and Lender is not relying on any such representation (or absence of a representation) in making any decision or representation or warranty in connection with any material modification, securitization, or sale of the Loan.

12. Replacement Comfort Letter. Franchisor will issue a replacement comfort letter, substantially similar in form to Franchisor's then current comfort letter and then current fee if Lender (a)(i) appoints a third-party loan servicing agent to service the Loan, (ii) transfers the Loan to a successor mortgagee that is a financial institution in the business of routinely financing real estate transactions , or (iii) designates a trustee of a trust established in connection with the securitization of the Loan, provided that such transferee, designee, or appointee is not a Competitor, an affiliate of a Competitor, or a Person as defined in Section 19~~.~~(k) of the Franchise Agreement (the "Anti-Terrorism/Anti-Bribery Laws"), and is not an affiliate of Franchisee, and (b) Franchisor receives a written request to issue a replacement comfort letter within sixty ~~(60)~~ (60) days of the date of such appointment or transfer, setting forth the name, address of the entity for which the replacement comfort letter is requested, the name, address, telephone number and email address for the contact person for such entity, and the date of such appointment or transfer.

"Competitor" means an individual person who directly, or indirectly through an affiliate, owns or controls a hotel brand (or brands) and brands hotels through branded management, licensing and/or franchising (or similar means) for at least ten (10) hotels; provided, however, that a financial investor (such as an investment bank, private equity fund, pension fund, hedge fund or similar institution or any investor therein) shall not be deemed a competitor solely because of its financial investment in any competitor so long as

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either such financing investor is a passive investor or such financial investor is not actively involved in the day-to-day business operations of the brand and an appropriate and sufficient barrier is established to prevent such financial investor from receiving any confidential information of Franchisee, as ~~applica ble~~applicable. In addition, a bank or other institutional lender that provides commercial financing to a competitor shall not be deemed a competitor solely because in the ordinary course of business it has financed a competitor, whether or not such financing results in, or has the potential to result in, such lender having control of a competitor as a result of the enforcement of remedies in the applicable financing documents, provided that such lender does not assume active management of the day to day operations of such competitor. Franchisor reserves the right to require representations and warranties or certifications that the conditions in this Paragraph are satisfied prior to issuing any replacement comfort letter. Any such replacement comfort letter shall supersede and replace this Comfort Letter.

13. **Possession of the Hotel.** If Lender owns, controls or possesses the Hotel after termination of the Franchise Agreement for any reason and Lender has not entered into a franchise agreement with Franchisor pursuant to Paragraph 2(b) herein, Lender will (i) upon Franchisor's request immediately perform the requirements of the Franchise Agreement with respect to de-identifying the Hotel as a **«Contract_Brand» «Contract_Product»** hotel and (ii) indemnify, defend and hold harmless Franchisor and its affiliates from and against any loss, claim or other liability of any kind arising from or in connection with the operation of the Hotel as a **«Contract_Brand» «Contract_Product»** hotel during such ownership, control or possession. Lender's obligations under this Paragraph shall survive termination of this Comfort Letter, and nothing herein shall limit Franchisor's rights to seek legal redress for any unauthorized use of Franchisor's trademarks, service marks, or systems.

14. **Termination.** This Comfort Letter shall terminate and Lender shall have no rights hereunder if:

(i) Lender has been taken over in any manner by any state or federal agency or is in a receivership, conservatorship, reorganization, or liquidation, or Lender or any of its officers or directors has entered into or is subject to a cease and desist order or any other formal or informal written agreement with a federal or state regulatory agency;

(ii) Lender no longer holds a valid first mortgage or security deed for the Hotel unless (a) Lender has acquired the Hotel by foreclosure, deed in lieu of foreclosure, or any other exercise of its rights as a secured lender, in which case Lender will have the rights stated in Paragraph 2 for the period stated in such Paragraph, or (b) there has been a securitization or transfer of the Loan, in which case Lender will have the rights stated in Paragraph 12 for the period stated in such Paragraph;

(iii) the Franchise Agreement has expired ~~by~~or the Franchisee has exercised its ~~terms~~right to terminate;

(iv) the Franchise Agreement has been terminated, unless such a termination is the result of the timely exercise of Lender's rights under Paragraph 2 or Paragraph 3, in which case this comfort letter will terminate on the exercise or expiration of such rights, but in no event later than forty-five (45) days after such termination of the Franchise Agreement; or

(v) Lender breaches this Comfort Letter.

15. **Confidentiality**. You agree to keep the grant of modifications contained in the Comfort Letter in strict confidence and to not disclose them to any persons other than your directors, officers, partners, employees, agents and advisors who have a need to know for the sole purpose of the servicing, sale, administration, or securitization of the Loan. Any unauthorized disclosure is a default under the terms of the Comfort Letter, and we may, at our option, immediately terminate the Comfort Letter upon notice to you. The modifications outlined in this Comfort Letter are for the Hotel only and do not indicate that other hotels owned by you or by others will receive similar modifications. You acknowledge and agree that nothing in the

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Comfort Letter prohibits us from disclosing the terms of the Comfort Letter to any vendors, lenders, or other third parties as we determine in our reasonable discretion.

16. Final Agreement. Except as otherwise expressly set forth, this Comfort Letter is the final integration of the agreements between the parties with respect to the matters covered by it and supersedes any prior understanding or agreement, oral or written, with respect to the matters covered by the Comfort Letter.

17. Effectiveness. Franchisor shall have no obligations hereunder unless Lender and Franchisee have executed and delivered to the other parties this Comfort Letter, which may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes and all of ~~whi ch~~which shall constitute, collectively, one and the same letter agreement. Delivery of an executed signature page to this Comfort Letter by electronic transmission is as effective as delivery of an original signed counterpart. This Comfort Letter is effective as of the date the Franchisor signs the letter agreement. Franchisor's offer to enter into this Comfort Letter will be automatically withdrawn if (i) Franchisor does not receive signed copies from lender and Franchisee within 30 days of the date on page 1 herein, or (ii) Franchisor does not receive proof of the date of Loan closing within 60 days of the date on page 1 herein.

~~***** if hotel is executed NYO repositioning brand, add the following:*** the Hotel opens as the [repo] brand. And delete "Franchisor signs the letter agreement."~~

Very truly yours,

CHOICE HOTELS INTERNATIONAL, INC.

By: _____
Name: ~~Christopher J. Wallace~~Iris Figueroa Rosario
Title: ~~Vice President and Assistant General~~Senior Counsel

Date: ~~_____~~_____

(signatures continue on following page)

FRANCHISEE:

«Customer_Customer_Name»

~~**«Customer_Customer_Name»**~~

By:~~_____~~_____ Name: Title:

Date:~~_____~~_____

LENDER:

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(301) 592-5000

By:_____

Name:_____

Title:_____

Date:_____

1 Choice Hotels Circle, Suite 400, Rockville, MD 20850

(301) 592-5000

EXHIBIT P

CHOICE HOTELS OWNERS COUNCIL

Cassandra Hill Executive Director
4200 Morganton Rd Ste 200-13, Fayetteville NC 28314 Phone: 910-778-2456 Fax: 910-568-4110 Email: execdir@choicehotelsownerscouncil.com

EXHIBIT Q

~~MAIN STAY~~

MAINSTAY SUITES FRANCHISES OPEN AND OPERATING AS OF DECEMBER 31, ~~2020~~2021

AZ260	NAZIR ALAM	851 North Henness Road	Casa Grande	Arizona	85122	(520) 426-1177
AR294	EC HOSPITALITY, LLC	206 Hwy 274	Camden	Arkansas	71701	(870) 231-3816
AR~~158-04~~158	~~NWA HOSPITALITY~~SC PETROLEUM, LLC	301 South 45th Street	Rogers	Arkansas	72758	(479) 636-3232
~~AR294-02~~	~~EC HOSPITALITY , LLC~~	~~206 Hwy 274~~	~~Camden~~	~~Arkansas~~	~~71701~~	~~(870) 231-3816~~
~~AZ260-08~~	~~DORO ARIZONA, LLC~~	~~851 North Henness Road~~	~~Casa Grande~~	~~Arizona~~	~~85122~~	~~(520) 426-1177~~
CA~~753-02~~753	FUN HOTELS, LLC	2354 South Fourth Street	El Centro	California	92243	(760) 970-4183
CO464	GCMS Lodging Partners, LLC.	6780 S Galena St	Centennial	Colorado	80112	(303) 792-5393
CO~~318-01~~318	US MOTELS FEDERAL, LLC	620 Federal Blvd.	Denver	Colorado	80204	(720) 531-3510
CO~~337-01~~337	TOWER ROAD LODGING, LLC	5980 Tower Road	Denver	Colorado	80249	(720) 920-9681
CO~~377-01~~377	LUKE ALBERT AND JENNIE ALBERT	1260 Escalante Drive	Durango	Colorado	81303	(970) 403-1350
~~CO464-01~~	~~GCMS Lodging Partners, LLC~~ ~~GCMS Lodging Partners,~~	~~6780 S Galena St~~	~~Centennial~~	~~Colorado~~	~~80112~~	~~(303) 792-5393~~
CT~~184-01~~184	GCMS Lodging Partners, LLC.	1151 E. Main Street	Meriden	Connecticut	06450	(203) 379-5048
DE~~033-03~~033	EAGLE HOSPITALITY GROUP, LLC ~~TWC PORT SAINT LUCIE~~	201 Stover Blvd	Dover	Delaware	19901	(302) 678-8383
FLG54	GCMS Lodging Partners, LLC.	644 Raymond Avenue	Altamonte Springs	Florida	32701	(407) 767-5757
FL799	DAVID & PATRICIA WARRINER	3951 East Hwy 98	Port Saint Joe	Florida	32456	(850) 387-2049
FL~~156-06~~156	TWC PORT SAINT LUCIE LLC	8501 Champions Way	Port Saint Lucie	Florida	34986	(772) 460-8882
GAC09	HARE KRISHNA COLUMBUS HOTEL, LLC	3662 Victory Drive	Columbus	Georgia	31903	(706) 405-7521

~~FL799-01~~	~~DAVID & PATRICIA WARRINER~~	~~3951 East Hwy 98~~	~~Port Saint Joe~~	~~Florida~~	~~32456~~	~~(850) 387-2049~~
~~FLB78-02~~	~~RELAX HOSPITALITY, LLC~~	~~7230 Plantation Road~~	~~Pensacola~~	~~Florida~~	~~32504~~	~~(850) 479-1000~~
~~FLG54-01~~	~~GCMS Lodging Partners, LLC~~	~~644 Raymond Avenue~~	~~Altamonte Springs~~	~~Florida~~	~~32701~~	~~(407) 767-5757~~
GA~~946-01~~946	LOVE'S HOSPITALITY, LLC	146 Old Allatoona Rd. SE	Emerson	Georgia	30121	(678) 792-0739
GAA~~08-03~~08	EBR RSD LLC	3 Amlajack Blvd.	Newnan	Georgia	30265	(678) 673-6305
~~GAC09-01~~	~~HARE KRISHNA COLUMBUS HOTEL, LLC~~	~~3662 Victory Drive~~	~~Columbus~~	~~Georgia~~	~~31903~~	~~(706) 687-7510~~
~~IA079-03~~	~~ROSEWOOD HOTELS IA LLC~~	~~1275 Associates Dr.~~	~~Dubuque~~	~~Iowa~~	~~52002~~	~~(563) 557-7829~~
~~IA089-02~~	~~SAI DREAM, LLC~~	~~5145 Rockwell Drive NE~~	~~Cedar Rapids~~	~~Iowa~~	~~52402~~	~~(319) 363-7829~~
~~IA152-07~~	~~RIVERSIDE HOTELS, INC. HART FAMILY HOTELS~~	~~2491 Holiday Road~~	~~Coralville~~	~~Iowa~~	~~52241~~	~~(319) 625-2200~~
~~IA231-02~~	~~WAUKEE, LLC~~	~~2885 Grand Prairie Prkwy.~~	~~Waukee~~	~~Iowa~~	~~50263~~	~~(515) 987-6678~~
ID~~081-01~~081	IDAHO PROGRESS OF CDA, LLC	702 W. Appleway Avenue	Coeur D' Alene	Idaho	83814	(208) 292-2990
IL~~646-01~~646	GCMS Lodging Partners, LLC.	2875 Greenspoint Parkway	Hoffman Estates	Illinois	60169	(847) 490-1686
IL609	VISHAL THAKKAR	17W710 22nd Street	Oakbrook Terrace	Illinois	60181	(630) 748-8383
IL~~647-01~~647	GCMS Lodging Partners, LLC.	1200 E Bank Drive	Schaumburg	Illinois	60173	(847) 517-7644
IL~~648-01~~648	GCMS Lodging Partners, LLC.	8000 Capital Drive	Wheeling	Illinois	60090	(847) 520-1684
IN~~490-03~~490	SPRING VALLEY PROPERTIES, LLC	7834 Progress Way	Newberry	Indiana	47449	812-863-2520

IA089	SAI DREAM, LLC	5145 Rockwell Drive NE	Cedar Rapids	Iowa	52402	(319) 363-7829
IA152	RIVERSIDE HOTELS, INC.	2491 Holiday Road	Coralville	Iowa	52241	(319) 625-2200
IA079	ROSEWOOD HOTELS IA LLC	1275 Associates Dr.	Dubuque	Iowa	52002	(563) 557-7829
IA231	HART FAMILY HOTELS-WAUKEE, LLC	2885 Grand Prairie Prkwy.	Waukee	Iowa	50263	(515) 987-6678
KS314	CANDLEPOINT EMPORIA, LLC	2602 Candlewood Dr	Emporia	Kansas	66801	(620) 343-7756
KY~~313-02~~313	LAXMI HOTELS, LLC	554 Corvette Drive	Bowling Green	Kentucky	42101	(270) 904-9400
KY327	AMIT PATEL	407 Cherry Blossom Way	Georgetown	Kentucky	40324	(502) 735-4725
KY~~371-01~~371	GCMS Lodging Partners, LLC.	11762 Commonwealth Drive	Louisville	Kentucky	40299	(502) 261-0085
LA472	Narayani Hotel, LLC	246 Rushing Road W	Denham Springs	Louisiana	70726	(225) 271-0300
~~LA197-02~~	~~BB & H INVESTMENT GROUP, LLC~~	~~1650 Grand Caillou Road~~	~~Houma~~	~~Louisiana~~	~~70363~~	~~(985) 746-1018~~
LA~~318-02~~318	AUM INVESTMENTS, LLC.	37090 Market Center Blvd.	Geismar	Louisiana	70734	(225) 402-4401
LA~~346-01~~346	DON A. MCMATH ET AL	700 Main Street	Hackberry	Louisiana	70645	(337) 762-3128
LA197	BB & H INVESTMENT GROUP, LLC	1650 Grand Caillou Road	Houma	Louisiana	70363	(985) 746-1018
MD~~126-04~~126	OM HOSPITALITY LLC	7310 Executive Way	Frederick	Maryland	21704	(301) 668-4600
MI~~563-01~~563	GCMS Lodging Partners, LLC.	1650 N Opdyke Road	Auburn Hills	Michigan	48326	(248) 373-3342
MI~~564-01~~564	GCMS Lodging Partners, LLC.	37555 Hills Tech Drive	Farmington Hills	Michigan	48331	(248) 536-6600
MI551	Alpine Village Hospitality, LLC	831 West Main Street	Gaylord	Michigan	49735	(989) 217-9700
MS280	JASON WOOD & BRYCE TURNAGE	901 1st Avenue East	Meridian	Mississippi	39301	(601) 481-1001
MO385	AIRPORT HOSPITALITY, LLC	11225 Lone Eagle Dr.	Bridgeton	Missouri	63044	(314) 528-5550
MO~~206-01~~206	EHRHARDT'S LEBANON, LLC ~~AIRPORT HOSPITALITY,~~	227 St. Robert Boulevard	Saint Robert	Missouri	65584	(573) 451-2700
~~MO385-03~~	~~LLC~~	~~11225 Lone Eagle Dr.~~	~~Bridgeton~~	~~Missouri~~	~~63044~~	~~314-266-1787~~
~~MS280-~~	~~JASON WOOD & BRYCE TURNAGE~~	~~901 1st Avenue East~~	~~Meridian~~	~~Mississippi~~	~~39301~~	~~(601) 481-1001~~

01						
MT095-01	WAG PROPERTIES, LLC	1000 3rd Street NW	Sidney	Montana	59270	(406) 488-1000
MT109-02109	Great Falls SI/MS Hotel LLC	520 Country Club Blvd.	Great Falls	Montana	59404	(406) 761-4600
MT095	WAG PROPERTIES, LLC	1000 3rd Street NW	Sidney	Montana	59270	(406) 488-1000
NE131	HERITAGE HOSPITALITY, INC.	3051 S. Locust Street	Grand Island	Nebraska	68801	(308) 646-2091
NE145	FOLKWAYS HOSPITALITY, LLC	2803 Folkways Boulevard	Lincoln	Nebraska	68504	(402) 438-0222
NE206	GCMS Lodging Partners, LLC.	360 S. 108th Avenue	Omaha	Nebraska	68154	(402) 758-2848
NM266	LEE ADAMS, ET. AL.	3621 San Jose Blvd.	Carlsbad	New Mexico	88220	(575) 689-2120
NM199	HEMAL PATEL ET AL	2700 West Scenic Drive	Hobbs	New Mexico	88240	(575) 318-2347
NC365-02	WILMINGTON DEVELOPMENT COMPANY	5229 Market Street	Wilmington	North Carolina	28405	9103921741
NC615-02	HOTELS DE ESTADIA EXTENDIDA 2, LLC	2201 N. Marine Blvd.	Jacksonville	North Carolina	28546	(910) 219-1238
NC994-01994	GCMS Lodging Partners, LLC.	5840 Westpark Drive	Charlotte	North Carolina	28217	(704) 529-7500
NC995-01995	GCMS Lodging Partners, LLC.	7623 Thorndike Road	Greensboro	North Carolina	27409	(336) 454-0078
NC615	HOTELS DE ESTADIA EXTENDIDA 2, LLC	2201 N. Marine Blvd.	Jacksonville	North Carolina	28546	(910) 219-1238
NC996-01996	GCMS Lodging Partners, LLC.	1020 Buck Jones Road	Raleigh	North Carolina	27606	(919) 468-4222
NC365	WILMINGTON DEVELOPMENT COMPANY	5229 Market Street	Wilmington	North Carolina	28405	9103921741
ND050	FEBCO, INC.	2507 N. 9th Street	Bismarck	North Dakota	58503	(701) 223-9119
ND028-01028	Christianson Companies, Inc MINOT HOSPITALITY	1901 44th Street SW	Fargo	North Dakota North	58103	(701) 277-4627
ND049-02049	MINOT HOSPITALITY PARTNERS, LLC	1212 31st Avenue, SW	Minot	North Dakota	58701	(701) 639-0805
ND050-	FEBCO, INC.	2507 N. 9th Street	Bismarck	North Dakota	58503	(701) 223-9119

~~01~~						
ND096	~~26TH STREET~~STANLEY HOTEL SUITES, LLC	604 Westview Lane	Stanley	North Dakota	58784	(701) 628-6246
~~ND053-02~~	~~HOSPITALITY, LLP~~	~~200 26th Street East~~	~~Williston~~	~~Dakota~~	~~58801~~	~~(701) 850-8074~~
~~ND069-02~~	~~WATFORD CITY HOTEL PARTNERS, LLC~~	~~222 Prairie Hills Rd.~~	~~Watford City~~	~~North Dakota~~	~~58854~~	~~(701) 566-7664~~
ND~~070-03~~070	TIOGA HOTEL SUITES, LLC	6727 North Dakota Highway 40	Tioga	North Dakota	58852	(701) 664-8000
ND069	WATFORD CITY HOTEL PARTNERS, LLC	222 Prairie Hills Rd.	Watford City	North Dakota	58854	(701) 566-7664
ND053	26TH STREET HOSPITALITY, LLP	200 26th Street East	Williston	North Dakota	58801	(701) 850-8074
~~NE131-02~~	~~HERITAGE HOSPITALITY, INC.~~	~~3051 S. Locust Street~~	~~Grand Island~~	~~Nebraska~~	~~68801~~	~~(308) 646-2091~~
~~NE145-02~~	~~FOLKWAYS HOSPITALITY, LLC GCMS Lodging Partners,~~	~~2803 Folkways Boulevard~~	~~Lincoln~~	~~Nebraska~~	~~68504~~	~~(402) 438-0222~~
~~NE206-01~~	~~LLC~~	~~360 S. 108th Avenue~~	~~Omaha~~	~~Nebraska~~	~~68154~~	~~(402) 758-2848~~
~~NM199-01~~	~~HEMAL PATEL ET AL~~	~~2700 West Scenic Drive~~	~~Hobbs~~	~~New Mexico~~	~~88240~~	~~(575) 318-2347~~
~~NM266-01~~	~~LEE ADAMS, ET. AL.~~	~~3621 San Jose Blvd.~~	~~Carlsbad~~	~~New Mexico~~	~~88220~~	~~(575) 689-2120~~
~~OH707-03~~	~~HOCKING HILLS HOSPITALITY, LLC~~	~~12830 Grey Street~~	~~Logan~~	~~Ohio~~	~~43138~~	~~(740) 331-4811~~
					~~43235-~~	
~~OH778-02~~	~~AD HOSPITALITY LLC~~	~~7272 Huntington Park Dr~~	~~Columbus~~	~~Ohio~~	~~5718~~	~~(614) 885-1557~~
	~~GCMS Lodging Partners,~~					
OH~~818-01~~818	GCMS Lodging Partners, LLC.	10665 Techwood Circle	Blue Ash	Ohio	45242	(513) 733-0100
OH721	2347 READING ROAD, LLC	2347 Reading Road	Cincinnati	Ohio	45202	(513) 579-4131
					43235-	
OH778	AD HOSPITALITY LLC	7272 Huntington Park Dr	Columbus	Ohio	5718	(614) 885-1557
OH707	HOCKING HILLS HOSPITALITY, LLC	12830 Grey Street	Logan	Ohio	43138	(740) 331-4811
OH837	Radhekrish LLC	7325 Engle Rd	Middleburg Heights	Ohio	44130	(440) 816-9300

OK~~323-01~~323	BRICKTOWN OKC JOSEPH INVESTMENTS, LLC	929 E. Reno Avenue	Oklahoma City	Oklahoma	73104	(405) 600-7868
PA887	CUMBERLAND COUNTY HOSPITALITY LLC	1405 Dennison Circle	Carlisle	Pennsylvania	17015	(717) 906-5600
PA917	KAUTILYA CLARION HOTEL LLC.	151 Hotel Drive	Clarion	Pennsylvania	16214	(814) 989-1600
PA547	TRIPLE DIAMOND, INC.	105 Kelley Court	Grantville	Pennsylvania	17028	(717) 469-1051
PA302	ALL NK MAIN LLC	314 Primrose Lane	Mountville	Pennsylvania	17554	(717) 285-2500
PA~~069-03~~069	SHIV HOSPITALITY, LLC	1000 Park Lane Drive	Pittsburgh	Pennsylvania	15275	(412) 490-7343
~~PA302-02~~	~~ALL NK MAIN LLC~~	~~314 Primrose Lane~~	~~Mountville~~	~~Pennsylvania~~	~~17554~~	~~(717) 285-2500~~
~~PA547-02~~	~~TRIPLE DIAMOND, INC.~~	~~105 Kelley Court~~	~~Grantville~~	~~Pennsylvania~~	~~17028~~	~~(717) 469-1051~~
PA~~858-01~~858	MILLENNIUM HOSPITALITY ENTERPRISE, LLC	180 Gamma Drive	Pittsburgh	Pennsylvania	15238	(412) 963-0600
SC663	GM Hospitality Inc	1819 West Lucas Street	Florence	South Carolina	29501	(843) 942-6340
SC~~026-04~~026	LQ HOTEL GROUP, LLC	2671 Dry Pocket Rd	Greer	South Carolina~~-South~~	29650	(864) 342-7009
SD~~100-01~~100	OUTFITTER LODGING, LLC	3321 Outfitter Road	Rapid City	South Dakota	57703	(605) 719-5151
TN287	VSTAR HOSPITALITY, LLC	361 Fountain View Circle	Alcoa	Tennessee	37701	(865) 379-7799
	~~BRENTWOOD BLVD.~~					
TN~~069-04~~069	~~HOTEL DEV~~VINAYAK, LLC	107 Brentwood Blvd	Brentwood	Tennessee	37027	(615) 371-8477
~~TN075-02~~	~~TO BE FORMED~~	~~410 Pine Mountain Road~~	~~Pigeon Forge~~	~~Tennessee~~	~~37863~~	~~(865) 428-8350~~
TN~~271-04~~271	DHG INCORPORATED	7030 Amin Drive	Chattanooga	Tennessee	37421	(423) 485-9424
~~TN287-03~~	~~HAMISTER HOSPITALITY ALCOA LLC KISHOR TAILOR AND RAJ~~	~~361 Fountain View Circle~~	~~Alcoa~~	~~Tennessee~~	~~37701~~	~~(865) 379-7799~~
TN~~565-01~~565	KISHOR TAILOR AND RAJ TAILOR	144 Merchants Drive	Knoxville	Tennessee	37912	(865) 247-0222
TN955	LEBANON ASCEND HOSPITALITY, INC	150 S Eastgate Court	Lebanon	Tennessee	37090	(615) 449-7005
TN851	GARY PHARO	130 John R Rice Blvd.	Murfreesboro	Tennessee	37129	(615) 904-6868

TN~~773-02~~773	HOOSIER CREEK HOSPITALITY, LLC	1111 Blue Heron Lane	Union City	Tennessee	38261	(731) 599-7272
TXN15	Arka Hotels Group LLC	15200 Addison Road	Addison	Texas	75001	(972) 386-4800
TXG62	PRAMUKHARI BIGSPRING LLC	306 NE 12th Street	Big Spring	Texas	79720	(432) 606-5117
TXG15	COTULLA HOSPITALITY, LLC	565 N. IH35	Cotulla	Texas	78014	(830) 483-5566
TXH44	BINNING HOSPITALITY, LLC	4001 S. Closner Blvd	Edinburg	Texas	78539	(956) 318-1117
TXK98	FORT STOCKTON ENTERPRISES, LLC	3401 W Dickinson Blvd	Fort Stockton	Texas	79735	432-360-2010
TX~~933-03~~933	MEDICAL CENTER HOSPITALITY, LLC	3134 Old Spanish Trail	Houston	Texas	77054	(832) 201-3131
TXJ04	35 DANIELDALE, LLC	3508 N I-35E	Lancaster	Texas	75134	(469) 993-2045
~~TX975-01~~	~~PLEASURE HOSPITALITY, LLC~~	~~7648 Memorial Blvd.~~	~~Port Arthur~~	~~Texas~~	~~77642~~	~~(409) 729-8880~~
~~TXG03-01~~	~~PERMIAN BASIN HOSPITALITY, LLC~~	~~1801 S. Highway 385~~	~~Odessa~~	~~Texas~~	~~79766~~	~~(432) 332-1010~~
~~TXG15-01~~	~~COTULLA HOSPITALITY, LLC~~	~~565 N. IH35~~	~~Cotulla~~	~~Texas~~	~~78014~~	~~(830) 483-5566~~
TXG~~18-01~~18	JASON KELBY MCCALL	2409 North Timberland Drive	Lufkin	Texas	75904	(936) 630-4601
~~TXG62-02~~	~~PRAMUKHARI BIGSPRING LLC~~	~~306 NE 12th Street~~	~~Big Spring~~	~~Texas~~	~~79720~~	~~(432) 606-5117~~
TXG~~63-02~~63	SAMSA HOSPITALITY, LLC	2500 South Lamesa Road	Midland	Texas	79701	(432) 614-4524
~~TXH44-01~~ TXG03	~~BINNING~~PERMIAN BASIN HOSPITALITY, LLC	~~4001 S. Closner Blvd~~1801 S. Highway 385	~~Edinburg~~Odessa	Texas	~~78539~~ 79766	~~(956) 318-1117~~ (432) 332-1010
TX975	PLEASURE HOSPITALITY, LLC	7648 Memorial Blvd.	Port Arthur	Texas	77642	(409) 729-8880
~~TXJ04-01~~	~~35 DANIELDALE, LLC FORT STOCKTON~~	~~3508 N I-35E~~	~~Lancaster~~	~~Texas~~	~~75134~~	~~(469) 993-2045~~
~~TXK98-01~~	~~ENTERPRISES, LLC~~	~~3401 W Dickinson Blvd~~	~~Fort Stockton~~	~~Texas~~	~~79735~~	~~432-360-2010~~
UT~~207-03~~207	~~JPK TR~~IW MOAB ~~II~~, ~~LLC~~LC	356 South Main Street	Moab	Utah	84532	(435) 355-0910

UT~~269-01~~269	GCMS Lodging Partners, LLC.	6990 S. Park Centre Drive	Salt Lake City	Utah	84121	(801) 567-0111
VA~~342-02~~342	INN AT VALLEY VIEW BOULEVARD, LLC ~~SUNRISE INVESTMENT~~	5080 Valley View Blvd.	Roanoke	Virginia	24012	(540) 527-3030
VA~~577-03~~577	SUNRISE INVESTMENT GROUP, LLC	814 Capitol Landing Road	Williamsburg	Virginia	23185	(757) 229-0200
WA~~323-02~~323	H&H HOSPITALITY SPOKANE LLC	3809 S. Geiger Boulevard	Spokane	Washington	99224	(509) 315-8933
WV161	HARDING HOSPITALITY, INC.	1211 Liberty Park Drive	Hurricane	West Virginia	25526	304-397-3200
WI~~284-01~~284	BELTLINE HOTEL PARTNERS II, LLC	4802 Tradewinds Parkway	Madison	Wisconsin	53718	(608) 221-8100
~~WV161-02~~	~~HARDING HOSPITALITY, INC.~~	~~1211 Liberty Park Drive~~	~~Hurricane~~	~~West Virginia~~	~~25526~~	~~304-397-3200~~
WY~~074-02~~074	~~DEVELOPMENT~~2013 CASPER INVESTMENT, LLC	551 Granite Peak Drive	Casper	Wyoming	82609	(307) 472-7829

EXECUTED MAINSTAY SUITES FRANCHISE AGREEMENTS THAT WERE NOT YET OPEN AS OF DECEMBER 31, 2021

AL625	Madison Hotel Group, LLC	319-A Hwy. 75 North	Albertville	Alabama	35951
AL661	Vijay Patel	4500 Ashe Drive	Huntsville	Alabama	35802
AL633	PATEL INVESTMENTS LLC	4501 McFarland Blvd. E.	Tuscaloosa	Alabama	35405
AL647	Vines Holdings LLC	525 Black Bears Way	Tuscaloosa	Alabama	35401
AZ579	Parminder Singh	24224 North 62nd Drive	Glendale	Arizona	85310
AR323	MANUJ JAIN	1113 Wren Drive	Rogers	Arkansas	72756
OR316	CHARAN DHALIWAL	301 S 45th St	Rogers	Arkansas	72758
AZ502	UDEYVIR VIRK		Clovis	California	93613
CAJ14	Dos3srk Investment LLC	1102 S. Main Street, Suite A	Corona	California	92881
CAJ29	Kaushik Patel	1102 S. Main Street, Suite A	Corona	California	92881
CAJ49	Kaushik Patel	1102 S. Main Street, Suite A	Corona	California	92881
CAJ56	Kaushik Patel	1102 S. Main Street, Suite A	Corona	California	92881
CAJ51	Arpinder Dhaliwal and Khusminder Dhaliwal	6569 N Riverside Drive #102305	Fresno	California	93722

AZ509	EQUINOX HOTEL MANAGEMENT, INC.	400 Spear Street Suite103	San Francisco	California	
CAH05	EQUINOX HOTEL MANAGEMENT, INC.	400 Spear Street Suite103	San Francisco	California	
CA701	Paradigm 8805 Orion, LLC	2701 Hotel Ter	Santa Ana	California	92705
CO331	Platinnum Hospitality LLC	6201 CR.107 South	Alamosa	Colorado	81101
CO428	MUHAMMAD CHOUDHRY AND ISHRAT CHOUDHRY	27755 E. Moraine Drive	Aurora	Colorado	80016
AZ529	ORIN SOLOMON	PO Box 1325	Bear	Delaware	19701
MD346	ORIN SOLOMON	PO Box 1325	Bear	Delaware	19701
MD323	KW OCEAN CITY LLC	10 Wigeon Place	Camden-Wyoming	Delaware	19934
FLF43	DAVID WU	3999 Stefani Rd.	Cantonment	Florida	32533
FLG69	FREDRIC WASHINGTON	10010 Belle Rive Boulevard #409	Jacksonville	Florida	32256
FLG52	FREDRIC E. WASHINGTON	10010 Belle Rive Boulevard #409	Jacksonville	Florida	32256
FLG71	FREDRIC WASHINGTON	10010 Belle Rive Boulevard #409	Jacksonville	Florida	32256
FLF52	JUBILEE HOTELS, LLC	1920 SW 12th Ave	Ocala	Florida	34471
FLG06	CHIH YUAN YU AND HUILING LI	1514 lake whitney drive	windermer	Florida	34786
FLG30	JOHN WEBB	1090 Bay Pointe Crossing	Alpharetta	Georgia	30005
GAB32	Sims GC Hotel LLC	103 South Godley Station Boulevard, Suite 201	Pooler	Georgia	31322
GAC34	Capitol Center Partners LLC	285 Country Club Drive	Stockbridge	Georgia	30281
GAB81	TUSHAR PATEL	9785 Rome Blvd	Summerville	Georgia	30730
TN889	GMS HOTELS, LLC	100 Walnut Hall Circle	Woodstock	Georgia	30189
IN526	MICHAEL HICKS	1536 I Street	Bedford	Indiana	47421
IA265	KALPESH PATEL	5050 Merle Hay Rd	Johnston	Iowa	50131
IA291	VKB MANAGEMENT LLC	5050 Merle Hay Rd	Johnston	Iowa	50131
CO387	TROY M. HART	10 11th Street SE	Spencer	Iowa	51301
CO448	TROY HART	10 11th Street SE	Spencer	Iowa	51301
IA255	TROY HART	10 11th Street SE	Spencer	Iowa	51301
IA267	TROY HART	10 11th Street SE	Spencer	Iowa	51301
UT234	TROY HART	10 11th Street SE	Spencer	Iowa	51301
WI392	Hart Family Hotels, Inc.	10 11th Street SE	Spencer	Iowa	51301
WY136	TROY HART	10 11th Street SE	Spencer	Iowa	51301
FLG73	DON ERSHIG	1800 N. Green St.	Henderson	Kentucky	42420
KY153	LEXINGTON FP, LLC	222 East Witherspoon Street	Louisville	Kentucky	40202
KY374	PRATEEK GUPTA & RAJESH KRISHNANI	1100 Bellewood Avenue	Louisville	Kentucky	40223
KY368	HRS BROOKS INC	2313 Claymore Circle	Lousiville	Kentucky	40245
LA456	Jiten Patel	405 Thomas Road	West Monroe	Louisiana	71292
ME094	Giri Saco, Inc.	48 Industrial Park Road	saco	Maine	04072

ME087	NEW GEN HOLDING CO, LLC	675 Main St	South Portland	Maine	04106
AL610	IRVING MCCONNELL, ET AL	8400 Corporate Drive	Landover	Maryland	20785
NC956	TLC HOSPITALITY GROUP, LLC	15316 Camberley Pl	Upper Marlboro	Maryland	20774
RI044	D&M LLC	92 Faunce Corner Rd. Suite 160	North Dartmouth	Massachusetts	02747
MI589	Catt's Realty Company	829 West Main Street	Gaylord	Michigan	49735
MI476	SI TRAVERSE LIMITED PARTNERSHIP	461 Munson Avenue	Traverse City	Michigan	49868
SD136	STANLEY WESTLAND AND ERIC SELJESKOG	2806 Campus Lane	Albert Lea	Minnesota	56007
MO493	YASHODA HOTELS, LLC	13040 NW Oakview Drive	Platte City	Missouri	64079
MO471	ERIC SHUSTER	1717 E. Thoroughfare Drive	Republic	Missouri	
MO523	Hart Family Hotels, Inc	16565 Crestfield Drive	Omaha	Nebraska	68136

FLH45	UHB Development LLC	77 Village Drive	Skillman	New Jersey	08558
NM294	CSB ENTERPRIZES, LLC	2023 Bio Circle	Crownpoint	New Mexico	87313
NE170	EADM PROPERTIES, LLC	3820 East Highway 66	Gallup	New Mexico	87301
NM296	BRUCE HALEY ET AL	1605 N Garden Ave	Roswell	New Mexico	88201
NY703	RATAN REALTY, LLC	501 East Main Street	Bay Shore	New York	11706
VA818	PRIME PROPERTY HOLDINGS LLC	4 Augusta Court	Mt Sinai	New York	11766
NY867	Paramount Hospitality, LLC	8942 Porter Rd.	Niagara Falls	New York	14304
NY737	Rani Sajnani		Poughkeepsie	New York	12602
NY824	MOHAWK HOSPITALITY GROUP, LLC	168 Sacandaga Road	Schenectady	New York	12302
SC640	ANAYA RENEE BROADNAX HOTELS, LLC	13940 Claysparrow Road	Charlotte	North Carolina	28278
NCA09	LINDER VENTURES III, LLC	9 Clubview Court	Greensboro	North Carolina	27410
NCA22	Fairgrove Inn Inc	1903 Riverside Blvd	Lumberton	North Carolina	28358
NCA25	Wisely CIS, inc.	2361 U.S. 1	Norlina	North Carolina	27563
NC986	CHEROKEE HOTEL COLLECTION LLC	556 Falls Circle	Sylva	North Carolina	
OH787	WALTER FISHBURN	5012 State Route 229	Marengo	Ohio	43334
OH759	CEBERT E. NEWSOME, II		Minford	Ohio	45653
OK317	RN HOSPITALITY, LLC	14732 Sedona Drive	Oklahoma City	Oklahoma	73142
OK319	NARESHKUMAR PATEL	4401 SW 15th	Oklahoma City	Oklahoma	73108
FLF05	NORTH STAR FLORIDA INN, LLC	765 Broadview Avenue	Orillia	Ontario	L3V 6P1
PA860	HITENDRA PATEL		York	Pennsylvania	17402
SC551	PREMIER ATLANTIC INVESTMENTS, INC.	25 Rose Dhu Creek Plantation Drive	Bluffton	South Carolina	29910
SC621	JASWANT MULTANI	2455 SAVANNAH HWY	CHARLESTON	South Carolina	29407
SC535	SPRINGBRIDGE DEVELOPMENT, LLC	405 Woodvale Drive	Florence	South Carolina	29501
SC615	MATTHEW RAINES	405 Woodvale Drive	Florence	South Carolina	29501
SC605	FORD ELLIOTT ET.AL.	33 Market Point Drive	Greenville	South Carolina	29607

NC961	DAVID TART	1369 Headquarters Plantation Dr	Johns Island	South Carolina	29455
SC638	NEWBURG HOSPITALITY, LLC		spartanburg	South Carolina	
CO462	K&M HOTEL GROUP, LLC	821 Circle Drive	Aberdeen	South Dakota	57401
TN918	VAN METER HOTELS, LLC	225 Main Street	Dayton	Tennessee	37321
TN848	SANJAY PATEL	203 Woodland Trace Drive	Farragut	Tennessee	37934
IN528	JAYESH PATEL AND UMANG PATEL	256 Seaboard Lane	Franklin	Tennessee	37067

TN938	VISHAL BANKER AND VIKRAM PATEL	1014 Calebs Walk	Goodlettsville	Tennessee	37072
TN943	VISHAL A BANKER	1014 Calebs Walk	Goodlettsville	Tennessee	37072
TN983	Krishna Patel and Amit Patel	1156 Highway 28	Jasper	Tennessee	37347
SC667	Melissa Shea	1380 Snowden AVe	Memphis	Tennessee	
TXN04	NANSAD OZONA ONE, LLC	2501 E IH 20	Abilene	Texas	79605
TXN66	Jayant Patel and Reshma Patel	302 Woods Drive	Gatesville	Texas	76528
TXM75	CHARANJIV ROYE	2825 Wilcrest Drive # 456	Houston	Texas	77042
TXL13	MAGNOLIA HOSPITALITY GROUP, LLC	4556 Byron Circle	Irving	Texas	75038
TXL16	MAGNOLIA HOSPITALITY GROUP, LLC	4556 Byron Circle	Irving	Texas	75038
TXN01	TANISHQ SAM III, LLC	3116 University Park Lane	Irving	Texas	75062
TXD64	HH2 of Carthage, LLC	PO Box 351	Judson	Texas	75660
NM298	BRUCE HALEY ET AL	6015 86th St	Lubbock	Texas	79424
TXL62	AMIT GARG AND SANJEEV GUPTA	8 San Clemente Circle	Odessa	Texas	79765
TXM04	WILLIAM MUNAI	113 Brentwood Drive R AND J MOTEL	Rockwall	Texas	75032
VA809	SHAKU PATEL	MANAGEMENT, INC. 3235 Western Branch Blvd	chelsapeake	Virginia	
WA397	3S4 Hospitality LLC	401 8th Street SW	Auburn	Washington	98001
WA394	SUGLANI INVESTORS LLC	7550 Dune Lake Road S.E.	Moses Lake	Washington	98837
WA389	SBA Company	924 W. Highway 2	Newport	Washington	99156
NCA39	Glenmark Holding LLC	1399 Stewartstown Road, Suite 200	Morgantown	West Virginia	26505
NE162	JEFFRIES INVESTMENTS, LLC	165 Overbrook Road	Gillette	Wyoming	82718

EXHIBIT R

MAINSTAY SUITES FRANCHISES WHO LEFT THE SYSTEM BETWEEN JANUARY 1, ~~2020~~2021 AND DECEMBER 31, ~~2020~~2021

~~Dan~~	~~Henderson~~	~~2525 West Main Street #209~~	~~Rapid City~~	~~South Dakota~~	~~57702~~	~~6053480600~~
~~David~~	~~Schlabach~~	~~6398 County Rd 203~~	~~Millersburg~~	~~Ohio~~	~~44654~~	~~330-763-3553~~
~~Anup~~	~~Patel~~	~~695 Taylor Rd~~	~~Schaumburg~~	~~Illinois~~	~~60173~~	~~(513) 774-0610~~

FLB78	RELAX HOSPITALITY, LLC	1353 Quiet Cove Ct	Gulf Breeze	Florida	32563	8504380375
TN075	PINE MOUNTAIN HOSPITALITY GROUP, LLC	1320 Americana Drive	Pigeon Forge	Tennessee	37863	8654288350

MAINSTAY SUITES FRANCHISES THAT TERMINATED BEFORE ENTERING THE SYSTEM BETWEEN JANUARY 1, 2021 AND DECEMBER 31, 2021

CO381	LANCE STUART, ET. AL.	2865 Morning Glory Drive	Camden	Arkansas	71701
CO375	LANCE STUART, ET. AL.	2865 Morning Glory Drive	Camden	Arkansas	71701
CAG85	UDEYVIR VIRK		Clovis	California	93613
CAG75	UDEYVIR VIRK		Clovis	California	93613
CAG84	UDEYVIR VIRK		Clovis	California	93613
CAG86	UDEYVIR VIRK		Clovis	California	93613
CAF48	INTERNATIONAL SUITES, LLC	655 N. Central Avenue, Suite 1766	Glendale	California	91203
CAH07	EQUINOX HOTEL MANAGEMENT, INC.	400 Spear Street Suite 103	San Francisco	California	94105
CO431	W 4 K, INC.	2070 S. Jamaica Court	Aurora	Colorado	80014
CO395	KENNEDY NO	276 Dillon Ridge Road	Dillon	Colorado	80435
VA788	ORIN SOLOMON	PO Box 1325	Bear	Delaware	19701
FLF84	PATRICIA JOHNSON	6000 Island Blvd #2304	Aventura	Florida	33160
FLE15	MY TRAN	1161 W Nine One Half Mile Rd	Pensacola	Florida	32534
LA360	MAYUR PATEL	205 Forest Dr	New Llano	Louisiana	71461
TXL53	SWLA HOSPITALITY GROUP, LLC		Sulphur	Louisiana	70665
MD362	JOHN SEARD JR	4335 Northview Drive	Bowie	Maryland	20716
MA262	SYNERGIC SOLUTIONS, INC.	6 Courthouse Lane #16	Chelmsford	Massachusetts	01824
MA254	DAVID DARLING	940 Fall River Ave	Seekonk	Massachusetts	02771
RI041	AIRPORT HOSPITALITY LLC	655 Washington St	Weymouth	Massachusetts	02188
KS308	ERIC SHUSTER	1717 E. Thoroughfare Drive	Republic	Missouri	65738
NE169	PAUL YOUNES	PO Box 1925	Kearney	Nebraska	68848
NY756	PARESH PATEL	200 Oak St	Batavia	New York	14020
NY751	SURJEET KAUR AND MAKHAN SUDHAN	80-47 269 Street	New Hyde Park	New York	11040
NY804	SURJEET KAUR	80-47 269 Street	New Hyde Park	New York	11040
NJ378	VEERU DHILLON	98 Jewett Ave	Staten Island	New York	10312
OH764	GEORGE BALLOG AND JERRY DELMAN	66440 belmont-morristown rd	Belmont	Ohio	43718
OH828	CHINEDUM NDUKWE	2347 Reading Road Building A	Cincinnati	Ohio	45219
KY351	PATRICK MCCAFFREY	6834 County Road	Millersburg	Ohio	44654
OH804	ROBERT SCHLABACH	6834 Co Road 762	Millersburg	Ohio	44654
OH798	ROBERT SCHLABACH	6834 Co Road 762	Millersburg	Ohio	44654
OH802	ROBERT SCHLABACH	6834 Co Road 762	Millersburg	Ohio	44654
OH800	ROBERT SCHLABACH	6834 Co Road 762	Millersburg	Ohio	44654
OH808	ROBERT SCHLABACH	6834 Co Road 762	Millersburg	Ohio	44654
OK351	GANPATI CORPORATION	1523 N Rockford Road	Ardmore	Oklahoma	73401

OK321	NARESHKUMAR PATEL	4401 SW 15th	Oklahoma City	Oklahoma	73108
SD130	DENNIS BIELFELDT	910 4th Street	Brookings	South Dakota	57006
MS363	MANOJ SIKKA, ET. AL.	150 South Eastgate Ct.	Lebanon	Tennessee	37090
TN860	RAJESH AGGARWAL	1501 Demonbreun Street	Nashville	Tennessee	37203
CO373	LANCE STUART, ET. AL.	123 West Main St., Ste. 201	Grand Prairie	Texas	75050
TXL19	AASHISH CHOPRA		Monahans	Texas	79756
TXJ88	AASHISH CHOPRA		Monahans	Texas	79756
VT089	THE JIDDU/SITTU TRUST		Colchester	Vermont	05446
WA336	BRET WIRTA AND PATRICIA WIRTA	7303 21st Ave NW	Seattle	Washington	98117
WI338	ROSHANKUMAR PATEL		appleton	Wisconsin	54911

EXHIBIT S

FRANCHISE DISCLOSURE
ACKNOWLEDGMENT FORM

Choice Hotels International, Inc. ("Choice") and you are preparing to enter into a Franchise Agreement for a hotel operating under the Choice system. The purpose of this Acknowledgment Form is to confirm that you are making an informed investment decision and to determine whether any improper statements or promises were made to you that Choice has not authorized. Please review each of the following acknowledgments carefully and provide your initials to indicate your understanding of, and agreement with, the statements made.

1. You acknowledge and agree that you received a copy of the Franchise Disclosure Document at least 14 calendar days before you signed any agreement with Choice or made any payment to Choice.

Initial _____

2. You acknowledge and agree that you received and personally reviewed the Franchise Agreement and each of its attachments.

Initial _____

3. You acknowledge and agree that you consulted an attorney before signing the Franchise Agreement, or that you voluntarily declined to do so.

Initial _____

4. You acknowledge and agree that you understand the risks of operating a hotel under the Choice system and understand that the success or failure of your business will depend in large part upon on a number of factors, including your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, the overall economy, and other economic and business factors.

Initial _____

5. You acknowledge and agree that no Choice employee or representative has made any oral, written or visual claim or representation concerning the revenues, profits or earnings of a hotel (or hotels) operating in the Choice system that is different from or inconsistent with the information contained in the Franchise Disclosure Document.

Initial _____

6. You acknowledge and agree that no Choice employee or representative has made any oral, written or visual promise or guaranty regarding the amount of money you may earn, the amount of revenue a hotel operating under the Choice system may generate, or the likelihood of your success.

Initial _____

7. You acknowledge and agree that no Choice employee or representative has made any oral, written or visual statement or promise concerning the advertising, marketing, training, support service or other assistance that Choice will furnish to you that is different from or inconsistent with the information contained in the Franchise Disclosure Document.

Initial _____

8. If the Franchisee is a corporation, partnership, limited liability or other entity, you acknowledge and agree that (a) you have the authority to bind the entity for purposes of this Acknowledgment Form, and (b) you have discussed this Acknowledgment Form with all principal owners and have obtained their oral or written agreement with the statements made in this Acknowledgment Form.

Initial _____

9. You understand that this Acknowledgment Form is important to Choice and that we are relying on the accuracy and truthfulness of your acknowledgments as a condition of signing the Franchise Agreement.

Initial _____

This Acknowledgment Form is not intended to disclaim any representations made in the Franchise Disclosure Document that was furnished to you. This Acknowledgment Form is not intended nor will it act as a release, estoppel, or waiver of any liability incurred under the Illinois Franchise Disclosure Act or the Maryland Franchise

Registration and Disclosure Law.

* * *

EXHIBIT T

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

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

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Choice Hotels International, Inc. ("Choice") 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, Choice or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that Choice gives you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Choice gives you this Disclosure Document at the earlier of 10 business days before the execution of any binding franchise agreement or the payment of any consideration.

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

Franchise Seller(s): ~~Jason Cowan~~Ron Burgett and/or_____,
Choice Hotels International, 1 Choice Hotels Circle, Suite 400, Rockville, MD 20850, 301-592-5000.

Issuance Date: April 1, ~~2021~~2022

We authorize the respective agents and/or state agencies identified in Exhibit B to receive service of process for us. This Disclosure Document is for use in all states and the District of Columbia (see state Effective Dates at the beginning of this document).

I have received a Mainstay Suites disclosure document dated April 1, ~~2021~~2022 that included the following Exhibits: (A) State Addenda; (B) Regulatory Agencies and Registered Agents for Service of Process; (C) Audited Financial Statements; (D) the Franchise Agreement, Personal Guaranty and State Addenda; (E) Master Development Agreement; (F) choiceADVANTAGE® Software Terms of Use; (G) Call Forwarding Terms of Use; (H) Gift Card Enrollment Form; (I) Promissory Note; (J) Incentive Promissory Note; (K) Sample Lender Agreements; (L) Rules & Regulations Table of Contents; (M) Fair Franchising Policy; (N) Incremental Impact Policy; (O) Comfort Letter; (P) Franchisee Association Information; (Q) List of Current Franchisees; (R) List of Former Franchisees; (S) Franchise Disclosure Acknowledgment Form; and (T) Receipt Page.

Location in which you are interested:_____(City, State)

Date Received:_____

ENTITY: Entity Name:_____

Print Name:_____

Title:_____

Signature:_____

INDIVIDUALS: All persons signing a Franchise Agreement must sign Receipt (Owners, Partners, Members)

Signature:_____ Signature:_____

Name: _____ Name:_____

Franchisee's Copy

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Choice Hotels International, Inc. ("Choice") 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, Choice or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that Choice gives you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Choice gives you this Disclosure Document at the earlier of 10 business days before the execution of any binding franchise agreement or the payment of any consideration.

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Franchise Seller(s): ~~Jason Cowan~~Ron Burgett and/or_____,
Choice Hotels International, 1 Choice Hotels Circle, Suite 400, Rockville, MD 20850, 301-592-5000.

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Location in which you are interested:_____(City, State)

Date Received:_____

ENTITY:

Entity Name:_____

Print Name:_____

Title:_____

Signature:_____

INDIVIDUALS: All persons signing a Franchise Agreement must sign Receipt (Owners, Partners, Members)

Signature:_____ Signature:_____

Name: _____ Name:_____

Choice Hotels' Copy