

## FRANCHISE DISCLOSURE DOCUMENT

G6 Hospitality Franchising LLC  
a Delaware limited liability company  
4001 International Parkway  
Carrollton, Texas 75007  
972-360-5405  
franchisesales@g6hospitality.com  
www.staystudio6.com



The franchise is for a motel operated as one of the following Studio 6® brands:

(1) a Studio 6® extended stay motel (a “Studio 6 Extended Stay Motel”), which is an all-suites motels offering limited services and limited amenities, designed to compete directly with other extended stay brands in the extended stay and transient segments of the lodging market. The total investment necessary to begin operation of a newly constructed 100 room Studio 6 Extended Stay Motel (excluding land acquisition costs) is \$7,133,850 to \$8,676,275 and a conversion 100 room Studio 6 Extended Stay Motel (excluding land acquisition costs) is \$206,850 to \$1,795,050. This includes \$33,850 in fixed pre-opening fees, which must be paid to us or our affiliates; or

(2) a Studio 6® suites motel (a “Studio 6 Suites”), which is an all-suites motel offering limited services and limited amenities, designed to compete directly with other all-suites brands in the extended stay and transient segments of the lodging market. The total investment necessary to begin operation of a newly constructed 100 room Studio 6 Suites (excluding land acquisition costs) is \$6,417,575 to \$7,838,659 and a conversion 100 room Studio 6 Suites (excluding land acquisition costs) is \$206,850 to \$1,625,050. This includes \$33,850 in fixed pre-opening fees, which must be paid to us or our affiliates.

In this disclosure document, we use the terms “Studio 6 Motel” “Studio 6,” or “Motel” to refer to both Studio 6 Extended Stay Motels and Studio 6 Suites.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Michael J. McGeehan, Chief Development Officer, at 4001 International Parkway, Carrollton, Texas and 972-360-5405; McGeehan\_Mike@g6hospitality.com.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a

*Franchise*,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://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.

**Date of Issuance: March 5, 2021 as amended on April 9, 2021 and July 1, 2021**

## 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
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits G-1, G-2, or G-3.
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit H includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Studio 6 business in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to be a Studio 6 franchisee?</b>	Item 20 or Exhibits G-1, G-2, and G-3 list current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	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 you 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 risk(s) 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 Texas. 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 Texas than in your own state.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

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

## TABLE OF CONTENTS

	<u>Page</u>
ITEM 1	THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES ..... 1
ITEM 2	BUSINESS EXPERIENCE ..... 5
ITEM 3	LITIGATION..... 7
ITEM 4	BANKRUPTCY ..... 9
ITEM 5	INITIAL FEES ..... 9
ITEM 6	OTHER FEES..... 13
ITEM 7	ESTIMATED INITIAL INVESTMENT..... 29
ITEM 8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES ..... 35
ITEM 9	FRANCHISEE’S OBLIGATIONS ..... 39
ITEM 10	FINANCING ..... 40
ITEM 11	FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING ..... 41
ITEM 12	TERRITORY ..... 51
ITEM 13	TRADEMARKS..... 52
ITEM 14	PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION ..... 54
ITEM 15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS..... 55
ITEM 16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL ..... 55
ITEM 17	RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION..... 55
ITEM 18	PUBLIC FIGURES..... 61
ITEM 19	FINANCIAL PERFORMANCE REPRESENTATIONS ..... 61
ITEM 20	OUTLETS AND FRANCHISEE INFORMATION..... 68
ITEM 21	FINANCIAL STATEMENTS..... 76
ITEM 22	CONTRACTS..... 76
ITEM 23	RECEIPTS..... 76

## EXHIBITS

EXHIBIT A	LIST OF STATE ADMINISTRATORS
EXHIBIT B	AGENTS FOR SERVICE OF PROCESS
EXHIBIT C	FRANCHISE APPLICATION
EXHIBIT D	FRANCHISE AGREEMENT
EXHIBIT E	GENERAL RELEASE
EXHIBIT F	MANUAL TABLE OF CONTENTS
EXHIBIT G-1	LIST OF FRANCHISED MOTELS AT LAST FISCAL YEAR END
EXHIBIT G-2	LIST OF FRANCHISE AGREEMENTS SIGNED BUT MOTEL NOT YET OPEN
EXHIBIT G-3	LIST OF FRANCHISEES WHO LEFT SYSTEM IN LAST FISCAL YEAR
EXHIBIT H	FINANCIAL STATEMENTS
EXHIBIT I	STATE ADDENDA TO DISCLOSURE DOCUMENT
EXHIBIT J	RECEIPTS

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

This disclosure document describes Studio 6 Motel franchises. In this disclosure document, “we,” “us,” “our” and “G6 Franchising” mean G6 Hospitality Franchising LLC, the franchisor, and “you” or “your” means the purchaser of the franchise. If you are a corporation, limited partnership or limited liability company, certain provisions of the Franchise Agreement will also apply to your Owners. These provisions will be addressed in this disclosure document where appropriate. Except as specifically stated otherwise, “you” does not include the Owners of a franchisee that is a corporation, limited partnership or limited liability company.

**The Franchisor**

G6 Hospitality Franchising LLC is a Delaware limited liability company organized in January 2005, whose original name was Accor Franchising North America, LLC. The name was changed in July 2012. Our principal business address is 4001 International Parkway, Carrollton, Texas 75007. We conduct our business under our legal name and offer franchises in the United States under the service marks “Studio 6®” and “Motel 6®”. We do not conduct business under any other name. We began offering franchises for Studio 6 Motels in January 2005. We do not operate Studio 6 Motels. We also offer franchises for Motel 6 motels (“Motel 6 Motels”) under a separate disclosure document. We began offering franchises for Motel 6 Motels in January 2005. We do not operate Motel 6 Motels. We have never offered franchises in any other line of business. Our agents for service of process are listed on Exhibit B. The Studio 6 System has been continuously operated since 1999.

**Our Parents**

Our ultimate parent is BRE/Everbright M6 LLC, a Delaware limited liability company (“Everbright”) whose principal business address is 345 Park Avenue, New York, NY 10154. Everbright acquired the United States Economy Hotels Division of our former ultimate parent Accor S.A., including us and certain of our parents and other affiliates on October 1, 2012. Everbright is owned by certain investment funds associated with the Blackstone Group L.P. (NYSE:BX) (“Blackstone”) and is managed by an affiliate of Blackstone.

Everbright is the sole member of IBL Limited, LLC, a Delaware limited liability company (“IBL”). IBL was organized as IBL Limited, Inc., a Delaware corporation on June 29, 1990. It was converted to a Delaware limited liability in January 2004 and its principal business address is the same as ours. IBL is the sole member of our intermediate parent, G6 Hospitality LLC, a Delaware limited liability company (“G6 Hospitality”). G6 Hospitality was organized as Motel 6 G.P., Inc., a Delaware corporation, on June 17, 1985. Its name was later changed to Accor Economy Lodging, Inc., and then to Accor North America, Inc. On July 6, 2012, Accor North America, Inc. was reorganized as a Delaware limited liability company and its name was changed to G6 Hospitality LLC. Its principal business address is the same as ours. G6 Hospitality LLC in turn owns and controls us through a series of wholly-owned financing subsidiaries. Our operations are managed by G6 Hospitality LLC under a services agreement. G6 Hospitality LLC also provides certain franchise services including but not limited to procurement, e-procurement services, billing, marketing, reservations, renovation assistance, and customer service to our franchisees, directly or through additional affiliates.

## Our Predecessors and affiliates

Our affiliate, Motel 6 Operating, L.P. (“Motel 6 OLP”), is a Delaware limited partnership formed in May 1986 and whose principal business address is the same as ours. Motel 6 OLP has operated Studio 6 locations since June 1999, offered franchises for Studio 6 Motels from May 1999 through February 2005, and offered franchises for Motel 6 Motels from April 1996 through February 2005.

As of December 31, 2020 there were 141 franchised Studio 6 Extended Stay Motels in the US and 8 Studio 6 Extended Stay Motels owned by our affiliates, for a total of 149 Studio 6 Extended Stay Motels in the US. There were no franchised or affiliate owned Studio 6 Suites in the US. As of December 31, 2020 there were 1059 franchised Motel 6 Motels in the US and 146 Motel 6 Motels owned by our affiliates in the US, for a total of 1,205 Motel 6 Motels in the US.

Our affiliate, G6 Hospitality Franchising Canada L.P. (“G6 Canada Franchising”), has offered franchises in Canada for the Motel 6 and Studio 6 brands since October 2012. G6 Canada Franchising’s former affiliate, Accor Canada, Inc., offered franchises until that date in Canada, for the Motel 6 brand beginning in September 2001, for the Studio 6 brand beginning in April 2002 and for the Novotel brand beginning in December 2002 and ceased doing so in October 2012. Also, in October 2012, Accor Canada, Inc. assigned its rights and obligations under a master franchise agreement it entered into in 2003 with Realstar Hospitality Corporation (“RHC”) to G6 Canada Franchising. Under that agreement, RHC was granted the right to subfranchise, develop and operate Motel 6 Motels, Studio 6 Motels, and Novotel hotels in Canada. In November 2007, the master franchise agreement was amended to terminate RHC’s right to subfranchise, develop and operate Novotel hotels in Canada. In July 2011, the master franchise agreement was amended to allow RHC to subfranchise properties by converting them to a Motel 6 Motel. As of December 31, 2020, RHC had subfranchised 31 Motel 6 Motels and 1 Studio 6 Extended Stay Motel in Canada. As of December 31, 2020, our affiliates owned or operated 4 Motel 6 Motels and 1 Studio 6 Extended Stay Motel in Canada. G6 Canada Franchising is a Delaware limited partnership with an extra-provincial registration in Ontario and has the same principal business address as us.

Our affiliate, G6 Hospitality International, Inc. (“G6 International”), has offered transient economy lodging franchises in Latin America, including Mexico, Central America and South America under the brand names Hotel 6 and estudio 6 beginning in 2014. There were no open or operating properties in Latin America, Mexico, Central America, or South America as of December 31, 2020. Our affiliate, G6 Hospitality International India, Inc. (“G6 India”) has offered transient economy lodging franchises in India under the brand name, Hotel 6, Motel 6, and Studio 6 beginning in 2017. There were no open or operating properties in India as of December 31, 2020. G6 International and G6 Hospitality International India, Inc. are each a Delaware corporation and have the same principal business address as us.

Entities related to Blackstone are engaged in a variety of business activities in the lodging and hospitality industry, such as ownership of a portfolio of full-service and luxury resort properties operating under various names in different parts of the United States, the Caribbean, and Europe. None of these entities that are related to Blackstone currently offer franchises for these brands and they have no future plans to offer or sell franchises for motels or in any other line of business. Given the diversity and breadth of the assets under management by entities related to Blackstone, it is possible that one of the related entities may offer franchises in the lodging or hospitality industry.

Some of the properties operating through entities related to Blackstone are franchised and operated under license agreements with competitors of ours and our affiliates. Guest lodging properties franchised by or operating through current or former affiliates of Blackstone may currently or in the future be located in the market areas of Studio 6 Motels. These guest lodging properties may compete with you.

Certain investment funds associated with Blackstone and Starwood Capital Group acquired Extended Stay America, Inc. (“ESA”) and ESH Hospitality, Inc. (“ESH”) in June 2021. ESA subsequently merged into ESH, with ESH as the surviving entity. ESH is an affiliate of ESH Strategies Franchise LLC, the franchisor of the Extended Stay America lodging brands. The principal business address of ESH and the related parties is 11525 N. Community House Rd., Suite 100 Charlotte NC 28277. ESH Strategies Franchise LLC has franchised the Extended Stay America lodging brand since 2017. Certain affiliates of ESH owned, operated or managed Extended Stay America lodging facilities since 1995.

Except as described above, none of our parents, predecessors, or affiliates offer or have offered franchises in any other line of business.

### The Franchise

In this disclosure document, we offer franchises for the establishment and operation of motels under either the Studio 6 Extended Stay or Studio 6 Suites brands (each a “Studio 6 Brand”). Both Studio 6 Brands operate under the “Studio 6” name and mark and the Studio 6 System, as described below; however, Studio 6 Extended Stay Motels are configured to cater more towards the extended stay segment of the lodging market, while Studio 6 Suites are configured to cater more towards the transient segment of the lodging market.

The Studio 6 System is a distinctive system (the “System”) whose distinguishing characteristics include, among others, a designated Property Management System, a reservation system (the “Reservation System”) and a marketing program (the “Marketing Program”). We periodically modify aspects of the Studio 6 System.

Studio 6 Motels are identified by the name and mark “Studio 6,” and by certain other trade names, service marks, trademarks, logos, emblems and indicia of origin (the “Proprietary Marks”). We may change, or designate other Proprietary Marks for use in the System.

The terms, conditions, and obligations under which you operate the Motel are described in a franchise agreement that you and we sign before you begin operations (the “Franchise Agreement”) (see Exhibit D). You must also sign a Technology Agreement (see Attachment 4 to the Franchise Agreement) with us for the technical services provided by us or our affiliates and licenses or sublicenses for certain software or services used in operating the Motel. Before signing a Franchise Agreement or the Technology Agreement, you must sign and submit to us a franchise application including authorization for a credit check and background check (the “Application”) (see Exhibit C).

To promote uniform quality in Motels operating under the Studio 6 System, we have prepared confidential operating and Brand Standards Manuals and other resources (the “Manuals”) which contain mandatory and recommended Standards and procedures for operating your Motel and maintaining consistent quality across the Studio 6 Brands.

The franchises described in this disclosure document are offered for the operation of newly constructed motels and for the conversion of existing properties to Studio 6 Motels or renovation of the property as required under your Franchise Agreement at the time of Transfer or Renewal in connection with the conversion of a company-owned Studio 6 Motel to a franchised property.

If you satisfy our qualifications, we may offer you franchises for both a Studio 6 Motel and a Motel 6 Motel to be operated at the same location, either within the same building or in separate buildings adjacent to one another, but in each case with a shared lobby (the “Dual Brand Operation”). To obtain a franchise for a Studio 6 Motel to be operated as part of a Dual Brand Operation, you must execute a Franchise Agreement

for the Studio 6 Motel, a Franchise Agreement for a Motel 6 Motel (“Motel 6 Motel Franchise Agreement”) in the form attached as an exhibit to the Motel 6 Motel Franchise Disclosure Document, and the Dual Brand Addenda to both Studio 6 Motel Franchise Agreement and the Motel 6 Motel Franchise Agreement. You must also satisfy all of our then-current requirements for Dual Brand Operations, which may include the following, among others: (1) the same individual or entity must be the franchisee under both the Studio 6 Franchise Agreement and the Motel 6 Franchise Agreement; (2) the Dual Brand Operation must contain a minimum total room count of 100 rooms, with no less than 30% of the total rooms to be included in the inventory of the Studio 6 Motel; and (3) we must approve the proposed room configuration, layout and any other changes to both the Studio 6 Motel and Motel 6 Motel.

Unless otherwise defined, all defined terms used in this disclosure document will have the meanings given to them in the Franchise Agreement.

### ASPIRE Incentive Program

We currently offer incentives designed to encourage underrepresented minority investors to join the Motel 6 and/or Studio 6 Systems through our ASPIRE Diversity Incentive Program (“ASPIRE Program”). To qualify for the ASPIRE program, you must meet our then-current eligibility requirements, which include that one or more of your investors must be an underrepresented minority. If you qualify for the ASPIRE Program, we may offer you certain financial and operational incentives, including, but not limited to: a reduction in the Initial Franchise Fee and/or ongoing Royalty Fee (as described in Items 5 and 6, respectively) and/or other financial or operational assistance. We have the right to determine which incentives are appropriate for each qualifying candidate. We reserve the right to modify or discontinue the ASPIRE Program at any time.

### The Market and Competition

The primary market for Studio 6 Motels is that segment of the traveling public interested in low cost accommodations for three or more consecutive nights, and basic lodging facilities, and who are willing to forgo some services and amenities (such as restaurants, health clubs, etc.). Studio 6 Extended Stay Motels service customers that may have temporary housing needs due to corporate relocations, training seminars, temporary work assignments, long-term transients, domestic situations, or housing problems and are looking for a short term, low cost alternative to renting an apartment. Studio 6 Suites focus on the transient business/leisure traveler that is in need of additional amenities and services associated with a three to seven night stay.

We anticipate that you will locate the Motel in an area most convenient to a traveler. These locations will vary from market to market, and may include tourist destinations, major highway routes, and other sites that provide easy access for a traveler. The property should be located in close proximity to companies and organizations that are users of extended stay/all suite lodging and convenient to auto travelers. These include large office developments, training centers, offices for major companies, hospitals, military bases, and similar businesses.

The market for extended stay/all suite lodging services is well-developed. The lodging industry is very competitive in general, and particularly the submarket that appeals to the value conscious traveler. Studio 6 Motels are intended to compete directly with other extended stay/all suite lodging facilities which offer basic lodging accommodations, as opposed to more expensive hotels and motels that offer extended stay/all suite accommodations with additional services to the public.

### Industry-Specific Regulations

Your franchised Motel business must conform to innkeeper liability laws, laws and regulations regarding motel operation and occupancy; laws regulating the posting of motel room rates; motel room occupancy tax laws; laws applicable to zoning and construction, marketing and advertising, price gouging, gaming, and manufacturing; laws applicable to public accommodations and services such as the Americans with Disabilities Act (“ADA”); laws applicable to handling of sensitive personal information, data privacy and security, such as the Health Insurance Portability and Accountability Act (“HIPAA”) and Payment Card Security Data Security Standards (PCI-DSS); laws applicable to health and safety, fire and life safety, labor and employment; and, if applicable to your location, laws related to food service and operation of swimming pools. In addition to these laws, laws of general application may apply to your Motel. You should consult your attorney for more information on these laws. You should also discuss ADA and state and local accessible facilities requirements with your architect. Finally, you are prohibited from providing guest information to federal immigration authorities unless they provide a judicially enforceable warrant or subpoena, or if it is necessary to prevent a significant crime, or where this is a credible reason to believe that a guest, employee or other individual is in immediate danger and is a risk of serious bodily injury or death.

## **ITEM 2** **BUSINESS EXPERIENCE**

### **Chief Executive Officer: Robert J. Palleschi**

Robert J. Palleschi has been our Chief Executive Officer since May 2018. From April 2018 to May 2018, he was our Interim Chief Executive Officer. He served as our Chief Development Officer from February 2017 to April 2018. During the same time frames, Mr. Palleschi served in the same capacities with G6 Hospitality LLC and certain of our other affiliates. In January 2017, Mr. Palleschi was between positions and located in Carrollton, Texas. Mr. Palleschi was Chief Executive Officer at TGIF, LLC (Friday’s) in Dallas, Texas from February 2016 to December 2016.

### **President and Chief Operating Officer: Greg Juceam**

Greg Juceam has been our President and Chief Operating Officer since July 2018. During the same time frame, Mr. Juceam served in the same capacity with G6 Hospitality LLC and certain of our other affiliates. Mr. Juceam was Chief Executive Officer at BRE Hotels and Resorts LLC in Boca Raton, Florida from May 2017 to July 2018. From May 2014 to April 2017, he served as Chief Operating Officer at BRE Select Hotels in Boca Raton, Florida.

### **Chief Development Officer: Michael J. McGeehan**

Michael J. McGeehan has been our Chief Development Officer since June 2018. From July 2017 to May 2018, Mr. McGeehan was our North American Development Officer. From January 2013 to June 2017, he was our Vice President of Development. During the same time frames he served in the same capacities with G6 Hospitality LLC and certain of our other affiliates.

### **Chief Information Officer & Executive Vice President Digital Commerce: John Laplante**

John Laplante has been our Chief Information Officer & Executive Vice President Digital Commerce since June 2020. During the same time frame, Mr. Laplante served in the same capacity with G6 Hospitality LLC and certain of our other affiliates. From January 2017 to June 2020, he served as Vice President of IT Program Management Center Contact Center for G6 Hospitality LLC. From January 2015 to January 2017, he served as Vice President, IT Program Management Office for G6 Hospitality LLC.

Chief Human Resource & Communication Officer: Sherry Vidal-Brown

Sherry Vidal-Brown has been our Chief Human Resource & Communication Officer since April 2018. From September 2009 to April 2018, she served as our Executive Vice President of Human Resources and Communications. During the same time frames, Ms. Vidal-Brown served in the same capacities with G6 Hospitality LLC and certain of our other affiliates.

Chief Financial Officer: Julie Arrowsmith

Julie Arrowsmith has been our Chief Financial Officer since January 2018. From October 2012 to January 2018, she was our Executive Vice President of Finance. During the same time frames, she served in the same capacities for G6 Hospitality LLC and certain of our other affiliates.

General Counsel and Chief Compliance Officer: Ama Romaine

Ama Romaine has been our General Counsel and Chief Compliance Officer since July 2018. During the same time frame, she served in the same capacity with G6 Hospitality LLC and certain of our other affiliates. From April 2018 through July 2018, Ms. Romaine was Founder and President of Aroma Advisory Group in Potomac, Maryland. From June 2016 to March 2018, Ms. Romaine was General Counsel for Johns Hopkins APL in Laurel, Maryland. From August 2009 to June 2016, Ms. Romaine was with Hilton Worldwide, Inc. in McLean, Virginia in various positions, the last being Vice President and Senior Counsel.

**G6 Hospitality LLC**

In addition to the individuals described above, the following individuals hold positions with G6 Hospitality LLC, which provides franchise sales and operational support to us.

Vice President, Legal: Farah Bhayani

Farah Bhayani has been our Vice President, Legal since July 2019. From April 2015 to July 2019, she was our Managing Counsel. During the same time frames, she served in the same capacities for G6 Hospitality LLC and certain of our other affiliates.

Vice President, Owner Relations and Development: Sunny Bhanot

Sunny Bhanot has been Vice President, Owner Relations and Development for G6 Hospitality LLC since February 2020. From June 2011 to January 2017, he was our Director of International Development.

Vice President, Brand Management: Adam Cannon

Adam Cannon has been Vice President, Brand Management since December 2019. During the same time frame, he has served in the same capacity with G6 Hospitality LLC and certain of our other affiliates. From January 2017 to November 2019, Mr. Cannon was Operations Vice President for our corporate-owned assets. He was Vice President, Brand Operations (Economy Segment portfolio) for Wyndham Hotel Group, LLC, located in Parsippany, New Jersey from August 2011 to November 2016.

Division Vice President - Franchise Brand Performance: Tina Burnett

Tina Burnett has been Division Vice President-Franchise Brand Performance for G6 Hospitality LLC since April 2019. From July 2018 until April 2019, she was Vice President – Franchise Strategy and Development. From July 2015 until July 2018, Ms. Burnett was Managing Director of Development for G6

Hospitality LLC.

Director-Franchise Administration: Rhonda Payne

Rhonda Payne has been Director-Franchise Administration for G6 Hospitality LLC since June 1, 2018. From July 2014 through May 2018, Ms. Payne was Director of Franchise Operations for G6 Hospitality LLC.

Unless otherwise stated, all individuals listed above are based in our Carrollton, Texas offices.

### **ITEM 3** **LITIGATION**

#### **Pending Litigation**

*Park Property Management, LLC v. G6 Hospitality Franchising LLC, et al., G6 Hospitality Franchising LLC v. Joseph Park*: Fourth District Court of Utah County, State of Utah, Central Division; Civil No.180401843. On September 19, 2016, G6 Franchising terminated its franchise agreement with Park Property Management, LLC (“Park Management”) for failure to cure a default under the franchise agreement for nonpayment of fees. On November 16, 2018, Park Property Management LLC filed this action in state court in Utah, asserting against G6 Franchising, Jackie Nelon (franchise developer), and Don Finley (former Vice President of Development for G6 Franchising) certain claims including breach of contract (against G6 Franchising), breach of the implied covenant of good faith and fair dealing (against G6 Franchising), fraud, negligent misrepresentation, promissory estoppel (against all Defendants), and violation of Utah Consumer Sales Practices Act (against G6 Franchising). On December 12, 2018, G6 Franchising filed its answer denying all claims and included a counterclaim against Park Management for breach of contract and restitution and a third-party claim against Joseph Park, a principal of Park Management, for breach of his guaranty agreement and has vigorously defended the action. The parties reached a settlement, which Park Management subsequently and allegedly failed to abide by. The Court entered an order enforcing the settlement and dismissed the action with prejudice in June 2020, and after notice and a hearing awarded G6 Franchising its reasonable attorneys’ fees. Park Management has filed a notice of appeal.

#### **Prior Actions**

*Jane V., John A., John E., Jane F., John D., John M., Jane N., and John W., individually and on behalf of all others similarly situated v. Motel 6 Operating, L.P. and G6 Hospitality LLC*, United States District Court for the District of Arizona. On or about January 23, 2018, the Mexican American Legal Defense And Educational Fund, Inc. (“MALDEF”) filed suit against our affiliate and predecessor Motel 6 Operating, L.P. and our parent G6 Hospitality LLC (collectively, the “Affiliated Entities”) on behalf of certain resident individuals in Arizona and others similarly situated, challenging the Affiliated Entities’ alleged “corporate policy and/or practice of disclosing guest registration information, including guests’ personal information, to agents of United States Immigration and Customs Enforcement (“ICE”) within the U.S. Department of Homeland Security (“DHS”).” These plaintiffs sought to certify a class for claims of alleged discrimination in violation of 42 U.S.C § 1981, conspiracy in violation of 42 U.S.C. § 1985(3), violation of the Fourth Amendment, Consumer Fraud in Violation of A.R.S. § 44-1522, tort for intrusion upon seclusion in violation of Arizona law, and false imprisonment in violation of Arizona law. The Affiliated Entities filed an answer denying all allegations and vigorously defended the lawsuit while exploring settlement possibilities. By Joint Motion dated November 2, 2018, the parties sought court approval of an agreed Settlement, pursuant to which the Affiliated Entities would pay certain damages, attorney fees and costs,

as well as enter into an agreed two-year consent decree. The court held a Final Approval Hearing on February 7, 2020, and on February 18, 2020, the court approved the parties' joint motion to approve the settlement agreement and entered an order certifying the class for that purpose. The court also entered a Consent Decree requiring the Affiliated Entities to change its practices and procedures for sharing of guest information with federal immigration authorities over a two-year period, including but not limited to adopting a brand standard prohibiting Motel 6 and Studio 6 franchised properties from providing guest information to federal immigration authorities unless they provide a judicially enforceable warrant or subpoena, or if it is necessary to prevent a significant crime, or where there is a credible reason to believe that a guest, employee or other individual is in immediate danger and is a risk of serious bodily injury or death. The court's order also authorized the Claims Administrator to distribute funds to class claimants in varying amounts from the total settlement fund of \$10,000,000, obligated the Affiliated Entities to fund the administration of the claims process in an amount not to exceed \$1,000,000, and required payment of \$500,000 in attorneys' fees to counsel for the class.

### **Government Actions**

*State of Washington v. Motel 6 Operating, L.P. and G6 Hospitality LLC*, King County Superior Court of the State of Washington, No. 18-2-00283-4SEA. On or about February 2, 2018, the State of Washington filed suit against the Affiliated Entities alleging that the Affiliated Entities "employed a corporate policy or practice of providing guest registry information, including the guests' personal identifying information, upon request to agents of U.S. Immigration and Customs Enforcement within the Department of Homeland Security ("ICE")." The State of Washington alleged claims for unfair or deceptive acts and discrimination under Washington's Consumer Protection Act and discrimination under Washington law. The Affiliated Entities filed an answer denying all allegations. On April 4, 2019, the State of Washington and the Affiliated Entities filed a Joint Motion for entry of a negotiated Consent Decree. On April 26, 2019, the Court approved the agreed three-year consent decree providing for certain changes to the Affiliated Entities' practices and procedures for sharing of guest information with federal immigration authorities, including but not limited to adopting a brand standard prohibiting Motel 6 and Studio 6 franchised properties from providing guest information to federal immigration authorities unless they provide a judicially enforceable warrant or subpoena, or if it is necessary to prevent a significant crime, or where there is a credible reason to believe that a guest, employee or other individual is in immediate danger and is a risk of serious bodily injury or death, as well as operating 24-hour hotline to field questions from the Affiliated Entities employees about these policies and an online complaint mechanism for guests, implementing training programs regarding these policies, maintaining specified records, and submitting a compliance plan and regular reports to the State of Washington. G6 also agreed to pay \$12,000,000 to the Attorney General of the State of Washington as a settlement fund to be used by the Attorney General's office for restitution, compensation to individuals for monetary damages claimed to be related to the Affiliated Entities' alleged actions, and other costs and expenses incurred by the Attorney General's office in pursuing these claims and administering the settlement funds.

### **Material Actions Involving the Franchise Relationship Filed in the Last Fiscal Year:**

*Jay G. Gopal and Vilas J. Gopal v. G6 Hospitality Franchising LLC, G6 Hospitality Property LLC, and G6 Hospitality LLC*, Chancery Court, Knox County, Tennessee, Civil Action No. 199589-1. Case filed on January 31, 2020. Franchisee asserted breach of contract in connection with our termination of the franchise agreement and requested injunctive relief. The parties entered a settlement agreement under which the franchise agreement was mutually terminated.

Other than the 4 actions described above, no litigation is required to be disclosed in this Item.

**ITEM 4**  
**BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

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

**Fixed Pre-Opening Fees**

Below we have set forth the fees that you will pay to us or our affiliates prior to opening your Studio 6 Motel if you are (i) constructing a new Studio 6 Motel, (ii) converting an existing motel to a Studio 6 Motel or (iii) converting a corporate-owned Studio 6 Motel to a franchised Studio 6 Motel. Unless otherwise noted, all fees are uniformly imposed, payable to us or our affiliates, and non-refundable. See Item 6 for similar fees that apply in the event of a Transfer or Renewal.

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
Application Fee	\$5,000	No later than the date you sign the Franchise Agreement	<p>We can request this fee be paid any time prior to signing the Franchise Agreement after certain legal requirements are satisfied.</p> <p>This fee is fully earned and non-refundable when paid. For a proposed Dual Brand Operation, you must pay a separate Application Fee for the Studio 6 Motel and the Motel 6 Motel</p>
PIP Fee/Site Evaluation Fee	Currently \$1,850	No later than the date you sign the Franchise Agreement	<p>For New Construction applications, this fee covers our review of the proposed site for building your Studio 6 Motel and includes travel and related expenses for up to one site visit. For Conversion applications, this fee covers our preparation of a PIP outlining required renovations for conversion to a Studio 6 Motel and includes travel and related expenses for one site visit.</p> <p>If we reject your Application before performing the site evaluation or preparing a PIP, we will refund your Site Evaluation/PIP Fee.</p> <p>We can request this fee be paid any time prior to signing the Franchise Agreement after certain legal requirements are satisfied.</p> <p>For a proposed Dual Brand Operation, if the Applications for both brands are submitted at</p>

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
			the same time, you will only pay one Site Evaluation/PIP Fee.
Initial Franchise Fee	\$20,000 (up to 150 rooms); or \$30,000 (151 or more rooms)	Payable upon signing the Franchise Agreement	<p>For a Dual Brand Operation, you must pay the applicable Initial Franchise Fee for both the Studio 6 Motel and the Motel 6 Motel; in each case, calculation of the number of guestrooms in excess of 150 rooms is made separately for the Studio 6 Motel and the Motel 6 Motel.</p> <p>In our sole discretion, we may reduce the Initial Franchise Fee based on one or more of the following criteria: if the Franchisee or its affiliate(s) is an existing Studio 6 and/or Motel 6 franchisee whose existing locations are in compliance with their franchise agreement(s); if the Franchisee is signing multiple franchise agreements contemporaneously with the Franchise Agreement; market conditions, market penetration.</p> <p>If you qualify for our ASPIRE Program (described in Item 1), we will reduce the amount of the Initial Franchise Fee for each Franchise Agreement you sign with us by up to \$10,000.</p>
Opening Package Fee	Currently \$4,500	Payable upon invoice prior to opening	<p>The Opening Package Fee currently covers initial General Manager training for one trainee (See Item 11 for a description of the General Manager Training course), an initial property photography package for the Studio 6 website(s) (“Photo Shoot”), one email license for the Motel (2 email addresses for Dual Brand Operation), and the opening kit (which includes signage, labels, and various other supplies we specify). This Opening Package Fee may be reduced if you are converting a corporate-owned Studio 6 Motel to a franchised Studio 6 Motel and you retain the existing General Manager.</p> <p>For a Dual Brand Operation, you will only be required to pay one Opening Package Fee in respect of your Studio 6 Motel and your Motel 6 Motel, collectively, so long as both the Studio 6 Motel and the Motel 6 Motel are ready for the Photo Shoot at the same time and open at the same time. Between the signing of the Franchise Agreement and your Opening Date,</p>

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
			we may, in our sole discretion, elect to increase the Opening Package Fee by a reasonable amount in order to cover costs associated with the Opening Package.
On-Site and Other Opening Training and Assistance	Currently \$4,000	Payable upon invoice prior to opening	<p>The fee covers On-Site and Other Opening Training and Assistance (“Opening Assistance”), pre and post-opening administrative support, onsite installation of and training on the Property Management Software (“PMS”) system, and other required technology and orientation of General Manager and motel staff to G6 Standards and processes. It currently covers approximately 2.5 days of on-site training and includes travel and related expenses for one round trip to the Motel by the trainer(s) (See Item 11 for a description of the On-Site Training and Assistance program.) We may also conduct all or a portion of the On-Site Training and Other Training and Assistance virtually, at our discretion.</p> <p>For a Dual Brand Operation, you will only be required to pay one On-Site and Other Opening Training and Assistance Fee in respect of your Studio 6 Motel and your Motel 6 Motel, collectively, so long as both the Studio 6 Motel and the Motel 6 Motel open at the same time. Between the signing of the Franchise Agreement and your Opening Date, we may, in our sole discretion, elect to increase the On-Site and Other Opening Training and Assistance Fee by a reasonable amount in order to cover costs associated with the Opening Assistance we or our affiliates provide you.</p>

**Variable Pre-Opening Fees**

Below we have set forth the fees that you will pay to us or our affiliates prior to opening your Studio 6 Motel if you are (i) constructing a new Studio 6 Motel, (ii) converting an existing motel to a Studio 6 Motel or (iii) converting a corporate-owned Studio 6 Motel to a franchised Studio 6 Motel only if the applicable circumstances arise. Unless otherwise noted, all fees are uniformly imposed, payable to us or our affiliates, and non-refundable. Unless otherwise noted, for a Dual Brand Operation, you must pay the applicable fee for both the Studio 6 Motel and Motel 6 Motel. See Item 6 for similar fees that apply in the event of a Transfer or Renewal.

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
Initial Opening General Manager Training for Additional Person	Currently \$750 per additional attendee	Upon Demand	If you include more than one attendee at the Initial General Manager Training, this fee applies to each additional attendee attending at the same time.
Inspection/Re-Inspection Fee	Currently \$3,000 to \$5,000	Upon Demand	Payable if we determine that we must inspect or re-inspect your Motel before Opening because we are unable to: (1) obtain required information from you; (2) determine the project status; (3) determine if you have complied with the project requirements or milestone dates; or (4) if you notify us that your Motel is ready for opening and our personnel or designated agent visit your Motel and find that your Motel has not satisfied all requirements for opening. A separate fee applies to each inspection or re-inspection we conduct and includes our travel expenses. The amount of the fee varies depending on the extent of the non-compliance and the amount of time necessary to resolve it.
Ancillary Trip Fee for Additional Opening Training or Additional Post-Opening Visits for Phased PIPs	Currently \$900	Upon demand	If we deem it necessary to make more than one round trip to your Motel in connection with Opening Training and Assistance, you must pay this Ancillary Trip Fee for each visit. If we agree to a PIP that includes phases to be completed post-opening, we may charge you this Ancillary Trip Fee for each visit we or our representatives make to your Motel post-opening in connection with the PIP.
Opening Extension Fee	Currently \$2,500 to \$5,000	Upon demand	<p>If you fail to timely open your Motel, you will pay us an opening extension fee of \$2,500 to \$5,000 for every 6-month extension until the Motel opens. The amount of the fee varies depending on the status of the project and the degree of communication and cooperation from you.</p> <p>For a Dual Brand Operation, you must pay the applicable Opening Extension Fee for each of your Studio 6 Motel and your Motel 6 Motel. However, if the extended Opening Date of your Studio 6 Motel is the same date as the extended Opening Date of your Motel 6 Motel (and both motels open to the public for business on such extended opening date), then you will only be required to pay one Opening Extension Fee in respect of your Studio 6 Motel and your Motel 6 Motel, collectively.</p>

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
			This Fee would not apply to a Conversion of a Corporate-owned Motel to a franchised Motel unless the Motel was closed for renovation.

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

NAME OF FEE*	AMOUNT	DUE DATE	REMARKS
<b>General</b>			
Royalty <sup>1</sup>	5% of Gross Room Revenues	Monthly upon Invoice	<p>We may, in our sole discretion, reduce the Royalty Fee, either for a designated period of time or for the Term of the Franchise Agreement, based on one or more of the following criteria: if you or your affiliate(s) is an existing Studio 6 and/or Motel 6 franchisee whose existing locations are in compliance with their franchise agreement(s); if you are signing multiple franchise agreements contemporaneously with the Franchise Agreement; or if we determine that market conditions or market penetration make a reduction appropriate.</p> <p>If you qualify for our ASPIRE Program (described in Item 1), we will reduce the amount of the Royalty Fee for each Franchise Agreement you sign with us by 1% to 3%.</p>

NAME OF FEE*	AMOUNT	DUE DATE	REMARKS
Program Fee <sup>1,2</sup>	Currently 4% of Gross Room Revenues	Monthly upon Invoice	We may increase the Program Fee over time but not by more than 0.5% in any 12-month period. Your Program Fee will not exceed a maximum of 5.5% of your Gross Room Revenues during the term of the Franchise Agreement.
<b>Technology/IT Fees</b>			
IT Services	Currently \$165 per month plus \$3.05 per Authorized Guest Room	Monthly	You must pay us or our affiliates this fee for equipment support, Software support maintenance and updates, help desk services, systems support for Central Reservations, and other Software support as provided by us, including PMS integration, first level Property Management System support and support of connectivity infrastructure. This fee will be billed on a monthly basis commencing on the first day of the first month after your Motel opens as a Studio 6 and may be increased from time to time. We may, in our sole discretion, increase the IT Services Fee to cover our cost of providing the information technology related services.
PMS Software	\$3.50 per Authorized Guest Room	Monthly	The current mandatory PMS is HotelKey. You must pay this monthly fee for the PMS. The fees are billed in arrears.
Portal Access	\$3.00 to \$5.00 per user at the Property	Monthly	When implemented, this fee provides a seamless authorization to you, through a single sign-on, for services, systems or online applications available for you to operate your Motel (such as VersaPay and access to distribution partners). You will be granted access to portal based applications as they are made

NAME OF FEE*	AMOUNT	DUE DATE	REMARKS
			available. One login will provide access to all applications that you have access to. It will also provide for user self-service including password management and reset functionality.
Direct Connect Service/Channel Fees	Currently, \$1.50 to \$2.50 per reservation booked on a G6 Direct Connect platform for an Online Travel Agency or any third party meta search site	Monthly	You must reimburse us for IT development and maintenance expenses to build and maintain direct connectivity to distribution partners, as well as administrative services related to billing, dispute resolution and clearing (including overhead). Additionally, in the future, we may charge \$1.50 to \$2.50 per reservation booked through Studio6.com; individual location PPP; or any of our other consumer websites.
Learning@Lightspeed Online Subscription Fee	Currently \$500 to \$1,000	Annually	The amount of the subscription fee for online training varies per year. All franchised locations must participate in the online training. For a Dual Brand Operation, you are only required to pay one Learning@Lightspeed Online Subscription Fee in respect of your Studio 6 Motel and your Motel 6 Motel, collectively.
Website/Premium Property Pages (“PPP”)	PPP set-up \$499 Annual PPP Maintenance Fee \$299 Professional Property Photos, if not already available, \$1599 Content Translation \$199	Upon Invoice	All locations are listed on the Studio 6 Brand website and enrolled in global distribution systems (GDS). Owners may request additional information pages (or PPPs) to expand the amount of information regarding their Motels on the Studio 6 Brand website. Motel images must meet minimum quality size requirements as defined in the Manual. For a Dual Brand Operation, there is an extra charge of

NAME OF FEE*	AMOUNT	DUE DATE	REMARKS
	set-up and \$99 annually  Additional services \$25/hour		\$300 for the Professional Property Photos.
<b>Booking, Distribution and Sales-Related Fees/Pass-Through Costs</b>			
Sales Boom Fee	Based on the Authorized Room Count of your Motel:  Level1 (1 to 50 rooms): \$700  Level2 (51 to 100 rooms): \$900  Level3 (100+ rooms): \$1,100	Monthly, upon Invoice	The Sales Boom program (“Sales Boom Program”) is an optional program designed to provide your Motel with dedicated local outside sales services. Services include, but are not limited to: (1) a dedicated sales support manager, (2) local account solicitation, (3) RFP targets, and (4) group bookings.  If you elect to participate in the Sales Boom Program, there is a three-month minimum commitment. The availability of the Sales Boom Program to you is limited to resources available at the time of request.
Booking Fees and Commissions	10% to 18%; to reimburse us and our affiliates for travel agency commissions and booking fees that we or they pay on your behalf to third parties for reservations at your Motel.	Upon Invoice	If an invoicing clearinghouse bills you for such amounts, you must pay those amounts and any administrative fees to that clearinghouse.
CorporatePlus@6 Processing Fee	4% of all CorporatePlus@6 room revenue and related taxes.  Additionally, CorporatePlus@6 accounts may be eligible for discount and/or rebates up to 18%.	Upon Invoice	You are required to participate in the CorporatePlus@6 program, which offers centralized nationwide billing privileges to companies who utilize at least a minimum number of room nights annually across the Motel 6 and Studio 6 brands. You must pay the direct billing fee on all amounts direct billed

NAME OF FEE*	AMOUNT	DUE DATE	REMARKS
			and any rebates applicable to qualifying room revenue. You may also participate in similar, optional Motel level direct billing programs if the customer is only using your Motel.
National Sales RFP Tool	Currently \$199	Annually	You are required to participate in the National Sales RFP Tool process and pay us or our affiliates this annual fee. The National Sales RFP Tool process makes your Motel visible to Travel Manager and Centralized Travel Planning Agencies so you may be eligible to take advantage of revenue from high-volume national sales accounts who are interested in conducting business with the Motel 6 and Studio 6 brands
<b>Conferences and Training</b>			
Annual Conference Fee	Determined each year. Currently \$1,850 to \$5,000 per Motel for up to one attendee per Motel.	Upon Invoice	You, or if you are a legal entity, your managing owner or executive, must attend our annual conference and pay an attendance fee. Additional attendees from a Motel will be charged an additional fee. We reserve the right to change the requirements as to who must or may attend on behalf of a Motel and to change the amount of the Fee. You are responsible for any travel and related expenses of you and/or your employees to attend. For a Dual Brand Operation, you are only required to pay one annual conference attendance fee (and any applicable additional attendee charges) for your Studio 6 Motel and your Motel 6

NAME OF FEE*	AMOUNT	DUE DATE	REMARKS
			Motel, collectively. For multiple Motels other than Dual Brand motels, we require a separate Annual Conference Fee for each Motel, but do not require that each Motel be separately represented at the Conference, although we reserve the right to do so.
Additional Training	Currently \$1,500 to \$3,500 per person, depending on length of training program	Upon Invoice	<p>We may offer optional training classes either on-line, at our headquarters, at your Motel, or in your regional area.</p> <p>From time to time, we may also require you or your employees to attend additional or refresher training programs if, among other things, you fail to comply with Standards, fail an assessment, or are placed in default. Completion of such training may, at our option, be a condition of clearing an assessment deficiency or quality failure or curing a default.</p> <p>You must pay the fee associated with any optional training you elect to attend and any mandated training, as well as travel and related expenses of you and/or your employees to attend. If training is provided at your Motel, you must also pay the travel and related cost for our trainers. For a Dual Brand Operation, you are only required to pay one Additional Training fee (per person) for such Additional Training that is mandated as a result of non-compliance or default.</p>
General Manager Training (Other than Pre-Opening,	Currently \$1,500 per attendee	Upon Invoice	If you replace a General Manager, the new General

NAME OF FEE*	AMOUNT	DUE DATE	REMARKS
Transfer, Renewal or Additional Person)			Manager must complete General Manager Training at our headquarters or virtually no later than 2 months after hire. This fee also applies to General Manager training other than that covered by the Opening Package, Transfer Package, or Renewal Package or Additional Person fees.
General Manager Training Additional Person	Currently \$750 per person	Upon Invoice	If you intend to include more than one attendee at the replacement General Manager Training, this fee will apply to each additional attendee attending at the same time.
<b>Miscellaneous Fees</b>			
Guest Relations Research Response Fee and Refunds	Currently \$124	Upon Invoice	If you fail to resolve a guest complaint or a guest satisfaction survey response in accordance with our policies and Standards and we intervene, you must pay us the Research and Response fee and, in addition, you must (a) reimburse us for any expenses incurred by us or our affiliates to resolve the guest complaint and (b) reimburse us for any compensation paid to the guest.
Guest Survey Fee	\$40	Monthly upon Invoice, if incurred	The platform is used to manage all Online Reviews and Guest Satisfaction Surveys as well as reports and analyses of both. You may use this platform to respond to Guest Satisfaction Surveys.
Guest Relations Fee	\$50	Monthly upon Invoice, if incurred	You must pay this monthly fee for the Guest Relations Application, which will manage all guest relations contacts, reports and analyses. You can also use the Guest Relations Application to document guest experience

NAME OF FEE*	AMOUNT	DUE DATE	REMARKS
			and response to guest relations reports.
Late Fee/Interest on Overdue Amounts	\$250; plus interest at the rate of 1.5% per month or the maximum rate permitted by law	Upon Invoice	You must pay the late fee per occurrence on any overdue monthly invoices plus interest on all overdue amounts from the date payment was due until such amount is paid.
Returned Check/ACH Fee	\$50	Upon Invoice	Payable if a check for any fees due us fails to clear or any payment to us by any method is declined by your financial institution.
Call Transfer Fee	Currently, 3% to 10% of related room revenue	Monthly Upon Invoice	You must pay us this fee for each reservation consumed from a call transferred from your Motel to the call center. We may, in our sole discretion, increase the Call Transfer Fee or modify the Call Transfer Fee structure to cover our cost of providing this service.
Automated Attendant Cloud Fee	Currently \$16 - \$34	Monthly Upon Invoice	You must use our automated attendant program to route phone calls made to your Motel. You must pay us or our affiliates this fee to cover hosting and support expenses related to the automated attendant program.
Payment/Invoice Processing Fee	As incurred	Upon Invoice	You are currently required to make all payments to us using the required on-line application (currently VersaPay). If you pay us using any other method or request an alternate form of invoice and we incur a bank or processing fee or cost as a result, you must reimburse us.
Expedited Document Request Fee	\$500 to \$1,500 per document, depending on the nature of the document	Upon Invoice	You may request that we produce and/or sign certain documents including, but not limited to: Comfort Letters, SBA Forms, Letters of Good Standing, and other similar documents that may be

NAME OF FEE*	AMOUNT	DUE DATE	REMARKS
			<p>provided to third parties such as lenders, landlords, or suppliers.</p> <p>We will attempt to fulfill these requests in a reasonable amount of time; however, if you request that the documents be returned to you in 7 business days or less, we may charge you the Expedited Document Request Fee.</p>
Pass-Through Sales Tax and Similar Taxes	Varies by state and local taxing authority	Upon Invoice	If goods or services provided by us or third parties are subject to sales tax or similar taxes, you will pay the amounts of such taxes invoiced by us and/or any amounts of such taxes invoiced directly to you by third parties, including taxing authorities.
Insurance Procurement	Cost of procuring insurance for you	Upon Invoice	Payable only if you fail to procure insurance and we do it for you.
Alternative Supplier Fee	Currently \$1,000 to \$10,000 depending on the time and expenses necessary for review and evaluation of proposed alternative vendor or product	Upon Invoice	If we specify a required vendor for a product or service required by the Standards and you propose to use a different vendor or product, we may charge you a reasonable fee to review and evaluate the alternative supplier or product.
<b>Compliance, Remedies, Damages, Similar Charges</b>			
Quality Non-Compliance Fee	Currently \$3,000 to \$5,000	Upon Invoice	If your Motel is subject to a quality or other deficiency notice or default notice (including in connection with an in-term renovation PIP) and (1) we are unable to obtain required information from you, (2) we are unable to determine the project or cure status, (3) we are unable to determine if you have

NAME OF FEE*	AMOUNT	DUE DATE	REMARKS
			<p>complied with the project or cure requirements or milestone dates, or (4) if you notify us that your Motel has completed all requirements and our personnel or designated agent visit your Motel and find that your Motel has not satisfied all requirements, then we may in our sole discretion inspect your Motel. There is a separate fee for each inspection or re-inspection. The fee includes travel expenses. The amount of the fee varies depending on the extent of the non-compliance and the amount of time necessary to resolve it.</p>
<p>Fee for Audit or Re-Audit of Books and Records</p>	<p>Currently \$3,500 to \$5,000 per audit or re-audit, plus any audit deficiency</p>	<p>Upon Invoice</p>	<p>We do not typically charge you for an audit of your books and records. If we conduct such an audit and your Motel fails or partially fails the audit or if we could not complete the audit because you did not provide requested documents in advance of the audit visit, then we reserve the right to charge an Audit Fee. The Audit Fee includes travel expenses. If we determine in our sole discretion that a follow-up audit or re-audit is appropriate, we reserve the right to charge the same amount for a Re-Audit Fee.</p>
<p>Non-Compliance Intervention Fee</p>	<p>\$1,000 to \$5,000 per intervention</p>	<p>Upon Invoice</p>	<p>All Motels are required to comply with Standards and the Franchise Agreement. If we notify you that you have failed to comply with any such standard or requirement or if we place your Franchise Agreement in default as a result of such non-compliance, then, in addition to any other</p>

NAME OF FEE*	AMOUNT	DUE DATE	REMARKS
			amount due, we may charge you a Non-Compliance Intervention Fee. This fee covers the cost and expense of inspections, corrective action plans and/or our administrative costs in dealing with the non-compliance. The amount of the fee varies by extent of the non-compliance and level of intervention required.
Indemnification	Varies	Upon demand	You must reimburse us or our affiliates for any liability, loss, cost, threat, suit or expense, including attorneys' fees, investigative fees and court costs which may arise out of or related to your operation of the Motel, or your performance under any agreement with us, without regard to our actions (other than our intentional and willful acts or omissions).
Liquidated Damages For Early Termination (including Failure to Open)	\$2,000 per Authorized Guest Room	5 days following termination	This fee is imposed as liquidated damages and not as a penalty if the Franchise Agreement is terminated prior to the end of the Term except pursuant to Section 14.1 of the Franchise Agreement.
Trademark Liquidated Damages for Opening Without Permission	Currently \$50 per Authorized Guest Room for each day the Motel is open for business without authorization to open as a Studio 6 Motel.	Upon demand	If you begin renting rooms in the Motel utilizing our trademarks before we authorize you to open as a Studio 6 Motel, you must pay us for the unauthorized use of our trademarks.
Trademark Infringement/De-Identification Fee	Currently \$50 per Authorized Guest Room for each day you continue to operate the motel with Studio 6 signage and other	Upon Demand	If the Motel is a part of a Dual Brand Operation, we may assess this fee for each brand if, following termination of your Franchise Agreement, you fail to comply with: the de-identification obligations

NAME OF FEE*	AMOUNT	DUE DATE	REMARKS
	indicia of our intellectual property in place, plus our costs of removing such signage and other indicia of our intellectual property if you fail to do so		under your Franchise Agreement and our other procedures for removing signage and other indicia of our intellectual property. We may adjust this fee.
Dispute Resolution Costs and Attorneys' Fees	Reasonable attorneys' fees, court costs and expenses of litigation or other dispute resolution.	Upon demand	The prevailing party in any suit or proceeding is entitled to recover these amounts from the other party. For a Dual Brand Operation, the prevailing party will be entitled to recover its reasonable attorneys' fees and court costs from the other party under each of the Studio 6 Franchise Agreement and the Motel 6 Franchise Agreement; but no duplicative recovery will be sought or paid.

NAME OF FEE*	AMOUNT	DUE DATE	REMARKS
<b>Renovations/Transfers/Renewals</b>			
Property Improvement Plan (“PIP”) Fee	Currently \$1,850	No later than the date that you sign your Renewal Franchise Agreement or the documents required to effect your Transfer	<p>Upon Transfer, Renewal or required periodic renovation under the Franchise Agreement, you must pay a PIP Fee for our preparation of a PIP.</p> <p>We can request this fee be paid any time prior to your signing of the Renewal Franchise Agreement or the documents required to effect your Transfer, after certain legal requirements are satisfied.</p> <p>The Fee is non-refundable, except in Transfers or Renewals for which we reject an Application and we have not visited the site/area or provided other assistance. The PIP Fee includes the travel and related expenses for one site visit.</p>
Transfer Application Fee	\$5,000	No later than the date that you sign the documents required to effect your Transfer	<p>Not refundable unless we reject the Transfer Application and we have not visited the site/area or provided other assistance.</p> <p>We can request this fee be paid any time prior to your signing of the documents required to effect your Transfer, after certain legal requirements are satisfied.</p> <p>The Transfer Application Fee will be reduced to \$2,500 for transfers where the majority Owner of the Franchisee seeks to obtain an ownership interest from a minority owner of the Franchisee.</p>

NAME OF FEE*	AMOUNT	DUE DATE	REMARKS
Balance of Transfer Fee	Currently \$10,000, for a Transfer of the remainder of the Term of the existing Franchise Agreement	Payable no later than 10 days before the Transfer closing date	This fee is paid by the buyer/transferee. Transfer Fees may not apply to certain transfers.
Securities Offering (Public Offering or Private Placement)	Currently \$10,000	Upon Invoice	Our review is limited to assessing compliance with the Franchise Agreement, use of our Marks, and description of the rights and obligations covered by the Franchise Agreement. For a Dual Brand Operation included in the same offering, you are only required to pay one Securities Offering fee.
Renewal Application Fee	Currently \$5,000	No later than the date you sign the Renewal Franchise Agreement	We can request this fee be paid any time prior to signing the Franchise Agreement after certain legal requirements are satisfied.
Renewal Fee	50% of the then-current initial franchise fee for a 10-year renewal term.	Upon Invoice	This fee is due upon approval of your renewal application.
Transfer/Renewal Package	Currently up to \$4,500	Payable no later than 10 days after the Transfer closing date or the Renewal Date as applicable	Non-refundable fee. \$4,500 currently includes the following items: General Manager Training at G6 headquarters for 1 person; Updated Property Pics; 1 email license for the Motel. Fee may be less than \$4,500 if Transferee/Franchisee retains the existing General Manager and/or motel staff or if updated Property Pics are not needed. For a Dual Brand Operation, the Transfer/Renewal Package includes 2 email addresses and you will only be required to pay one Transfer/Renewal Package Fee in respect of your

NAME OF FEE*	AMOUNT	DUE DATE	REMARKS
			<p>Studio 6 Motel and your Motel 6 Motel, collectively, so long as both the Studio 6 Motel and the Motel 6 Motel are ready for the Photo Shoot (if needed) at the same time and the Transfers/Renewals occur at the same time. We may, in our sole discretion, elect to increase the Transfer/Renewal Package Fee by a reasonable amount in order to cover costs associated with the Transfer/Renewal Package.</p>
<p>On-Site and Other Transfer/Renewal Training and Assistance</p>	<p>Currently up to \$4,000</p>	<p>Upon Invoice.</p>	<p>The fee covers On-Site and Other Transfer or Renewal Training and Assistance (“Transfer/Renewal Assistance”) for pre and post-Transfer or Renewal administrative support, onsite installation/updating and training on the PMS system, and other required technology and staff training. It currently covers approximately 2.5 days of on-site training and includes travel and related expenses for one round trip to the Motel by the trainer(s). See Item 11 for a description of the On-Site Training and Assistance program for Transfers and Renewals.</p> <p>For a Dual Brand Operation, you will only be required to pay one On-Site and Other Transfer/Renewal Training and Assistance Fee in respect of your Studio 6 Motel and your Motel 6 Motel, collectively, so long as both the Studio 6 Motel and the Motel 6 Motel Transfer/Renew at the same time. We may, in our sole</p>

NAME OF FEE*	AMOUNT	DUE DATE	REMARKS
			discretion, elect to increase the On-Site and Other Transfer/Renewal Training and Assistance Fee by a reasonable amount in order to cover costs associated with the Transfer/Renewal Assistance we or our affiliates provide you. Fee may be less if Transferee/Franchisee retains the existing General Manager and/or motel staff.
Transfer/Renewal General Manager Training Additional Person	Currently \$750 per additional attendee	Upon Invoice	If you intend to include more than one attendee at the General Manager Training in connection with the Transfer/Renewal, this fee will apply to each additional attendee attending at the same time.
Ancillary Trip Fee for Additional Renovation/Transfer/Renewal Training and Assistance	Currently \$900	Upon Invoice	If we deem it necessary to make more than one round trip to the Motel in connection with Transfer/Renewal Assistance, each additional visit will incur this fee
Additional Fee for Extended Term	Varies up to amount of then-current initial franchise fee	Payable with Balance of Transfer Fee	If the Transferee requests an additional term beyond the original initial term of the Franchise Agreement or if a renewing Franchisee requests a renewal term longer than 10 years, we reserve the right to charge an additional fee, up to the amount of the then current initial franchise fee for the extended term of each franchise agreement.

Notes:

\* Unless otherwise noted, all fees are imposed by and payable to us or our affiliates and are non-refundable. Additionally, unless otherwise noted, for a Dual Brand Operation, you must pay the applicable fee for each of the Studio 6 Motel and the Motel 6 Motel. Unless otherwise directed on the applicable invoice or other demand, all invoices must be paid through, and any disputes of charges must be sent through, the designated electronic payment system (currently VersaPay) in compliance with the requirements of the VersaPay application and our instructions.

(1) Gross Room Revenues means the gross receipts (whether collected or uncollected) attributable to or payable for the rental of Authorized Guest Rooms at the Motel, including, the gross revenues used in calculation of business interruption, rent loss, or similar insurance for the Motel insurance proceeds will be included in Gross Room Revenues only when you actually received them. Gross Room Revenues do not include gratuities to employees or service charges levied instead of gratuities to employees. It also does not include federal, state, or local taxes or fees you collect. Gross Room Revenues will not be reduced by any of your expenses, including, but not limited to, credit card commissions, bad debts (or reserves for bad debt), taxes or refunds. For the avoidance of doubt, Authorized Guest Rooms means the number of guest rooms identified in Attachment 2 to the Franchise Agreement. You may not change the number of Authorized Guest Rooms in your Motel without our permission.

(2) The monthly Program Fee currently supports the development and operation of the Reservation System and the Marketing Program (See Item 11). We may, in our sole discretion, make changes to the services and systems supported by the Program Fee and may allocate the Program Fee among the covered functions as we deem appropriate. Additionally, you must obtain a telephone number or numbers and maintain a public business listing at a minimum (See Item 8). These costs vary based on vendor changes. You must also pay for other Motel-specific advertising and promotions (such as in-room acrylic holders), point-of-sale, and other such materials as may be used to promote the Studio 6 System from time to time.

(3) We have the right to adjust, for inflation, all fixed dollar amounts under the Franchise Agreement, once a year, for changes to the Index from the year when you sign your Franchise Agreement. The term “Index” means the U.S. Consumer Price Index (1982 84=100; all items; CPI-U; all urban consumers) as published by the U.S. Bureau of Labor Statistics (“BLS”). If the BLS no longer publishes the Index, then we will designate a reasonable substitute measure.

**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**

**TABLE 1:**  
**YOUR ESTIMATED INITIAL INVESTMENT FOR 100 ROOM RENOVATED STUDIO 6**  
**EXTENDED STAY MOTEL OR NEW CONSTRUCTION STUDIO 6 EXTENDED STAY**  
**MOTEL USING CURRENT PROTOTYPE GEMINI**

<b>TYPE OF EXPENDITURE</b>	<b>RENOVATION<sup>17</sup></b>	<b>NEW CONSTRUCTION<sup>18</sup></b>	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAYMENT IS TO BE MADE</b>
<b>Site Selection and Amounts Payable to Franchisor</b>					
Market Feasibility Study <sup>1</sup>	\$0 - \$10,000	\$0 - \$15,000	Lump Sum	Before submitting Application	Consultants
Property Ownership or Acquisition Costs (varies) <sup>2</sup>	See Note 2	See Note 2			Landowner / Landlord

<b>TYPE OF EXPENDITURE</b>	<b>RENOVATION</b> 17	<b>NEW CONSTRUCTION</b> 18	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAYMENT IS TO BE MADE</b>
Initial Fees Paid to Franchisor (including Application Fee, PIP / Site Fee, Opening Services and Training) <sup>3</sup>	\$33,850	\$33,850	Lump Sum	Portions prior to or with Franchise Agreement, or immediately prior to Opening, as noted in Item 5	Us
Opening Extension Fee <sup>3</sup>	Variable	Variable	Lump Sum	Before we extend opening	Us
Re-visitation or Re-inspection Review Fee <sup>3</sup>	Variable	Variable	Lump Sum	Upon invoice if we re-inspect or revisit	Us
<b>Planning &amp; Due Diligence<sup>4</sup></b>					
Architectural, Design Fees (plans); Environmental Assessments, Research/Testing/Abatement/ Permits, Impact and Other Fees	\$0 - \$70,000	\$80,000 to \$250,000	As arranged	As arranged	Architects, Engineers, Consultants, Local Municipalities and Other Vendors and Third Parties
<b>Implementation Phase</b>					
Site and/or Civil work <sup>5</sup>	\$0	\$50,000 - \$250,000	As Arranged	As Arranged	Contractors/Vendors
Construction Expenses <sup>6</sup>	\$0 - \$680,000	\$5,915,500 - \$6,802,825	As Arranged	As Arranged	Contractors, Subcontractors, Construction Managers and Vendors
Furniture, Fixtures & Equipment (FF&E), Materials & Freight Only <sup>7</sup>	\$0 - \$590,000	\$708,000 - \$849,600	As Arranged	As Arranged	Vendors
Signage (faces, boxes, monument, pole sign) <sup>8</sup>	\$4,000 - \$40,000	\$20,000 - \$40,000	As Arranged	As Arranged	Installers/Vendors
WIFI Infrastructure <sup>9</sup>	\$0 - \$10,000	\$5,500 - \$10,000	As arranged	As incurred	Vendors
Telephone System <sup>10</sup>	\$0 - \$1,200	\$12,000 - \$25,000	As Arranged	As Arranged	Vendors
PMS and Credit Card Processing Equipment and Related Costs <sup>11</sup>	\$4,000 - \$5,000	\$4,000 - \$5,000	As Arranged	As Arranged	Vendors
Opening Inventory & Supplies <sup>12</sup>	\$20,000 - \$150,000	\$160,000 - \$190,000	As Arranged	As Arranged	Vendors

<b>TYPE OF EXPENDITURE</b>	<b>RENOVATION</b> 17	<b>NEW CONSTRUCTION</b> 18	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAYMENT IS TO BE MADE</b>
Insurance <sup>13</sup>	Varies	Varies	As Arranged	As Arranged	Insurers
Utility Deposits <sup>14</sup>	Varies	Varies	As Arranged	As Arranged	Utility Companies
Grand Opening Expense <sup>15</sup>	Varies	Varies	As Arranged	As Arranged	Third Parties, Vendors
Additional Funds for Initial Phase <sup>16</sup> (3 months of operations)	\$145,000 - \$205,000	\$145,000 - \$205,000	As Arranged	As Arranged	Vendors/Employees
<b>TOTAL</b> (excluding land acquisition costs)	<b>\$206,850 - \$1,795,050</b>	<b>\$7,133,850 - \$8,676,275</b>			
<b>Total Per Guest Room</b>	<b>\$2,068 - \$17,950</b>	<b>\$71,338 - \$86,762</b>			

**TABLE 2:  
YOUR ESTIMATED INITIAL INVESTMENT FOR 100 ROOM RENOVATED STUDIO 6 SUITES OR NEW CONSTRUCTION STUDIO 6 SUITES MOTEL USING CURRENT PROTOTYPE GEMINI**

<b>TYPE OF EXPENDITURE</b>	<b>RENOVATION</b> 17	<b>NEW CONSTRUCTION</b> 18	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAYMENT IS TO BE MADE</b>
<b>Site Selection and Amounts Payable to Franchisor</b>					
Market Feasibility Study <sup>1</sup>	\$0 - \$10,000	\$0 - \$15,000	Lump Sum	Before submitting Application	Consultants
Property Ownership or Acquisition Costs (varies) <sup>2</sup>	See Note 2	See Note 2			Landowner / Landlord
Initial Fees Paid to Franchisor (including Application Fee, PIP / Site Fee, Opening Services and Training) <sup>3</sup>	\$33,850	\$33,850	Lump Sum	Portions prior to or with Franchise Agreement, or immediately prior to Opening, as noted in Item 5	Us
Opening Extension Fee <sup>3</sup>	Variable	Variable	Lump Sum	Before we extend opening	Us
Re-visitation or Re-inspection Review Fee <sup>3</sup>	Variable	Variable	Lump Sum	Upon invoice if we re-inspect or revisit	Us
<b>Planning &amp; Due Diligence<sup>4</sup></b>					

<b>TYPE OF EXPENDITURE</b>	<b>RENOVATION</b> 17	<b>NEW CONSTRUCTION</b> 18	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAYMENT IS TO BE MADE</b>
Architectural, Design Fees (plans); Environmental Assessments, Research/Testing/Abatement/ Permits, Impact and Other Fees	\$0 - \$70,000	\$80,000 to \$250,000	As arranged	As arranged	Architects, Engineers, Consultants, Local Municipalities and Other Vendors and Third Parties
<b>Implementation Phase</b>					
Site and/or Civil work <sup>5</sup>	\$0	\$50,000 - \$250,000	As Arranged	As Arranged	Contractors/Vendors
Construction Expenses <sup>6</sup>	\$0 - \$600,000	\$5,477,225 - \$6,298,809	As Arranged	As Arranged	Contractors, Subcontractors, Construction Managers and Vendors
Furniture, Fixtures & Equipment (FF&E), Materials & Freight Only <sup>7</sup>	\$0 - \$500,000	\$430,000 – \$516,000	As Arranged	As Arranged	Vendors
Signage (faces, boxes, monument, pole sign) <sup>8</sup>	\$4,000 - \$40,000	\$20,000 - \$40,000	As Arranged	As Arranged	Installers/Vendors
WIFI Infrastructure <sup>9</sup>	\$0 - \$10,000	\$5,500 - \$10,000	As arranged	As incurred	Vendors
Telephone System <sup>10</sup>	\$0 - \$1,200	\$12,000 - \$25,000	As Arranged	As Arranged	Vendors
PMS and Credit Card Processing Equipment and Related Costs <sup>11</sup>	\$4,000 - \$5,000	\$4,000 - \$5,000	As Arranged	As Arranged	Vendors
Opening Inventory & Supplies <sup>12</sup>	\$20,000 - \$150,000	\$160,000 - \$190,000	As Arranged	As Arranged	Vendors
Insurance <sup>13</sup>	Varies	Varies	As Arranged	As Arranged	Insurers
Utility Deposits <sup>14</sup>	Varies	Varies	As Arranged	As Arranged	Utility Companies
Grand Opening Expense <sup>15</sup>	Varies	Varies	As Arranged	As Arranged	Third Parties, Vendors
Additional Funds for Initial Phase <sup>16</sup> (3 months of operations)	\$145,000 - \$205,000	\$145,000 - \$205,000	As Arranged	As Arranged	Vendors/Employees
<b>TOTAL (excluding land acquisition costs)</b>	<b>\$206,850 - \$1,625,050</b>	<b>\$6,417,575 - \$7,838,659</b>			

TYPE OF EXPENDITURE	RENOVATION 17	NEW CONSTRUCTION 18	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
<b>Total Per Guest Room</b>	<b>\$2,068.50 - \$16,250</b>	<b>\$64,175 - \$78,386</b>			

**Notes to Tables 1 and 2:**

(1) **Market Feasibility Study.** A market feasibility study is optional. The purpose of a market feasibility study is to gauge demand, rate potential, and appropriateness of the location and other aspects of the proposed project. While we do not require a market feasibility study or recommend any particular consultant, we believe a market feasibility study is useful and a lender or other funding source may require one. If you undertake a Market Study, the estimated cost is \$5,000 to \$15,000.

(2) **Property Ownership or Motel Acquisition.** We do not provide an estimate for the cost to acquire either real estate on which to build a new motel or to acquire an existing motel to convert or any ongoing cost associated with existing ownership/maintenance of a motel to be converted. There are significant cost variations for real estate and existing motels among geographic areas, different sites and various options for what you may purchase. Typically, new construction Studio 6 Motels require approximately 1 acre of real property and you should factor that in as you look for real estate and talk to local advisors.

(3) **Initial Fees Paid to Franchisor.** This estimate of Initial Fees Paid to Franchisor is only the fixed fees due to us or our affiliates for a 100 room Studio 6 Motel. If your Studio 6 Motel will have 151 rooms or more, the initial franchise fee will be \$10,000 more (the total initial fees due to us would be \$43,850) and other costs in this chart will be higher. For the variable fees due to us, including Opening Extension Fee and Inspection/Re-Inspection Fee, see Item 5 for more details. Also see Item 5 for more details on when the fixed and variable fees due to us for your Studio 6 Motel, and when those fees are refundable.

(4) **Planning and Due Diligence.** This category of expenditure includes architectural, design and engineering fees for plans and related materials, environment site assessment reports (ESAs), research, testing and abatement, permits, licenses, deposits, sewer and water fees, storm fees, development impact fees, and other related fees payable both before and during construction. While we do not require proof that your intended site is environmentally appropriate, the risk of environmental problems and liability to you, your investors and lenders makes an environmental survey a practical necessity. You should discuss with your consultants and obtain renovation or construction Plans that meet the Americans with Disabilities Act requirements.

(5) **Site and / or Civil Work.** This includes site preparation, grading, earthwork, paving, surfacing, site utilities, landscaping and irrigation for a typical site (that does not have difficult or peculiar land use, design, and/or grading aspects). You may experience additional cost (site premiums) if your site requires unusually extensive preparation, environmental cleanup, rock excavation, dewatering, unusual foundation or drainage requirements, or governmental impact fees.

(6) **Construction Expenses.** For a new construction Studio 6 Motels, this includes an estimate of the construction costs for one building, including building materials and labor, and includes builder's risk insurance, installation of FF&E, and supervision, overhead and profit that is typical for the construction industry. The cost variations are due, in large part, to variations in labor, materials and methods of construction. This estimate assumes that you do not construct a swimming pool (approximately \$40,000 to \$80,000 extra), but includes construction of an on-site laundry. For a conversion Studio 6 Motels, this

includes an estimate of the cost to renovate an existing motel to Studio 6 Standards for conversion properties. Renovation costs will vary based upon the particular requirements outlined in the PIP included in the Franchise Agreement and the then-current Studio 6 Standards. Construction and renovation costs may vary due to local building codes and market conditions. We have not included a Construction Contingency since any such contingency may vary widely. You may wish to build a Construction Contingency into your plans depending on the situation in the geographic area of the Site/Motel.

(7) **FF&E, Materials and Freight Only.** This includes equipment (such as TVs), furniture, kitchen appliances, soft goods, flooring and fixtures for guest rooms, lobbies, and common areas. It includes freight of approximately 7% to 8% of cost of materials, but does not include taxes, which vary by jurisdiction, or installation, which is included in the Construction Expenses. (See Note 5) The cost variations are due, in large part, to the types of finishes and materials you may select. Freight is approximately 6% to 9% of the cost of materials.

(8) **Signage.** We recommend the largest exterior pole-mounted or pylon sign allowable based upon local zoning and sign ordinances. This also includes building signage and smaller directional signage or “identity package.”

(9) **WIFI Infrastructure.** We require that you provide guest WIFI access in accordance with Motel 6 Standards. The approximate cost of establishing the infrastructure for guest WIFI, including WIFI hardware (access points, network switches, antennas), network cabling and installation, varies depending on WIFI hardware vendor and on whether WIFI is connected to a separate dedicated data circuit.

(10) **Telephone System.** You must also purchase a phone system/services with an auto attendant function, call transfer capability, and direct 911 dialing capability. The cost of such systems varies widely by geographic area and vendor, but a new hosted (cloud-based) telephone system will be approximately \$12,000 and a new PBX-type telephone system will be approximately \$25,000. In a conversion property, if you have an existing PBX, your cost to record new greetings and modify the existing PBX will be approximately \$500.

(11) **PMS and Credit Card Processing Equipment and Related Costs.** This cost includes two check-in devices and two credit card terminals and associated access hardware and software, including 1 wireless router for internal network connectivity. This is the standard configuration for the required “front office systems” and includes access to the cloud-based PMS and other applications and to the Reservation System. See Item 11. Changes in the PMS or approved credit card processor or other changing technology requirements may require additional expenditures by you, either before or after your Opening Date and these estimated costs vary over time. In addition to these pre-opening costs, the PMS, other applications and equipment require the payment of ongoing monthly or annual fees, either to us or our affiliates or to third parties. For fees payable to or through us or our affiliates, see Item 6. Currently, fees payable directly to vendors for the required configuration include a credit card tokenization fee of 3¢ per transaction.

(12) **Opening Inventory and Supplies.** This includes without limitation the cost of linens and towels, forms, shirts, badges, collateral materials, cleaning supplies, miscellaneous tools and operating equipment.

(13) **Insurance.** The cost of Builder’s Risk Insurance is built into the Construction Expense cost. In addition, we require that during your operation of the Motel under the Franchise Agreement, you arrange and pay for certain minimum types and levels of coverage as currently shown in the Standards, as we may amend from time to time. The cost of such coverage will vary based on selected carrier, coverage levels, geographic location, special provisions and other factors, including your risk profile. Your selected insurance carrier may require you to pre-pay some or all of your insurance premiums prior to your Opening Date. You should identify your insurance carrier and check with it to determine the requirements.

(14) **Utility Deposits.** Utility costs vary widely and the policies of utility companies regarding deposits and when they must be paid varies by jurisdiction and utility company. You should check with your local utility companies. For a conversion motel, you may have already made utility deposits.

(15) **Grand Opening Expense.** We do not require you to hold a Grand Opening event or expend any particular level of funds for Grand Opening advertising and marketing. Depending on the location of your motel and the characteristics of the market in your area, you may wish to hold a Grand Opening event. Costs for such events vary widely depending on the size and nature of the event, but may be expected to be in the range of \$5,000.

(16) **Additional Funds.** This is “cash on hand” to support initial operations. Cash needs will vary, but we believe this is a minimum figure for operating a 100 room Studio 6 Motel during its start-up phase, which we calculate to be 3 months. This is only an estimate, however, and there is no assurance that additional funds will not be necessary during this start-up phase or after.

(17) **Dual Brand Motel Renovation.** We also offer an opportunity to convert an existing Studio 6 Motel to a Dual Brand Motel. The costs associated with this renovation are the same as the Renovation column above, except for: Construction Expenses: \$0 - \$625,000; and Furniture, Fixtures & Equipment (FF&E), Materials & Freight Only: \$0 - \$545,000. Due to these differences, the total cost for Dual Brand Motel renovation is \$222,500 to \$1,695,050 and the Total Cost per Guest Room would be \$2,225 to \$16,950. These estimates are based upon a 50/50 split of Motel 6 rooms and Studio 6 rooms.

(18) **Dual Brand Motel New Construction.** We also offer an opportunity to construct and operate a Dual Brand Motel, including both Motel 6 rooms and Studio 6 rooms. The costs associated with this new build are the same as the New Construction column above, except for: Planning and Due Diligence: \$80,000 - \$500,000; Construction Expenses: \$5,765,500 - \$6,630,325; and Furniture, Fixtures & Equipment (FF&E), Materials & Freight Only: \$626,750 - \$783,438. Due to these differences, the total cost for Dual Brand Motel New Construction is \$6,932,600 to \$8,687,613 and the Total Cost per Guest Room would be \$68,179 to \$83,298. These estimates are based upon a 50/50 split of Motel 6 rooms and Studio 6 rooms.

We relied on our and our affiliates’ experience in the industry when preparing these figures, and with respect to certain cost estimates, we relied on estimates from suppliers, from proposed bids from potential suppliers, and from our actual experience at one or more properties. Specifically, the construction / renovation costs are for potential a new construction / renovation (as applicable) project in the Dallas-Fort Worth market for 2020. To the extent that the assumptions described in the notes above are not applicable to your situation, and/or to the extent there are differences at your Motel or location that differ from the experience, facts, or data that led to this figure, YOUR COSTS AND EXPENSES MAY BE HIGHER. You should consult with your architects, engineers, general contractors, hospitality consultants, attorneys and/or accountants who may be able to provide more specific figures for your Motel.

Except as otherwise described above, all payments are non-refundable. We do not offer financing for any part of your initial investment.

## **ITEM 8** **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

### **System Standards**

In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate your Motel in strict conformance with our Standards, including the methods and

specifications we prescribe from time to time in the Manuals or otherwise in writing. The Standards may relate to any aspect of the operation of your Motel.

### Suppliers

All fixtures, furnishings, equipment, signs, services, materials, computer systems, software and supplies (collectively, “Supplies”) for the Motel must meet our Standards and specifications, as outlined in our Manuals, which may be amended from time to time. In addition, in order to ensure that Studio 6 Motels are uniform and of similar quality, and to maintain the identity, integrity and reputation of the System, you must purchase certain Supplies required to meet our Standards and specifications from designated suppliers, which may include us or our affiliates (“Approved Suppliers”). For example, you will be required to purchase the hardware and Software for your Computer Systems, bedspreads, drapes, signage, certain casegoods, and certain other brand-specific items for the Motel, through the G6 Hospitality e-procurement marketplace system or directly from our Approved Suppliers. Except as stated below, neither we nor any of our affiliates are the only Approved Supplier for any required goods or services. Generally, suppliers may pay rebates to us or our affiliates based upon franchisee purchases and those rebates range from 3% to 6%. In addition, there is one supplier that pays rebates to us or our affiliates at a variable rate.

You may not purchase Supplies that are required to be purchased from Approved Suppliers from unapproved suppliers. If you want us to consider other suppliers, then you must submit a request to us in writing, together with any evidence of conformity to our specifications or Standards that we may reasonably require. When approving suppliers, we consider the durability, quality and aesthetics of the supplier’s products, the supplier’s ability to meet our Standards and specifications, and the supplier’s maintenance and service capability. We may require samples from the supplier for evaluation and testing and that our representatives be permitted to inspect the supplier’s facilities. You must pay for the reasonable cost of the evaluation and testing, whether or not we approve the supplier and we will notify you of our approval or disapproval of the proposed supplier after we complete evaluation and testing. The Franchise Agreement does not specify any time within which we must notify you of our approval or disapproval of a proposed supplier. Our current practice is to try to notify you within 30 business days after completion of the evaluation and testing. If you do not receive notice of our approval or disapproval in this time period, the supplier will be deemed disapproved. We may revoke our approval of particular items or suppliers if we determine that the items or suppliers no longer meet our Standards or specifications. When you receive written notice that we have revoked our approval of a supplier, you must stop purchasing from that supplier.

If we do not require you to use a designated source or Approved Supplier for a particular item, you may purchase the item from any source you choose, as long as your purchases conform to the Standards. We have the right to restrict the sourcing of current and future items.

### Computer System

You must purchase, install, and use certain brands, types, makes, and/or models of hardware, software, peripheral equipment, and support services to such hardware, software, and peripheral equipment that we designate in the Manuals or otherwise in writing.

We have established Standards for offering Wireless Internet Access (“WIA”) services to customers at your Motel. These Standards may be amended periodically to protect our Affiliates’ computer network, to permit us and you to meet our legal obligations for data confidentiality and privacy, and to comply with other Standards of the System. All of our franchised Studio 6 Motels must provide guests with Basic WIFI, as defined in the Brand Standards, free of charge to guests. You are not required to provide or charge

for Premium WIFI, as defined in the Manuals, but if you do, you must comply with the Manuals for price and terms on which Studio 6 offers Premium WIFI to guests.

We have a license to use, and to sublicense to others, the Computer System and Software (both terms defined below), and we are the Approved Supplier for the Computer System and Software.

You must have internet connectivity to utilize the Computer System and Software. You must obtain the necessary hardware through our Approved Suppliers, as applicable, and in accordance with our current agreements with those suppliers. The hardware must be installed before the opening of the Motel. You are responsible for all costs associated with installation, maintenance, and monitoring of the hardware. You are responsible for ensuring the Internet connection and cabling are functional at your property. Any issues related to your Internet Service Provider are your responsibility to resolve.

Please see Item 11 for further information on our Computer System requirements.

### Signage and Photography

You must purchase the exterior signage for your Motel from an Approved Supplier. The list of approved signage suppliers is provided upon request. In addition, you must select and purchase the approved interior design package (which includes interior logo'd signage) from an Approved Supplier.

You must purchase a Photo Shoot of the property from our Approved Supplier.

### Guest Rooms

You must provide the mandatory television channels and services, including HBO, as listed in the Manuals. These television channels and services may change over time. The mandatory television channels and services can be delivered through an Approved Supplier, or via antenna, cable, or satellite.

We require you to use a state certified and licensed pest control provider to treat and control pests including bed bugs.

We or our affiliates have or may negotiate purchase arrangements (including price terms) with suppliers for the benefit of our franchisees. We do not have any purchasing or distribution cooperatives.

We or our affiliates do not provide material benefits (for example, renewal or granting additional franchises) to a franchisee based on a franchisee's purchase of particular products or services or use of particular suppliers.

We participate in an e-procurement marketplace system. A majority of the items that you must purchase to meet Standards and specifications may be purchased through the G6 Hospitality e-procurement marketplace system or directly from Approved Suppliers. Items purchased through the G6 Hospitality e-procurement marketplace system may include a percentage or per unit mark-up to cover our incremental expenses and overhead or to fund conventions at our sole discretion.

For our fiscal year ended December 31, 2020, we had total revenues of \$38,810,696, according to our audited financial statements. We did not receive any revenues from franchisees for required products and services. Our affiliate, G6 Hospitality, received revenues of \$18,782,419 for required products and services including IT Services, Property Management System and Reservation Services. Of this amount, \$16,992,301 or 90%, was attributable to Motel 6 franchisees and \$1,790,118 or 10% to Studio 6 franchisees.

We or our affiliates may receive rebates or payments related to specific items that are purchased directly from suppliers by franchisees or that we purchase for our franchisees. A portion of these rebates may be used to offset the costs of developing and marketing these items and to cover G6 Hospitality's general expenses. In addition to the rebates identifiable to franchisees' purchases, our affiliates may receive incentive payments from suppliers based on total volume of sales to us, our affiliates and our franchisees. These incentive payments are not identifiable to any particular purchase and are not allocated or paid to franchisees.

For our fiscal year ended December 31, 2020, we have received no rebates or discounts from Approved Suppliers for sales attributable to our franchisees. In the fiscal year ending December 31, 2020, our affiliates received a total of \$366,932 in rebate payments from all suppliers for all sales attributable to purchases by or on behalf of all Motel 6 and Studio 6 franchisees, whether made through our affiliate G6 Hospitality or directly from the supplier through the e-procurement system. Of this amount, \$324,570 was attributable to Motel 6 franchisees and \$42,361 was attributable to Studio 6 franchisees.

It is difficult to accurately estimate your purchases from required, approved or other suppliers. Required suppliers are those offering products or services that are required by us or our affiliates to use in operating a motel. Approved Suppliers are those with a negotiated contract with us and whose terms of are available to franchisees under the negotiated pricing and warranty terms. For the opening of your franchise, approximately 50% of your furniture, fixtures or equipment are from required suppliers. For ongoing operation of your franchise, all of your products or services may come from required or Approved Suppliers, if you elect to purchase from them; however, we estimate that approximately only 10-30% are from required suppliers.

There are no suppliers in which any of our officers own an interest.

### Marketing

All marketing and promotional materials you use must be in the media and format and of the type that we approve according to the procedures in the then current version of the Manuals. You must conduct your marketing and promotional activities in a responsible and professional manner, and they must conform to our Standards. At least 15 business days before the date on which you intend to print or record the materials, you must submit to us for review and approval samples of all proposed advertising and promotional materials for the Motel. We reserve the right to disapprove, in our reasonable discretion, any of these materials upon written notice to you. We may revoke our approval of any advertising and promotional materials that were previously approved by us upon 30 days' prior written notice. You must immediately discontinue using any of these materials upon receipt of written notice that we have revoked our approval.

You may not establish or operate your own website for the Motel, and you may not conduct any e-commerce over the Internet, World Wide Web (including, but not limited to, Facebook, Twitter or any other e-commerce, digital marketing platforms, or social media sites) or other electronic communication system, except as permitted by, and in strict compliance with, the then current version of the Manuals. Currently, the Manuals provide that if you choose to create a website for your Motel, you must have the website hosted and certified compliant by us or an Approved Supplier. We may modify or amend the Manuals, company websites, or the list of Approved Suppliers at any time. If you elect to implement a website or PPP for your Studio 6 Motel, you will be responsible for all costs and expenses associated with the development and maintenance of the website or PPP, including any fee payable to us. If you fail to maintain your approved website or PPP according to the Manuals or Standards, you must immediately resolve any non-compliant website issues after written notice from us.

We have a mandatory nationwide business-to-business marketing program, CorporatePlus@6. You will be required to accept all CorporatePlus@6 guests and other similar programs provided by us. (See Item 16.)

Insurance

During the Term, and at your expense, you must procure and maintain insurance with the coverages, deductibles, limits, carrier ratings, and policy obligations required by the Standards. If you fail to procure or maintain the required insurance, we may, at our option (but with no obligation), procure and maintain such insurance without notice to you, and require you to pay for all related costs (including, premiums) incurred with obtaining such insurance.

**ITEM 9**  
**FRANCHISEE’S OBLIGATIONS**

**This table lists your principal obligations under the franchise agreement 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 AGREEMENT	DISCLOSURE DOCUMENT ITEMS
a. Site selection and acquisition/lease	Section 6 of the Franchise Agreement; Section 7.C. of Dual Brand Addendum (for Dual Brand Operation)	Items 8 and 11
b. Pre-opening purchases/leases	Sections 5.5, 5.10, 5.14, 6 and 12 of Franchise Agreement	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Section 6 of Franchise Agreement	Items 8 and 11
d. Initial and ongoing training	Sections 3 and 5 of Franchise Agreement; Section 7.F. of Dual Brand Addendum (for Dual Brand Operation)	Item 11
e. Opening	Section 6 of Franchise Agreement	Item 11
f. Fees	Application; Sections 2.2, 4, 5, 10, 11, 12 13, 14 and 15 of Franchise Agreement; Section 7.B. and Exhibit A of Dual Brand Addendum (for Dual Brand Operations)	Items 5 and 6
g. Compliance with standards and policies/operating manual	Sections 5, 6, 7, 8, 11 and 12 of Franchise Agreement; Section 7. of Dual Brand Addendum (for Dual Brand Operations)	Items 8, 11 and 14
h. Trademarks and proprietary information	Sections 5.11, 6, 7, 8, 14 and 15 of Franchise Agreement; Section 7.H. of Dual Brand Addendum (for Dual Brand Operations)	Items 13 and 14
i. Restrictions on products/services offered	Section 5 of Franchise Agreement	Items 5, 8 and 16
j. Warranty and customer service requirements	Section 5 of Franchise Agreement	Item 16

<b>OBLIGATION</b>	<b>SECTION IN AGREEMENT</b>	<b>DISCLOSURE DOCUMENT ITEMS</b>
k. Territorial development and sales quotas	Section 1 of Franchise Agreement	Item 12
l. Ongoing product/service purchases	Section 5.6 of Franchise Agreement	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 2.2.4, 5, 6 and 13.5.11 of Franchise Agreement	Item 8
n. Insurance	Section 12 of Franchise Agreement	Items 7 and 8
o. Advertising	Sections 5 and 11 of Franchise Agreement	Items 6, 8 and 11
p. Indemnification	Section 18 and Guarantee of Franchise Agreement	None
q. Owner's participation / management / staffing	Sections 5, 16, and 18 of Franchise Agreement	Item 15
r. Records and reports	Section 10 of Franchise Agreement	Item 6
s. Inspections and audits	Sections 5.10, 6 and 10 of Franchise Agreement	Item 6 and 11
t. Transfer	Section 13 of Franchise Agreement; Section 5 of Dual Brand Addendum (for Dual Brand Operations)	Item 17
u. Renewal	Section 2.2 of Franchise Agreement; Section 4 of Dual Brand Addendum (for Dual Brand Operations)	Item 6
v. Post-termination obligations	Sections 14 and 15 of Franchise Agreement	Item 17
w. Non-competition covenants	Section 16.2 of Franchise Agreement	Item 17
x. Dispute resolutions	Section 23 of Franchise Agreement	Item 17
y. Taxes/Permits	Sections 5.6 and 17 of Franchise Agreement	Item 1

**ITEM 10**  
**FINANCING**

We do not offer direct financing to franchisees. We will not guarantee any loan or lease that you may obtain or any obligations that you may incur. We do not receive any payments from any person for the placement of financing with such person.

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

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

Pre-Opening Obligations

Site Selection/Approval

Before we sign the Franchise Agreement, you must submit to us a proposed site for a new construction Motel or specify an existing motel to be converted to one of the Studio 6 Brands when you submit your Application. We require that you submit information about the proposed site/motel that will help us evaluate it, including location and maps; ownership and control; and market information. We do not have specific site selection or site approval criteria. However, the factors we will evaluate in considering whether to approve a site for constructing a new Studio 6 Motel or whether to approve an existing motel for conversion include: (a) demand in the immediate market; (b) the number and type of competitive properties (including existing System motels); (c) the quality and physical condition of the site/property; (d) location, visibility and accessibility; (e) prevailing rates in the market; and (f) convenience to destinations or generators of travelers and other factors. For existing motels to be converted, we may also consider historical service levels, marketing efforts and effectiveness, and facility reputation.

For conversion properties, we will provide you a PIP prior to signing the Franchise Agreement.

We do not generally own the sites of franchised motels or lease the premises to you. Securing the site/motel is your responsibility. You must deliver to us satisfactory evidence that you have secured the right to possess the site by ownership or lease, on or before the Effective Date of the Franchise Agreement.

Our approval of your site/motel is not, and should not be construed as, a representation or warranty of the potential for success or revenues at the Motel, or as any assurance that you can obtain financing for the Motel. Our site/motel approval is merely an indication that the site/motel meets the minimum requirements for a Studio 6 site/motel.

If we do not approve your site/motel or if you do not agree to the PIP, we will not sign a Franchise Agreement.

Responsibility for Conforming with Local Codes, Obtaining Required Permits, Constructing/Renovating the Motel and Hiring and Training Employees:

You are solely responsible for conforming the site/motel to local ordinances and building codes and constructing (or remodeling), decorating and equipping the motel in compliance with our Standards and, in the case of a conversion, in compliance with the PIP. You are solely responsible for hiring, training, disciplining, and termination of your employees.

To assist you, between the Effective Date of the Franchise Agreement and the Opening Date, we or our affiliates or designated representatives may:

1. Provide you with prototype plans for a new construction motel. (Section 3 of Franchise Agreement)
2. Make available a General Manager training program, which your General Manager is required to attend. The cost of attendance for your General Manager is included in the Opening Package Fee.

Additional attendee costs are outlined in Item 5. (Section 3.1 of Franchise Agreement; Section 7.F. of Dual Brand Addendum (for Dual Brand Operations))

3. Provide you our Manuals in a form accessible to you. (Section 3.2 of Franchise Agreement; Section 7.E. of Dual Brand Addendum (for Dual Brand Operations))
4. Review your Renovation or Construction Plans for the Motel for compliance with our Standards. (Section 6.4 of the Franchise Agreement)
5. Give you access to our eprocurement marketplace for the purchase of FF&E and supplies to equip your motel directly from suppliers. We may provide written specifications for certain items. We specify required suppliers for certain items and approved suppliers for other items. See Item 8 for a description. (Section 5.5 of Franchise Agreement)
6. Provide you with an email address and license, the cost of which is included in the Opening Package Fee. (Section 4.2 of Franchise Agreement)
7. Arrange for the website Photo Shoot, the cost of which is included in the Opening Package Fee. (Section 4.2 of Franchise Agreement)
8. Inspect your Motel and, if in our sole judgment you have renovated or constructed the Motel in strict compliance with the approved Renovation or Construction Plans and according to our Standards, authorize you to open as a Studio 6 Motel. (Section 6 of Franchise Agreement)
9. Provide you with certain on-site and other opening assistance including installation of and training on the PMS and other technology, and training and orientation on Studio 6 Standards and processes. (Section 4 of Franchise Agreement)

#### Typical Length of Time Before You Open Your Motel

We estimate the time period between signing the Franchise Agreement and the start of operations will be 12 to 18 months if you construct a newly built Motel and 3 to 9 months if you are renovating an existing property to become a Studio 6 Motel. If you are converting a corporate-owned Studio 6 to a franchised Studio 6, the time may be simultaneous with signing the Franchise Agreement. The time needed to open a Motel may vary depending on the time needed to obtain the site, the availability of financing, the time required to obtain necessary zoning and construction permits and licenses for the construction and operation of the Motel, weather and the availability of labor, materials and supplies, and successful completion of our initial training (including both General Manager Training and On-Site Opening Training).

#### Post-Opening Obligations

During your operation of the Motel, we or one of our affiliates or designated representatives may:

1. Administer the Marketing Program. (Sections 11 of Franchise Agreement)
2. Administer (or provide) a Reservation System. (Section 11 of Franchise Agreement)
3. Maintain a brand website that includes the franchised location. (Section 11 of Franchise Agreement)

4. Offer an opportunity for a PPP or motel-specific page related to your Motel for a fee. (Section 11 of Franchise Agreement)
5. Provide such IT technical assistance/software and hardware support as we deem appropriate in our sole discretion for a fee. (Section 4.9 of Franchise Agreement; Section; Section 2 of Technology Agreement)
6. Make available to you continuing training, tools, consultation and advisory assistance related to your management and operation of the Motel as a Studio 6 Motel. Consultation and advisory assistance will be as we deem appropriate and we reserve the right to establish fees for some or all of these services. You remain solely responsible for hiring and training of your personnel and operating your Motel. (Section 3.1 of Franchise Agreement)
7. Provide Standards and specifications for goods and services to be provided by you or products and/or suppliers to be used by you in the operation of the Motel. Designate required or approved suppliers for goods and services to be utilized by you in the construction, remodeling, and operation of your Motel and, for a fee, evaluate alternative suppliers suggested by you. (Section 5.5 of Franchise Agreement)
8. Conduct inspections or evaluations of your facilities and services to evaluate adherence to the Standards and Manuals. We may provide suggested operational advice or guidance concerning guest relations based on our inspections. (Section 5.10 of Franchise Agreement)

Neither the Franchise Agreement, nor any other agreement, requires us to provide any other assistance or services to you during the operation of the Motel.

#### Advertising Program

#### Program Fee: The Reservation System and the Marketing Program

You must pay the Program Fee (See Item 6). We will use the Program Fee in our sole discretion to develop, support and/or enhance the System, and/or to develop, support, and/or administer the Reservation System and Marketing Program described below. All Program Fees will be accounted for separately from our other receipts, but may be held in one or more accounts in financial institutions, any of which may include funds other than Studio 6 Program Fees.

#### Reservation System

We will spend a portion of the Program Fees, in our sole discretion, on the development and operation of the Reservation System. The Reservation System may be used for a variety of purposes for all motel brands that we or our affiliates own and/or operate and for which we grant franchises, including Studio 6 and Motel 6. For example, the Reservation System will be used to process reservation requests, transmit reservation confirmations, and to provide reservations-related marketing programs for all motel brands that we or our affiliates own and/or operate and for which we grant franchises, including Studio 6 and Motel 6. The portion of the Program Fee that is used for the Reservation System may be spent for any and all costs associated with the development, support and operation of reservation services, including the Computer System and Software, and our or our affiliates' overhead in performing these services.

## Marketing Program

Any portion of the Program Fees that we do not use for the Reservation System will be used by us or our affiliates for the Marketing Program, whose purpose is promotion of general public recognition of the Marks and the Motel 6 and Studio 6 brands and encouraging motel stays at Motel 6 and Studio 6 brand properties. Advertising conducted under the Marketing Program may be national, regional, or local in scope. We will use whatever types of media we determine to be appropriate in our sole discretion. These may include radio, television, print, outdoor, point of sale, electronic and mail media. The source of our advertising will generally be a national advertising agency. In addition to advertising, the Marketing Program may include (a) developing, preparing, producing, directing, administering, conducting, maintaining and disseminating advertising, marketing, telemarketing, promotional and public relations materials, programs and campaigns, (b) creating and maintaining Internet advertising and marketing (through a Studio 6 website, Facebook, Twitter, or other e-commerce, digital marketing platforms, or social media sites), (c) conducting market research, and (d) establishing and promoting corporate account or other sales promotion opportunities.

## Administration of the Program Fee

In addition to the expenditures described above we may use a portion of the Program Fee for the reasonable direct and indirect administration costs and overhead we or our affiliates incur in directing and administering the Reservation System and the Marketing Program. These costs may include costs of collecting and accounting for the Program Fee. We will not use the Program Fee for any of our other expenses in operating the System or in operating Studio 6 Motels owned and/or operated by our affiliates.

We are not obligated to expend any funds for the Reservation System or the Marketing Program in excess of the Program Fees we receive from franchisees. In administering the Reservation System and Marketing Program, we are not obligated to make expenditures for you that are equivalent or proportionate to the fees you paid, or to ensure that any particular franchisee benefits directly or *pro rata* from expenditures of the Program Fees. We are not obligated to spend any amount on advertising in your Protected Territory or generally in the area where your Motel is located or in any particular geographic area.

Studio 6 motels owned and/or operated by our affiliates do not make marketing and reservation contributions on the same basis as our franchisees. Our affiliates expend funds to support the marketing and reservation functions of the Studio 6 Brands, but those amounts may fluctuate.

Although we intend the Reservation System and the Marketing Program to be of perpetual duration, we have the right to terminate or modify the Reservation System or the Marketing Program at any time. We will not terminate the Reservation System and Marketing Program, however, until all of the Program Fees we have collected have been expended for the intended purposes. We anticipate that most of the Program Fees will be spent during the year in which the Fees are collected. Any amounts not spent will be spent in subsequent years. We do not provide a periodic accounting of how advertising fees are spent. However, upon your request, we will provide a report of the receipts of Program Fees and expenditures of the Reservation System and Marketing Program for the previous year, but we are not required to audit that report.

During the last fiscal year, the Motel 6/Studio 6 Marketing and Reservation budget yielded 60% of the original budgeted numbers. This was due to the COVID pandemic related revenue impact across the system. Consequently, our affiliates use of funds included: 74% for E-Commerce programs, 16% for traditional media and 10% for public relations/social media. We do not spend any of the Program Fees on the sale of Studio 6 franchises.

### Advertising by You - General Requirements

You may conduct local and regional marketing programs and related activities, but only at your expense and subject to our approval. We may charge a reasonable fee for any advertising materials you use or request from us for these programs and activities. You must also pay for expenses related to special promotions and promotional materials or other such materials used to promote the Studio 6 System from time to time.

All advertising you do in any medium must be done in a responsible and professional manner and must conform to the Standards and requirements that we specify periodically in writing. You may not use any advertising or promotional plans or materials until you have received our written approval, under the procedures and terms described in the Franchise Agreement and the Manuals.

### Internet Advertising/Premium Property Sites

You may not advertise, promote, post or list information relating to the Motel on the Internet (including, but not limited to, Facebook, Twitter or any other e-commerce, digital marketing platforms, or social media sites), through the creation of a website or otherwise. (See Item 8.) All Studio 6 Motels are listed on the Studio 6 Brands website and enrolled in global distribution systems (GDS). You may not implement a property specific website, separate from staystudio6.com, without written approval. All properties are required to provide professional quality images to support the property through Studio 6 Brand initiatives including but not limited to the website, PPPs, and other marketing materials.

### Billboard Advertising

Billboard advertising for Studio 6 Motels owned and/or operated by our affiliates is not paid for by the Program Fees, but is administered by the marketing department of our affiliate G6 Hospitality with funds paid by individual company-owned and/or operated Studio 6 Motels. If you choose to advertise using billboards, you must utilize billboard advertising creative templates developed by our affiliate G6 Hospitality to place billboard advertising at your expense.

### Corporate Account/Loyalty Programs

You must participate in our CorporatePlus@6 program and any other corporate account program that we may initiate. CorporatePlus@6 is primarily a business-to-business program. The platform also may be used for consumer promotional programs. Currently, CorporatePlus@6 offers centralized nationwide billing privileges to companies who utilize at least a minimum number of 200 room nights annually across the Motel 6 and Studio 6 brands. You must pay the direct billing fee, currently 4% of applicable room revenue plus applicable taxes on all amounts direct billed. CorporatePlus@6 accounts may be eligible for discounts and/or rebates of up to 18%.

The My6 Members program is a brand-wide program that offers discounts and other benefits to consumers that choose to join the program. G6 Hospitality may use membership information for brand marketing or promotional purposes. You must participate in the My6 Members program or any other guest loyalty or membership program that we may initiate.

We may introduce other programs for the brands, at our sole discretion that require participation in the future.

### Sales Boom

We currently offer franchisees the opportunity to participate in our Sales Boom Program, which is a remote sales assistance program. The Sales Boom Program is an optional program in which we will provide your

Motel with dedicated local outside sales service. Currently, these services include, but are not limited to: (1) a dedicated sales support manager, (2) local account solicitation, (3) RFP targets, and (4) group bookings. If you elect to participate in Sales Boom, must pay us a fee based on the Authorized Room Count of your Motel, as follows: (i) \$700 per month (1 to 50 total rooms); (ii) \$900 per month (51 to 100 total rooms); and (iii) \$1,100 (100+ total rooms). There is a three-month minimum commitment if you decide to participate in the Sales Boom Program. We may modify or discontinue the Sales Boom Program at any time. The availability of the Sales Boom Program to you is limited to the resources we have available at the time of request.

### National Sales RFP Tool

We build relationships with Travel Managers and Centralized Travel Planning Agencies (collectively, "Travel Managers") throughout the year to negotiate brand-wide rates and discounts as part of an annual RFP process. Typically, these negotiations are facilitated through the use of software that enables an efficient way for Travel Managers to request rates from hotels and receive responses from us. By using the National Sales RFP Tool software, negotiated rate agreements can be finalized and subsequently loaded by us on behalf all Studio 6 and Motel 6 Motels.

### Advisory Councils

We have an Owner Advisory Council ("Advisory Council") that provides a forum for owners of U.S. Motel 6/Studio 6 motels and senior management of G6 Hospitality, our sole managing member, to discuss matters that directly impact the ownership, branding, franchising and operation of U.S. Motel 6/Studio 6 motels. We and G6 Hospitality may consider the input of the Advisory Council in formulating plans, programs, and policies which affect owners or the brands, including marketing and advertising programs, but the Council's input, advice and recommendations will not be binding on us or G6 Hospitality. The Advisory Council currently consists of 2 representatives from G6 Hospitality and 7 owner representatives (at least 2 of which are Studio 6 Brand owners), each appointed by us in our sole discretion and each serving staggered terms so that approximately one-third of the terms will expire each year. We may extend the term of a member or may dissolve or modify the Advisory Council at any time. The Advisory Council may be contacted at 4001 International Parkway, Carrollton, Texas 75007 (tel. 972-360-5405).

We have a Young Professionals Council ("Young Professionals Council"), which is a group of motivated, active, millennials that are fully integrated with hotel management and development. The Young Professionals Council focuses on creating new initiatives to enhance brand awareness that align with our brand strategies. The Young Professionals Council also provides feedback on proposals from the Advisory Council and promotes franchise and development of our brands. While we and G6 Hospitality LLC may consider the input of the Young Professionals Council, that input is not binding on us or G6 Hospitality. The Young Professionals Council currently consists of 2 representatives from G6 Hospitality and 7 owner representatives (at least 1 of which is a Studio 6 Brand owner), each appointed by us, in our sole discretion and each serving staggered terms so that approximately one-third of the terms will expire each year. All members will be 45 or less years of age. We may extend the term of a member or may dissolve or modify the Young Professionals Council at any time. The Young Professionals Council may be contacted at 4001 International Parkway, Carrollton, Texas 75007 (tel. 972-360-5405).

### Advertising Cooperatives

We do not require the establishment of local or regional advertising cooperatives ("Cooperatives") but we may in our sole discretion authorize their formation if requested to do so. Any contributions to a Cooperative are in addition to and not in replacement of the Program Fee you pay to us.

We must approve in advance and in writing how each Cooperative is organized, governed, and when it may begin operations. Each Cooperative must adopt written governing documents, which must be approved by us. Any authorized Cooperative will be organized for the exclusive purpose of administering regional advertising programs and developing, subject to our approval and that of G6 Hospitality, promotional materials for use by the members in local advertising. All advertising and promotional plans and materials must comply with G6 Hospitality advertising Standards, including but not limited to, Standards with respect to use of the Marks. No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without prior approval by us and G6 Hospitality.

### Computer and Technology Requirements

You must acquire, use, and maintain, at your expense, a Computer System, including both hardware, Software and Internet access handle routine check-in/check-out, credit card and property management transactions as well as to permit your Motel to interface with the central Reservation System and allow us or our affiliates to access information and data from your Motel, including occupancy and rate information, pricing information, reservations traffic and other statistical information. This information is automatically transmitted to us when you perform the night audit. There is no contractual limitation to our right to receive and access this information. (Franchise Agreement, Section 5.14).

We estimate that the initial cost of the Computer System and required Software will be approximately \$4,000 to \$5,000 for two check-in devices and two credit card terminals and associated access hardware and software. This is the standard configuration for the required “front office systems.” These amounts are paid to third-party vendors based upon our specifications. These costs may vary depending on the options you select and the prices of hardware and third-party software, which varies over time. This amount does not include cost the on-site installation we provide surrounding your Opening Date. The cost of this installation and training is included in the On Site and Other Opening Assistance Fee, which is currently \$4,000. See Item 5 for a description of this Fee. Some or all of the components of the “front office system” require payment of monthly fees. See Items 5 and 6 for a description of these monthly fee obligations. Changes in the Software and Computer System may take place prior to your Opening Date and, depending on the changes made, may require additional expenditures by you. All fees may be increased from time to time. We do not require and do not provide or arrange for other computer hardware or software you may wish to use to run your business (“back office system”), but you may incur such costs.

You must arrange with vendors and pay them for the Software and Computer System configuration, and pay us the On Site and Other Opening Assistance Fee, approximately 90 days before the Opening Date of your Motel. (See Items 5 and 7.)

You must execute the Technology Agreement, the form of which is attached to the Franchise Agreement as Attachment 4. The Technology Agreement provides you with licenses or sublicenses to the required Software and sets out the IT Services provided to you by us or our affiliates and the fees payable for each of these. The services currently included in the IT Services Fee include IT Helpdesk, IT Program Management Office, Network Operations Center, Core IT Security, Integration of Core Systems and Core Systems Monitoring. For a Dual Brand Operation, you must execute separate Technology Agreements and pay separate fees for each of your Studio 6 Motel and your Motel 6 Motel.

Your Motel must comply with the current version of the Payment Card Industry Data Security Standards (PCI-DSS). To help ensure compliance with PCI-DSS, we currently require you to purchase a PCI Compliance Assistance Subscription from our designated vendor, Specialized Security Services. We have the right to modify this requirement or designate a new vendor for the PCI Compliance Assistance Subscription at any time. If you fail to purchase a PCI Compliance Assistance Subscription and we are

required to take steps to ensure your Motel is in compliance with PCI-DSS, then you must reimburse us for any costs and expenses we incur.

The specifications for the Computer System and Software are updated on an as needed basis at the discretion of us, our affiliates, or our licensors. The current specifications include a cloud based PMS, the hardware and software necessary to operate it, and other required applications that we specify for use in managing your Studio 6 Motel. During the term of the Franchise Agreement, we may require you to upgrade or update the Computer System or Software or its components to comply with our then-current specifications and required processes. For example, you must upgrade and/or update, as directed by us, the hardware components and/or Software programs that permit your Motel's Software and Computer System to interface with the Reservation System and you must implement any different PMS that we may select for use in the Studio 6 System. There are no contractual limitations on the frequency or cost of this obligation. You must also purchase a phone system/services with an auto attendant function. There are no other expected costs other than those already disclosed.

Except as described above, neither we, our affiliates, nor any third parties are required to provide ongoing maintenance, repairs, upgrades, or updates to your Computer System. Except as described above, there are no optional or required maintenance/upgrade contracts for the Computer System.

### Manual

We provide a Manual available to you on-line and accessible by you. A copy of the table of contents of the Manual is attached as Exhibit F. There are approximately 75 pages in the Manual. We may supplement, amend or otherwise modify the Manual.

### Training Programs

We provide General Manager's Training Program ("GM Training") for all franchise General Managers. Classes are held at our corporate headquarters in Carrollton, Texas unless we designate a different location and are generally available monthly. Attendance at GM Training is mandatory for General Managers as follows: (a) for initial General Managers, before the Opening Date of your Motel; (b) for replacement or subsequent General Managers, within 2 months of being designated as the General Manager; and (c) for a new General Manager at the time of a Transfer or conversion of a corporate-owned motel to a franchised motel, within 2 months following the Transfer or conversion. General Managers must complete. Your Manager must complete the GM Training, to our satisfaction. The franchise Owner may also attend GM Training and you may designate additional trainees to attend GM Training.

You are responsible for paying the then current fee for the GM Training for each trainee attending, plus all other expenses which the Owner or your employees incur in attending the courses, including room and board, travel, meals and wages. The fee for attendance for one General Manager is currently included in the Opening Package or Transfer Package, as applicable. Additional trainees may attend at the same time for a fee of \$750 each. The fee for replacement or subsequent General Managers to attend GM Training is \$1,500 for the first attendee and \$750 for each additional trainee attending at the same time, plus applicable expenses described above. Additional trainees not attending at the same time as the GM will be subject to the \$1,500 fee. See Items 5 and 6. For Dual Brand Operations, if one General Manager and motel staff will be operating both the Studio 6 Motel and the Motel 6 Motel, the General Manager must satisfy the applicable GM Training requirements for both Studio 6 Motels and Motel 6 Motels. GM Training requirements may be supplemented, amended or otherwise modified for Dual Brand Operations.

The GM Training includes pre-work, Learning@Lightspeed courses and up to 5 consecutive business days for franchised motel Managers held at the corporate training center in Carrollton, Texas or other place we

may designate. Certain portions of the classroom training detailed below may also be provided online, at our option. As of the date of this disclosure document, the general outlines of our GM Training Program are as follows:

### TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Welcome	1 hour	0 hours	Carrollton, Texas
Lightkeeper Service Culture Certification	2 hours	0 hours	Carrollton, Texas
Our Culture and Values	1.5 hours	0 hours	Carrollton, Texas
Learning@Lightspeed Overview	1.5 hours	0 hours	Carrollton, Texas
Our Product & Experience	2 hours	0 hours	Carrollton, Texas
Brand Management/Brand Standards	2.5 hours	0 hours	Carrollton, Texas
Sales Strategies	2.5 hours	0 hours	Carrollton, Texas
Hotel Key Reports	2 hours	0 hours	Carrollton, Texas
Front Desk/Hotel Key, Maintenance and Housekeeping	4 hours	0 hours	Carrollton, Texas
Safety & Security	1.5 hours	0 hours	Carrollton, Texas
Versapay	1 hour	0 hours	Carrollton, Texas
Revenue Management	4 hours	0 hours	Carrollton, Texas
Anti-Human Trafficking	1 hour	0 hours	Carrollton, Texas
Quality	1 hour	0 hours	Carrollton, Texas
Guest Relations	1 hour	0 hours	Carrollton, Texas
Department Roundtables	1.5 hours	0 hours	Carrollton, Texas
Clean@6	.5 hours	0 hours	Carrollton, Texas
Revinat	1 hours	0 hours	Carrollton, Texas
G6 Market Place	.5 hours	0 hours	Carrollton, Texas
E-Commerce	.5 hours	0 hours	Carrollton, Texas
Cyber-Security	1 hour	0 hours	Carrollton, Texas
Capstone Presentations/Closing	3 hours	0 hours	Carrollton, Texas
<b>TOTAL</b>	<b>36.5 hours</b>	<b>0 hours</b>	

<sup>(1)</sup>If there is duplication between the Studio 6 and Motel 6 GM Training programs, that duplication may be eliminated and training requirements otherwise modified, as applicable, for Dual Brand Operations.

On-Site Opening/Transfer Training/Assistance.

In connection with your Opening and following a Transfer, we provide on-site installation (or in the case of a Transfer, updating) of and training on the Property Management Software (“PMS”) system and other required technology and orientation of GM and motel staff to G6 Standards and processes (“On-Site Training”). On-Site Training currently covers approximately 2.5 days of on-site training and currently includes the basic operations of the PMS; reservations and check-ins; group blocks; posting charges and payments; folio corrections and adjustments; check-out; rooms management; computerized night audit; management functions; quality and brand standards review; and final configuration and cut-over. Each class must contain a minimum of 3 participants; typical class size is 8 participants. Classes begin approximately one day before your Motel’s scheduled Opening Date and conclude the day after your Opening Date. Every guest service representative is required to attend. Our trainers stay through your first night audit. For Transfers, the On-Site Training will be scheduled at a convenient time following the Transfer.

The fee for On-Site Training is included in the On-Site and Other Opening Training and Assistance Fee or the On-Site and Other Transfer/Renewal Training and Assistance Fee, as applicable (see Items 5 and 6). The fee is currently \$4,000 and includes travel and related expenses for one round trip to the Motel by our trainer(s). If additional trips are deemed necessary in our sole discretion, the Additional Trip Fee is \$900. The Fee may be less for a conversion of a Corporate-owned Motel to a franchised Motel if the franchisee retains the existing GM and/or motel staff. We may, in our sole discretion, elect at any time, including between the signing of the Franchise Agreement and your Opening Date or the Transfer Date, to increase the On-Site and Other Opening/Transfer Training and Assistance fees by a reasonable amount in order to cover costs associated with On-Site and Other Opening/Transfer Training and Assistance we and/or our affiliates provide to you. For a Dual Brand Operation, you will only be required to pay 1 On-Site and Other Opening Training/Transfer and Assistance Fee in respect of your Studio 6 Motel and your Motel 6 Motel, collectively, so long as both the Studio 6 Motel and the Motel 6 Motel open (or, as applicable, Transfer) at the same time.

We reserve the right to conduct on-site training and/or assistance virtually, or modify, add or supplement training, at our discretion.

#### Additional Training.

We may offer optional training classes either on-line, at our headquarters, at your Motel, or in your regional area or at other such location as we designate. You must pay the fee associated with any such classes you elect to attend, as well as wages and travel and related expenses of you and/or your employees to attend.

From time to time, we may also require you or your employees to attend additional or refresher training programs if, among other things, you fail to comply with Standards, fail an audit, or are placed in default. Completion of such training may, at our option, be a condition of clearing an audit deficiency or quality failure or curing a default. You must pay the fee associated with any such classes you are required to attend, as well as wages and travel and related expenses of you and/or your employees to attend. Such training must be completed to our satisfaction.

The fees for additional training currently vary from \$1,500 to \$5,000 per person (“Additional Training Fee”), depending on location, length and subject matter of the training. We may in our sole discretion change the Additional Training Fee.

For a Dual Brand Operation, you are only required to pay one Additional Training fee (per person) for such Additional Training that is mandated as a result of non-compliance or default.

#### Instructional Materials and Instructors

Instructional materials will vary by type of training offered. For GM Training and On-Site Training, the Manuals (available on-line) will be the primary instructional materials. Instructional methods include review of instructional materials, lecture and hands-on training.

GM Training and Additional Training are under the direction of the Director of Brand Quality and Customer Engagement of our parent G6 Hospitality. Training is provided by G6 Hospitality training managers and trainers whose collective experience includes 20 plus years of operations and training support with various brands.

The On-Site Training is under the supervision of Gina Patrick, Director of Franchise Openings for our parent G6 Hospitality. Training is provided by members of the Opening team. The On-Site Quality Training is under the supervision of Brian Woods, Director of Brand Quality and Experience and Nabeela Jivraj, Manager of Brand Quality & Experience for our parent G6 Hospitality. Training is provided by members of the Quality team.

A typical trainer will have from 10 to 15 years of experience. Trainers are selected based on their subject matter expertise and breadth of experience with Studio 6.

## **ITEM 12** **TERRITORY**

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we or our affiliates own, manage or operate, or from other channels of distribution or competitive brands that we or they control.

### **Franchise Agreement**

Your Franchise Agreement will specify the site or Approved Location at which you must operate your Motel. You may not relocate the Motel.

During the term of the Franchise Agreement, and except as provided otherwise in that agreement, we will not establish or license anyone else to establish another Motel under the same Studio 6 Brand as your Motel within the “Protected Territory” that is designated in your Franchise Agreement. The size and scope of the Protected Territory is determined on a case-by-case basis; however, we typically define the Protected Territory by the market area or other relevant business factors. The factors that we consider in determining the size of a Protected Territory include market demand, motel size, traffic circulation patterns, access and visibility, location of other Studio 6 motels and our future development plans. For Dual Brand Operations the territorial protection extends to the establishment of any other Studio 6 Motel in the Protected Territory which is the same “Studio 6” brand as your Motel, whether as a single unit or as part of another Dual Brand Operation.

We and our affiliates reserve all rights that are not expressly granted to you under the Franchise Agreement. Among other things, we and our affiliates have the sole right to do any or all of the following (notwithstanding proximity to your Protected Territory or Motel or their actual or threatened impact on sales at your Motel): (1) own, establish, operate or manage (or license others the right to own, establish, operate, or manage) motels, hotels, inns, and other lodging facilities under marks and names other than the Proprietary Marks used to identify the specific Studio 6 Brand that your Motel operates under; (2) use the name Studio 6 as a tagline or identifier in connection with a different primary trademark; (3) offer, sell and advertise any goods and services (including those services offered by Studio 6 Motels) under any

trademarks or service marks (including the Proprietary Marks) from, on and through any medium, including the Internet or any website; (4) purchase, be purchased by, or merge or combine with, businesses that directly compete with Studio 6 Motels; (5) solicit and accept business from consumers inside your Protected Territory without compensation to you, using the Proprietary Marks or other trademarks and using any methods of distribution (other than by establishing a Studio 6 Motel within the Protected Territory after the date of your Franchise Agreement), including alternative channels of distribution, such as the Internet, catalog sales, telemarketing or other direct marketing.

Your territorial rights are not dependent upon the achievement of a certain sales volume or market penetration, and except for our right to terminate your Franchise Agreement upon a default by you, or you agree to terminate pursuant to a written mutual termination agreement, there are no circumstances that permit us to modify your territorial rights.

You may advertise or solicit customers from outside the Protected Territory using the Internet, catalog sales, telemarketing, or other direct marketing only in compliance with the advertising and Internet provisions of the Franchise Agreement and subject to your strict compliance with the guidelines set forth in our Manuals, which we may amend from time to time.

The Franchise Agreement does not provide you with any options to purchase additional franchises, rights of first refusal or similar rights to acquire additional franchises.

\* \* \*

We and our affiliates are engaged in a variety of activities in the lodging and hospitality industry and expect to expand those activities over time. As a result, we or they have established and may in the future establish other franchised and/or company-owned or operated motels under the Studio 6 trademarks and other trademarks. Guest lodging properties owned, managed or franchised by us or our affiliates may currently, or in the future, be located in or near your Protected Territory. You may compete with these guest lodging properties. You will not have any rights to use these other brands or their associated marks, and the resolution of any conflicts regarding territory, customers, support or related matters will be solely within our business judgment.

The principal business addresses of our affiliates that own and/or operate company-owned Studio 6 and Motel 6 locations in North America are the same as our principal business address. Training for Studio 6 and Motel 6 franchisees is conducted at our Corporate Training Center in Carrollton, Texas or other place we may designate. For the Extended Stay America brand, the principal office and training facility are located in Charlotte, North Carolina.

### **ITEM 13** **TRADEMARKS**

You will only be allowed to use the Proprietary Marks associated with your specific Studio 6 Brand when the Motel has been approved by us in writing to commence business operations as a Studio 6 Motel, or with our prior written approval, in a limited manner to advertise the Motel's anticipated opening and then according to the Term, which ranges from 15 to 20 years, and the conditions under your Franchise Agreement. All uses are subject to the limitations and restrictions set forth in the Franchise Agreement and the Manuals.

Our affiliate, G6 Hospitality IP LLC owns the Proprietary Marks, and has registered them or applied for registration with the United States Patent and Trademark Office as noted below.

<b>MARK</b>	<b>REGISTRATION OR APPLICATION NUMBER</b>	<b>REGISTRATION OR APPLICATION DATE</b>	<b>PRINCIPAL OR SUPPLEMENTAL REGISTER</b>
Studio 6	2320420	February 22, 2000	Principal
Studio 6 Extended Stay and Design	3847087	September 14, 2010	Principal
Studio 6 Extended Stay and Design	5169617	March 28, 2017	Principal
My 6 and Design	5152034	February 28, 2017	Principal
Studio 6 Suites and Design*	88696414	November 18, 2019	Principal

For the marks noted with an “\*” above, G6 Hospitality IP LLC does not have a federal registration for the principal trademark. Therefore, those trademarks do not have many legal benefits and rights as a federally registered trademark. If the right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses. The mark Studio 6 Suites and Design was filed as an intent to use application.

G6 Hospitality IP LLC has filed all required affidavits for the Proprietary Marks. G6 Hospitality IP LLC has licensed us to use, and to grant our franchisees the right to use, the Proprietary Marks. The license agreement will remain in effective as long as we have any effective franchise agreements. That agreement can be terminated by G6 Hospitality IP LLC in the event of default by us and, if you are not in default of the Franchise Agreement, our rights and obligations under the Franchise Agreement will be automatically assigned to and assumed by G6 Hospitality IP LLC. Other than the license agreement, there are no agreements which significantly limit our right to use or license the use of the Proprietary Marks.

There are currently no effective determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, no pending infringement, opposition or cancellation proceedings, and no pending material litigation involving the Proprietary Marks which may be relevant to their use in this state or in any other state. We do not know of any infringing uses, or any person or entity with superior rights that could materially affect your use of the Proprietary Marks in this state or elsewhere.

We reserve the right to substitute different Proprietary Marks for use in identifying Studio 6 Motels. If we do, you must promptly substitute any new Proprietary Marks, and bear the costs associated with the substitution.

You must use each Proprietary Mark in full compliance with the Franchise Agreement and the Manuals. You are prohibited from using any Proprietary Mark as part of any corporate name, partnership, or other legal name, or as part of your domain name except as permitted by and subject to your strict compliance with the then current version of the Manuals, as periodically amended. You must also comply with our instructions for filing trade, fictitious or assumed name certificates. You must operate your Motel only under the Proprietary Marks we designate for that purpose and in the manner we authorize. You may not use any Proprietary Mark in connection with the sale of any unauthorized product or service or in any manner that we have not authorized in writing. You must submit to us samples of all advertising and other materials proposed for use by you upon which the Proprietary Marks appear. You may not contest, directly or indirectly, our or G6 Hospitality IP LLC’s ownership, title, right or interest in the Proprietary Marks. Upon the termination or expiration of the Franchise Agreement, you must discontinue immediately all use

of the Proprietary Marks, remove all copies of the Proprietary Marks from the premises of the Motel, and take all necessary steps to cancel all trade or assumed names that you have used or registered.

You must promptly notify us of any unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, any challenge to G6 Hospitality IP LLC's ownership of the Proprietary Marks, any challenge to the right to use and to license others to use the Proprietary Marks, or any challenge to your right to use the Proprietary Marks. We have the right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We will defend you against any third-party claim, suit or demand arising out of your proper use of the Proprietary Marks in compliance with our Standards. If we determine that you have used the Proprietary Marks in the manner required by the Franchise Agreement, we will bear the cost of defense, including the cost of any judgment or settlement. If we determine that you have not used the Proprietary Marks in the manner required by the Franchise Agreement, you must bear the cost of defense, including the cost of any judgment or settlement, we are not obligated to participate in your defense, and we will have no obligation to indemnify you for expenses or damages if an administrative or judicial proceeding involving the Proprietary Marks is resolved unfavorably to you. If there is any litigation relating to your use of the Proprietary Marks, you must execute all documents and do all things necessary to carry out a defense or prosecution, including becoming a nominal party to any legal action. Unless litigation results from your use of the Proprietary Marks in a manner inconsistent with the terms of the Franchise Agreement, we also will reimburse you for your out-of-pocket costs.

#### **ITEM 14** **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

Neither we nor our affiliates own any patents that are material to the franchise being offered. There are no patent or copyright registrations or pending applications that are material to the franchise. However, we and our affiliates claim common law copyright protection for the Manuals and other forms and materials. We or our affiliates also claim proprietary rights in the Confidential Information and trade secrets contained in the Manuals. Under the license agreement noted above, G6 Hospitality IP LLC has licensed us to use, and to grant our franchisees the right to use, the Manuals and other Confidential Information and trade secrets, including any developed in the future.

We will provide you with Manuals online. You must treat the Manuals, all supplements and revisions to the Manuals, and the information contained in them, as confidential, and must use reasonable efforts to maintain this information as secret and confidential. You must not reproduce these materials or otherwise make them available to any unauthorized person. The Manuals will remain our sole property.

We or our affiliates may revise the contents of the Manuals at our sole discretion, without prior notice, and you must comply with each new or changed standard when you receive notice of the change. If there is a dispute as to the contents of the Manuals, the terms of the master copies which we maintain at our home office will control.

During or after the term of the Franchise Agreement, you must not divulge or use for the benefit of anyone else any Confidential Information concerning the System and the methods of operation of the Motel. You may disclose Confidential Information only to your contractors, architects, lenders, investors, employees, agents or others who must have access to it to provide services to you. At our request, you must cause those persons to execute confidentiality agreements.

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

If you are a sole proprietor, you will be personally responsible for the franchise operations. If you are an entity, we will require you to designate certain of your Owners as “Principal Owners”. Each Principal Owner will be required to personally guarantee your obligations under the Franchise Agreement. If you operate the Studio 6 Motel as a part of a Dual Brand Operation, your Principal Owner(s) also must guarantee your obligations under the Motel 6 Franchise Agreement.

We do not require that you personally supervise the Motel if you employ a full time General Manager. During the term of the Franchise Agreement, unless we otherwise approve in writing, your fully-trained General Manager must devote full time and best efforts to the management and operation of the Motel. You must notify us of any replacement General Manager. We do not require your General Manager to have an equity interest in the Motel or in you (if you are an entity). Your General Manager (including any replacement General Manager) must attend and complete our training program, as described in Item 11. We may require you to obtain executed confidentiality agreements from your General Manager, Owners and officers promising to maintain the confidentiality of our information. These confidentiality agreements will contain covenants similar to the ones described in Item 14.

**ITEM 16**  
**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

There are no restrictions on who you may sell goods or services. However, you may sell only those products and services that conform to our Standards and that we have expressly approved for sale in the Manuals or otherwise in writing. We have the right to change the goods and services that you are authorized to sell, and there are no limits on our right to make changes.

We may offer you guidance as to what we believe to be the optimum selling price for the products and services you offer. We reserve the right, to the fullest extent allowed by applicable law, to establish minimum and maximum rates in accordance with our pricing strategies. Subject to any pricing requirements we may establish, you have the right to sell your products and provide services at any price you may determine, unless the rate is, in our judgment, inconsistent with our pricing strategies.

You may only offer and sell services and products to customers at the Motel premises.

You must participate in and comply with the terms of all marketing, reservation service, advertising and operating programs that we designate in the Manuals or otherwise specify in writing.

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

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

**THE FRANCHISE RELATIONSHIP**

<b>PROVISION</b>	<b>SECTION IN FRANCHISE AGREEMENT AND DUAL BRAND ADDENDUM</b>	<b>SUMMARY</b>
a. Length of the franchise term	§2.1 and Attachment 2; Section 3 of Dual Brand Addendum (for Dual Brand Operations)	<p>15 years (for a renovated Motel) and 20 years (for a new construction Motel). Under certain circumstances, we will negotiate mutual termination windows, permitting you or us to terminate the agreement without you paying liquidated damages. The interval of these windows, when offered, varies. Any window provisions will be included in an addendum to the Franchise Agreement.</p> <p>For a Dual Brand Operation, the Franchise Agreement will have the same term as described above, but the term will automatically terminate upon the expiration or termination of the Motel 6 Franchise Agreement. You and we also have the termination rights described below.</p>
b. Renewal or extension of the term	§2.2	10 years
c. Requirements for you to renew or extend	§2.2; Section 4 of Dual Brand Addendum (for Dual Brand Operations)	<p>We may allow you to renew your franchise and remain as a franchisee after the initial term of your Franchise Agreement expires if you meet the criteria set forth in the Franchise Agreement. However, to remain a franchisee, you must meet all required conditions to renew, including signing our then-current form of franchise agreement, which may be materially different than the form attached to this disclosure document.</p> <p>Other requirements include: You must be in compliance with the franchise agreement, must not be in default, have paid all monetary obligations, submit a renewal application and renewal application fee, complete certain training and upgrading requirements, execute a general release (see current form attached as Exhibit E), and pay a renewal fee in an amount equal to 50% of the then-current initial franchise fee.</p> <p>If you operate the Studio 6 Motel as part of a Dual Brand Operation, your Franchise Agreement may not be renewed unless your</p>

PROVISION	SECTION IN FRANCHISE AGREEMENT AND DUAL BRAND ADDENDUM	SUMMARY
		<p>Studio 6 Franchise Agreement and Motel 6 Franchise Agreement are both renewed (i) at the same time and on the same date and (ii) for an identical renewal period such that the scheduled expiration date of your Studio 6 Franchise Agreement and Motel 6 Franchise Agreement following renewal are the same. You are only required to pay one Renewal Fee in respect of your Studio 6 Motel and your Motel 6 Motel and the same entity must continue to be the franchisee under each Franchise Agreement.</p>
<p>d. Termination by you</p>	<p>§5.18; Section 6 of Dual Brand Addendum (for Dual Brand Operations)</p>	<p>If (i) the Motel has achieved guest satisfaction scores that meet System Standards; (ii) you have paid the quality assurance program and non-compliance fee, and complied with the quality assurance program, including participating in any required quality training; (iii) the number of guest complaints at the Motel has been and is then within then-current System averages; (iv) you are in compliance with the Franchise Agreement and have satisfied all obligations under the Franchise Agreement on a timely basis to our reasonable satisfaction; (v) you have been and are in full compliance with your obligations under the Franchise Agreement; (vi) you have participated in all national and regional advertising campaigns, and (vii) the Motel's average room occupancy rate is at or below the levels specified in the Franchise Agreement for any consecutive 12 month period beginning in or after the 25th month from the Opening Date, then you may terminate your Franchise Agreement upon notice and/or payment of an early termination fee (the type of notice and/or amount of the fee is related to the average room occupancy of the Motel during the last twelve month period). You may also terminate the Franchise Agreement if the Motel is damaged by fire or other casualty and the cost to repair the damage is reasonably estimated to be in excess of 50% of the fair market value of the Motel and you give us notice of your election</p>

PROVISION	SECTION IN FRANCHISE AGREEMENT AND DUAL BRAND ADDENDUM	SUMMARY
		to terminate within 60 days following the date of the casualty. Under certain circumstances, you may terminate the Franchise Agreement if we materially fail to comply with the Franchise Agreement. Also, under certain circumstances, the parties to the Franchise Agreement may agree to an earlier termination of the Franchise Agreement. If your Studio 6 Motel is operated as part of a Dual Brand Operation and you exercise your right to terminate your Studio 6 Franchise Agreement under Section 13.1, we will have the right to terminate your Motel 6 Franchise Agreement under Section 6.A. of the Dual Brand Addendum for the Motel 6 Motel, which corresponds to Section 6.A. of the Studio 6 Dual Brand Addendum.
e. Termination by us without cause	Not Applicable	
f. Termination by us with cause	§14; Section 6 of Dual Brand Addendum (for Dual Brand Operations)	We can terminate your Franchise Agreement if you default.
g. “Cause” defined - curable defaults	§§14.3 and 14.4; Section 6 of Dual Brand Addendum (for Dual Brand Operations)	Violation of any law or ordinance; failure to upgrade the Motel; failure to operate according to the Franchise Agreement; failure to comply with any quality measurement, standard or Manuals procedure; failure to promptly pay monies owed to us; failure of any inspection or quality standard; listing the Motel on the Internet in violation of the relevant Franchise Agreement provisions or any breach of indemnification provisions; or, for Dual Brand Operations, if you are in default under the Motel 6 Franchise Agreement.
h. “Cause” defined – non-curable defaults	§§14.1 and 14.2; Section 6.A. of Dual Brand Addendum (for Dual Brand Operations)	Insolvency; bankruptcy; dissolution; foreclosure; ceases to operate; threat to public health or safety; conviction of a felony; engages in an activity which in our sole judgment adversely impacts the Proprietary Marks, the System or our goodwill; Transfer without approval; disclosure of trade secrets; failure to Transfer following incompetence of the owner; false statements or omissions; misuse of the Proprietary Marks; repeated

PROVISION	SECTION IN FRANCHISE AGREEMENT AND DUAL BRAND ADDENDUM	SUMMARY
		defaults under Section 14.4 of the Franchise Agreement; or, for Dual Brand Operations, if the Motel 6 Franchise Agreement expires or is terminated for any reason.
i. Your obligations on termination / non-renewal	§§14.5, 14.6, and 15	Obligations include de-identification; cease to operate as a Studio 6 Motel; cease to use the Proprietary Marks; payment of amounts due including any damages or attorneys' fees; cancel fictitious or assumed name registrations; turn over Manuals and records provided by us; and, if you default, pay us liquidated damages (see §14.6 of Franchise Agreement) for premature termination.
j. Assignment of contract by us	§13.11	We may Transfer or assign the Franchise Agreement, provided that the transferee is an entity to which we Transfer all or substantially all of the Franchise Agreements under the System.
k. "Transfer" by you – defined	§13; Attachment 1	Includes Transfer of any of your rights or obligations under the Franchise Agreement, or the sale, assignment, Transfer, conveyance, exchange, gift, lease, sublease, pledge, mortgage or other encumbrance, by you (or your owners) of any direct or indirect interest in you, the Franchise Agreement, the Motel, or substantially all of the assets of the Motel.
l. Our approval of Transfer by you	§13; Section 5 of Dual Brand Addendum (for Dual Brand Operations)	We have the right to approve Transfers.
m. Conditions for our approval of Transfer	§§13.4 and 13.5; Section 5 of Dual Brand Addendum (for Dual Brand Operations)	Payment of money owed; non-default; execution of then-current Franchise Agreement and such other ancillary agreements as we may require; transferee has proper qualifications; written assignment; payment of Transfer fee plus such additional amounts as are necessary to reimburse us for our reasonable out-of-pocket costs and expenses associated with the Transfer; Owners of transferee execute guarantee; signing of general release (see current form attached as Exhibit E); evidence of continued liability for all obligations arising before Transfer; training for transferee's Manager and any required on-site training; and

PROVISION	SECTION IN FRANCHISE AGREEMENT AND DUAL BRAND ADDENDUM	SUMMARY
		<p>conform to current Standards for motels under the System.</p> <p>If you operate the Studio 6 Motel as part of a Dual Brand Operation, then in addition to satisfying all of the applicable conditions for a Transfer under the Franchise Agreement, you may not Transfer a direct or indirect interest in your Studio 6 Motel, Franchisee, the Franchise Agreement, or substantially all of the assets of your Studio 6 Motel unless the transferee also acquires the same type of interest in the Motel 6 Motel, Franchisee, the Motel 6 Franchise Agreement, or substantially all of the assets of the Motel 6 Motel. In each case, the transferee must be the same person or entity.</p>
n. Our right of first refusal to acquire your business	§13.7	If you or your Owners receive and wish to accept a <u>bona fide</u> offer to sell any interest in the Motel or you, you must notify us of the offer and we will have a right to purchase that interest on the same terms as the <u>bona fide</u> offer. If your Studio 6 Motel is operated as part of a Dual Brand Operation, our right of first refusal will apply to both the Studio 6 and Motel 6 properties.
o. Our option to purchase your business	§15.10	Upon expiration or termination of your franchise, we can purchase all furnishings, signs, fixtures, supplies or inventory bearing the Proprietary Marks at fair market value.
p. Your death or disability	§13.6	Executor, Administrator, Trustee or Personal Representative may operate the Motel until transfer. Interest in Motel must be transferred within 12 months to a third party we have approved.
q. Non-competition covenants during the term of the franchise	§16.2	You must not divert business away from System motels.
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable
s. Modification of the agreement	§§ 21 and 22	Must be in writing executed by both parties.

PROVISION	SECTION IN FRANCHISE AGREEMENT AND DUAL BRAND ADDENDUM	SUMMARY
t. Integration/merger clause	§§ 20 and 21	Only the terms of the Franchise Agreement, exhibits, addenda, schedules and attachments to the Franchise Agreement are binding. This section does not disclaim the representations in the Franchise Disclosure Document provided to Franchisee.
u. Dispute resolution by arbitration or mediation	§23	All disputes relating to the Franchise Agreement or our relationship (excluding disputes concerning failure to commence construction, failure to commence operations, insurance, insurance requirements, monetary obligations, indemnification or quality performance, abandonment or failure to continue operations, unauthorized use of trademarks or failure to de-identify) must be submitted to non-binding mediation, except that we can bring an action for injunctive or extraordinary relief (including specific performance), or actions involving the Motel premises without first submitting it to mediation.
v. Choice of forum	§§ 23, 23.5 and 23.6	Subject to state law, all claims brought by you must be filed in the jurisdiction where we have our principal place of business, which is currently Dallas, Texas. We must file suit in the federal or state court located in the jurisdiction where our principal offices are located at the time of suit, in the jurisdiction where you reside or do business, where the Motel is or was located, or where the claim arose.
w. Choice of law	§23	Subject to state law, the law of the state in which we have our principal place of business (currently Texas).

**ITEM 18**  
**PUBLIC FIGURES**

We do not use any public figures to promote the Studio 6 franchise.

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

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

The information in this Item 19 relates only to franchised Studio 6 Extended Stay Motels. We did not have any Studio 6 Suites in operation during our last fiscal year.

### CHART 1 (A-G): Historical Results for Select Franchised Studio 6 Extended Stay Motels

Chart 1.A.-G set forth certain historic performance information for the 58 franchised Studio 6 Extended Stay Motels operating in the United States (but not its Territories or Possessions) that were active and operating as franchised properties for at least two full years as of December 31, 2020. We have excluded the following Motels from Chart 1.A.: 6 Motels that were in default as of December 31, 2020. The time period covered by each chart is noted.

**A.** Chart 1.A. includes information for the 12-month period beginning on **January 1, 2020 and ending on December 31, 2020** compared to the 12-month period beginning on **January 1, 2019 and ending on December 31, 2019**.

	Average Occupancy Rate		Average Daily Rate		Average RevPAR	
	2019	2020	2019	2020	2019	2020
Average for Select Franchised Motels	66.1%	62.7%	50.52	50.25	33.37	31.49
Number of Motels that Met or Exceeded Average	31	27	30	28	26	28
Percentage of Motels that Met or Exceeded Average	53.4%	46.6%	51.7%	48.3%	44.8%	48.3%
Median	64.5%	59.7%	50.35	49.24	31.72	30.36
High	91.3%	88.5%	117.62	116.43	96.78	90.06
Low	15.0%	13.2%	31.55	31.93	8.53	8.37

**B.** Chart 1.B. includes information for the 2-month period beginning on **January 1, 2020 and ending on February 29, 2020** compared to the 2-month period beginning on **January 1, 2019 and ending on February 28, 2019**.

	Average Occupancy Rate		Average Daily Rate		Average RevPAR	
	2019	2020	2019	2020	2019	2020
Average for Select Franchised Motels	63.8%	62.5%	48.72	49.32	31.10	30.81
Number of Motels that Met or Exceeded Average	26	26	29	27	25	28
Percentage of Motels that Met or Exceeded Average	44.8%	44.8%	50.0%	46.6%	43.1%	48.3%
Median	61.9%	60.3%	48.84	48.83	28.60	30.39
High	92.5%	94.9%	105.48	110.06	66.85	64.11
Low	5.3%	8.4%	28.58	29.11	2.94	5.52

C. Chart 1.C. includes information for the 2-month period beginning on **March 1, 2020 and ending on April 30, 2020** compared to the 2-month period beginning on **March 1, 2019 and ending on April 30, 2019**.

	Average Occupancy Rate		Average Daily Rate		Average RevPAR	
	2019	2020	2019	2020	2019	2020
Average for Select Franchised Motels	69.5%	59.6%	51.03	48.22	35.49	28.71
Number of Motels that Met or Exceeded Average	28	29	27	29	26	23
Percentage of Motels that Met or Exceeded Average	48.3%	50.0%	46.6%	50.0%	44.8%	39.7%
Median	68.9%	59.5%	50.59	48.31	33.91	27.15
High	92.4%	85.6%	108.21	107.46	89.65	70.38
Low	26.2%	12.8%	36.95	29.98	14.05	7.90

D. Chart 1.D. includes information for the 2-month period beginning on **May 1, 2020 and ending on June 30, 2020** compared to the 2-month period beginning on **May 1, 2019 and ending on June 30, 2019**.

	Average Occupancy Rate		Average Daily Rate		Average RevPAR	
	2019	2020	2019	2020	2019	2020
Average for Select Franchised Motels	66.8%	61.8%	50.99	49.04	34.05	30.29
Number of Motels that Met or Exceeded Average	26	27	27	25	24	23
Percentage of Motels that Met or Exceeded Average	44.8%	46.6%	46.6%	43.1%	41.4%	39.7%
Median	64.8%	60.5%	49.67	47.48	32.43	28.79
High	95.5%	92.6%	118.89	116.93	108.81	97.06
Low	15.8%	11.1%	29.34	31.99	9.35	7.10

E. Chart 1.E. includes information for the 2-month period beginning on **July 1, 2020 and ending on August 31, 2020** compared to the 2-month period beginning on **July 1, 2019 and ending on August 31, 2019**.

	Average Occupancy Rate		Average Daily Rate		Average RevPAR	
	2019	2020	2019	2020	2019	2020
Average for Select Franchised Motels	68.4%	66.4%	51.73	50.57	35.39	33.59
Number of Motels that Met or Exceeded Average	27	27	24	24	25	25
Percentage of Motels that Met or Exceeded Average	46.6%	46.6%	41.4%	41.4%	43.1%	43.1%
Median	65.1%	65.0%	49.97	49.41	32.24	32.16
High	95.7%	96.3%	125.24	118.05	113.51	110.81
Low	16.8%	17.2%	32.33	33.47	9.67	10.59

F. Chart 1.F. includes information for the 2-month period beginning on **September 1, 2020 and ending on October 31, 2020** compared to the 2-month period beginning on **September 1, 2019 and ending on October 31, 2019**.

	Average Occupancy Rate		Average Daily Rate		Average RevPAR	
	2019	2020	2019	2020	2019	2020
Average for Select Franchised Motels	67.4%	66.7%	50.45	53.33	34.03	35.59
Number of Motels that Met or Exceeded Average	27	29	32	20	29	23
Percentage of Motels that Met or Exceeded Average	46.6%	50.0%	55.2%	34.5%	50.0%	39.7%
Median	65.1%	66.6%	51.19	50.05	33.92	32.12
High	93.0%	97.5%	123.72	124.83	113.63	109.31
Low	19.0%	10.6%	31.97	34.46	11.51	5.61

G. Chart 1.G. includes information for the 2-month period beginning on **November 1, 2020 and ending on December 31, 2020** compared to the 2-month period beginning on **November 1, 2019 and ending on December 31, 2019**.

	Average Occupancy Rate		Average Daily Rate		Average RevPAR	
	2019	2020	2019	2020	2019	2020
Average for Select Franchised Motels	60.2%	59.0%	49.90	50.71	30.05	29.91
Number of Motels that Met or Exceeded Average	26	25	30	19	27	24
Percentage of Motels that Met or Exceeded Average	44.8%	43.1%	51.7%	32.8%	46.6%	41.4%
Median	58.1%	56.9%	50.44	47.78	28.49	27.11
High	87.3%	93.2%	119.62	121.19	86.96	99.64
Low	6.4%	7.0%	29.72	32.73	3.49	4.14

**CHART 2 (A-G): Historical Results for Select Franchised Studio 6 Extended Stay Motels with A or B Ranking Score**

Chart 2.A.-G is a subset of the franchised Motel 6 Motels from Chart 1.A.-G and includes the 43 franchised Studio 6 Extended Stay Motels (or approximately 74% of the Motels reported in Chart 1.A.) that achieved our internal rating of A or B Ranking. The A and B Rankings are internal ratings that we use to categorize Motels based upon categories such as quality and financial compliance. The time period covered by each chart is noted.

**A. Chart 2.A includes information for the 12-month period beginning on January 1, 2020 and ending on December 31, 2020 compared to the 12-month period beginning on January 1, 2019 and ending on December 31, 2019.**

	Average Occupancy Rate		Average Daily Rate		Average RevPAR	
	2019	2020	2019	2020	2019	2020
Average for Select Franchised Motels	68.7%	66.4%	52.49	52.47	36.04	34.86
Number of Motels that Met or Exceeded Average	20	19	18	16	18	18
Percentage of Motels that Met or Exceeded Average	46.5%	44.2%	41.9%	37.2%	41.9%	41.9%
Median	65.6%	63.1%	50.62	50.18	31.72	30.36
High	91.3%	88.5%	117.62	116.43	96.78	90.06
Low	40.7%	48.8%	37.08	35.44	8.53	8.37

**B. Chart 2.B. includes information for the 2-month period beginning on January 1, 2020 and ending on February 29, 2020 compared to the 2-month period beginning on January 1, 2019 and ending on February 28, 2019.**

	Average Occupancy Rate		Average Daily Rate		Average RevPAR	
	2019	2020	2019	2020	2019	2020
Average for Select Franchised Motels	65.6%	65.5%	50.65	51.19	33.20	33.51
Number of Motels that Met or Exceeded Average	21	20	22	19	21	20
Percentage of Motels that Met or Exceeded Average	48.8%	46.5%	51.2%	44.2%	48.8%	46.5%
Median	63.4%	63.2%	50.73	50.75	32.86	32.82
High	92.5%	94.9%	105.48	110.06	66.85	64.11
Low	35.7%	28.5%	33.66	34.77	19.28	19.08

C. Chart 2.C. includes information for the 2-month period beginning on **March 1, 2020 and ending on April 30, 2020** compared to the 2-month period beginning on **March 1, 2019 and ending on April 30, 2019**.

	Average Occupancy Rate		Average Daily Rate		Average RevPAR	
	2019	2020	2019	2020	2019	2020
Average for Select Franchised Motels	71.8%	61.6%	52.80	50.18	37.94	30.90
Number of Motels that Met or Exceeded Average	22	18	20	20	19	20
Percentage of Motels that Met or Exceeded Average	51.2%	41.9%	46.5%	46.5%	44.2%	46.5%
Median	72.2%	61.0%	51.36	49.06	36.96	30.42
High	92.4%	85.6%	108.21	107.46	89.65	70.38
Low	40.9%	33.5%	37.12	32.87	21.89	16.65

D. Chart 2.D. includes information for the 2-month period beginning on **May 1, 2020 and ending on June 30, 2020** compared to the 2-month period beginning on **May 1, 2019 and ending on June 30, 2019**.

	Average Occupancy Rate		Average Daily Rate		Average RevPAR	
	2019	2020	2019	2020	2019	2020
Average for Select Franchised Motels	69.4%	65.2%	52.93	50.92	36.75	33.20
Number of Motels that Met or Exceeded Average	19	19	19	19	17	17
Percentage of Motels that Met or Exceeded Average	44.19%	44.19%	44.19%	44.19%	39.53%	39.53%
Median	65.3%	63.4%	51.36	49.19	33.98	30.38
High	95.5%	92.6%	118.89	116.93	108.81	97.06
Low	40.7%	36.5%	37.10	34.84	19.04	19.69

E. Chart 2.E. includes information for the 2-month period beginning on **July 1, 2020 and ending on August 31, 2020** compared to the 2-month period beginning on **July 1, 2019 and ending on August 31, 2019**.

	Average Occupancy Rate		Average Daily Rate		Average RevPAR	
	2019	2020	2019	2020	2019	2020
Average for Select Franchised Motels	71.0%	70.5%	54.02	52.66	38.33	37.15
Number of Motels that Met or Exceeded Average	22	19	14	17	16	17
Percentage of Motels that Met or Exceeded Average	51.2%	44.2%	32.6%	39.5%	37.2%	39.5%
Median	72.3%	68.8%	51.48	50.10	32.70	30.38
High	95.7%	96.3%	125.24	118.05	113.63	97.06
Low	37.0%	22.1%	36.99	36.11	11.24	19.69

F. Chart 2.F. includes information for the 2-month period beginning on **September 1, 2020 and ending on October 31, 2020** compared to the 2-month period beginning on **September 1, 2019 and ending on October 31, 2019**.

	Average Occupancy Rate		Average Daily Rate		Average RevPAR	
	2019	2020	2019	2020	2019	2020
Average for Select Franchised Motels	71.6%	72.6%	52.38	56.01	37.52	40.69
Number of Motels that Met or Exceeded Average	24	18	21	14	20	15
Percentage of Motels that Met or Exceeded Average	41.4%	31.0%	36.2%	24.1%	34.5%	25.9%
Median	73.7%	70.9%	52.02	51.39	36.49	35.61
High	93.0%	97.5%	123.72	124.83	113.63	109.31
Low	30.9%	39.1%	36.14	35.81	17.08	20.11

G. Chart 2.G. includes information for the 2-month period beginning on **November 1, 2020 and ending on December 31, 2020** compared to the 2-month period beginning on **November 1, 2019 and ending on December 31, 2019**.

	Average Occupancy Rate		Average Daily Rate		Average RevPAR	
	2019	2020	2019	2020	2019	2020
Average for Select Franchised Motels	62.4%	63.2%	51.89	53.31	32.38	33.67
Number of Motels that Met or Exceeded Average	21	18	22	11	18	16
Percentage of Motels that Met or Exceeded Average	36.2%	31.0%	37.9%	19.0%	31.0%	27.6%
Median	59.9%	58.2%	52.18	49.30	31.30	30.69
High	87.3%	93.2%	119.62	121.19	86.96	99.64
Low	28.5%	32.4%	35.66	34.85	16.36	16.71

“**Average Occupancy Rate**” is the average of occupied rooms reported for the Select Franchised Motels in each chart divided by the total number of available rooms. “**Average Daily Rate**” is the average of the reported gross room revenue of the Select Franchised Motels in each chart, divided by their total number of occupied rooms reported. “**Average RevPAR**” is the average of reported gross room revenues for the Select Franchised Motels in each chart divided by their total number of available rooms.

Data for all of the Charts was obtained from our internal records based on information supplied to us electronically from franchised locations. We have not audited the franchisee data.

**Some outlets have earned these amounts. Your individual results may differ. There is no assurance that you will achieve the stated results.**

Written substantiation for the financial performance representations will be made available to you upon reasonable request. Please carefully read all of the information in these financial performance representations, and the notes following the charts, in conjunction with your review of the historical data.

Other than the preceding financial performance representation, we do not make any financial performance representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing 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 Michael J. McGeehan, our Chief Development Officer, at 4001 International Parkway, Carrollton, TX 75007, Telephone 972-360-5405, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Studio 6 Extended Stay Motels**

**Table No. 1**  
**Systemwide Outlet Summary**  
**For years 2018 to 2020**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2018	79	94	+15
	2019	94	116	+22
	2020	116	141	+25
Company-Owned	2018	36	36	+0
	2019	36	25	-11
	2020	25	8	-17
<b>Total Outlets</b>	<b>2018</b>	<b>115</b>	<b>130</b>	<b>+15</b>
	<b>2019</b>	<b>130</b>	<b>141</b>	<b>+11</b>
	<b>2020</b>	<b>141</b>	<b>149</b>	<b>+8</b>

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For years 2018 to 2020**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
California	2018	1
	2019	2
	2020	0
Georgia	2018	1
	2019	0
	2020	1
Louisiana	2018	0
	2019	0
	2020	1
Ohio	2018	0

State	Year	Number of Transfers
	2019	1
	2020	0
	2018	3
Texas	2019	0
	2020	0
	<b>2018</b>	<b>5</b>
<b>Total</b>	<b>2019</b>	<b>3</b>
	<b>2020</b>	<b>2</b>

**Table No. 3**  
**Status of Franchised Outlets**  
**For years 2018 to 2020**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Alabama	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Arizona	2018	2	0	0	0	0	0	2
	2019	2	0	1	0	0	0	1
	2020	1	1	0	0	0	0	2
Arkansas	2018	1	1	1	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
California	2018	10	3	0	0	0	0	13
	2019	13	1	1	0	0	0	13
	2020	13	1	2	0	0	0	12
Florida	2018	2	2	0	0	0	0	4
	2019	4	0	1	0	0	0	3
	2020	3	1	0	0	0	0	4
Georgia	2018	6	1	0	0	0	0	7
	2019	7	0	0	0	0	0	7
	2020	7	4 <sup>1</sup>	0	0	0	0	11
Illinois	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	0	2
Indiana	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	2 <sup>1</sup>	0	0	0	0	3
Kansas	2018	0	0	0	0	0	0	0
	2019	0	2	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Louisiana	2018	3	1	0	0	0	0	4
	2019	4	5	0	0	0	0	9
	2020	9	1	1	0	0	0	9

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Maryland	2018	1	0	1	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Minnesota	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
Mississippi	2018	0	0	0	0	0	0	0
	2019	0	2	0	0	0	0	2
	2020	2	1	0	0	0	0	3
Missouri	2018	0	1	0	0	0	0	1
	2019	1	0	1	0	0	0	0
	2020	0	0	0	0	0	0	0
Nebraska	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
Nevada	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
New Jersey	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	1 <sup>1</sup>	0	0	0	0	1
North Carolina	2018	2	2	1	0	0	0	3
	2019	3	0	0	0	0	0	3
	2020	3	1 <sup>1</sup>	1	0	0	0	4
Ohio	2018	1	0	1	0	0	0	0
	2019	0	4	0	0	0	0	4
	2020	4	0	0	0	0	0	4
Oklahoma	2018	6	0	1	0	0	0	5
	2019	5	0	1	0	0	0	4
	2020	4	1	1	0	0	0	4
Oregon	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Pennsylvania	2018	1	0	0	0	0	0	1
	2019	1	0	1	0	0	0	0
	2020	0	0	0	0	0	0	0
Tennessee	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Texas	2018	36	8	1	0	0	0	43
	2019	43	13	3	0	0	0	53
	2020	53	15 <sup>1</sup>	3	0	0	0	65

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Utah	2018	3	0	2	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Virginia	2018	0	2	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Washington	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	1 <sup>1</sup>	0	0	0	0	2
Total	2018	79	23	8	0	0	0	94
	2019	94	31	9	0	0	0	116
	2020	116	33	8	0	0	0	141

**Table No. 4\***  
**Status of Company-Owned Outlets**  
**For years 2018 to 2020**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Arizona	2018	3	0	0	0	0	3
	2019	3	0	0	0	0	3
	2020	3	0	0	0	0	3
Florida	2018	4	0	0	0	0	4
	2019	4	0	0	0	0	4
	2020	4	0	0	0	0	4
Georgia	2018	3	0	0	0	0	3
	2019	3	0	0	0	0	3
	2020	3	0	0	0	3	0
Indiana	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	1	0
Louisiana	2018	1	0	0	0	0	1
	2019	1	0	0	0	1	0
	2020	0	0	0	0	0	0
Mississippi	2018	2	0	0	0	0	2
	2019	2	0	0	0	2	0

\* Company-owned outlets are owned by certain of our Affiliates and operated by our Parent, G6 Hospitality LLC.

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
	2020	0	0	0	0	0	0
New Jersey	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	1	0
New Mexico	2018	1	0	0	0	0	1
	2019	1	0	0	0	1	0
	2020	0	0	0	0	0	0
North Carolina	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	1	0
Ohio	2018	2	0	0	0	0	2
	2019	2	0	0	0	1	1
	2020	1	0	0	0	1	0
Oklahoma	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	1	0
Texas	2018	14	0	0	0	0	14
	2019	14	0	0	0	6	8
	2020	8	0	0	0	8	0
Utah	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
Washington	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	1	0
<b>Totals</b>	<b>2018</b>	<b>36</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>36</b>
	<b>2019</b>	<b>36</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>25</b>
	<b>2020</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17</b>	<b>8</b>

**Table No. 5  
Projected Openings As Of December 31, 2020**

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLET IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED OUTLET IN THE NEXT FISCAL YEAR
Alabama	1	1	0
Arizona	2	2	0
California	9	4	0
Colorado	1	1	0
Florida	2	1	0
Georgia	1	1	0

<b>STATE</b>	<b>FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED</b>	<b>PROJECTED NEW FRANCHISED OUTLET IN THE NEXT FISCAL YEAR</b>	<b>PROJECTED NEW COMPANY-OWNED OUTLET IN THE NEXT FISCAL YEAR</b>
Idaho	1	0	0
Illinois	2	1	0
Indiana	2	0	0
Iowa	1	1	0
Kentucky	1	1	0
Louisiana	1	0	0
Mississippi	1	1	0
Montana	1	0	0
Nevada	2	0	0
New Jersey	1	0	0
New Mexico	2	1	0
North Dakota	1	1	0
Oklahoma	2	2	0
Pennsylvania	1	0	0
South Carolina	4	4	0
Texas	19	0	0
Virginia	1	0	0
Wyoming	2	0	0
<b>Totals</b>	<b>61</b>	<b>22</b>	<b>0</b>

[The rest of this page left intentionally blank.]

**Studio 6 Suites**

**Table No. 1  
Systemwide Outlet Summary  
For years 2018 to 2020**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2018	0	0	0
	2019	0	0	0
	2020	0	0	0
Company-Owned	2018	0	0	0
	2019	0	0	0
	2020	0	0	0
<b>Total Outlets</b>	<b>2018</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2019</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2020</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table No. 2  
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)  
For years 2018 to 2020**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
All States	2018	0
	2019	0
	2020	0
<b>Total</b>	<b>2018</b>	<b>0</b>
	<b>2019</b>	<b>0</b>
	<b>2020</b>	<b>0</b>

**Table No. 3  
Status of Franchised Outlets  
For years 2018 to 2020**

<b>State</b>	<b>Year</b>	<b>Outlets at Start of Year</b>	<b>Outlets Opened</b>	<b>Terminations</b>	<b>Non-Renewals</b>	<b>Reacquired by Franchisor</b>	<b>Ceased Operations-Other Reasons</b>	<b>Outlets at End of the Year</b>
All States	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
<b>Total</b>	<b>2018</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table No.4\***  
**Status of Company-Owned Outlets**  
**For years 2018 to 2020**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
All States	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
Totals	<b>2017</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2018</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table No. 5**  
**Projected Openings As Of December 31, 2020**

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLET IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED OUTLET IN THE NEXT FISCAL YEAR
Arizona	0	2	0
California	0	2	0
Colorado	0	2	0
Connecticut	0	2	0
Florida	0	2	0
Georgia	0	2	0
Louisiana	0	2	0
Massachusetts	0	2	0
Mississippi	0	1	0
North Carolina	0	1	0
New York	0	2	0
South Carolina	0	2	0
Texas	0	2	0
Virginia	0	1	0
<b>Totals</b>	<b>0</b>	<b>25</b>	<b>0</b>

Notes:

The information in the above tables are as of the fiscal year end for each year, which is December 31.

A list of Studio 6 Extended Stay Motel and Studio 6 Suites franchised locations, name of franchisee, along with addresses telephone numbers as of December 31, 2020 is attached as Exhibit G-1. A list of

\* Company-owned outlets are owned by certain of our Affiliates and operated by our Parent, G6 Hospitality LLC.

franchise agreements signed but franchised Motels not yet open is attached as Exhibit G-2. Attached as Exhibit G-3 is a list of the name, city and state, and current business telephone number (or, if unknown, the last known home telephone number) of every Studio 6 franchisee who has had a franchise agreement terminated, canceled, or not renewed by us or who otherwise voluntarily or involuntarily ceased to do business under their agreements during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the 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.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Studio 6 franchise System. 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.

As of the date of this disclosure document, no independent trademark-specific franchisee organizations have asked to be included in this disclosure document.

### **ITEM 21** **FINANCIAL STATEMENTS**

Attached to this disclosure document in Exhibit H are our audited financial statements as of December 31, 2020 and for the years ended December 31, 2020, 2019 and 2018.

### **ITEM 22** **CONTRACTS**

The following contracts are attached to this disclosure document in the following order:

1. **Franchise Application** (Exhibit C)
2. **Franchise Agreement, including related attachments and addenda** (Exhibit D)

### **ITEM 23** **RECEIPTS**

Two copies of a receipt form appear at the end of this disclosure document at Exhibit J. Please fill out and sign both receipts as of the date you received this disclosure document, return one copy to us and keep the other for your records.

**EXHIBIT A**  
**LIST OF STATE ADMINISTRATORS**

## LIST OF STATE ADMINISTRATORS

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

<p><b>CALIFORNIA</b>          Commissioner of Financial Protection and Innovation          Department of Financial Protection and Innovation          320 West Fourth Street, Suite 750          Los Angeles, California 90013-2344          (213) 576-7500          Toll Free: (866) 275-2677</p>	<p><b>NEW YORK</b>          New York State Department of Law          Investor Protection Bureau          28 Liberty Street, 21<sup>st</sup> Floor          New York, New York 10005          (212) 416-8285</p>
<p><b>HAWAII</b>          Commissioner of Securities          Department of Commerce &amp; Consumer Affairs          Business Registration Division          Securities Compliance Branch          335 Merchant Street, Room 203          Honolulu, Hawaii 96813          (808) 586-2722</p>	<p><b>NORTH DAKOTA</b>          North Dakota Securities Department          State Capitol          Department 414          600 East Boulevard Avenue, Fifth Floor          Bismarck, North Dakota 58505-0510          (701) 328-4712</p>
<p><b>ILLINOIS</b>          Illinois Office of the Attorney General          Franchise Bureau          500 South Second Street          Springfield, Illinois 62706          (217) 782-4465</p>	<p><b>RHODE ISLAND</b>          Department of Business Regulation          Securities Division, Building 69, First Floor          John O. Pastore Center          1511 Pontiac Avenue          Cranston, Rhode Island 02920          (401) 462-9527</p>
<p><b>INDIANA</b>          Secretary of State          Franchise Section          302 West Washington, Room E-111          Indianapolis, Indiana 46204          (317) 232-6681</p>	<p><b>SOUTH DAKOTA</b>          Division of Insurance          Securities Regulation          124 South Euclid Avenue, 2<sup>nd</sup> Floor          Pierre, South Dakota 57501          (605) 773-3563</p>
<p><b>MARYLAND</b>          Office of the Attorney General          Securities Division          200 St. Paul Place          Baltimore, Maryland 21202-2020          (410) 576-6360</p>	<p><b>VIRGINIA</b>          State Corporation Commission          Division of Securities and Retail Franchising          1300 East Main Street, 9th Floor          Richmond, Virginia 23219          (804) 371-9051</p>
<p><b>MICHIGAN</b>          Michigan Attorney General’s Office          Corporate Oversight Division, Franchise Section          525 West Ottawa Street          G. Mennen Williams Building, 1<sup>st</sup> Floor          Lansing, Michigan 48913          (517) 335-7567</p>	<p><b>WASHINGTON</b>          Department of Financial Institutions          Securities Division – 3<sup>rd</sup> Floor          150 Israel Road, Southwest          Tumwater, Washington 98501          (360) 902-8760</p>
<p><b>MINNESOTA</b>          Minnesota Department of Commerce          85 7<sup>th</sup> Place East, Suite 280          St. Paul, Minnesota 55101          (651) 539-1600</p>	<p><b>WISCONSIN</b>          Division of Securities          4822 Madison Yards Way, North Tower          Madison, Wisconsin 53705          (608) 266-2139</p>

**EXHIBIT B**  
**AGENTS FOR SERVICE OF PROCESS**

**AGENTS FOR SERVICE OF PROCESS**

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents in some of the states listed.

<p><b>CALIFORNIA</b>          Commissioner of Financial Protection and Innovation          Department of Financial Protection and Innovation          320 West Fourth Street, Suite 750          Los Angeles, California 90013-2344          (213) 576-7500          Toll Free: (866) 275-2677</p>	<p><b>NEW YORK</b>          New York Secretary of State          New York Department of State          One Commerce Plaza,          99 Washington Avenue, 6<sup>th</sup> Floor          Albany, New York 12231-0001          (518) 473-2492</p>
<p><b>HAWAII</b>          Commissioner of Securities          Department of Commerce &amp; Consumer Affairs          Business Registration Division          Securities Compliance Branch          335 Merchant Street, Room 203          Honolulu, Hawaii 96813          (808) 586-2722</p>	<p><b>NORTH DAKOTA</b>          North Dakota Securities Commissioner          State Capitol          600 East Boulevard Avenue, Fifth Floor          Bismarck, North Dakota 58505-0510          (701) 328-4712</p>
<p><b>ILLINOIS</b>          Illinois Attorney General          500 South Second Street          Springfield, Illinois 62706          (217) 782-4465</p>	<p><b>RHODE ISLAND</b>          Director of Department of Business Regulation          Department of Business Regulation          Securities Division, Building 69, First Floor          John O. Pastore Center          1511 Pontiac Avenue          Cranston, Rhode Island 02920          (401) 462-9527</p>
<p><b>INDIANA</b>          Secretary of State          Franchise Section          302 West Washington, Room E-111          Indianapolis, Indiana 46204          (317) 232-6681</p>	<p><b>SOUTH DAKOTA</b>          Division of Insurance          Director of the Securities Regulation          124 South Euclid Avenue, 2<sup>nd</sup> Floor          Pierre, South Dakota 57501          (605) 773-3563</p>
<p><b>MARYLAND</b>          Maryland Securities Commissioner          200 St. Paul Place          Baltimore, Maryland 21202-2020          (410) 576-6360</p>	<p><b>VIRGINIA</b>          Clerk of the State Corporation Commission          1300 East Main Street, 1<sup>st</sup> Floor          Richmond, Virginia 23219          (804) 371-9733</p>
<p><b>MICHIGAN</b>          Michigan Attorney General’s Office          Corporate Oversight Division, Franchise Section          525 West Ottawa Street          G. Mennen Williams Building, 1<sup>st</sup> Floor          Lansing, Michigan 48913          (517) 335-7567</p>	<p><b>WASHINGTON</b>          Director of Department of Financial Institutions          Securities Division – 3<sup>rd</sup> Floor          150 Israel Road, Southwest          Tumwater, Washington 98501          (360) 902-8760</p>
<p><b>MINNESOTA</b>          Commissioner of Commerce          Minnesota Department of Commerce          85 7<sup>th</sup> Place East, Suite 280          St. Paul, Minnesota 55101          (651) 539-1600</p>	<p><b>WISCONSIN</b>          Division of Securities          4822 Madison Yards Way, North Tower          Madison, Wisconsin 53705          (608) 266-2139</p>

**EXHIBIT C**  
**FRANCHISE APPLICATION**



FRANCHISE APPLICATION



G6 Hospitality Franchising LLC, 4001 International Parkway, Carrollton, Texas 75007

I am making an Application for consideration of a ( ) new ( ) existing motel as a Studio 6® franchised property. I understand G6 Hospitality Franchising LLC ("G6 Franchising") will utilize and rely on the information I furnish, and by my signature at the end of this Application form, I certify that (1) the information furnished is true and correct; (2) no fact or information is omitted which might make the information furnished misleading or incomplete; (3) I have been furnished with information about the Studio 6 franchise system, including a Franchise Disclosure Document; (4) neither I, nor any partner, stockholder, officer or director of the proposed ownership entity has been induced or persuaded to breach any agreement in connection with seeking a Studio 6 franchise.

I. PROPOSED LOCATION

1. I am applying for a Studio 6 Motel franchise at: \_\_\_\_\_ (City, State)

2. The proposed Studio 6 Motel will consist of \_\_\_\_\_ rooms (including \_\_\_\_\_ suites or extended stay units) and the requested brand is:
 Studio 6 Extended Stay OR
 Studio 6 Suites

3. The exact location of the proposed Studio 6 to which the Application relates is (address or intersection, quadrant, etc.):

New Construction: NW NE SW SE \_\_\_\_\_
Quadrant Intersection

Renovation: \_\_\_\_\_
Physical Site Address (Not a P.O. Box)

City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

4. Telephone Number, if in operation: \_\_\_\_\_

5. Fax Number, if applicable: \_\_\_\_\_

6. New construction only - Anticipated dates of:
Plan submission: \_\_\_\_\_
Commencement of construction: \_\_\_\_\_
Completion of construction/opening: \_\_\_\_\_

7. Renovation of existing property only: The property ( ) does ( ) does not currently have an affiliation or franchise agreement with a third party. If the property does have an existing affiliation, please describe that affiliation

and tell us how and when this affiliation will be terminated or removed (e.g., expiration, release, payment of termination fee, etc.).

A. Actual or estimated age of structure: \_\_\_\_\_ Years.

B. Commencement of renovation to Studio 6 standards: \_\_\_\_\_

C. Completion of renovation to Studio 6 standards: \_\_\_\_\_

HISTORICAL PERFORMANCE OF PROPERTY (For Current Year and Immediately Prior Two Years)			
Period	Occupancy (%)	Avg. Daily Rate (ADR) (\$)	Gross Room Revenue
Current Year-to-Date			
Immediately Prior First Year End			

## II. LOCATION INFORMATION

1. The motel or motel site is controlled by:

- ( ) fee ownership
- ( ) lease
- ( ) option agreement (option expires \_\_\_\_\_)
- ( ) contract for sale (closing or expiration of diligence by \_\_\_\_\_)
- ( ) other: \_\_\_\_\_

**Please attach evidence of site control/warranty deed.**

2. Legal name in which site or facility will be owned or controlled: \_\_\_\_\_

3. Businesses Owned: Provide a biography and portfolio (required).

(a) Please list any hotels (including Studio 6 or Motel ) **currently** owned or partially owned (in excess of 10%) and/or operated by Applicant or any person or entity having 10% ownership of the proposed Studio 6 franchise (please attach a separate list if you need more space than is listed below):

Individual/Entity	Property Location No.	Property Name (Affiliation) Address, City and State	Ownership Percentage	Years Under Ownership	Years Under Management (if applicable)

(b) Please list any hotels (including Studio 6 or Motel 6) **previously** owned or partially owned (in excess of 10%) and/or operated by Applicant or any person or entity having 10% ownership of the proposed Studio 6 franchise (please attach a separate list if you need more space than is listed below):

Individual/Entity	Property Location No.	Property Name (Affiliation) Address, City and State	Ownership Percentage	Years Under Ownership	Years Under Management (if applicable)

**III. LEGAL**

1. Franchise Agreement to be issued in the **Legal name of** \_\_\_\_\_
2. Address: \_\_\_\_\_  
*(Not a P.O. Box)*  
  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_
3. Phone Number: \_\_\_\_\_
4. Fax Number: \_\_\_\_\_
5. The above person or entity is a:  
 General Partnership       Limited Liability Partnership  
 Limited Partnership       Corporation  
 Sole Proprietor\*       Joint Venture  
 Limited Liability Corp.       Other \_\_\_\_\_

**\* IF SOLE PROPRIETOR PLEASE SKIP TO QUESTION 7.**

6. State of formation or incorporation: \_\_\_\_\_

**Documents must include percentage of ownership structure, titles of members, and a list of who is authorized to sign on behalf of the company.**

**CORPORATIONS:** Please submit with this Application, the state of incorporation certificate, one copy of the current Articles of Incorporation, Bylaws and Organizational Minutes.

**PARTNERSHIPS:** Please submit with this Application, the state of partnership filing, one copy of the executed Partnership Agreement and Consent of Partners.

**LIMITED LIABILITY CORPORATION:** Please submit with this Application, the state of incorporation certificate, one copy of the executed Articles or Certificate of Organization and Operating Agreement.

7. This section outlines the important contacts for your property and will assist when G6 team members reach out in regards to certain aspects of your business. Please complete as many contacts as necessary for the operation of your property.

**Legal Contact:** *receives notices or letters in regards to the Franchise Agreement or other contractual items. This will be the contact for all items if additional contacts below are not completed*

Contact Name: \_\_\_\_\_ Contact Email: \_\_\_\_\_

Address: \_\_\_\_\_ City \_\_\_\_\_ ST \_\_\_\_\_ Zip Code \_\_\_\_\_

Business Phone: ( ) \_\_\_\_\_ Mobile Phone: ( ) \_\_\_\_\_

**Billing Contact:** *all invoices and billing related messages and issues.*

Billing Address (if different from Principal Correspondent Address): \_\_\_\_\_  
Contact Name

Billing Address: \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

**Operational Contact:** *point person for pre-opening processes and ongoing Brand Performance items.*

Contact Name: \_\_\_\_\_ Contact Email: \_\_\_\_\_

Address: \_\_\_\_\_ City \_\_\_\_\_ ST \_\_\_\_\_ Zip Code \_\_\_\_\_

Business Phone: ( ) \_\_\_\_\_ Mobile Phone: ( ) \_\_\_\_\_

**Guest Complaint Contact:** *receives complaint related items and will be the contact provided to the guest in some cases.*

Contact Name: \_\_\_\_\_ Contact Email: \_\_\_\_\_

Address: \_\_\_\_\_ City \_\_\_\_\_ ST \_\_\_\_\_ Zip Code \_\_\_\_\_

Business Phone: ( ) \_\_\_\_\_ Mobile Phone: ( ) \_\_\_\_\_

**IV. OWNERSHIP OF ENTITY**

*(All information must be provided. Use a supplemental page if necessary.)*

**Please list each Owner of the proposed franchise (\*Please list any familiar or nicknames you may use):**

	<b>OWNER NO. 1</b>	<b>OWNER NO. 2</b>	<b>OWNER NO. 3</b>	<b>OWNER NO. 4</b>
<b>Name*</b>				
<b>Title</b>				
<b>Percentage of Ownership</b>				
<b>Home Address, City, State and Zip Code</b>				
<b>Primary Phone Number</b>				
<b>Secondary / Cell Phone Number</b>				
<b>E-Mail Address</b>				
<b>Social Security / Federal ID Number</b>				
<b>Date of Birth</b>				

V. CERTIFICATION AND SIGNATURE

I acknowledge that G6 Franchising is relying on the information contained in this Application and hereby certify that the information contained herein is true and accurate, and that I have the authority to make this Application and to enter into a franchise agreement on behalf of the entity indicated above. I understand that G6 Franchising may approve or deny this Application in its sole discretion and for any reason(s) or for no reason whatsoever and that approval of this Application may be revoked at G6 Franchising’s sole discretion if any information contained herein is later deemed to be false or misleading.

I authorize G6 Franchising to check my character, background, motor vehicle record, criminal and court records, and financial and credit history. I expressly authorize any past or present employer, any law enforcement agency, and any person who has knowledge of my character, experience and activities (including by way of example, education and work experience), or financial or credit history to release this information to G6 Franchising. I understand that one or more credit reporting agencies may make credit histories available to G6 Franchising upon which it may rely, and that financial institutions with which I have relationships may also supply information about their relationship with me. If any person authorized by me provides true and accurate information to G6 Franchising, then to the extent that person is or would be liable to me in any way as a result of furnishing such information, I release such person from such liability. I authorize G6 Franchising to release to prospective financing sources that I identify such financial and other information if requested.

In addition, I authorize the procurement of an investigative background search in accordance with anti-terrorism legislation, such as the USA Patriot Act and Section 1 of U.S. Executive Order 13224, issued September 23, 2001. I also certify that neither I, nor any of my funding sources, is or has ever been a terrorist or suspected terrorist, or a person or entity described in the aforementioned legislation. I understand that my application will not be approved if I have ever been a suspected terrorist or associated in any way with terrorist activities.

By signing below, the proposed franchisee and all 20% owners acknowledge and agree to the following statements. I agree to indemnify G6 Franchising, its Affiliates and successors and their respective directors, officers, agents and employees, past or present, from all losses and expenses arising from the breach of any representation herein, including any actual or threatened action and independent defense thereof. Further, I hereby release G6 Franchising, its Affiliates and successors and their respective directors, officers, agents and employees, past or present, from any liabilities, losses or expenses related to its approval, disapproval or revocation of approval of this Application as provided herein.

Signature: \_\_\_\_\_ Print Name: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_ Print Name: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_ Print Name: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_ Print Name: \_\_\_\_\_ Date: \_\_\_\_\_

Please submit the following documents with this Application to provide G6 Franchising the information needed to evaluate this project:

- ( ) Acknowledgment of receipt of the Franchise Disclosure Document (“FDD”) for each Owner with a 20% or greater interest in the franchise entity
- ( ) Evidence of site control (warranty deed)
- ( ) Existing affiliation information (if applicable)
- ( ) Franchise entity corporate documents (See page 3, item number 6.)
- ( ) Personal Financial Statement for each Owner with a 20% or greater interest in the franchise entity
- ( ) Biography and portfolio for each Owner with a 20% or greater interest in the franchise entity

Return signed and dated Franchise Application and all required attachments to your Development Director or to G6 Hospitality Franchising LLC, 4001 International Parkway, Carrollton, Texas 75007, Attention: Franchise Administration. Your application will not be considered until all requested information has been received.

**EXHIBIT D**  
**FRANCHISE AGREEMENT**

**STUDIO 6  
FRANCHISE AGREEMENT**

**by and between**

**G6 Hospitality Franchising LLC  
Franchisor**

**and**

---

**Franchisee**

**For the Following Studio 6 Brand Motel:**

- Studio 6 Extended Stay
- Studio 6 Suites

**STUDIO 6**  
**FRANCHISE AGREEMENT**  
**TABLE OF CONTENTS**

**Page**

1.	GRANT.....	1
2.	TERM .....	2
3.	DUTIES OF FRANCHISOR.....	3
4.	FEES .....	4
5.	DUTIES OF FRANCHISEE.....	5
6.	DEVELOPMENT AND OPENING OF YOUR MOTEL.....	10
7.	PROPRIETARY MARKS.....	13
8.	CONFIDENTIAL MANUALS .....	15
9.	CONFIDENTIAL INFORMATION .....	15
10.	ACCOUNTING AND RECORDS.....	16
11.	MARKETING PROGRAM, RESERVATION SYSTEM AND OTHER ADVERTISING AND MARKETING.....	17
12.	INSURANCE.....	19
13.	TRANSFER OF INTEREST .....	20
14.	DEFAULT AND TERMINATION.....	24
15.	OBLIGATIONS UPON TERMINATION .....	26
16.	ADDITIONAL COVENANTS .....	28
17.	TAXES, PERMITS AND INDEBTEDNESS .....	29
18.	INDEPENDENT CONTRACTOR AND INDEMNIFICATION .....	29
19.	APPROVALS AND WAIVERS .....	31
20.	NOTICES.....	32
21.	ENTIRE AGREEMENT.....	32
22.	SEVERABILITY AND CONSTRUCTION .....	33
23.	DISPUTE RESOLUTION .....	<b>ERROR! BOOKMARK NOT DEFINED.</b>
24.	ACKNOWLEDGMENTS .....	34

**ATTACHMENTS**

ATTACHMENT 1 - DEFINITIONS

ATTACHMENT 2 - SELECTED TERMS

ATTACHMENT 3 - OWNERSHIP SCHEDULE

ATTACHMENT 4 - TECHNOLOGY LICENSE AND SERVICES AGREEMENT

ATTACHMENT 5 - INSURANCE REQUIREMENTS

ATTACHMENT 6 - GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGMENT

**ADDENDA**

STATE SPECIFIC ADDENDA TO FRANCHISE AGREEMENT

DUAL BRAND ADDENDUM TO FRANCHISE AGREEMENT

**STUDIO 6  
FRANCHISE AGREEMENT**

THIS STUDIO 6 FRANCHISE AGREEMENT (“Agreement”) is made and entered into as of \_\_\_\_\_ (“Effective Date”) by and between G6 Hospitality Franchising LLC, a Delaware limited liability company (“Franchisor”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

RECITALS:

Franchisor has the right to use and to license the use of the System for the establishment and operation of Studio 6 Extended Stay Motels and Studio 6 Suites (each a “Studio 6 Brand” and together “Studio 6 Motels”).

Franchisee is the owner of a fee or long-term leasehold interest in the Approved Location.

Franchisee desires to operate the Motel at the Approved Location.

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**1. GRANT**

1.1. Franchisor grants Franchisee the right, and Franchisee undertakes the obligation, to operate the Motel under the Studio 6 Brand specified in Attachment 2 at the Approved Location.

1.2. If Franchisee is in compliance under this Agreement and Franchisee and its affiliates are in compliance with any other agreement between them and Franchisor or its affiliates, then during the Initial Term, neither Franchisor nor any of its affiliates shall (nor shall any of them grant to another person the right to) own, establish, operate, or manage a Motel under the same Studio 6 Brand as Franchisee’s Motel at any location within the Protected Territory, except for:

1.2.1. Studio 6 Motels open in the Protected Territory as of the Effective Date;

1.2.2. Studio 6 Motels to be established in the Protected Territory under a franchise agreement in effect as of the Effective Date, but not yet open as of the Effective Date;

1.2.3. Franchise agreements entered into in connection with the sale or other disposition by Franchisor or an affiliate of a Studio 6 Motel within the Protected Territory that is owned or leased by Franchisor or an affiliate;

1.2.4. Conversion of Motel 6 branded motels or motel rooms operated on the premises of or adjacent to a Studio 6 Motel identified in Sections 1.2.1, 1.2.2, or 1.2.3 to Studio 6 Motels or Studio 6 motel rooms;

1.2.5. Granting a franchise for a new Studio 6 Motel that will not open during the Initial Term; and

1.2.6. Studio 6 Motels that are modifications to, replacements for, or relocations of a Studio 6 Motel identified in Sections 1.2.1; 1.2.2; 1.2.3, 1.2.4, or 1.2.5.

1.3. All rights not expressly granted to Franchisee under Section 1.2 are reserved to Franchisor, its affiliates, and their respective successors and assigns. Without limiting the foregoing, Franchisee acknowledges and agrees that Franchisor and its affiliates reserve the following rights:

1.3.1. The right to own, establish, operate or manage, and to grant others the right to own, establish, operate, or manage motels, hotels, inns, and other lodging facilities (including, without limitation, extended stay/all suites, limited service, full service, resort, economy, and ultra-luxury facilities) under marks and names different from the Proprietary Marks associated with the Studio 6 Brand of Franchisee's Motel at any location, including locations within the Protected Territory, including, but not limited to, Studio 6 Extended Stay Motels (if Franchisee's operates their Motel under the Studio 6 Suites brand), Studio 6 Suites (if Franchisee operates their Motel under the Studio 6 Extended Stay brand), Hotel 6, estudio 6, Motel 6 motels or motel rooms, or dual-branded motels that include Motel 6 motel rooms;

1.3.2. The right to own, establish, operate or manage, and to grant others the right to own, establish, operate, or manage non-extended stay/non-suites facilities under marks and names similar to the Proprietary Marks (including, without limitation, Motel 6 motels and Motel 6/Studio 6 dual-branded motels) at any location, including locations within, adjacent, adjoining or proximate to the Protected Territory;

1.3.3. The right to use the name Studio 6 as a tagline or identifier in connection with a different primary trademark;

1.3.4. The right to offer, sell and advertise any goods and services (including those services offered by Studio 6 Motels) under any trademarks or service marks (including the Proprietary Marks) from, on and through any medium, including the Internet or any website; and

1.3.5. The right to purchase, be purchased by, or merge or combine with, businesses that directly compete with Studio 6 Motels.

1.4. Franchisee acknowledges that Franchisor and its affiliates have and may have business interests other than the operation of the network of Studio 6 Motels and that they, in their sole discretion, may identify, define, and act upon such interests in the manner they deem appropriate. Franchisee further acknowledges that business decisions made by Franchisor and its affiliates may impact Franchisee and agrees that Franchisor and its affiliates have no express obligation or implied duty to protect Franchisee from the consequences of such business decisions and expressly waives any right to assert any claim against Franchisor or its affiliates based on the existence, actual or arguable, of any such obligation or duty.

## **2. TERM**

2.1. The initial term shall commence on the Effective Date and expire on the Expiration Date (the "Initial Term"), unless sooner terminated in accordance with this Agreement.

2.2. If Franchisee desires to renew this franchise for one additional period of ten (10) years, Franchisee shall submit to Franchisor a renewal application in the form prescribed by Franchisor ("Renewal Application") not less than twelve (12) months but not more than eighteen (18) months before the Expiration Date. Upon receipt of the Renewal Application, Franchisor shall have the right, in its sole discretion, to approve or disapprove Franchisee's Renewal Application. Franchisor shall notify Franchisee of Franchisor's decision, in writing, not less than six (6) months before the Expiration Date. Notwithstanding Franchisor's approval, Franchisee's right and Franchisor's obligation to renew this franchise is expressly subject to Franchisee's continuing compliance with the following terms and conditions:

2.2.1. Renewal Application Fee and/or PIP Fee can be paid any time prior to or upon signing the renewal franchise agreement.

2.2.2. As of the Expiration Date, Franchisee shall not then be in default of any provision of this Agreement or any other agreement between Franchisee and Franchisor or its affiliates, and Franchisee shall have complied with all the terms and conditions of such agreements during their respective terms;

2.2.3. As of the Expiration Date, Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its affiliates and to all suppliers to the Motel and shall have met those obligations on a timely basis throughout the Initial Term;

2.2.4. Franchisee shall start renovation and modernization of the Motel as Franchisor may reasonably require, and complete that process to Franchisor's reasonable satisfaction. The renovation and modernization may include, among other things, installation of new equipment, computer systems, software, signs, furnishings, fixtures, and décor to reflect the then-current standards and image of the System;

2.2.5. Franchisee shall comply with Franchisor's qualification and training requirements for new franchisees;

2.2.6. Franchisee and its Owners shall sign a general release, in a form Franchisor prescribes, of any and all claims against Franchisor, its affiliates, and their respective past and present officers, directors, shareholders, and employees, in their corporate and individual capacities;

2.2.7. Franchisee and its Owners shall sign Franchisor's then-current form of franchise agreement, which will supersede this Agreement in all respects and which may provide for higher fees, fees not included in this Agreement, and other terms and conditions materially different from the terms of this Agreement and a different or modified Protected Territory; and

2.2.8. Franchisee shall pay Franchisor a renewal fee in an amount equal to fifty percent (50%) of Franchisor's then-current Initial Franchise Fee being charged to new franchisees as of the Expiration Date.

### **3. DUTIES OF FRANCHISOR**

Franchisor shall:

3.1. Make training programs available to Franchisee as set forth in Section 5.3 and may provide continuing training, consultation and advisory assistance to Franchisee in the management, operation and marketing of the Motel in the manner, at such times, and upon such other terms and conditions (including, but not limited to, fees payable for such assistance) as Franchisor deems advisable.

3.2. Make the Manuals available in an electronic form accessible by Franchisee.

3.3. Establish, maintain and administer a Reservation System and a Marketing Program, subject to the provisions of Section 11.

3.4. License or sublicense Franchisee to use the Software, as applicable.

3.5. Franchisee acknowledges and agrees that any duty or obligation imposed on Franchisor by this Agreement may be performed, at Franchisor's discretion, by any affiliate, designee, employee or agent of Franchisor, as Franchisor may direct.

#### **4. FEES**

4.1. Franchisee shall pay to Franchisor the Initial Franchise Fee listed in Attachment 2 upon the signing of this Agreement. The Initial Franchise Fee is fully earned and non-refundable in consideration of the administrative and other expenses incurred by Franchisor in entering into this Agreement and for Franchisor's lost or deferred opportunity to franchise others within the Protected Territory.

4.2. Franchisee shall pay to Franchisor the Opening Package Fee listed in Attachment 2 upon receipt of an invoice from Franchisor. The Opening Package Fee currently covers the initial General Manager Training Program for one General Manager, the opening kit, the Photo Shoot, and one email license for the Motel. Franchisor may, in its sole discretion, change or modify the services covered by Opening Package Fee. Franchisee acknowledges and agrees that between the signing of the Franchise Agreement and the Opening Date, Franchisor may, in its sole discretion, elect to increase the Opening Package Fee by a reasonable amount in order to cover costs associated with the Opening Package.

4.3. Franchisee shall pay to Franchisor the Opening Assistance Fee listed in Attachment 2, or Franchisor's then current Opening Assistance Fee, upon receipt of an invoice from Franchisor. The Opening Assistance Fee is paid in consideration of the Opening Assistance described in Section 5.3.2. In addition to the Opening Assistance Fee, Franchisee shall provide Franchisor's representatives with lodging, without charge, during the course of the Opening Assistance.

4.4. Application Fee and/or PIP/Site Evaluation Fee can be paid any time prior to or upon signing this Agreement.

4.5. Franchisee shall pay to Franchisor a monthly Royalty Fee in the amount specified in Attachment 2, invoiced each month for the previous calendar month and payable no later than the date specified in the Manuals or otherwise in writing by the Franchisor (the "Due Date").

4.6. Franchisee shall pay to Franchisor a monthly Program Fee in an amount equal to four percent (4%) of the Motel's Gross Room Revenues, invoiced each month for the previous calendar month and due no later than the Due Date. Franchisor may increase the monthly Program Fee by providing notice to Franchisee; provided, that Franchisor will not increase the Program Fee: (1) by more than one half percent (0.5%) of Gross Room Revenues in any twelve (12) month period; and (2) to an amount greater than five and one half percent (5.5%) of the Motel's Gross Room Revenues.

4.7. Franchisee must participate in any loyalty program or centralized billing program required by Franchisor and pay the associated fees as specified by Franchisor in the Manuals or otherwise in writing.

4.8. Franchisee must reimburse Franchisor or its affiliates for the amounts of any travel agency commissions, airline reservation system fees, fees associated with the use of other electronic booking systems by guests, on-line travel agency ("OTA") fees, and other related fees that Franchisor or its affiliates pay to third party distribution channels on Franchisee's behalf in connection with reservations for rooms at the Motel ("Booking Fees and Commissions"). Franchisee must reimburse Franchisor or its affiliates for the amounts of the Booking Fees and Commissions monthly after Franchisee receives an invoice for the Booking Fees and Commissions. Additionally, Franchisee shall comply with all of Franchisor's rules and regulations regarding the Booking Fees and Commissions and any modifications that Franchisor in its sole discretion makes to such rules and regulations. Franchisee acknowledges that the Booking Fees and

Commissions may, in the future, be directly invoiced to Franchisee by one or more third-party billing clearinghouses. Franchisee may be required to pay such clearinghouses an additional administrative or related fee for their services. Franchisee agrees to participate fully in such billing clearinghouses and agrees to pay the amounts of invoices that Franchisee receives from these clearinghouses on a timely basis, including the administrative or related fees imposed by the clearinghouses. In addition to other remedies available to Franchisor, Franchisee may be subject to suspension or termination from distribution channels if Franchisee fails to timely pay Franchisor or the third party distribution channel, as applicable.

Franchisee must participate in the National Sales RFP Tool Process (“National Sales Programs”) as required by Franchisor. Franchisee must pay Franchisor the then-current annual fee and any commissions due for participating in the National Sales Programs.

4.9. Franchisee shall execute the Technology License and Services Agreement attached as Attachment 4 and pay all fees required under the Technology License and Services Agreement.

4.10. If any payment due to Franchisor or its affiliates by Franchisee is not received on or before its Due Date, the payment shall be deemed overdue. With respect to any overdue payment, Franchisee shall pay to Franchisor or its affiliates, in addition to the amount overdue, Franchisor’s then-current late fee plus interest on such overdue amount from the Due Date until the date that the payment is paid at the rate of one and one half percent (1.5%) per month or the maximum rate permitted by law, whichever is less. Entitlement to such late fee and interest shall be in addition to any other remedies Franchisor or its affiliates may have. Franchisor may charge a processing fee based on the amount being paid on transactions, methods of payments, or administrative costs, at Franchisor’s sole discretion. Further, Franchisor and its affiliates reserve the right to impose a returned check fee, payable upon demand, if Franchisee’s check for any fees due to Franchisor fails to clear or if any payment payable by Franchisee to Franchisor by any other method is declined by Franchisee’s financial institution

4.11. For all amounts payable to Franchisor, Franchisee must use the invoicing and payment method(s) that Franchisor designates from time to time. If Franchisor requires payment by electronic funds transfer, Franchisee must designate an account at a commercial bank of Franchisee’s choice (the “Account”) and furnish the bank with authorizations as necessary to permit Franchisor to make withdrawals from the Account by electronic funds transfer. Franchisee agrees to maintain sufficient funds in the Account to cover the amounts payable to Franchisor and its affiliates. If funds in the Account are insufficient to cover the amounts payable at the time Franchisee makes its periodic electronic funds transfer, the amount of the shortfall will be deemed overdue. Without limiting the foregoing, Franchisee specifically acknowledges that Franchisor may require different payments method(s) if Franchisee is deemed to be in default under this Agreement.

4.12. Franchisor shall have the right to apply any payments or credits in its sole discretion (regardless of any designation by Franchisee) to any amounts due in any order.

4.13. Franchisor has the right to adjust, for inflation, all fixed dollar amounts under this Agreement (except for the Initial Franchise Fee) once a year to reflect changes in the Index. For the purpose of this Section 4.12, the term "Index" means the Consumer Price Index (1982-84=100; all items; CPI-U; all urban consumers) as published by the U.S. Bureau of Labor Statistics (“BLS”). If the BLS no longer publishes the Index, then Franchisor will have the right to designate a reasonable alternative measure of inflation.

## **5. DUTIES OF FRANCHISEE**

5.1. Franchisee shall construct, convert, renovate, equip and furnish the Motel in accordance with this Agreement and the Standards.

5.2. Franchisee acknowledges that every detail of the System is important to Franchisor and other franchisees operating under the System in order to develop and maintain the Standards and brand image of the System, to protect Franchisor's reputation and goodwill, and to increase the demand for the lodging services offered by Studio 6 Motels. Therefore, Franchisee agrees to comply with the Standards and not to deviate therefrom. Among other things:

5.2.1. Franchisee shall use the Approved Location solely for the operation of the Motel, and shall not permit the use of the Approved Location for any other purpose or activity;

5.2.2. Franchisee agrees that the Motel may offer only such goods and services approved by Franchisor in writing for the System. Any goods or services offered by Franchisee, other than lodging services, shall not be represented as goods or services authorized or sanctioned by Franchisor or its affiliates;

5.2.3. Franchisee shall operate the Motel twenty-four (24) hours a day, every day, and in strict conformity with the Standards; and

5.2.4. Franchisee shall not operate the Motel, or any other operation to which Franchisor has consented pursuant to Section 5.5, in any manner which Franchisor reasonably believes adversely reflects on Franchisor, the System, the Proprietary Marks, the associated goodwill, or Franchisor's rights therein. Franchisee shall not, directly or indirectly, operate any business, at the Approved Location or otherwise, which violates this Section 5.2.4.

5.3. Before the Opening Date and at all times during the Initial Term, Franchisee shall designate a General Manager who must devote his or her full time, best efforts to managing the Motel and who shall have authority over the day-to-day operations of the Motel. Before the Opening Date, Franchisee's General Manager must attend and successfully complete to Franchisor's satisfaction, Franchisor's General Manager Training Program, the fee for which is currently included in the Opening Package Fee, and Franchisee must pay Franchisor's then-current training fee for each additional trainee beyond the initial General Manager that Franchisee sends to that training. All replacement or substitute General Managers hired subsequent to the initial General Manager, must attend and successfully complete to Franchisor's satisfaction, Franchisor's General Manager training program within a reasonable period of time (not to exceed two (2) months) after commencing their duties as General Manager and Franchisee must pay Franchisor's then-current fee for such training.

5.3.1. In addition to its General Manager Training program, Franchisor may require Franchisee or Franchisee's designees to attend other training courses, programs, conferences and seminars, all as specified by Franchisor, and to pay the Franchisor's then current fee for such training.

5.3.2. Prior to the Opening Date, Franchisor or its affiliates may, at Franchisor's discretion, provide on-site and other opening training assistance ("Opening Assistance") to Franchisee in order to prepare Franchisee to operate, administer, and manage the Motel in compliance with Franchisor's Standards on the Studio 6 Systems and to open the Studio 6 Motel. Franchisee shall pay the Franchisor the Franchisor's then current-fee for the Opening Assistance.

5.3.3. Franchisee shall attend the conferences and meetings that Franchisor may periodically require and pay Franchisor's then current conference fee for each person who is required to attend (and, if applicable, additional attendees that Franchisee chooses to send).

5.3.4. Franchisor will provide all training at locations designated by Franchisor. In addition to the fees described in this Section 5.3, Franchisee shall also be responsible for all of the other costs of attendance, including travel, room and board, and Franchisee's employees' wages, benefits and other expenses.

5.4. Franchisee shall preserve good guest relations, render competent, prompt, courteous and knowledgeable service, and otherwise meet the Standards. Franchisee shall be the employer of all employees at the Motel, shall be solely responsible for all employment decisions and functions at and for the Motel, and shall otherwise comply with the requirements of Section 18.1 of this Agreement.

5.5. Franchisee shall purchase all items required to conform to Franchisor's Standards, at Franchisor's sole discretion, solely from suppliers who demonstrate to Franchisor's continuing reasonable satisfaction the ability to meet the Standards, who possess adequate quality controls and the capacity to supply Franchisee's needs promptly and reliably, and who have been approved by Franchisor in the Manuals or otherwise in writing. Franchisor reserves the right to approve, reject or designate a single supplier of certain items in order to promote compliance with the Standards.

5.5.1. If Franchisee desires to purchase any items that are required to conform to Franchisor's Standards from an unapproved supplier, then Franchisee shall submit to Franchisor a written request to approve the proposed supplier, together with such evidence of the supplier's qualifications as Franchisor may reasonably require. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered for evaluation and testing to Franchisor or to an independent testing facility designated by Franchisor. Franchisee shall pay to Franchisor the then-current Alternative Supplier Fee whether or not the supplier is approved. After completion of such evaluation and testing (if required by Franchisor), Franchisor shall notify Franchisee in writing of its approval or disapproval of the proposed supplier. Approval shall not be unreasonably withheld. Franchisee shall not purchase any products or services from the proposed supplier until Franchisor's written approval of the proposed supplier is received.

5.5.2. Franchisor may revoke its approval of particular products or suppliers at any time, in its sole discretion. Upon receipt of a written notice of revocation, Franchisee shall immediately cease to offer, sell or use any disapproved products and shall cease to purchase from any disapproved supplier.

5.5.3. Franchisee shall use products that conform to Franchisor's Standards and that are purchased from approved suppliers solely for the purpose of operating the Motel and not for any other purpose, including, without limitation, for resale.

5.6. Franchisee shall comply with all federal, state and local laws, codes, rules, regulations, and ordinances, including but not limited to public accommodation laws ("Laws"), and shall timely obtain any and all permits, certificates and licenses necessary for the full and proper development and operation of the Motel, including, without limitation, licenses to do business, trade, fictitious or assumed name registrations, building permits, sales tax permits, health and sanitation permits and ratings, and fire clearances. Franchisee shall be solely responsible for and Franchisor shall have no responsibility for architecture or engineering, for code, zoning, or other requirements of the laws, rules, regulations or ordinances of any state, local municipality, urban community, or provincial or federal governmental body, including any errors, omissions, or discrepancies of any nature in any drawings or specifications obtained by Franchisee, including those provided by Franchisor. Without limiting the foregoing, Franchisee shall be solely responsible for compliance with any requirements of the Americans with Disabilities Act, Payment Card Industry Data Security Standards (PCI-DSS), state, federal and international privacy and data security legislation and Personal Identifiable Information laws or regulations. In the event of an incident that affects the brand, its liability or its public image in Franchisor's sole discretion, Franchisee will grant Franchisor

the right, at a minimum, of access to Franchisee's computer systems and related equipment or software. Franchisee shall cooperate fully with Franchisor in any investigation of or remedy to any actual or suspected data privacy or security incidents. Further, Franchisee shall, upon learning of or suspecting any data privacy or security incident, provide immediate notice in writing to Franchisor or its designee of the same. Such notice shall include information about what occurred, what information was affected, what has been done to remedy the situation, who may have been affected, and any other details Franchisor specifies in the Manuals or in writing. Franchisee shall also provide Franchisor, or its designee, notice as described in the Manuals within twenty-four (24) hours of receipt of any Data Subject Access Requests or Deletion Requests.

5.7. Franchisee shall prominently display in and upon the premises of the Motel such signs as are required by Franchisor in the Manuals or as otherwise directed or approved by Franchisor in writing, including, without limitation, signs bearing the Proprietary Marks. All such signs shall be of a nature, and shall be in the form, color, number, location, size and content as specified by Franchisor in the Manuals or otherwise in writing. Franchisee shall comply with the Standards concerning the types of services and products that may be promoted or advertised at the Motel, including those Standards relating to the display of promotional materials. Franchisor reserves the right at any time to require, and Franchisee agrees to conform to, any change in or presentation of the Proprietary Marks.

5.8. Franchisee shall report within twenty-four (24) hours, or in the timeframe otherwise described in the Manuals, to Franchisor or its designated affiliate all incidents involving safety, security (including the security of the System, Software, Computer System (and all information found therein) or any other means of storing PII in Franchisee's control), guest or employee privacy, public relations or serious injury to persons or property that occur at, or involve, the Motel and shall consult with Franchisor or its designated affiliate before speaking to or corresponding with the media about any such incident. Franchisee shall otherwise comply with those portions of the safety, security and public relations provisions designated as mandatory in the Manuals or by the Standards, with the purpose of effectively handling the occurrence and any risk, and to ensure the brand and Standards are maintained. Notwithstanding the foregoing, though, Franchisee acknowledges and agrees that it is Franchisee's sole responsibility to maintain the safety and security of its employees, guests and others who may be on the Motel premises.

5.9. Franchisee acknowledges that Franchisor, its affiliates, and their agents shall have the right, in their reasonable discretion, to enter upon the premises of the Motel at any time for the purpose of conducting inspections or evaluations based under the Standards, and Franchisee shall provide Franchisor's representatives with lodging, without charge, during such evaluations. Fees may apply for certain inspections or evaluations by Franchisor. Upon the written request of Franchisor or its agent, Franchisee shall take such steps as may be necessary to correct any deficiencies under the Brand Standards detected during an evaluation, within the time specified by Franchisor. Franchisor will not manage or assist with any Franchisee employee or employment-related issues. If Franchisee fails an evaluation under the Standards, Franchisee shall provide lodging, without charge, for, and shall reimburse Franchisor for the travel, expenses and then current fees of Franchisor's representatives incurred in subsequent evaluations to determine whether all deficiencies under the Brand Standards have been corrected.

5.10. Franchisee acknowledges and agrees that offering the public a single, efficient, reservation referral service is essential to the goodwill, reputation and success of the System. Franchisee shall use only the proprietary Reservation System and comply with all terms and conditions of participation. Franchisee shall purchase, install and maintain at the Motel all equipment necessary for participation in the Reservation System, as specified in the Manuals or otherwise in writing by the Franchisor. In addition, Franchisee shall participate in and pay all related fees for all OTA programs and all National Sales Programs that Franchisor may establish, unless Franchisor provides Franchisee the right to opt out of such program. If Franchisee

wishes to exercise any opt out right, Franchisee shall comply with Franchisor's policies and procedures for opting out of such OTA program or National Sales Programs.

5.11. Franchisor reserves the right, to the fullest extent allowed by applicable law, to establish maximum, minimum, or other pricing requirements with respect to the prices that Franchisee may charge for products or services.

5.12. Franchisee shall timely provide to Franchisor Motel information for listing the Motel online. If Franchisee fails to timely respond to Franchisor's request, the Motel may not be listed online and, in such event, Franchisee agrees that neither Franchisor nor Franchisor's affiliates shall be liable for any such omission.

5.13. Franchisee shall participate in and comply with the terms of all marketing, reservation service, quality, advertising and operating programs and policies required by Franchisor for the System (including, without limitation, any Internet advertising, social media advertising, and marketing conducted and prescribed by Franchisor), in the manner directed by Franchisor in the Manuals or otherwise in writing and pay all related costs. Franchisor may also establish and coordinate advertising, marketing and sales programs, guest satisfaction programs and other activities among System motels, including motels owned or operated by its affiliates. Franchisee shall participate in and comply with such programs and activities on the same basis as other participating System motels in the same region as the Motel and pay all related costs.

5.14. Franchisee shall purchase or license, install, utilize and maintain at the Motel, at its sole cost, and at then current pricing or fees as provided by franchisor, all Software, hardware, services and equipment necessary to operate and maintain the Computer System and shall otherwise execute and comply with the terms of the Technology License and Services Agreement attached to this Agreement as Attachment 4.

5.15. Franchisee shall comply with Franchisor's policies and procedures set forth in the Manuals concerning guest relations, guest satisfaction, guest complaints, and Franchisor's brand image programs and standards. Franchisee shall pay Franchisee or its affiliates the then-current fees and costs incurred for Franchisor or its affiliates to administer such programs. Specifically, if Franchisee fails to resolve a guest complaint or a guest satisfaction survey response in accordance with Franchisor's policies, Franchisor will have the right to resolve, or attempt to resolve, such complaint, and Franchisee shall be required to (a) reimburse Franchisor for any expenses incurred by Franchisor or its affiliates to resolve the guest complaint and (b) pay Franchisor the then-current, applicable guest relations intervention fee, in accordance with Franchisor's policies and procedures, which may be modified by Franchisor.

5.16. If at any time during the Initial Term the Motel is damaged by fire or other casualty and the cost to repair such damage is reasonably estimated to be not more than fifty percent (50%) of the fair market value of the Motel, Franchisee shall expeditiously repair the damage. If the reasonable estimated cost to repair the damage exceeds such amount, Franchisee shall immediately notify Franchisor and shall elect, by written notice to Franchisor delivered within sixty (60) days following the date of the casualty, to repair or rebuild the Motel in accordance with the Standards or to terminate this Agreement. Any such notice of termination shall be effective sixty (60) days after receipt of the notice by Franchisor. If Franchisee elects to repair the damage, Franchisee shall commence reconstruction within six (6) months after the date of the casualty, shall expeditiously continue with such reconstruction on an uninterrupted basis and, subject to Franchisor's inspection and final approval, shall reopen the Motel for continuous business operations as soon as practicable, but in any event within eighteen (18) months after closing of the Motel, giving Franchisor four (4) weeks' advance notice of the date of reopening.

5.17. Provided that Franchisee is in compliance with this Agreement, Franchisee or any Owner of at least a 33% ownership interest shall be eligible for selection to participate as a member of a franchise advisory council, in accordance with any advisory council by-laws, as then in effect.

5.18. Franchisee may, at its option, terminate this Franchise Agreement only in accordance with this Section 5.18.

5.18.1. If (i) the Motel has achieved guest satisfaction scores that meet the Brand Standards; (ii) the Franchisee has complied with the quality assurance program and paid the quality non-compliance fee (if assessed), including participating in any required quality training; (iii) the number of guest complaints at the Motel has been and is then within then-current System averages; (iv) Franchisee has been and is in full compliance with its obligations hereunder (including, without limitation, Sections 5.15 and 18.4 hereof); (v) Franchisee has participated in all national and regional advertising campaigns; and (vi) the Motel's average room occupancy rate is at or below the levels specified below for any consecutive twelve (12) month period beginning in or after the twenty-fifth (25th) month from the Opening Date (the "Measurement Period"), then Franchisee may terminate this Franchise Agreement by giving the written notice and paying the liquidated damages (if any) specified below (and any such notice shall be served upon Franchisor within thirty (30) days following the close of the "Applicable Measurement Period"). As used herein, the "Applicable Measurement Period" is that Measurement Period in which the Motel's average room occupancy rate is at or below the levels specified below:

5.18.1.1. Upon thirty (30) days' written notice and without payment of liquidated damages if the Motel's average monthly room occupancy rate has been at or below fifty percent (50%) for the monthly average during the Applicable Measurement Period; or

5.18.1.2. Upon one (1) year's written notice and without payment of the liquidated damages if the Motel's average monthly room occupancy rate has been less than sixty percent (60%) but more than fifty percent (50%) for the monthly average in during the Applicable Measurement Period; or

5.18.1.3. Upon thirty (30) days' written notice and payment of liquidated damages equal to Two Thousand Dollars (\$2,000) per Authorized Guest Room if the Motel's average monthly room occupancy rate has been less than seventy percent (70%) but at least sixty percent (60%) for the monthly average during the Applicable Measurement Period.

5.18.2. Upon any termination by Franchisee pursuant to this Section 5.18, Franchisee shall comply with the post-termination obligations set forth in Section 15, below.

## **6. DEVELOPMENT AND OPENING OF YOUR MOTEL**

6.1. Within ninety (90) days of the Effective Date or before the Opening Date, whichever is earlier, Franchisee shall deliver to Franchisor satisfactory evidence that Franchisee has secured ownership, or the right to possession, of the Approved Location.

6.2. Franchisee shall retain a Certified Professional who shall prepare the necessary Construction Plans or Renovation Plans, as the context requires, for the Motel. Franchisee's selection of a Certified Professional is subject to Franchisor's approval. Franchisee acknowledges and agrees that Franchisor is not, and shall not be, liable for the performance of any Certified Professional retained by the Franchisee.

6.3. Franchisee shall submit its Construction Plans or Renovation Plans to Franchisor in accordance with the dates specified in Attachment 2 to this Agreement or any PIP.

6.4. Franchisee acknowledges and agrees that it may not commence any Development Work until Franchisee has approved Franchisee's Construction Plans or Renovation Plans, as applicable. Franchisee acknowledges and agrees that:

6.4.1. Franchisor's approval of Franchisee's Construction Plans or Renovation Plans is not an assurance or guarantee that the Construction Plans or Renovation Plans satisfy all applicable Laws and that Franchisee shall be solely responsible for compliance with all Laws.

6.4.2. Franchisor's review and approval of any of Franchisee's Renovation or Construction Plans or specifications for the Motel, or its approval of the site of the Motel, shall not be construed as any express or implied guaranty, warranty, or promise that the Motel will achieve any particular level of sales, revenue or occupancy rate. Franchisor shall not be responsible for architecture or engineering, code, zoning, or other requirements or Laws, ordinances, or regulations of any state, local or federal governmental body, or for any errors, omissions, or discrepancies of any nature in any drawings or specifications used for the construction or renovation of the Motel. Franchisee's Certified Professional must certify to Franchisor that the Construction Plans or Renovation Plans satisfy all Laws.

6.4.3. Franchisee shall not reproduce, use or permit the use of any of the design concepts, drawings, or specifications of a Studio 6 Motel without Franchisor's prior written approval.

6.4.4. Once the Construction Plans or Renovation Plans have been approved, Franchisee may not change or modify the applicable plan without the prior written consent of Franchisor.

6.5. Franchisee shall complete all Development Work in strict accordance with Franchisor's Standards and specifications, the Manuals, and any PIP. Franchisee shall bear the entire cost of the Development Work, including the cost of the Construction Plans or Renovation Plans, professional fees, licenses, permits, equipment, furniture, furnishings and supplies. Franchisee is solely responsible for obtaining all necessary licenses, permits and zoning variances required for the Development Work, and for ensuring that all Development Work complies with the Standards, the Manuals, any PIP, and all applicable Laws.

6.6. Franchisee shall commence the Development Work on or before the applicable Commencement Date specified in Attachment 2 or any PIP. Franchisee shall provide Franchisor with notice of the actual commencement of the Development Work within five (5) days thereafter. Once Development Work has commenced, Franchisee shall continue to construct or renovate the Motel until the Development Work is completed in strict accordance with the approved Construction Plans or Renovation Plans.

6.7. The Development Work shall be completed and the Motel shall be furnished, equipped and otherwise made ready to open for business in strict accordance with this Agreement by the Completion Date specified in Attachment 2 to this Agreement or any PIP, unless the Completion Date is extended by Franchisor. Any requests by Franchisee for an extension of the applicable Commencement Date or the Completion Date, whether because of an event of Force Majeure or otherwise, must be in writing, signed by Franchisee. Any extension of the applicable Commencement Date or Completion Date must be in writing, signed by Franchisor. If Franchisor grants extension, Franchisee will be required to pay Franchisor then current opening extension fee per 6-month extension, at Franchisor's sole discretion. No extension of the applicable Commencement Date or Completion Date, because of Force Majeure or any other cause, shall extend longer than one year from the originally specified date.

6.8. During construction, Franchisee shall, and shall cause its Certified Professionals and subcontractors to, cooperate fully with Franchisor for the purpose of permitting Franchisor or its affiliates to inspect the Approved Location and the progress of the Development Work. Franchisee acknowledges and agrees that inspections by Franchisor or its affiliates shall be for the purpose of assuring Franchisee's compliance with the Construction Plans or Renovation Plans and the Standards required by Franchisor, and shall not be, nor be construed as, assurances or approvals that the Development Work is in compliance with any Laws. Franchisee shall provide construction progress reports to Franchisor, in the form and manner, and at such times, that Franchisor may reasonably request.

6.9. Franchisee shall not open the Motel for business until it has obtained Franchisor's approval to do so. Franchisee shall satisfy all of the terms and conditions of this Agreement, and equip, supply, staff and otherwise make the Motel ready to open under Franchisor's Standards. As a result of Franchisee's efforts to comply with the terms and conditions of this Agreement, Franchisee will incur significant expense and expend substantial time and effort. Franchisee acknowledges and agrees that Franchisor shall have no liability or obligation to Franchisee for any losses, obligations, liabilities or expenses Franchisee incurs if Franchisor does not authorize the Motel to open or if Franchisor terminates this Agreement because Franchisee has not complied with the terms and conditions of this Agreement.

6.9.1. Franchisee acknowledges and agrees that opening the Motel without Franchisor's permission may result in lost future revenue and profits to Franchisor, harm to the goodwill associated with the System and the Proprietary Marks. Franchisor and Franchisee agree that such damages may be difficult to quantify or estimate. Therefore, in addition to any other monies owed hereunder, including but not limited to any liability for damages to the Proprietary Marks, but in lieu of the payment of damages as a result of or related to unauthorized opening or use of the Proprietary Marks, Franchisee agrees to pay liquidated damages in an amount equal to \$50 per Authorized Guest Room for each day the Motel is open for business without authorization to open as a Studio 6 Motel. Such liquidated damages are expressly considered by the parties to be a fee for unauthorized use of the Proprietary Marks and not a penalty and shall be in addition to any liquidated damages for early termination. Franchisee shall pay Franchisor the payment specified in this Section 6.9.1 no later than five (5) days following notice of such demand from Franchisor.

6.10. The Motel shall have the number of Authorized Guest Rooms specified in Attachment 2. Franchisee shall not increase or decrease the number of Authorized Guest Rooms in the Motel without the prior written consent of Franchisor. Franchisor may impose reasonable conditions on its consent to an increase or decrease in the number of Authorized Guest Rooms, including, without limitation, the following:

6.10.1. Franchisee shall demonstrate to Franchisor's sole satisfaction that the Motel, as altered, will continue to meet the then-current Standards; and

6.10.2. In the case of a proposed decrease in the number of Authorized Guest Rooms, Franchisee shall demonstrate to Franchisor's sole satisfaction that the number of Authorized Guest Rooms remaining after the decrease are sufficient to serve the Protected Territory.

6.11. Franchisee shall maintain the Motel in a condition consistent with the Standards and shall make such additions, alterations, repairs and replacements as may be required for that purpose, including, without limitation, periodic repainting and replacement of signs, equipment, furnishings and furniture in accordance with the Standards and Manuals.

6.12. At Franchisor's request, Franchisee shall make periodic renovations to the Motel including PIP Renovations and Cycle Renovations. Franchisee shall be responsible for all costs and expenses associated with any PIP Renovations or any Cycle Renovations. Franchisee shall pay any fees due to

Franchisor in connection with PIP Renovations or Cycle Renovations, such as the PIP Fee. Franchisee understands that updates or changes required by the Standards, such as the televisions and operating supplies and equipment, are not renovations subject to this Section and Franchisee shall make such updates or changes at the Motel as required by Franchisor.

## **7. PROPRIETARY MARKS**

7.1. With respect to the Proprietary Marks, Franchisor represents that:

7.1.1. One or more affiliates of Franchisor is the owner of the Proprietary Marks in the United States of America. Franchisor has received a license from its affiliate(s) to use, and to license others to use, the Proprietary Marks in the manner contemplated by this Agreement.

7.1.2. Franchisor or its affiliate(s) will take all steps reasonably necessary to preserve and protect the ownership of and the validity of their interests in and to the Proprietary Marks.

7.2. Franchisee shall use the Proprietary Marks on and after the Opening Date. Franchisee further agrees that:

7.2.1. Franchisee shall use only the Proprietary Marks designated by Franchisor and shall use them only in the manner authorized by Franchisor.

7.2.2. Franchisee shall use the Proprietary Marks only for the operation of the Motel at the Approved Location.

7.2.3. Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor or its affiliates.

7.2.4. Franchisee shall not use, own, register, apply, or otherwise take title to any corporate, legal, domain name, website, electronic communication sites including mobile applications, social media sites or the like (“Sites”) containing, in whole or in part, the Proprietary Marks or any abbreviation or variation thereof. Social media sites in this Section include Facebook, Twitter, Instagram, Snapchat, Linked In, YouTube, Pinterest, Tumblr, or any other social media or pictorial media site. Franchisee will immediately assign ownership of any Sites containing Franchisor’s Proprietary Marks, in whole or in part, to Franchisor upon request by Franchisor. Franchisee further agrees to immediate relief, under ADR, WIPO or any other forum including but not limited to injunctive relief in favor of Franchisor for violation of this Section 7.2.4. Franchisee agrees to reimburse Franchisor for any reasonably incurred legal fees and costs for violation of this Section 7.2.4. Franchisee hereby agrees that any and all domain names and Sites containing Franchisor’s Proprietary Marks will inure to the benefit of Franchisor and will irrevocably assign and transfer to Franchisor all of Franchisee’s right, title and interest in any such Sites containing the Proprietary Marks. Franchisee will immediately authorize and instruct the cancellation or transfer of any Sites or domain names to Franchisor in violation of this Section 7.2.4.

7.2.5. Franchisee shall comply with Franchisor’s instructions in filing and maintaining the requisite trade name, fictitious or assumed name registrations, and shall execute any documents deemed necessary by Franchisor to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

7.2.6. Franchisee shall identify itself as the owner of the Motel and may use the Proprietary Marks in conjunction with the purchase of signage, stationery, invoices, order forms, receipts,

business cards, and contracts, and for use at such conspicuous locations on the Motel premises as Franchisor may direct in writing.

7.3. Franchisee expressly understands and acknowledges that:

7.3.1. Franchisor or its affiliate is the owner of all right, title and interest in and to the Proprietary Marks, the goodwill associated with and symbolized by them, and all photos, websites, and PPPs used on or in connection with Franchisor's or its affiliate(s)' website, or otherwise. Franchisor has the exclusive right to use, and to license others to use, the Proprietary Marks in connection with the franchising, promotion and development of the System. Franchisee is not acquiring any right, title or interest in the Proprietary Marks other than what has been licensed herein or as otherwise expressly permitted by Franchisor in writing.

7.3.2. The Proprietary Marks are valid and serve to identify the System and Studio 6 Motels.

7.3.3. During the Initial Term and after expiration, Franchisee shall not directly or indirectly contest the validity of the Proprietary Marks, Franchisor's instructions to discontinue use of the Proprietary Marks, Franchisor's instructions to cancel or transfer any domain names or Sites containing the Proprietary Marks, the manner or use of the Proprietary Marks by Franchisor, Franchisor's (or Franchisor's affiliates') ownership, right to use and right to license others to use the Proprietary Marks or the ownership of the Proprietary Marks by Franchisor's affiliate.

7.3.4. Franchisee's use of the Proprietary Marks pursuant to this Agreement does not give Franchisee any ownership or other interest in or to the Proprietary Marks.

7.3.5. Any and all goodwill arising from Franchisee's use of the Proprietary Marks in the operation of its Motel under the System shall inure exclusively to the benefit of Franchisor and its affiliate, and upon expiration or termination of this Agreement, no monetary amount shall be attributed to any goodwill associated with Franchisee's use of the System or the Proprietary Marks.

7.3.6. Franchisee may only use the Proprietary Marks associated with the Studio 6 Brand which Franchisee's Motel operates under.

7.4. Franchisor reserves the right, in its sole discretion, to substitute different trademarks or service marks for the Proprietary Marks for use in identifying the System and the facilities operating under the System. Franchisee agrees to comply promptly with any such substitution, at Franchisee's expense.

7.5. Franchisee shall promptly notify Franchisor of any unauthorized use of the Proprietary Marks or marks confusingly similar to the Proprietary Marks and any challenge to (i) the validity of the Proprietary Marks, (ii) the ownership of the Proprietary Marks by Franchisor's affiliate, (iii) Franchisor's right to use and to license others to use the Proprietary Marks, or (iv) Franchisee's right to use the Proprietary Marks. Franchisee acknowledges that Franchisor and its affiliate have the sole right to initiate, direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. Franchisor and its affiliate have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks.

7.6. Franchisor shall defend Franchisee against any third-party claim, suit or demand which alleges that Franchisee's use of the Proprietary Marks infringes the rights of such third party, provided that Franchisee has used the Proprietary Marks in accordance with this Agreement, the Standards, the Manuals and other instructions issued by Franchisor. If Franchisor, in its sole discretion, determines that Franchisee

has used the Proprietary Marks in accordance with the foregoing requirements, the cost of Franchisee's defense, including the cost of any judgment or settlement, shall be borne by Franchisor, and Franchisor shall be entitled to use its counsel of choice. If Franchisor, in its sole discretion, determines that Franchisee has not used the Proprietary Marks in accordance with such requirements, the cost of Franchisee's defense, including the cost of any judgment or settlement, shall be borne by Franchisee, and Franchisor shall be entitled to use its counsel of choice.

7.7. In the event of any litigation or administrative proceeding relating to the Proprietary Marks, Franchisee shall execute any and all documents and do all acts that may, in the opinion of Franchisor, be necessary or appropriate to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of Franchisee's use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, Franchisor agrees to reimburse Franchisee for its out-of-pocket costs for such acts.

## **8. CONFIDENTIAL MANUALS**

8.1. Franchisee shall at all times treat the Manuals and the information contained therein as Confidential Information and shall use all reasonable efforts to maintain the confidentiality thereof, in accordance with Section 9.1 of this Agreement.

8.2. The Manuals shall remain at all times the sole property of Franchisor or its affiliates and any hard copies shall be kept in a secure place at the Motel. Franchisee shall keep access to electronic copies of the Manuals secure. Franchisor may revise the contents of the Manuals, and Franchisee shall comply promptly with each new or changed Standard.

8.3. Franchisee shall ensure that any copy of the Manuals in Franchisee's possession is kept up-to-date. In the event of any dispute as to the content of the Manuals, the terms of the master copies of the Manuals maintained by Franchisor at Franchisor's home office shall control

## **9. CONFIDENTIAL INFORMATION**

9.1. Franchisee specifically acknowledges that, pursuant to this Agreement, it will receive valuable Confidential Information. Franchisee shall not, during the Initial Term or thereafter, misuse, communicate, divulge, disclose to any third party, or use for the benefit of any other person any Confidential Information, knowledge or know-how concerning Franchisor, the System, or the operation of the Motel, which may be communicated to Franchisee or its Owners, or of which Franchisee or its Owners may be apprised, by virtue of Franchisee's operation under the terms of this Agreement. Further, after the termination or expiration of this Agreement, Franchisee shall not use the Confidential Information for its own benefit and shall surrender all Confidential Information to Franchisor. Franchisee shall not at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part. Franchisee may only divulge such Confidential Information to its employees, contractors, architects, lenders, investors, agents or others who must have access to the Confidential Information in connection with the performance of this Agreement or the operation of the Motel and who have executed covenants satisfactory to Franchisor to maintain the confidentiality thereof, copies of which shall be submitted to Franchisor at Franchisor's request.

9.2. Franchisee agrees that the existence of any claims it may have against Franchisor or Franchisor's affiliates, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 9. Franchisee further acknowledges that any violation of the terms of this Section 9 would result in irreparable injury to Franchisor or its affiliates for which no adequate remedy at law may be available, and Franchisee accordingly consents to the issuance of

an injunction prohibiting any conduct by them in violation of the terms of this Section 9. Franchisee agrees to pay all costs and expenses (including reasonable legal fees and court costs) incurred by Franchisor or its affiliates in connection with the enforcement of this Section 9, including all costs and expenses for obtaining specific performance, or an injunction against any violation, of the requirements of Section 9.

9.3. Franchisee shall obtain covenants similar in substance to those in this Section 9, in a form acceptable to Franchisor, from any of its Owners, from such of Franchisee's officers, and any other individual who has access to Confidential Information.

9.4. Without limiting the foregoing, Franchisee acknowledges and agrees that it may only use the Confidential Information in connection with the operation of the Motel.

9.5. The covenants in this Section shall survive the termination, expiration or Transfer of this Agreement.

## **10. ACCOUNTING AND RECORDS**

10.1. Franchisee shall maintain and preserve (for at least five (5) years from the date of their preparation) complete and accurate books, records, and accounts showing the results of operation of the Motel, in the form and manner prescribed by Franchisor in the Manuals or otherwise in writing.

10.2. Franchisee shall, at Franchisee's expense, install and maintain such equipment (including Computer System and Software), make such arrangements and follow such procedures as Franchisor may require in the Manuals or otherwise in writing, to permit Franchisor to access each night during the Initial Term, from Franchisee's Computer System, information on the occupancy, average daily room rate, rooms sold, Gross Room Revenues, and such other data and information attributable to the Motel as Franchisor may require (the "Reports"). If the Reports are not furnished to Franchisor by Franchisee's Computer System, Franchisee shall submit such Reports to Franchisor, together with all required monthly payments, by the Due Date as required by Section 4 of this Agreement.

10.3. Franchisee shall, upon Franchisor's request and at Franchisee's expense, submit to Franchisor: (a) sales and/or occupancy tax returns within thirty (30) days of the filing of any such return and (b) within ninety (90) days following the end of each fiscal year (in the form prescribed by Franchisor): (i) an annual income statement for such fiscal year and (ii) a balance sheet as of the end of such fiscal year. If any statement is audited, a copy of the audited statement, together with the auditor's report, shall be furnished. Each statement shall be signed by an authorized representative of Franchisee attesting that it is true and correct.

10.4. Franchisee shall submit to Franchisor, for review and/or auditing, such other forms, periodic and other reports, records, information, and data as Franchisor may reasonably designate, in the form and at the times and places reasonably required by Franchisor, upon request and as specified in the Manuals or otherwise in writing. All such reports and information received by Franchisor pursuant to this Agreement shall be the property of Franchisor, and Franchisor and its affiliates shall have the right to use such information in its reasonable discretion.

10.5. Franchisor or its designated agents shall have the right at any time to examine and copy, at Franchisor's expense, all books, records, and tax returns of Franchisee related to the Motel and, at Franchisor's option, to have an independent audit made. Such books, records, and tax returns shall be made available to Franchisor or, at Franchisor's sole discretion, to its agents, at the Approved Location or other Franchisor designated location. If an inspection or audit reveals that Franchisee has failed to pay Franchisor or its affiliates any sums payable under this Agreement, then Franchisee shall immediately pay Franchisor

or its affiliates the amount of such deficiency, any late fees, and interest from the date such amount was due until paid, as provided in Section 4.10. If an inspection discloses an underpayment to Franchisor or its affiliates of five percent (5%) or more of the total amount that should have been paid to Franchisor, Franchisee shall, in addition to payment of such deficiency, with late fees and interest, reimburse Franchisor or its affiliates for any and all costs and expenses incurred in connection with the inspection or audit (including, without limitation, reasonable accounting and legal fees). If all books, records and tax returns of Franchisee related to the Motel are not made available to Franchisor at audit, the audit is deemed - "Unacceptable", and Franchisee must reimburse Franchisor the attempted audit-related costs Franchisor incurred. If Franchisee receives either a "Needs Improvement" or "Unacceptable" rating on an audit, Franchisor may re-inspect the books and Franchisee shall bear the re-inspection costs as provided in Section 5.10. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

## **11. MARKETING PROGRAM, RESERVATION SYSTEM AND OTHER ADVERTISING AND MARKETING.**

11.1. Franchisor and its affiliates shall utilize the Program Fees described in Section 4.3, in their sole discretion, to develop, support and/or enhance the System, and to develop, operate, support and/or administer the Reservation System and/ the Marketing Program, described below.

11.1.1. The Program Fee shall be spent as Franchisor or its affiliates, in their sole discretion, determine to be necessary or appropriate for the development and operation of the Reservation System, which may be used for a variety of purposes for all motel brands that we or our affiliates own and/or operate and for which we grant franchises. Such purposes may include processing reservation requests, transmitting reservation confirmations, providing reservations-related marketing for the development of new guests, repeat visits by guests, and development of the systems, and services designed for such purposes. The portion of the Program Fee that is used for the Reservation System may also be spent for any and all costs associated with developing, preparing and administering reservation services, such as the Computer System and Software, phone lines and phone operations.

11.1.2. Any funds not used for the Reservation System will be used by us or our affiliates for the Marketing Program, whose purpose is promotion of general public recognition of the Marks and the Motel 6 and Studio 6 Brands and encouraging motel stays at Motel 6 and Studio 6 Brand properties. Funds used for the Marketing Program shall be used for such programs as Franchisor or its affiliates, in their sole discretion, determine to be appropriate to promote the System, which may include (i) national, regional or local advertising using radio, television, print, outdoor, point of sale, electronic and mail media; (ii) developing, preparing, producing, directing, administering, conducting, maintaining and disseminating advertising, marketing, telemarketing, promotional and public relations materials, programs and campaigns; (iii) creating and maintaining Internet advertising and marketing for the System (through a Studio 6 website, Facebook, Twitter, or other e-commerce, digital marketing platforms, or social media or other Sites or otherwise); (iv) conducting market research and the reasonable administration costs and overhead Franchisor or its affiliates incur in directing; and (v) establishing and promoting corporate account or other sales promotion opportunities.

11.1.3. In addition to the expenditures described in Sections 11.1.1 and 11.1.2, we may use a portion of the Program Fee for the reasonable direct and indirect administration costs and overhead we or our affiliates incur in directing and administering the Reservation System and the Marketing Program. These costs may include costs of collecting and accounting for the Program Fee. We will not use the Program Fee for any of our other expenses in operating the System or in operating Studio 6 Motels owned and/or operated by our affiliates.

11.1.4. All Program Fees paid by franchisees, plus any interest or other income in respect thereof, may be held or maintained in one or more accounts in financial institutions, any of which may include funds other than Studio 6 Program Fees. A report of the receipts and expenditures of the Reservation System and the Marketing Program shall be made available to Franchisee upon request. Franchisor shall not be required to audit such report.

11.1.5. Franchisee agrees and acknowledges that the Reservation System and Marketing Program are intended to maximize general public recognition, acceptance and use of the System and of Franchisor's brands, and that neither Franchisor nor its affiliates undertake any obligation in administering the Program Fee to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's Program Fee or to ensure that any particular franchisee or Motel benefits directly or pro rata from expenditures of the Program Fee.

11.1.6. In addition to the Program Fee, Franchisee shall pay the following: (i) all of Franchisee's expenditures for in-room and other advertising material, local billboard advertising, property photography package, PPPs and other Motel-specific advertising and promotions; and (ii) certain special promotion support materials, such as the in-room acrylic holders for promotional materials, point-of-sale or other such materials used to promote the Studio 6 System.

11.2. Franchisor or its affiliates may enter into arrangements with third parties for the development or provision of services and/or personnel to support the Reservation System and the Marketing Program, and may use any facilities, programs, services or personnel of Franchisor's parent, subsidiaries, divisions or affiliates.

11.3. Recognizing the value of advertising and the importance of the standardized advertising programs to the furtherance of the goodwill and brand image of the System, Franchisee agrees that all advertising by Franchisee shall be conducted at Franchisee's expense in a dignified manner and shall: (i) comply with applicable privacy laws, rules, and regulations; and (ii) conform to such Standards and requirements as Franchisor may specify in the Manuals or otherwise in writing. At least fifteen (15) business days before the date on which Franchisee intends to print or record the materials, Franchisee shall submit to Franchisor for review and approval, samples of all proposed advertising and promotional materials for the Motel. Franchisor reserves the right to disapprove such materials upon written notice to Franchisee. Franchisor may revoke its approval of any advertising and promotional materials that were previously approved, upon 30 days' prior written notice. Franchisee shall immediately discontinue use of any such materials upon receipt of written notice that Franchisor's approval has been revoked.

11.3.1. In no event shall Franchisee advertise, promote, post or list information relating to the Motel on the Internet (including, but not limited to, Facebook, Twitter or any other e-commerce, digital marketing platforms, or social media or other Sites), through the creation or use of a website or otherwise, except in accordance with this Section 11.3 or as expressly permitted by Franchisor. Franchisee's failure to comply with the requirements of this Section 11.3.1 may result in Franchisor requiring Franchisee to pay Franchisor's then-current website non-compliance fee.

11.3.2. Franchisee acknowledges and agrees that Franchisor shall be the sole owner of any Sites created or used by Franchisee pursuant to this Section 11.3, including, without limitation, all Motel-specific advertising, photographs, listings and promotions.

11.3.3. Franchisor has established, or may establish, and maintain a website on the Internet that provides information about Franchisor and its franchise systems, including the System and the accommodations and services that Studio 6 Motels provide. Franchisor will have sole discretion and control over the website (including timing, design, contents and continuation). Franchisor may use part of the

Program Fee to pay or reimburse the costs associated with the development, maintenance and update of the website. Except for a minimal amount that Franchisor may spend to develop and maintain the Studio 6 Internet website, which includes advertising and marketing for the System and advertising for the sale of franchises, Franchisor does not spend any of the Program Fee on the sale of Studio 6 franchises.

11.3.4. Franchisor may (but is not required to) include at the website an interior page or PPP containing information about Franchisee's Motel. If Franchisor includes such information on the website, Franchisor may require Franchisee to prepare all or a portion of the page or PPP, at Franchisee's expense, using a template that Franchisor provides and to pay a fee to Franchisor or its affiliate to host the interior page or PPP. All information on the interior page or PPP will be subject to Franchisor's approval before posting.

11.3.5. Franchisor has an Extranet through which Franchisor and its franchisees can communicate by e-mail or similar electronic means. Franchisee agrees to use the facilities of the Extranet in strict compliance with the Standards, protocols and restrictions that Franchisor includes in the Manuals (including, without limitation, Standards, protocols and restrictions relating to the encryption of Confidential Information and prohibitions against the transmission of libelous, derogatory or defamatory statements).

11.3.6. Franchisor may, at any time and in its sole discretion, offer additional and/or specialized marketing assistance to any other franchisee operating under the System, without any obligation to offer Franchisee any similar assistance.

## **12. INSURANCE**

12.1. Before the commencement of any activities under this Agreement, Franchisee shall procure, and shall maintain in full force and effect at all times during the Initial Term, at Franchisee's sole expense, an insurance policy or policies of the types, and in the amounts, specified in Attachment 5, protecting Franchisee, Franchisor, Franchisor's affiliates, and their respective past and present officers, directors, partners, agents, employees and successors, against any demand, claim, loss, liability or expense arising out of or occurring upon or in connection with the establishment and operation of the Motel.

12.2. Franchisor may during the Initial Term, at its sole option, require that the minimum limits and types of insurance coverage described in Attachment 5 be reasonably increased or changed in any manner. Franchisee shall comply with such requirements, at Franchisee's sole cost and expense, and shall deliver evidence of such compliance to Franchisor within thirty (30) days of its receipt of written demand by or on behalf of Franchisor for any such increase or change in said insurance.

12.3. Franchisee's obligation to obtain and maintain the policy or policies described in Attachment 5 shall not be limited in any way by reason of any insurance which may be maintained by Franchisor or its affiliates, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions in Section 18.4. Nothing contained herein shall be deemed to be a representation by Franchisor that the required insurance coverages will insure Franchisee in part or in whole against any or all insurable risk arising from or in connection with the establishment or operation of the Motel.

12.4. On each policy renewal date after the Effective Date, and each time a change is made in any insurance or insurance carrier, Franchisee shall submit evidence of satisfactory insurance.

12.5. Should Franchisee, for any reason, fail to procure or maintain the required insurance, Franchisor and its affiliates shall have the right (but not the obligation) to procure and to charge the cost to Franchisee plus a reasonable fee.

12.6. At Franchisor's sole discretion, Franchisor shall have the right to review Franchisee's insurance policies. Franchisee agrees to produce copies of such policies in full within 5 business days after Franchisor's written request.

12.7. If required by Franchisor, Franchisee shall register its certificates of insurance (evidencing the proper coverage with limits not less than those required under this Agreement) with the services designated by Franchisor in the Manuals or otherwise in writing.

### **13. TRANSFER OF INTEREST**

13.1. Franchisee represents that the Owners named in Attachment 3 to this Agreement have the legal and/or beneficial interests set forth in Attachment 3. Upon Franchisor's request, Franchisee shall furnish Franchisor with a current list of all Owners and their mailing addresses.

13.2. Without limiting any of the provisions of this Section 13, Franchisee's governing documents shall provide that no Transfer of any interest in Franchisee may be made except in accordance with this Section 13, and any certificate issued by Franchisee evidencing such interests shall bear a conspicuous printed legend to that effect. Upon Franchisor's request, Franchisee shall furnish to Franchisor copies of its governing documents and any other documents Franchisor may reasonably request. No change affecting the power to direct and Control the affairs of Franchisee shall be made in Franchisee's governing documents, nor shall Franchisee or the Owners enter into any shareholders' agreement, management agreement, voting trust or other arrangement affecting the power to direct and Control the affairs of Franchisee, without Franchisor's prior written consent.

13.3. Without Franchisor's prior written consent, Franchisee may not assign or delegate any right or obligation of Franchisee under this Agreement, nor may Franchisee or any Owner sell, assign, Transfer, convey, exchange, give away, lease, sublease, pledge, mortgage or otherwise encumber any direct or indirect interest in Franchisee, this Agreement, the Motel, or substantially all of the assets of the Motel, whether by merger or otherwise, whether or not such sale, assignment, Transfer, conveyance, merger, gift, or disposition constitutes a Transfer or assignment under applicable law. Any such Transfer shall follow the procedure and be on the conditions as provided in Sections 13.4, 13.5, 13.6 and 13.7 below. Any Transfer or attempted Transfer in violation of this Section shall be a material event of default of this Agreement.

13.3.1. Notwithstanding the provisions of Section 13.3, Franchisee, or the Owners of Franchisee collectively, shall have the right to Transfer less than a total of 20% of ownership in Franchisee, in one or a series of transactions, without prior written consent of Franchisor or payment of a fee, upon written notice to Franchisor, execution by any new Owner of a Guarantee in a form acceptable to Franchisor, and revision of Attachment 3. Any transferee under this provision shall meet the criteria in Section 13.5.3. Such a Transfer will not relieve a prior Owner of its Indemnification obligations or any other financial or other obligations under this Agreement that have accrued prior to the change in ownership or which by their terms survive the Transfer. For such obligations accruing after the change in ownership, the prior Owner shall continue to be obligated unless the new Owner accepts responsibility for those obligations.

13.3.2. Notwithstanding the provisions of Section 13.3, during the first six (6) months of the Initial Term, Franchisee or all the Owners of Franchisee shall be permitted to make one Transfer to a transferee entity owned by the Owners in the same proportions as set forth in this Agreement, without payment of a Transfer fee, by assigning this Agreement to the transferee in a form of assignment and assumption agreement acceptable to Franchisor; the execution of such Guarantees by Owners as may be required by Franchisor; and transferee providing Franchisor any corporate or other organizational

documents Franchisor may require. In addition, at any time during the Initial Term, an Owner that owns a majority interest in Franchisee may acquire the interest of one or more minority owners upon submission of transferor's Notice, payment of \$2,500 as a Transfer application fee, and execution of such Guarantees or assumptions of liability as Franchisor may require. Notwithstanding the provisions of Section 13.6, no further Transfer fee shall be required for this type of Transfer. Transfers under this Section 13.3.2 shall not require execution of a new Agreement.

13.3.3. Notwithstanding anything in this Section 13.3, Franchisee shall at all times own or control the Motel.

13.4. Except as provided in Section 13.3, Franchisee must give Franchisor at least sixty (60) days prior written notice of any proposed Transfer. With its written notice of a proposed Transfer, Franchisee shall provide a completed copy of Franchisor's then current Transfer application. Franchisee shall also pay to Franchisor the Franchisor's then-current Transfer application fee and a PIP Fee any time prior to or upon signing the agreements required to effect the Transfer. Upon Franchisor's request, Franchisee shall provide such additional information and documentation relating to the proposed Transfer as Franchisor may reasonably require. Franchisor may withhold its consent to a proposed Transfer on any reasonable grounds.

13.5. Franchisor may, in its sole discretion, require any or all of the following as conditions of its approval of a proposed Transfer:

13.5.1. All of Franchisee's accrued monetary obligations to Franchisor and its affiliates have been satisfied;

13.5.2. Franchisee is not in default of any provision of this Agreement or any other agreement between Franchisee and Franchisor or its affiliates;

13.5.3. The transferee demonstrates to Franchisor's satisfaction that the transferee and, if applicable, its owners possess good moral character, business reputation and credit rating and, in a Transfer of controlling interest in Franchisee, have the aptitude and ability to operate the Motel in accordance with the Standards required by Franchisor (as may be evidenced by prior related business experience or otherwise); have adequate financial resources and capital to operate the Motel; and, in the case of a transferee which is already a franchisee under the System, be in compliance with this Agreement and have a record of guest service and Standards compliance each of which is satisfactory to Franchisor;

13.5.4. The transferee executes the then-current form of Studio 6 franchise agreement covering the balance of the Initial Term (which may include, without limitation, changes to the Royalty Fee and Program Fee to conform to the amounts then being paid by new franchisees as of the date of the Transfer, provided, however, the transferee shall not be required to pay any Initial Franchise Fee) and such other ancillary agreements as Franchisor may require, all of which shall supersede this Agreement in all respects;

13.5.5. In the event of an assignment of this Agreement to a transferee, if permitted by Franchisor, including an assignment pursuant to Section 13.3.2., Franchisee and the assignee enter into a contemporaneous written agreement, in a form satisfactory to Franchisor, transferring the Motel and all of the assets of the Motel to the assignee;

13.5.6. The transferee pays Franchisor's then-current Transfer fee to Franchisor, plus such additional amounts as are necessary to reimburse Franchisor for its reasonable out-of-pocket costs and expenses associated with the Transfer, including, without limitation, legal and accounting fees;

13.5.7. If the transferee is a corporation, partnership or limited liability company, such Principal Owners of the transferee as Franchisor may request, shall execute a guarantee of the transferee's performance of its obligations under the franchise agreement;

13.5.8. The transferor (and, if the transferor is Franchisee, all Owners) execute a general release, in a form satisfactory to Franchisor.

13.5.9. The transferor remain liable for all of its obligations to Franchisor which arose before the effective date of the Transfer and execute any and all instruments reasonably requested by Franchisor to evidence such liability;

13.5.10. The transferee's General Manager, Owners, and Motel staff, at the transferee's expense, complete any training programs then in effect in connection with the Transfer and pay all applicable fees as specified by Franchisor;

13.5.11. That the transferee shall, at the transferee's expense and upon the reasonable request of Franchisor, agree to upgrade the Motel and applicable systems, including the Computer System, to conform to the then-current Standards and specifications for Motels operating under the System, and to complete the upgrading and other requirements within a reasonable time specified by Franchisor.

13.6. If Franchisee or any Owner dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must apply to Franchisor in writing within thirty (30) days after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to Transfer the person's interest. The Transfer will be subject to the provisions of this Section 13, as applicable; however, Franchisee will not be required to pay a Transfer fee. In addition, if the deceased or incapacitated person is a Principal Owner, Franchisor will have the right (but no obligation) to take over operation of the Motel upon giving notice to the executor, administrator, personal representative, or trustee and to manage the Motel until the Transfer is completed. If Franchisor exercises this right, Franchisor may charge a reasonable management fee for its services. For purposes of this section, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (1) for a period of thirty (30) or more consecutive days, or (2) for sixty (60) or more total days during a calendar year. In the case of Transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of Transfer set forth in Section 13.5, the executor may Transfer the decedent's interest to another successor that Franchisor has approved, subject to all of the terms and conditions for Transfers contained in this Agreement. If an interest is not disposed of under this Section 13.6 within twelve (12) months after the date of death or appointment of a personal representative or trustee, Franchisor may terminate this Agreement under Section 14.2.

13.7. If Franchisee wishes to Transfer any interest in this Agreement or in the Motel, or if Franchisee or any Owner wishes to Transfer any Direct or Indirect ownership interest in Franchisee, pursuant to a *bona fide* offer received from a third party, then the proposed transferor shall comply with the provisions of Section 13.5 and shall include with the Transfer Application the terms of such offer, and shall provide such additional information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within thirty (30) days after its receipt of transferor's notice and copies of all documentation requested by Franchisor, to send written notice to the transferor that Franchisor intends to purchase the transferor's interest on the same terms and conditions offered by the third party ("Franchisor's Notice"). If Franchisor elects to purchase the transferor's interest, the Transfer application fee will be refunded and closing on such purchase must occur within the later of ninety (90) days from the date of Franchisor's Notice, ninety (90) days after the date Franchisor receives and obtains all necessary permits and approvals, or such other date as the parties may agree upon in writing. If Franchisor elects not to purchase, then the Transfer to a third party is subject to the provisions of Sections

13.3, 13.4 and 13.5. Any subsequent material change in the terms of any offer before closing shall constitute a new offer subject to the same right of first refusal by Franchisor as in the case of an initial offer. In the event an offer from a third party provides for payment of consideration other than cash or involves certain intangible benefits, Franchisor may elect to purchase transferor's interest for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent of the non-cash portion of the offer, then such amount shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be the exercise price. After determination of the exercise price by the appraisers, Franchisor may elect to exercise its right of first refusal at that price or not. In the event of an appraisal, each party shall bear its own legal and other costs and shall bear the appraisal fees equally. If Franchisor exercises its right of first refusal, it shall have the right to set off against any payment due the transferor (i) all fees for any independent appraiser due from the transferor, and (ii) all amounts due Franchisor and its affiliates from Franchisee, Franchisee's Owners, and any of Franchisee's affiliates. Franchisor's failure to exercise the option afforded by this Section 13.7 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Sections 13.3, 13.4 and 13.5, with respect to a proposed Transfer. Franchisor may assign its rights under this Section 13.7 to an affiliate or a third party.

13.7.1. If Franchisor does not deliver the Franchisor's Notice or if Franchisor elects not to purchase transferor's interest, as provided above, Franchisor's right to purchase the franchise terminates after a period of one year from the date the transferor's notice is delivered to Franchisor, as long as the property is sold at a price equal to or greater than the price offered to Franchisor.

13.8. In addition to the other requirements of this Section 13, securities in Franchisee may be offered to the public only in compliance with this Section 13.8. All materials required by federal or state law to be filed in connection with the offer or sale of any interest in Franchisee shall be submitted to Franchisor for review before filing with any governmental agency and any materials to be used in any offering of interests exempt from filing shall be submitted to Franchisor for review before their use. Franchisor's review of any offering materials shall be limited solely to the subject of the relationship between Franchisee and Franchisor. No Franchisee offering shall imply, by use of the Proprietary Marks or otherwise, that Franchisor is participating as an underwriter, issuer or offeror of Franchisee's or Franchisor's securities. Franchisee and other participants in the offering must fully indemnify Franchisor in connection with the offering. For each proposed offering, Franchisee shall pay to Franchisor the Franchisor's then-current non-refundable offering fee or such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the proposed offering, including, without limitation, legal and accounting fees.

13.9. Franchisor's consent to a Transfer shall not constitute a waiver of any claims it may have against the transferring party or Franchisee, nor shall it be deemed a waiver or release of Franchisor's right to demand exact compliance with any of the terms of this Agreement.

13.10. At Franchisor's request, Franchisee shall obtain covenants similar in substance to those in this Section 13, in a form specified by Franchisor, from its Owners agreeing not to engage in a Transfer except in accordance with the terms and conditions of this Agreement; provided, that this provision shall not apply to Owners that are required to comply with the reporting requirements under Section 13 or Section 15 of the Securities Exchange Act of 1934.

13.11. Franchisor may transfer or assign this Agreement or any part of its rights or obligations under this Agreement to any person or entity, provided that the transferee is an entity to which Franchisor transfers all or substantially all of the franchise agreements for Studio 6 Motels and the transferee or assignee accepts the transfer or assignment. Franchisee agrees that Franchisor shall have no liability after

the effective date of such transfer or assignment for the performance of any obligations under this Agreement.

#### **14. DEFAULT AND TERMINATION**

14.1. Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee: if Franchisee becomes insolvent or makes a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by Franchisee or such a petition is filed against, and consented to by, Franchisee; if Franchisee is adjudicated as bankrupt; if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law is instituted by or against Franchisee; if Franchisee is dissolved; if execution is levied against the Motel or any part or asset of the Motel, or suit to foreclose any lien or mortgage against the Motel or any part or asset of the Motel is instituted against Franchisee and not dismissed within ninety (90) days; or if the Motel or any part or asset of the Motel is sold after levy.

14.2. Franchisee shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of such notice by Franchisee, upon the occurrence of any of the following:

14.2.1. If Franchisee ceases to do business at the Approved Location, or ceases to operate the Motel under the Proprietary Marks and System, or loses the right to possession of the Motel, or otherwise forfeits the right to operate the Motel at the Approved Location; provided, that if the cessation of business or loss of possession results from a fire or other casualty, then the provisions of Section 5.16 of this Agreement shall apply;

14.2.2. If the construction, renovation, maintenance or operation of the Motel, presents a threat or danger to public health or safety and an immediate shutdown of the Motel is either required by regulatory or governmental authority or reasonably determined by Franchisor to be essential to avoid substantial liability or loss of goodwill, or if Franchisee receives two (2) or more notices from local governmental authorities (included but not limited to notices involving safety and security issues) within any consecutive twelve (12) month period and fails to implement appropriate measures reasonable satisfactory to Franchisor;

14.2.3. If Franchisee, any Owner or any entity controlled by any Owner is convicted of a felony or any other crime of dishonesty or moral turpitude, or if Franchisee, any Owner or any entity controlled by any Owner acts, or operates the Motel or any other business, in any manner that is reasonably likely, in the sole opinion of Franchisor, to adversely affect the System, the Proprietary Marks, the goodwill associated therewith or Franchisor's or its affiliate's interests therein;

14.2.4. If Franchisee or any Owner Transfers or purports to Transfer any rights or obligations in violation of Section 13;

14.2.5. If Franchisee or any Owner fails to comply with the covenants set forth in Section 9 of this Agreement, or if Franchisee fails to exercise reasonable care to prevent disclosure of Franchisor's Confidential Information;

14.2.6. If Franchisee or any Owner makes any material false statements or omissions, negligently or otherwise, in connection with Franchisee's Application for the franchise, the execution of this Agreement, or in connection with any information submitted to Franchisor;

14.2.7. If Franchisee or any Owner misuses or participates in any unauthorized use of the Proprietary Marks or otherwise adversely impacts the goodwill associated therewith or Franchisor's or its affiliate's rights therein, including, without limitation, any use of the Proprietary Marks before receiving written authorization to open the Motel as a Studio 6;

14.2.8. If Franchisee commits a default under Section 14.3 and 14.4 more than three times, whether the same or different defaults, and whether or not such defaults are cured after notice;

14.2.9. If Franchisee opens the Motel before receiving Franchisor's written approval to do so; or

14.2.10. If Franchisee fails to pay a financial obligation owed to any lender that has provided financing under an arrangement with Franchisor or any approved vendors and suppliers (which may include Franchisor and its affiliates) within five (5) days of the date on which we provide notice of delinquency (or such longer period as applicable law may require).

14.3. If Franchisee or its affiliates is in default in the payment of any monies owed to Franchisor when such monies become due and payable and Franchisee fails to pay such monies within five (5) days after receiving written notice of default (or such longer period as applicable law may require), then this Agreement shall terminate without further notice to Franchisee effective immediately upon the expiration of the five (5) day period or such longer period as applicable law may require.

14.4. Except as provided in Sections 14.1, 14.2, and 14.3 of this Agreement, if Franchisee fails to maintain or observe any of the Standards prescribed by Franchisor in this Agreement, the Manuals, or otherwise in writing, Franchisor may terminate this Agreement by giving Franchisee written notice of termination (in the manner set forth under Section 20 below) stating the nature of the default at least thirty (30) days before the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to Franchisor's satisfaction, and by promptly providing proof of the cure to Franchisor, all within the thirty (30) day period. If any such default is not cured within the specified time (or such longer period as applicable law may require), then this Agreement shall terminate without further notice to Franchisor effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require.

14.5. In the event Franchisee commits any default of this Agreement (including, without limitation, any failure to comply with the Standards in the Manuals or otherwise in writing), and if Franchisee fails to cure any such default which may be cured as permitted, Franchisor may, in its sole discretion, in lieu of, or as a preliminary action before terminating this Agreement as provided, cease accepting reservations from guests for lodging at Franchisee's Motel through the Reservation System or otherwise (provided, that Franchisor shall preserve, and Franchisee shall honor, all reservations received before the date reservations cease to be accepted), suspend Franchisee's access to the Computer System, and/or refuse to provide any operational or procurement support, and/or refuse to list the Motel online, until the default is cured. During any period in which some or all of the services listed above are suspended, Franchisee shall nevertheless comply with all of its obligations under this Agreement, including, without limitation, the obligation to pay Royalty Fees and the Program Fees.

14.6. Upon termination of this Agreement, Franchisee shall comply with the post-termination obligations set forth in Section 15 below.

## **15. OBLIGATIONS UPON TERMINATION**

Upon termination or expiration of this Agreement:

15.1. Franchisee shall immediately cease to operate the Motel under the System, Software and Manuals and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former Studio 6 franchisee.

15.2. Franchisee shall immediately and permanently cease to use, by advertising or in any other manner whatsoever, the name "Studio 6," any other Proprietary Marks or identifying characteristics of the System, and any and all Confidential Information, methods, procedures and techniques associated with the System including, but not limited to, the Software. Franchisee shall remove and discontinue using for any purpose, any and all signs, fixtures, websites, furniture, furnishings, equipment, Software, domain names, PPPs, advertising, materials, stationery, supplies, forms or other articles, which display the Proprietary Marks. Nothing herein contained shall allow Franchisee to sell or Transfer any of the foregoing without obliterating any Proprietary Marks or distinctive features of the System, unless transferred to Franchisor, its affiliates, or another franchised Studio 6 Motel. Any signs bearing the Proprietary Marks which Franchisee is unable to remove within one (1) day following expiration or termination of this Agreement shall be completely covered by Franchisee until the time of their removal, which shall be within ten (10) days following the expiration or termination of this Agreement. Franchisee agrees that all signs that are not timely removed pursuant to this Section may be removed by Franchisor, and all legal and other costs related to such removal shall be borne by Franchisee.

15.3. Franchisee shall, at its expense, immediately make such modifications or alterations as may be necessary to distinguish the Motel so clearly from its former appearance and from other Studio 6 Motels as to prevent any possibility of confusion therewith by the public, and shall do all things necessary to prevent the operation of any business at the Approved Location (by Franchisee or others) in derogation of this Section 15.3 including, without limitation, removal of all distinctive physical and structural features identifying Studio 6 or the System, removal of all distinctive signs and emblems, and removal or alteration of any design or decor features that Franchisor, in its sole discretion, determines to be indicative of Studio 6 Motels, including, without limitation, the exterior and interior color schemes.

15.3.1. Without limiting the foregoing, (a) the following distinctive features or devices associated with the System shall be painted colors other than the then-current colors used by Studio 6 Motels: sign cans for all signs, sign poles for all signs, porte cochere, doors, railings and any other Studio 6 features or Proprietary Marks; and (b) the following distinctive features or devices associated with the System shall be completely removed from the Approved Location: logo sign faces, non-logo signs in Studio 6 colors and font, Studio 6 posters, Studio 6 drapes, Studio 6 bedspreads, phone face plates, signage on the back of guest doors, pool signage, Studio 6 theft disclaimer signage, Studio 6 welcome awning, Studio 6 lobby clock, any other item, feature or fixture with Proprietary Marks, and any other item as listed in the Manuals. Further, Franchisee will make such modifications or alterations to the Approved Location, as may be necessary or as requested by Franchisor to prevent the operation of any business in the Approved Location that might be deemed substantially or confusingly similar to that of Franchisor or any other Franchisor's franchisees, and cease using any trade dress, designation of origin, description, or representation that falsely suggests or represents an association or connection with Franchisor.

15.3.2. Until all modifications and alterations required by this Section 15.3 are completed, Franchisee shall (i) maintain a conspicuous sign at the registration desk in a form specified by Franchisor stating that the Motel is no longer associated with the System, and (ii) advise all guests or prospective guests who telephone the Motel that it is no longer associated with the System.

15.3.3. If Franchisee fails to initiate immediately and timely complete the alterations described herein, as and when required by this Section 15.3, Franchisee acknowledges and agrees that Franchisor or its designated agents may enter the premises of the Motel and adjacent areas at any time and make such alterations, at Franchisee's sole risk and expense, without responsibility for any actual or consequential damages to the property of Franchisee or others, and without liability for trespass or other tort or criminal act. Franchisee expressly acknowledges that its failure to make such alterations, timely and completely, will cause irreparable injury to Franchisor.

15.3.4. If Franchisee fails or refuses to comply with the requirements of this Section 15.3, Franchisor shall have the right to enter upon the property, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required at the expense of Franchisee, including reasonable legal fees incurred by Franchisor subsequent to the termination or expiration of this Agreement in obtaining injunctive relief, damages, or other relief for the enforcement of any provision of this Section 15.3.

15.3.5. Franchisee acknowledges and agrees that its failure to timely comply with the de-identification requirements contain in this Section 15.3 may result in lost future revenue and profits to Franchisor, harm to the goodwill associated with the System and the Proprietary Marks. Franchisor and Franchisee agree that such damages may be difficult to quantify or estimate. Therefore, in addition to any other monies owed hereunder, including but not limited to any liability for damages to the Proprietary Marks, but in lieu of the payment of damages as a result of or related to as a result of or related to unauthorized use of the Proprietary Marks, Franchisee agrees to pay liquidated damages in an amount equal to \$50 per Authorized Guest Room for each day that Franchisee continues to operate the motel with Studio 6 signage and other indicia of Franchisor's intellectual property in place, plus Franchisor's costs of removing such signage and other indicia of Franchisor's intellectual property if Franchisee fails to do so. Such liquidated damages are expressly considered by the parties to be a fee for unauthorized use of the Proprietary Marks and not a penalty and shall be in addition to any liquidated damages for early termination. Franchisee shall pay Franchisor the payment specified in this Section 15.3.5 no later than five (5) days following notice of such demand from Franchisor.

15.4. Franchisee shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the mark "Studio 6" or any other Proprietary Marks, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

15.5. In the event Franchisee continues to operate or subsequently begins to operate any other business, Franchisee agrees not to use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks, either in connection with the operation of such other business or the promotion thereof. Franchisee further agrees not to utilize any design or decor features, designation of origin, description or representation (including, but not limited to, reference to Franchisor, the System, or the Proprietary Marks) which, in Franchisor's sole discretion, suggests or represents a present or former association or connection with Franchisor, the System, or the Proprietary Marks.

15.6. No later than thirty (30) days from the date that this Agreement is terminated ("Termination Date"), Franchisee shall pay to Franchisor all amounts owed related to the operation of the Motel through the Termination Date.

15.7. Franchisee acknowledges and agrees that, in the event this Agreement is terminated as a result of Franchisee's default under Section 14 or for any reason, including, specifically, failure to open a New Construction Motel or Renovated Motel, such termination may result in lost future revenue and profits to Franchisor, harm to the goodwill associated with the System and the Proprietary Marks, and increased

costs to Franchisor to redevelop or re-franchise the market in which the Motel is located. Franchisor and Franchisee agree that such damages may be difficult to quantify or estimate. Therefore, in addition to any other monies owed hereunder, including but not limited to any liability for damages to the Proprietary Marks, but in lieu of the payment of damages as a result of or related to such termination, Franchisee agrees to pay liquidated damages in an amount equal to \$2,000 per Authorized Guest Room as specified in Attachment 2 to this Agreement. Such liquidated damages are expressly considered by the parties to be a fee for early termination and not a penalty. Franchisee shall pay Franchisor the payment specified in this Section 15.7 no later than thirty (30) days following the termination of this Agreement.

15.8. Franchisee shall pay upon demand to Franchisor all damages, costs and expenses, including reasonable legal fees, incurred by Franchisor in connection with Franchisee's default and/or the early termination or expiration of this Agreement including, without limitation, those incurred to enforce and/or obtain injunctive or other relief in connection with this Section 15.

15.9. Franchisee shall immediately return to Franchisor or cease using all Manuals and other Confidential Information, and all other records, files, instructions, correspondence and other materials provided by Franchisor related to the operation of the Motel, and all copies thereof (all of which are acknowledged to be Franchisor's property), and shall retain no copy or record of any of the foregoing, with the exception of Franchisee's copy of this Agreement, any correspondence between the parties, and any other documents which Franchisee reasonably needs for compliance with any provision of law.

15.10. Franchisor or its affiliates shall have the option, to be exercised within twenty (20) days after the termination or expiration of this Agreement, to purchase from Franchisee any or all of the furnishings, signs, fixtures, supplies or inventory of Franchisee bearing the Proprietary Marks at their then-current fair market value. If the parties are unable to agree on fair market value within ten (10) days after the termination or expiration of this Agreement, then such amount shall be determined by two (2) licensed appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be the appraised value. The two (2) appraisers shall determine fair market value within ten (10) days after their appointment. If the amount determined by the appraisers is not acceptable to Franchisor, then Franchisor or its affiliate shall have the option to withdraw its offer. Each party shall bear its own legal and other costs and shall bear the appraisal costs equally. If Franchisor elects to exercise any option herein provided, it shall have the right to set off all amounts due from Franchisee, if any, against any payment due hereunder to Franchisor or its affiliates.

15.11. Franchisor shall have the right, within sixty (60) days following the termination or expiration of this Agreement, to inspect the Motel premises and offices, and conduct a review and/or an audit of Franchisee's books and records for the purpose, among other things, of assuring Franchisee's compliance with the provisions of this Section 15. Such books and records shall be made available to Franchisor or its affiliates at the Approved Location upon five (5) days written notice to Franchisee.

## **16. ADDITIONAL COVENANTS**

16.1. Franchisee covenants that, during the Initial Term, Franchisee shall employ at the Motel a General Manager who has successfully completed Franchisor's General Manager's Training Program, as described in Section 5.3, and who shall devote full time and best efforts to the management and operation of the Motel.

16.2. In recognition of the valuable specialized training and Confidential Information received pursuant to this Agreement, Franchisee covenants that during the Initial Term, Franchisee shall not, directly or indirectly, for itself, or through, on behalf of, or in conjunction with any other person or legal entity, divert or attempt to divert any present or prospective business or customer of any Motel operating under

the System to any competitor, other than a property owned or franchised by Franchisor or an affiliate, by direct or indirect inducement or otherwise.

16.3. Franchisee agrees that the existence of any claims it or its Owners may have against Franchisor or its affiliates shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 16.

16.4. At Franchisor's request, Franchisee shall obtain covenants similar in substance to those in Section 16.2, in a form acceptable to Franchisor, its officers or other individuals as Franchisor may require.

## **17. TAXES, PERMITS AND INDEBTEDNESS**

17.1. Franchisee shall promptly pay when due all taxes levied or assessed by any federal, state or local tax authority, and any and all other indebtedness incurred by Franchisee in connection with the operations of the Motel. Franchisee will provide to Franchisor copies of all sales, use or occupancy tax returns no later than ten (10) business days from the Franchisor's request of same. If Franchisee fails to provide all sales, use, or occupancy tax returns as requested, Franchisee shall be in default of this Agreement and shall be required to pay Franchisor's then current inspection/enforcement fee at Franchisor's sole discretion. Franchisee shall pay to Franchisor an amount equal to any sales tax, gross receipts tax, or similar tax imposed on Franchisor or its affiliates with respect to any payments to Franchisor or its affiliates required under this Agreement.

17.2. In the event of any bona fide dispute as to liability for taxes assessed or other indebtedness, Franchisee may contest the validity of the amount of the tax or indebtedness in accordance with the procedures of the taxing authority or applicable Laws, provided that such action does not result in any liability to or assessment of, any fine, penalty, or fee against, Franchisor or its affiliates; however, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the Motel, any part thereof, or any of its assets.

17.3. Copies of all inspection reports, warnings, certificates, letters and ratings issued by any governmental authority, agency or instrumentality in connection with the operation of the Motel, which indicate Franchisee's failure to meet or maintain the Standards or less than full compliance with any applicable law, rule, regulation, or ordinance, shall be forwarded to Franchisor by Franchisee within five (5) days after Franchisee's receipt thereof. However, if any governmental authority, agency or instrumentality requires Franchisee to shut down operations of the Motel, either temporarily or permanently, Franchisee must provide Franchisor with notice of such requirement immediately.

17.4. Franchisee shall notify Franchisor in writing within five (5) days after the commencement of any action, suit, or proceeding, and thereafter upon the issuance of any order, writ, injunction, award or decree, of any court, agency or other governmental authority or instrumentality relating to the Motel.

## **18. INDEPENDENT CONTRACTOR AND INDEMNIFICATION**

18.1. The parties hereto understand and agree that, in connection with its performance under this Agreement, Franchisee, its agents, employees and successors, shall act as independent contractors, and nothing herein shall at any time be construed to create the relationship of employer and employee, partnership, principal and agent, or joint venturer between Franchisor or its affiliates and Franchisee or its agents, employees, or successors. All employees hired by or working for Franchisee will be employees of Franchisee and will not, for any purpose, be deemed employees of Franchisor or subject to Franchisor's control. Franchisor has no authority to hire, fire, promote or demote any of Franchisee's employees or take any disciplinary action whatsoever against any of them. Additionally, Franchisee must communicate to all

of its employees that Franchisee, not Franchisor, is their employer; and Franchisee must ensure that no payroll checks or other employment-related documents (such as job applications and W-2s) contain or reference the Proprietary Marks or Franchisor's name. Franchisee must file its own tax, regulatory, and payroll reports with respect to its employees and operations, saving and indemnifying Franchisor and its affiliates of and from any liability of any nature whatsoever by virtue thereof.

In addition, Franchisee shall have no right or authority to enter into any contract, commitment, or agreement, or to speak on behalf of, or incur any debt or obligation in the name or on behalf of, Franchisor or its affiliates unless expressly authorized to do so in writing by Franchisor. Franchisee shall exercise full and complete control over, and have full responsibility for, its contracts, daily operations, labor relations, employment practices and policies, including but not limited to recruitment, selection, hiring, disciplining, firing, compensation, work rules and schedules of its employees.

18.2. Franchisee shall at all times hold itself out to the public as an independent contractor who independently owns and operates the Motel pursuant to a franchise agreement with Franchisor.

18.3. Franchisee assumes full responsibility and liability for and agrees to release Franchisor and its affiliates and their officers, directors, agents, representatives and employees, past and present, from and against any injury to any person including, but not limited to, Franchisee and its employees or agents, or damage to property caused by, resulting from, or arising out of any act or omission on the part of Franchisee, or its employees or agents, in connection with Franchisee's establishment or operation of the Motel or Franchisee's performance under this Agreement and any related agreements with Franchisor or its affiliates, including, but not limited to, fraudulent or dishonest acts of Franchisee or its employees or agents, personal injury, slander, libel, defamation, false arrest, detention or imprisonment, malicious prosecution, wrongful entry or eviction, invasion of privacy, or disclosure of any customer's or employee's personally identifiable or credit card information, data incidents or breaches, or regulator investigations, fines, or penalties resulting from Franchisee's failure to comply with the Standards or delay in submitting any Data Subject Access Requests to Franchisor.

18.4. Franchisee shall defend, protect, indemnify and hold Franchisor, its affiliates, their respective successors and assigns, and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, past or present (the "Indemnitees") harmless, to the fullest extent permitted by law, from and against any and all payments of losses and expenses (including, without limitation, all liabilities, losses, damages (including damages for injury to property or persons, including death, and, without limitation, the injury or death of any of Franchisee's employees or agents or damage to any of their property), fines, settlement amounts, costs, expenses, legal fees, investigative fees and court costs) incurred in connection with any action, suit, proceeding, claim, demand, investigation, inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which may arise out of, or in connection with, Franchisee's ownership, construction, renovation, establishment or operation of the Motel, the performance of Franchisee, Franchisee's employer/employee relationships, its employees or agents under this Agreement, and any related agreements with Franchisor or its affiliates, or the default by Franchisee or its Owners of any representation or warranty herein. Franchisee's indemnification obligation will include, without limitation, any claims related to or resulting from the actual or alleged negligence or fault of any Indemnitee, including damages for data privacy and cyber security incidents or breaches (including any legal, forensic investigation, technical services, notification, credit monitoring, or regulator fees, expenses, costs, fines, or penalties) and Data Subject Access Requests. Franchisee shall have ten (10) business days from its receipt of a written demand from Franchisor for indemnification under this Section 18 to comply with its obligations hereunder. Franchisor shall have the right, through counsel of its own choosing and at Franchisee's sole cost and expense, to direct, manage and control its defense of any matter to the extent that it could directly or indirectly affect Franchisor or its affiliates. Under no circumstances shall

Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against Franchisee under this Section. Such indemnity shall survive the termination or expiration of this Agreement.

18.4.1. Notwithstanding the foregoing, Franchisee's selected counsel for its own defense and Franchisor's indemnification must be reasonably acceptable to Franchisor. If Franchisee's selected counsel is not reasonably acceptable to Franchisor and Franchisee refuses to select alternate counsel, Franchisor will have the right through counsel of Franchisor's choice and at Franchisee's sole expense, to direct, manage, and control the defense of any matter to the extent Franchisor may be directly or indirectly affected. Franchisor shall have the right, through counsel of its own choosing and at Franchisee's sole cost and expense, to direct, manage and control its defense of any matter to the extent that it could directly or indirectly affect Franchisor or its affiliates. In addition to the foregoing, Franchisee also will reimburse Franchisor or its affiliates for all expenses reasonably incurred by Franchisor or its affiliates to protect themselves from, or to remedy, defaults by Franchisee under this Agreement.

18.5. Franchisee, its employees and agents, hereby waive, and release the Indemnitees from and against, any and all claims, demands, causes of actions for injury to property or person (including death) arising out of or in connection with Franchisee's operation of the Motel or its performance under this Agreement, regardless of when in the future sustained, and whether or not caused or contributed to by the negligence of Indemnitees.

18.6. Franchisor and its affiliates shall in no event be liable by reason of any act or omission of Franchisee in its construction, renovation, establishment or operation of the Motel or its performance under this Agreement or for any claim or judgment arising therefrom against Franchisee or Franchisor or its affiliates. Franchisee agrees that all of the obligations of Franchisor under this Agreement are to Franchisee, and no other party is entitled to rely on, enforce or obtain relief for default of, such obligations, directly or indirectly, by subrogation or otherwise. Franchisee agrees and understands that Franchisor and its affiliates shall not, nor shall they have the obligation to, indemnify or hold Franchisee harmless from and against any action or claim by any third party based upon Franchisor's or Franchisor's affiliates' exercise of any of its rights in accordance with the terms of this Agreement.

## **19. APPROVALS AND WAIVERS**

19.1. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request therefor to Franchisor, and such approval or consent shall not be valid unless given in writing and signed by an authorized officer of Franchisor. Franchisor may, in its sole discretion, withhold its approval or consent to any such request unless otherwise provided for herein.

19.2. Except for the obligations of Franchisor specifically set forth in this Agreement, Franchisor makes no warranties or guaranties upon which Franchisee may rely. Franchisor assumes no liability or obligation to Franchisee by providing any waiver, approval, consent or suggestion to Franchisee in connection with this Agreement, or by reason of any delay or denial of any request therefor.

19.3. Franchisor will not be deemed to waive or impair any right, power or option this Agreement reserves (including, without limitation, Franchisor's right to demand exact compliance with every term, condition and covenant of this Agreement) because of any custom or practice at variance with this Agreement's terms; Franchisor's waiver of or failure to exercise any right, power or option, whether of the same, similar or different nature, with other Studio 6 Motel franchisees; or the existence of franchise agreements for other Studio 6 Motels which contain provisions different from those contained in this Agreement. Franchisor's waiver of any particular default of Franchisee shall not affect or impair Franchisor's rights with respect to any subsequent default of the same, similar or different nature; nor shall

any delay, forbearance or omission of Franchisor to exercise any power or right arising out of any breach or default by Franchisee affect or impair Franchisor's rights with respect to such default, or Franchisor's right to declare any subsequent breach or default and to terminate this Agreement before the expiration of its term. Subsequent acceptance by Franchisor or its affiliates of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding default by Franchisee of any terms, covenants or conditions of this Agreement.

19.4. In the event that either party hereto shall be delayed, hindered in, or prevented from, the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection (all referred to herein as "Force Majeure"), then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Force Majeure shall not include Franchisee's lack of adequate financing. Notwithstanding the foregoing, in no event shall the time periods established for commencement or completion of construction or renovation be excused, and/or extended, in the aggregate for longer than one (1) year due to one or more events of Force Majeure.

**20. NOTICES**

All notices pursuant to this Agreement shall be in writing and shall be personally delivered; mailed by registered or certified mail, return receipt requested; or dispatched by overnight delivery, or by email (or other electronic means designated by Franchisor) to the respective parties at the following addresses, unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: Chief Development Officer  
G6 Hospitality Franchising LLC  
4001 International Parkway  
Carrollton, Texas 75007  
[G6legalfranchisecontracts@g6hospitality.com](mailto:G6legalfranchisecontracts@g6hospitality.com)

With a copy to: General Counsel  
G6 Hospitality Franchising LLC  
4001 International Parkway  
Carrollton, Texas 75007  
[g6legalcontracts@g6hospitality.com](mailto:g6legalcontracts@g6hospitality.com)

Notices to Franchisee: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Notice shall be deemed to have been received as follows: by personal delivery - at the time of delivery; by overnight delivery service - on the next business day following the date on which the notice was given to the overnight delivery service; by registered or certified mail, return receipt requested - three (3) days after the date of mailing; and by email – at the time the email is transmitted to the recipient.

**21. ENTIRE AGREEMENT**

This Agreement together with the schedules, exhibits, attachments, and addenda attached hereto are intended by Franchisor and Franchisee to be the final and binding expression of their agreement, contain

all of the material terms agreed to, are a complete and exclusive statement of the terms thereof and supersede all prior oral or written agreements, negotiations and representations, provided, however, that nothing in this or any related agreement is intended to disclaim the representations Franchisor made in the franchise disclosure document that Franchisor furnished to Franchisee. No representation, understanding or agreement, oral or written, have been made or relied upon in the making of this Agreement other than as specifically set forth herein. Unless otherwise provided in this Agreement, this Agreement, the schedules, exhibits, attachments, and addenda attached hereto may only be amended, modified, or supplemented by a writing signed by both Franchisor and Franchisee. Oral modification of this Agreement is not permitted, and Franchisee hereby waives any right to claim an oral modification of this Agreement.

## **22. SEVERABILITY AND CONSTRUCTION**

22.1. The language of all provisions of this Agreement shall be construed according to its fair meaning, but in no event shall it be presumed that such language is to be construed against the drafter. It is the intent of the parties that the provisions of this Agreement be enforced to the fullest extent and should any court or other public agency determine that any provision herein is not enforceable as written in this Agreement, the provision shall be amended so that it is enforceable to the fullest extent permissible under the laws and public policies of the jurisdiction in which the enforcement is sought. The provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained in the Agreement, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable; provided, that if any court or other public agency determines that one or more provision is invalid, illegal or unenforceable, and such determination would, in the reasonable opinion of Franchisor, frustrate the purpose of this Agreement as determined by Franchisor, then Franchisor may terminate this Agreement.

22.2. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor or Franchisor's affiliates and their officers, directors and employees, past or present, and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated (and, as to Franchisee, permitted by Section 13 hereof), any rights or remedies under or by reason of this Agreement.

22.3. Franchisee agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Franchisee is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

22.4. This Agreement may be signed in counterparts, and signature pages may be exchanged by facsimile and any other electronic transmission (including PDF), each such counterpart, when taken together with all other identical copies of this Agreement also signed in counterpart, shall be considered as one complete agreement.

22.5. This Agreement and all Attachments to this Agreement may be signed electronically by the parties and Electronic Signatures appearing on this Agreement and the Attachments shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement and the Attachments. An executed copy of this Agreement (or any portion of this Agreement) may be delivered by either of the parties by facsimile, electrical, digital, magnetic, optical, electromagnetic, or similar capability regardless of the medium of transmission, and delivery will be effective and binding upon the parties, and will not in any way diminish or affect the legal effectiveness, validity or enforceability of this Agreement.

## **23. DISPUTE RESOLUTION**

23.1. This Agreement takes effect upon its acceptance and execution by Franchisor in Texas, and the entry into, performance and interpretation of this Agreement shall be governed, construed and interpreted by the laws of the State of Texas, without regard to, and without giving effect to, the application of Texas conflict-of-law rules; except that if Texas law would invalidate or make unenforceable any provision of this Agreement, then that provision will be governed by the law of any relevant state whose law would uphold or enforce the provision.

23.1.1. Franchisee and Owners acknowledge that the negotiation, execution, and acceptance of this Agreement by the parties occurred in Carrollton, Texas, and further acknowledge that the performance of certain of Franchisee's obligations arising under this Agreement will occur in Carrollton, Texas, including but not limited to, the payment of monies due and the satisfaction of certain training requirements.

23.1.2. Nothing in this Section 23.1 is intended by the parties to subject this Agreement to any franchise or similar law, rule or regulation of the State of Texas or of any other state to which it would not otherwise be subject.

23.2. Franchisor has established a procedure for Franchisee to air and resolve grievances, issues and disputes internally. If the parties are unable to resolve such disputes with this procedure, the parties agree to submit any claim, controversy or dispute arising out of or relating to this Agreement (including the attachments, exhibits, schedules and addenda hereto) or the relationship created by this Agreement (with the exception of those disputes concerning failure to commence construction, failure to commence operations, insurance, insurance requirements, monetary obligations, indemnification, quality performance, the Motel has ceased operations, unauthorized use of trademarks, or failure to de-identify) to non-binding mediation before bringing such claim, controversy or dispute in a court or before any other tribunal. The parties shall select a mediator within thirty (30) days of request of mediation by either party. The mediation shall be conducted through either an individual mediator or a mediator appointed by a mediation services organization or body approved by Franchisor and experienced in the mediation of lodging service business disputes or franchise disputes and shall be conducted at a location selected by Franchisor that is proximate to the Motel. The costs and expenses of any such mediation, including compensation and expenses of the mediator (and except for the attorney's fees incurred by either party), shall be borne by both parties equally. If the parties are unable to resolve the claim, controversy or dispute within ninety (90) days after either party requests mediation, then either party may bring a legal proceeding under Section 23.3 below to resolve such claim, controversy or dispute unless such time period is extended by written agreement of the parties. Notwithstanding the foregoing, Franchisor may bring an action for injunctive or other extraordinary relief (including, without limitation, specific performance), or involving the possession or disposition of, or other relief relating to, real property in a court having jurisdiction and in accordance with Section 23.7 below, without first submitting such action to mediation.

23.3. With respect to any claims, controversies or disputes which are not finally resolved through mediation or as otherwise provided above, the parties agree that, to the extent any disputes cannot be resolved directly between them, Franchisee must file any suit against Franchisor only in the federal or state court in the judicial district in which the Franchisor's principal place of business is located at the time suit is filed. Franchisor must file suit in the federal or state court located in the judicial district in which Franchisor's principal place of business is located at the time suit is filed, in the jurisdiction where Franchisee resides or does business, where the Motel is or was located, or where the claim arose. The parties consent to the personal jurisdiction of such courts and waive any questions of personal jurisdiction or venue for the purpose of carrying out this provision.

23.4. Except as explicitly provided herein, no right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy provided herein or permitted by law or equity, but each shall be cumulative of every other right or remedy.

**23.5. TO THE EXTENT PERMITTED BY LAW, FRANCHISOR AND FRANCHISEE AND ITS OWNERS IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER. ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS FRANCHISE AGREEMENT, THE RELATIONSHIP OF FRANCHISEE AND FRANCHISOR, OR FRANCHISEE'S OPERATION OF THE MOTEL, BROUGHT BY EITHER PARTY HERETO AGAINST THE OTHER, WHETHER IN MEDIATION OR A LEGAL ACTION, SHALL BE COMMENCED WITHIN THREE (3) YEARS FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM OR ACTION, NOTWITHSTANDING ANY APPLICABLE STATUTE OF LIMITATIONS, OR SUCH CLAIM OR ACTION SHALL BE BARRED.**

**23.6. EXCEPT FOR ANY INDEMNIFICATION OBLIGATIONS IN SECTION 18.4, FRANCHISOR AND FRANCHISEE AND ITS OWNERS HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER, PROVIDED, THAT THIS PROVISION SHALL NOT SERVE AS A WAIVER OF RIGHTS TO DAMAGES SET FORTH IN SECTION 15.7 OR OTHER CLAIMS BY EITHER PARTY FOR LOST FUTURE PROFITS.**

23.7. Nothing herein contained shall bar or limit in any way Franchisor's right to obtain injunctive relief against threatened conduct that will cause it loss or damage (including, without limitation, damage to the goodwill of the System and the Proprietary Marks), under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

23.8. In connection with any suit or proceeding, brought by Franchisor or its affiliates or Franchisee or its Owners to enforce any of their respective rights under this Agreement, the prevailing party in such suit or proceeding shall be entitled to recover its reasonable legal fees, court costs and expenses of litigation, incurred therein.

23.9. Franchisee, its Owners and Franchisor acknowledge that various provisions of this Agreement specify certain matters that are within the sole discretion or judgment of Franchisor. If the exercise of Franchisor's sole discretion or judgment as to any such matter is subsequently challenged, the parties to this Agreement (as well as Owners of Franchisee) agree that if a trier of fact finds that Franchisor relied on a business reason in the exercise of its sole judgment or discretion, then Franchisor's exercise of its discretion or judgment is to be viewed as a reasonable and proper exercise of such sole discretion or judgment, without regard to whether other reasons for its decision may exist and without regard to whether the trier of fact would independently accord the same weight to such business reason.

## **24. ACKNOWLEDGMENTS**

24.1. Franchisee acknowledges that it has independently investigated the business franchised hereunder, including current and potential market conditions, competitive factors and risks, and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of Franchisee as an independent business owner. Franchisor expressly disclaims the making of, and Franchisee acknowledges that Franchisee has not received or relied on, any representation, warranty or guaranty, express or implied, whatsoever, including, but not limited to, the

potential volume, profits or success of the business venture contemplated by this Agreement, or that otherwise contradicts the information in Franchisor's franchise disclosure document.

24.2. Franchisee acknowledges that the System may be supplemented, improved and otherwise modified by, and in the sole discretion of, Franchisor, and Franchisee agrees to comply with all reasonable requirements of Franchisor in that regard.

24.3. Franchisee acknowledges that it received a complete copy of Franchisor's franchise disclosure document required by the Federal Trade Commission's Franchise Trade Regulation Rule (16 C.F.R. Part 436) and this Agreement within the time period required by applicable law.

24.4. Franchisee acknowledges that it has read and understood this Agreement, the franchise disclosure document, and the Attachments, Exhibits, Schedules and Addenda hereto, and the agreements relating thereto, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

24.5. Franchisee and its Owners represent and warrant to Franchisor and agree that:

24.5.1. Neither Franchisee nor any of its Owners, nor any officer, director, shareholder (or member or partner) having a controlling interest in Franchisee, or member of senior management of Franchisee or any of its Owners, nor any owner of the Approved Location, is a Restricted Person. A "Restricted Person" for purposes of this Agreement is (a) the government of any country that is subject to an embargo or other sanctions imposed by the government of the United States (an "Embargo"); (b) an individual or entity located in or organized under the laws of any country subject to an Embargo; (c) a person ordinarily resident in any country subject to an Embargo; and (d) a person identified from time to time by any government or legal authority as a person with whom we are or our affiliates are prohibited or restricted from doing business, including, but not limited to, persons identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Other Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at <http://www.ustreas.gov/offices/enforcement/ofac/>) and similar listings of restricted parties, including applicable lists maintained by other governments.

24.5.2. Franchisee, its Owners, any officer, director, shareholder (or member or partner) having a controlling interest in Franchisee, or member of senior management of Franchisee or any of its Owners, and any owner of the Approved Location, have complied and will comply in all material respects with applicable anti-bribery, export control, anti-money laundering, anti-terrorism and economic sanctions laws, including acts prohibited by the U.S. Patriot Act, U.S. Executive Order 13244, the US. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act, U.S. Anti-Money-Laundering laws, and/or similar laws.

24.5.3. Neither Franchisee, nor any of its Owners, nor any officer, director, shareholder (or member or partner) having a controlling interest in Franchisee, nor any member of senior management of Franchisee or of any of its Owners, nor any owner of the Site (a) has made or will make, has offered or will offer to make or authorized or will authorize any payment or provided or will provide any gift, property or service that is not permitted by the FCPA or any other applicable laws; or (b) has, with the corrupt intent to obtain or retain business, directly or indirectly offered, paid or promised to pay, or authorized the payment of, or will directly or indirectly offer, pay, or promise to pay any money or provide any property, service or other thing of value (including any fee, gift, sample, travel expense or entertainment with a value in excess of US \$100 in the aggregate to any one individual in any year) or any commission payment to: (A) any person who is an official, officer, agent, employee or representative of any governmental entity; (B) any political party or official thereof; or (C) any candidate for political or political party office in violation of applicable laws (including applicable anti-bribery laws).

24.5.4. Any funds received or paid in connection with entry into or performance of this Agreement have not been and will not be derived from or commingled with proceeds of any activities that are proscribed by the laws described in this Section 24.5.

24.5.5. Franchisee has not and will not obtain, receive, Transfer or provide any funds, property, debt, equity or other financing related to this Agreement to or from a person that qualifies as a Restricted Person or, to your actual or constructive knowledge, is otherwise the target of any applicable trade restriction.

24.5.6. In conducting your business under this Agreement, Franchisee agrees to comply with all laws described in this Section 24.5, to make reasonable efforts to assure that its employees, agents and contractors comply in all material respects with the representations, warranties and agreements in this Section 24.5 and are aware of their legal responsibility to do so and to place into effect and maintain a compliance policy and procedure designed to prevent and detect violations of these laws in your business dealings with Franchisor or with third parties.

24.5.7. Franchisee agrees to notify Franchisor in writing immediately if Franchisee or any of its Owners or any other person described in this Section 24.5 become Restricted Persons or come under investigation for or are found guilty of any of the offenses described in this Section 24.5 and, when requested to do so by Franchisor from time to time to certify in writing the continuing accuracy of the representations and warranties contained in this Section 24.5.

24.6. FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE HAS READ AND UNDERSTOOD THIS AGREEMENT, THE FRANCHISE DISCLOSURE DOCUMENT AND THE OTHER AGREEMENTS, AND THAT FRANCHISEE HAS HAD SUFFICIENT TIME AND OPPORTUNITY TO CONSULT WITH ITS ADVISORS ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT.

24.7. UNLESS EXEMPT, FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE RECEIVED A COPY OF THIS AGREEMENT, ITS ATTACHMENTS (INCLUDING ANY ADDITIONS OR DELETIONS UNILATERALLY MADE BY FRANCHISOR) AND OTHER AGREEMENTS, IF ANY, AT LEAST SEVEN (7) DAYS BEFORE THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED. FRANCHISEE FURTHER ACKNOWLEDGE THAT FRANCHISEE RECEIVED THE FRANCHISE DISCLOSURE DOCUMENT AT LEAST FOURTEEN (14) DAYS BEFORE THE DATE ON WHICH FRANCHISEE EXECUTED THIS AGREEMENT OR MADE ANY PAYMENT TO FRANCHISOR IN CONNECTION WITH THIS AGREEMENT.

24.8. If a conflict exists between an Attachment and the Agreement, the terms of the Attachment will prevail.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the Effective Date.

**FRANCHISEE**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FRANCHISOR**

G6 Hospitality Franchising LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTACHMENT 1 TO STUDIO 6 FRANCHISE AGREEMENT**  
**DEFINITIONS**

“Alternative Supplier Fee” means the reasonable fee the Franchisor may charge Franchisee to review and evaluate an alternative supplier or product proposed by Franchisee.

“Approved Location” means the street address of the Motel, as identified in Attachment 2 to the Agreement.

“Authorized Guest Room” means the number of guest rooms that must be present at the Motel, as identified in Attachment 2 to the Agreement.

“Booking Fees and Commissions” has the meaning prescribed to it in Section 4.8 of the Agreement.

“Certified Professional” means the qualified architect, design firm, engineer and/or contractor who shall prepare the necessary Construction Plans or Renovation Plans and specifications for the Motel and, if applicable, oversee the Development Work.

“Computer System” means all hardware, software, peripheral equipment, and all support services to such hardware, software, and peripheral equipment (such as Internet Services) that Franchisor or its affiliates license, sell to, or require Franchisee to purchase or lease and to use in the operation of the Motel. Computer system may also include portal access services, credit card transaction gateway, encryption software, virtual private network (VPN) software or other related materials as applicable to then current standards, specifications or requirements.

“Confidential Information” means the proprietary property management Software, data content from systems and Franchisor or affiliate websites, the Manuals (including all supplements and revisions thereto), any other Manuals issued for use in connection with the establishment and operation of Studio 6 Motels, and any and all other materials, information, procedures, techniques or data which Franchisor or its affiliates provides (including, without limitation, the site selection, operational, sales, promotional, and marketing methods and techniques of the System), except information which Franchisee can demonstrate came to Franchisee’s attention by proper means before disclosure thereof by Franchisor or its affiliates, or which, at or after the time of such disclosure, had become or later becomes a part of the public domain, through proper publication or communication by others and which does not violate the Agreement or any agreement Franchisor or its affiliates may have with a third party.

“Construction Commencement Date” means the date set specified in Attachment 2, if applicable, by which Franchisee must commence construction of the Motel. Franchisor, in its sole discretion, shall determine whether the Franchisee has taken reasonable steps for the Motel to be considered “under construction”.

“Construction Plans” means the proposed renderings and specifications for the construction of the Motel, which must be submitted to Franchisor on or before the date specified in Attachment 2 the Agreement. The Construction Plans shall include, without limitation, architectural, mechanical, electrical, structural, civil engineering, and landscaping drawings, in such detail and containing such information (such as door locking systems and other safety features) as Franchisor may request.

“Control” or “Controlling Interest” means the direct or indirect power to direct the management and policies of a person or entity, including those relating to the payment of financial obligations, whether through the ownership of voting securities or interests, by contract, or otherwise, each as reasonably determined by Franchisor.

“Cycle Renovations” means any renovations required by Franchisor to softgoods (such as flooring, all wall surfaces, bedding, window treatments, and shower curtains) and to casegoods (such as all hard furniture, lighting, art, and mirrors, vanities and tub/shower surrounds, and room signage), including, without limitation, interior/exterior structural changes, shower and tub combinations, vanities, roofs and parking lots. Softgood renovations are required every 6 years and casegood renovations, including, without limitation, interior/exterior structural changes, shower and tub combinations, vanities, roofs and parking lots are required every 12 years, with such time frames calculated, for conversions, from the date that the original PIP was completed and, for new construction, from the Opening Date.

“Data Subject” is a person (or a third-party acting on behalf of that person) about whom the Franchisee, Franchisor, or any entity working on their behalf, has collected PII.

“Data Subject Access Request” is a petition to the Franchisee, Franchisor, or any entity working on their behalf (“Agent”), by a Data Subject looking to: (i) identify the PII Franchisee, Franchisor, or their Agent is holding about the petitioning Data Subject, (ii) receive in a portable form the PII Franchisee, Franchisor, or their Agent is holding about the petitioning Data Subject, (iii) delete PII the Franchisee, Franchisor, or their Agent is holding about the petitioning Data Subject, or (iv) cease the sale or distribution of PII the Franchisee, Franchisor, or their Agent is holding about the petitioning Data Subject.

“Direct Owners” are the immediate Owners of the Franchisee and those people who are listed as Direct Owners in Attachment 3 to the Agreement.

“Development Work” means all necessary action for the development, construction, renovation, furnishing, equipping and implementation of the Construction Plans or Renovation Plans, as the context requires.

“Electronic Signature” means any electronic symbol and/or process attached to or logically associated with a document and executed by a party with the intent to sign such document, including facsimile, email, or other electronic signatures.

“Effective Date” means the date that the Agreement is executed by Franchisor.

“Expiration Date” means the date on which the Agreement expires, as set forth on Attachment 2.

“Franchisee” means the entity identified as such in the preamble to the Agreement.

“Franchisor’s Software” means any proprietary software (including the accompanying documentation and all future enhancements, upgrades, additions, substitutions and other modifications) developed or licensed, now or in the future, by Franchisor, one of its affiliates, or a Franchisor designated third party vendor for use with the Studio 6 System, including, but not limited to, the property management system.

“Gross Room Revenues” means the gross receipts (whether collected or uncollected) attributable to or payable for the rental of Authorized Guest Rooms at the Motel, including, without limitation, the gross revenues used in calculation of business interruption, rent loss, or similar insurance with respect to the Motel (provided that insurance proceeds shall be included in Gross Room Revenues only to the extent actually received or due). Gross Room Revenues shall not include gratuities to employees or service charges levied in lieu of such gratuities, which, in either case, are payable to employees, or federal, state and local taxes or fees collected by Franchisee for transmittal to the appropriate taxing authorities. Gross Room Revenues shall not be reduced by credit card commissions, bad debts (or reserves for bad debts) or refunds to lodgers.

“Indirect Owners” are Owners of the Direct Owners of the Franchisee and those people who are listed as Indirect Owners in Attachment 3 to the Agreement.

“Internet” is a global computer-based communications network.

“Initial Term” has the meaning prescribed to it in Section 2.1 of the Agreement.

“Intranet” is a restricted global computer-based communications network.

“Laws” has the meaning prescribed to it in Section 5.6 of the Agreement.

“General Manager” is the individual meeting the requirements of Section 5.3 of the Agreement.

“Manuals” are the confidential operations manuals, which may include more than one document and periodic supplements, and all other manuals, guides, resources, training materials and websites, including but not limited to, Franchisor’s on-line brand library containing the Standards, requirements, specifications, policies, best practices, and procedures for the establishment and operation of franchised hotels or motels operating under the System, whether in hard copy or electronic form. Manuals may include but not be limited to operations manual, brand standards/brand requirements, marketing and sales manual, safety and security manual, and Computer System and Software user guide. Manuals exclude any Franchisee employee or employment policies or guidelines, employee or employment materials or manuals, or employee or employment training materials. Manuals do not and will not cover or control any Franchisee employee or employment-related issues.

“Marketing Program” means a marketing program developed for Studio 6 Motels as described in Section 11 of the Agreement.

“Motel” means Franchisee’s motel, operated under the Studio 6 Brand specified in Attachment 2 and located or to be located on the property at the Approved Location. The Motel identified in the Agreement includes the freehold or long-term leasehold title to the Motel facility located at the Approved Location, together with all improvements, including, without limitation, the building, and all furniture, fixtures, equipment (including computer and telephone systems), and inventories.

“Opening Date” means (i) the date on which Franchisee has completed the renovation or construction of the Motel in strict accordance with Section 5.1 of the Agreement and the Franchisor authorizes in writing the opening of the Motel as a Studio 6 Motel, or (ii) the date on which Franchisee has completed, to Franchisor’s satisfaction, in its sole discretion, the renovation or construction of the Motel in accordance with Section 5.1 and Franchisor conditionally authorizes in writing the opening of the Motel as a Studio 6 Motel.

“Owners” include any person or entity which directly, or indirectly through an ownership interest in a Direct Owner, owns any legal or beneficial interest in Franchisee. Franchisee’s Owners are listed in Attachment 3 to the Agreement.

“Ownership Schedule” means Attachment 3 to the Agreement.

“Personal Identifiable Information” or “PII” means any personal guest information including but not limited to address, phone number, driver’s license number, or as otherwise legally defined by law, statute or regulation.

“Photo Shoot” means an initial property photography package for the Studio 6 website(s).

“PIP” means property improvement plan.

“PIP Renovations” means any renovations required by Franchisor for the Motel to meet then-current Standards either: (1) prior to opening for conversions; (2) after opening if the Motel fails to satisfy minimum Standards on a brand quality audit; or (3) upon renewal pursuant to Section 2.2.4. The time period for completion of each PIP will not exceed 24 months.

“Premium Property Page” or “PPP” means a web page with additional information about your specific Motel.

“Principal Owners” include those Owners designated as Principal Owners on Attachment 3 to the Agreement. Each Principal Owner shall sign the Guarantee of the Franchisee’s obligations under the Agreement in the form of the Guarantee, Indemnification and Acknowledgment attached to the Agreement.

“Program Fee” means the monthly contribution of Franchisee as described in Section 4.6 of the Agreement.

“Proprietary Marks” are all trade names, trademarks, trade dress, service marks, logos, emblems, symbols and indicia of origin that are now designated and may hereafter be designated in writing by Franchisor for use in connection with Studio 6 Motels, including the trade name and service mark “Studio 6” as further described in Item 13 of Franchisor’s franchise disclosure document. The Proprietary Marks may be modified by Franchisor, in its sole discretion.

“Protected Territory” means the geographic area described in Attachment 2 to the Agreement.

“Renewal Application” has the meaning prescribed to it in Section 2.2.

“Renewal Application Fee” has the meaning prescribed to it in Section 2.2.1.

“Renovation Commencement Date” means the date set specified in Attachment 2, if applicable, by which Franchisee must commence renovation of the Motel. Franchisor, in its sole discretion, shall determine whether the Franchisee has taken reasonable steps for the Motel to be considered “under renovation”.

“Renovation Plans” means the proposed renderings and specifications for the renovation of the Motel, which must be submitted to Franchisor on or before the date specified in Schedule A of the Renovation Addendum to the Agreement. The Renovation Plans shall include, without limitation, architectural, mechanical, electrical, structural, civil engineering, and landscaping drawings, in such detail and containing such information (such as door locking systems and other safety features) as Franchisor may request.

“Reservation System” means the proprietary reservation system or any replacement system (including, without limitation, all equipment and software) designated by Franchisor for use by Studio 6 Motels, as such Reservation System may be modified by Franchisor.

“Royalty Fee” means the monthly fee paid by Franchisee pursuant to Section 4.5 of the Agreement.

“Software” means software provided or specified by Franchisor for use in the System, including but not limited to, Franchisor’s Software and third party software.

“Standards” means the brand standards, brand requirements, specifications, policies and procedures of the Studio 6 System and brand as specified by Franchisor in the Manuals, or otherwise in writing.

“Studio 6 Brand” means either a Studio 6 Extended Stay Motel or a Studio 6 Suites.

“Studio 6 Extended Stay Motel” means an extended stay/all suite motel catering primarily to the extended stay segment of the lodging market and which operates under the System and the Proprietary Marks.

“Studio 6 Suites” means an extended stay/all suite motel catering primarily to the transient segment of the lodging market and which operates under the System and the Proprietary Marks.

“System” is the collection of procedures, policies, Standards, specifications, controls and other distinguishing elements which Franchisor, its affiliates, or Franchisor designated third parties have developed, licensed or acquired in connection with the establishment and operation of Studio 6 Motels. The distinguishing characteristics of the System include, without limitation, Standards and specifications for the establishment and operation of a Studio 6 Motel; brand standard items (including, without limitation, items that use or display any Proprietary Mark); prototypical architectural plans, designs, layouts and distinctive color schemes for Studio 6 Motels; Computer System; the Software; the Reservation System; a Marketing Program; management and personnel training programs; operational Standards, policies, and procedures as prescribed in the Manuals; and a quality assurance program and non-compliance, all of which may be changed, improved or further developed . The Franchisor, its affiliates or its designated third parties have and retain all ownership rights in and to the System and Franchisee has only the right to use the System under the terms and conditions of the Agreement.

“Transfer” means Franchisee’s assignment or delegation of any right or obligation of Franchisee under the Agreement, or the sale, assignment, transfer, conveyance, exchange, gift, lease, sublease, pledge, mortgage or other encumbrance, by Franchisee or any Owner of Franchisee or any direct or indirect interest in Franchisee, the Agreement, the Motel, or substantially all of the assets of the Motel.



17. Development Work Completion Date (Section 6.7): \_\_\_\_\_

OR

Exterior/Interior Corridor Renovation Schedule:

	Pre-Opening	Phase 1	Phase 2
Trigger Date			
Completion			

Property Improvement Plan (“PIP”) - Refer to Attachment # \_\_\_\_\_ in the PIP for details.

**ATTACHMENT 3 TO STUDIO 6 FRANCHISE AGREEMENT**  
**OWNERSHIP SCHEDULE**

The following list identifies all Direct and Indirect Owners of Franchisee.

Direct Owners

<u>Name</u>	<u>Percentage Interest in Franchisee</u>
_____*	_____
_____	_____
_____	_____

Indirect Owners

<u>Name</u>	<u>Percentage Interest in Direct Owner</u>
_____	_____
_____	_____
_____	_____

---

\* Denotes Principal Owner

**ATTACHMENT 4 TO STUDIO 6 FRANCHISE AGREEMENT**  
**TECHNOLOGY LICENSE AND SERVICES AGREEMENT**

THIS TECHNOLOGY LICENSE AND SERVICES AGREEMENT (this “Technology Agreement”) is made and entered into as of \_\_\_\_\_ (the “Effective Date”) by and between G6 Hospitality Franchising LLC, a Delaware limited liability company (the “Franchisor”) and \_\_\_\_\_ (the “Franchisee”), a \_\_\_\_\_.

**RECITALS:**

A. Franchisor and Franchisee are parties to a Studio 6 Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the “Franchise Agreement”) under which Franchisor has granted Franchisee the right to operate the Motel at the Approved Location.

B. Under the Franchise Agreement, Franchisor requires Franchisee to use the System in the operation of the Motel. The System includes, amongst other things, the Computer System and the Software.

C. Franchisor has the right to license certain required Software to Franchisee for use in the operation of the Motel and Franchisee wishes to obtain the right to use certain required Software in the operation of the Motel.

D. Franchisor or its affiliates may, either directly or through an approved third-party vendor, provide Franchisee with certain technical support services.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

**1. LICENSED SOFTWARE**

**1.1. Grant of License.** Franchisor hereby grants to Franchisee, and Franchisee hereby accepts, subject to the terms and conditions provided below, a limited, non-exclusive, non-transferable, restricted license to use the Software listed in Schedule A to this Technology Agreement (the “Licensed Software”). The list of Licensed Software may be updated from time to time by Franchisor, in its sole discretion.

**1.2. Installation, Access, and Training.** Franchisor shall arrange for Franchisee’s access to the Licensed Software and may provide or arrange training related to the operation of the Licensed Software.

**1.3. Restricted Use; Title.** Franchisee shall use the Licensed Software solely in conjunction with the management and operation of the Motel and in strict compliance with the Standards. Franchisor or its licensors, as applicable, retain and own all intellectual property rights and any other rights in connection with the Licensed Software, including suggestions and ideas from Franchisee regarding improvements to the Licensed Software.

**1.4. Hardware.** Franchisee shall use the Licensed Software solely on the equipment or hardware (including, without limitation, a wired internet connection) which meets the Standards.

**1.5. No Modifications.** Franchisee shall not: (a) make any modifications or alterations to the Licensed Software; (b) copy, reverse engineer, or decompile, bypass, decrypt, or otherwise disassemble the Licensed Software or any portion thereof; or (c) permit any person or entity to take any action prohibited by the foregoing.

## **2. TECHNICAL SUPPORT SERVICES**

2.1. **Technical Support Services.** During the term of the Franchise Agreement and this Technology Agreement, Franchisor or its affiliates may, either directly or through an approved third-party vendor, provide Franchisee with certain technical support services such as equipment support, help desk service, Licensed Software support, maintenance, and enhancements, systems support for central reservations, and other Software support (“Technical Support Services”). The Technical Support Services may be suspended if Franchisee is not in compliance with the Franchise Agreement or this Technology Agreement. Franchisor reserves the right, in its sole discretion, to change or modify the Technical Support Services provided to Franchisee at any time.

2.2. **Maintenance of Computer System.** Franchisee shall purchase or license, install, utilize and maintain at the Motel, at its sole cost, and at then current pricing or fees as provided by franchisor, all Software, hardware, services and equipment necessary to operate and maintain the Computer System and/or data processing systems (including successor systems and improvements to existing systems) specified or required by Franchisor or its affiliates for use by Studio 6 Motels, including, but not limited to, guest check-in, reservation, property management, revenue and other statistical reporting systems. The foregoing obligation shall include any enhancements, additions, substitutions or other modifications to such Software, hardware, services and equipment that may be required. Franchisee shall be responsible for all costs incurred in fulfilling its obligations hereunder, including, without limitation, data circuit charges, charges for connecting Franchisee’s equipment to Franchisor’s office, the cost of supplies used in the operation of the equipment, maintenance and support services, and for other related expenses.

## **3. TERM AND TERMINATION**

3.1. **Term.** Unless this Technology Agreement is terminated by its terms, the term of this Technology Agreement commences on the Effective Date and remains in force until the earlier of: (a) the termination or expiration of the Franchise Agreement; or (b) Franchisor’s determination, in its sole discretion, to require Franchisee to license from Franchisor or a third-party provider the same or different Software under then-applicable terms.

3.2. **Disconnection of the System.** Upon termination or expiration of this Technology Agreement, Franchisor shall disconnect Franchisee’s access to and use of the Licensed Software, and Franchisee’s right to use the Licensed Software shall automatically terminate.

3.3. **Termination for Convenience by Franchisor.** Franchisor shall have the right to terminate this Technology Agreement for its convenience, for any or no reason, by giving thirty (30) days prior written notice to Franchisee.

3.4. **Expiration of Underlying Right of Franchisor.** If Franchisor loses the right to provide Franchisee access to any of the Licensed Software, then this Technology Agreement shall be amended or terminated as necessary.

3.5. **Survival.** All provisions of this Technology Agreement intended to survive the expiration or termination of this Technology Agreement will so survive, including, without limitation, the terms of Section 7 hereof.

#### **4. FEES**

4.1. As further consideration for the Licensed Software and Technical Support Services contained herein, Franchisee shall pay to Franchisor the fees listed in Schedule A to this Technology Agreement on the payment due dates noted, which may be modified by Franchisor at any time.

#### **5. DISCLAIMERS**

5.1. **NO WARRANTY. THE LICENSED SOFTWARE IS PROVIDED BY FRANCHISOR "AS IS." EXCEPT AS OTHERWISE PROVIDED IN SECTION 6.1, FRANCHISOR DISCLAIMS ALL WARRANTIES AND REPRESENTATIONS OF ANY KIND WITH RESPECT TO THE LICENSED SOFTWARE, INCLUDING THE IMPLIED WARRANTIES OF PERFORMANCE, FINANCIAL PERFORMANCE, NONINFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. FRANCHISEE ACKNOWLEDGES THAT USE OF THE LICENSED SOFTWARE MAY NOT BE UNINTERRUPTED OR ERROR-FREE AND ACCESS TO THE LICENSED SOFTWARE MAY, FROM TIME TO TIME, BE TEMPORARILY SHUT DOWN DUE TO ROUTINE MAINTENANCE RESOLUTION OF ERRORS.**

5.2. **LIMITATION ON LIABILITY. IN NO EVENT WILL FRANCHISOR OR ITS AFFILIATES BE LIABLE TO FRANCHISEE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, LOST PROFITS OR LOST DATA ARISING OUT OF OR RELATED TO THIS TECHNOLOGY AGREEMENT OR THE PERFORMANCE OR USE OF THE LICENSED SOFTWARE, ANY FAILURE IN THE LICENSED SOFTWARE, OR ANY CLAIM MADE AGAINST FRANCHISEE BY ANY OTHER PARTY, EVEN IF FRANCHISOR OR ITS AFFILIATES HAVE BEEN MADE AWARE OF THE POSSIBILITY OF SUCH CLAIM. SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO FRANCHISEE. IN NO EVENT WILL FRANCHISOR'S AGGREGATE LIABILITY ARISING FROM OR RELATING TO THIS TECHNOLOGY AGREEMENT, WHETHER IN CONTRACT, TORT OR OTHERWISE, EXCEED THE LESSER OF (i) FIVE THOUSAND AND 00/100 DOLLARS (\$5,000.00) OR (ii) THE AGGREGATE AMOUNT PAID TO FRANCHISOR BY FRANCHISEE UNDER THIS TECHNOLOGY AGREEMENT IN THE TWELVE (12) MONTHS PRECEDING THE LIABILITY.**

#### **6. INTELLECTUAL PROPERTY**

6.1. **Claims.** Franchisor or its licensors shall have the sole right and obligation to defend any suit or proceeding brought against Franchisee to the extent that such suit or proceeding is based on a claim that the Licensed Software or a part thereof (unless combined with any other software without Franchisor's permission or direction), used in the manner specified in this Technology Agreement, constitutes an infringement of any U.S. patent or copyright, or misappropriation of a trade secret; and Franchisee will afford prompt written notification to Franchisor or its service providers of any such claim and will provide to Franchisor or its service providers the authority, information and assistance from Franchisee which, in the judgment of Franchisor or its service providers, is needed for defense of any such claim. Franchisor will have the right, in its sole discretion and at its own expense, and without payment to Franchisee, to: (a) defend and/or settle any such claim; (b) procure for Franchisee the right to continue using the Licensed Software or part thereof; (c) modify the Licensed Software so that it is non-infringing and require Franchisee to use the Licensed Software as so modified; or (d) terminate this Technology Agreement and the rights granted hereunder. **THE FOREGOING STATES THE SOLE WARRANTY AND THE**

## **EXCLUSIVE REMEDY OF FRANCHISEE WITH RESPECT TO ANY ALLEGED PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENT OR TRADE SECRET MISAPPROPRIATION.**

6.2. **Intellectual Property Notices.** Franchisee will not alter or delete the intellectual property notices or any other proprietary legends or marks as may be specified on the Licensed Software. The existence of an intellectual property notice will not cause, or be construed as causing, the Licensed Software to be in the public domain or to be a published copyright work.

### **7. PROPRIETARY INFORMATION**

7.1. **Confidentiality.** Without limiting Franchisee's confidentiality obligations under the Franchise Agreement, Franchisee acknowledges that the Licensed Software constitutes proprietary and trade secret material. All copyright, patent, trade secret and other intellectual and proprietary rights in the Licensed Software, and any modification or alteration thereto, whether or not authorized by this Technology Agreement or Franchisor are and will remain the property of Franchisor or its service providers. "Confidential Information" means any information that Franchisee knows or has reason to know is confidential to Franchisor due to the nature of the information disclosed and the circumstances surrounding the disclosure. Confidential Information includes, but is not limited to, the following: (i) the terms of this Technology Agreement; (ii) Franchisor's technical and business information; (iii) the System, including the Computer System and the Licensed Software; and (iv) any other confidential or proprietary information disclosed or learned through Franchisor, Franchisor's personnel, or Franchisor's technology. Franchisee will protect the confidential nature of the Confidential Information by complying with the terms of this Technology Agreement and any written guidelines with respect to those permitted access to the Confidential Information and to prevent the Confidential Information from being acquired by unauthorized persons and employees. Franchisee covenants and agrees: (a) to ensure that the Confidential Information is not disclosed, demonstrated, duplicated, misappropriated or used in any manner not expressly permitted by the terms of this Technology Agreement by its employees or agents; (b) to restrict access to the Confidential Information to only those employees of Franchisee with a need to know; and (c) not to permit any person or entity to take any action prohibited under this Technology Agreement.

7.2. **Exclusions.** Confidential Information does not include information that: (a) is or becomes generally available to the public other than as a result of disclosure in breach of this Technology Agreement by Franchisee or anyone to whom Franchisee transmits the information; (b) becomes available to Franchisee on a non-confidential basis from a source other than Franchisor who is not known by Franchisee to be bound by a confidentiality agreement with Franchisor or other legal or fiduciary obligation of secrecy; (c) Franchisee can document was known to it or in its possession on a non-confidential basis prior to the date of disclosure by the discloser; (d) is independently developed by the recipient without use of, or reference to, Confidential Information, as demonstrated by tangible evidence; or (e) is furnished by the discloser to others with written confirmation that such information is not confidential and may be disclosed.

7.3. **Protection.** Franchisee will protect Franchisor's Confidential Information against any unauthorized use or disclosure to the same extent that Franchisee protects its own confidential information, but in no event will use less than reasonable care. Franchisee agrees not to use Confidential Information received from Franchisor for any purpose other than to facilitate its performance under this Technology Agreement.

7.4. **Injunctive Relief.** If Franchisee fails to comply with the terms of this Section 7, Franchisee hereby acknowledges that such action or inaction will cause irreparable harm to Franchisor or its service providers, and that there will be no adequate remedy at law for Franchisor or its service providers, thereby necessitating injunctive relief against Franchisee. In such event, Franchisor will be entitled to recover from

Franchisee the expenses, including, without limitation, reasonable legal fees and costs of obtaining such injunctive relief.

## **8. OWNERSHIP OF DATA; COMPLIANCE WITH PRIVACY LAWS.**

8.1. **Ownership of Customer Data.** Franchisee acknowledges and agrees that Franchisor is the sole owner of all customer or guest data and information that is entered, compiled by and or used in conjunction with the System. Franchisee also acknowledges and agrees that the Computer System, the Licensed Software, and any related software, hardware, and data is not designed or intended to hold customer or guest credit card information or guest personal identifiable information (collectively, “PII”). Accordingly, Franchisee agrees to not enter, store or maintain such information within the Computer System or Licensed Software or otherwise. Prior to entering any customer or guest credit card information or PII, Franchisee agrees to comply with any security or privacy obligations as provided in the Franchise Agreement or otherwise specified in writing by Franchisor. If Franchisee violates these terms by placing or maintaining customer or guest credit card information or PII within the Computer System or the Licensed Software, Franchisor has the right to immediately terminate this Technology Agreement and Franchisee agrees, in addition to and not in substitution for the indemnity provided in Section 18.4 of the Franchise Agreement, to defend, indemnify, save and hold harmless Franchisor for any claims or breaches as provided under this Technology Agreement. In the event of a compromise or suspected compromise of any System data or a data breach, Franchisee shall provide immediate notice to Franchisor. Notwithstanding the foregoing, Franchisee remains solely liable for administrative, physical, technical, and procedural safeguards for securing and protecting the confidentiality, integrity, and privacy of such data and acknowledges and agrees that Franchisee’s indemnification requirements set forth in this Technology Agreement apply to any and all data breaches suffered by Franchisee or Franchisor relating to such data.

8.2. **Privacy Laws.** Franchisor or its affiliates may periodically specify in the Manuals or otherwise in writing the information that Franchisee may collect and maintain on the Computer System installed at the Motel, and Franchisee agrees to provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained. In addition:

8.2.1. Franchisee agrees to abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information (“Privacy Laws”).

8.2.2. Franchisee agrees to comply with Franchisor’s Standards that it may issue (without any obligation to do so) pertaining to the privacy of consumer, employee, and transactional information.

8.2.3. If there is a conflict between Franchisor’s Standards and Privacy Laws, Franchisee agrees to: (a) comply with the requirements of Privacy Laws; (b) immediately provide Franchisor written notice of such conflict; and (c) promptly and fully cooperate with Franchisor and its counsel in determining the most effective way, if any, to meet Franchisor’s Standards pertaining to privacy and compliance within the bounds of Privacy Laws.

8.2.4. Franchisee agrees to not publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor’s prior written consent as to such policy. Franchisee agrees to implement at all times appropriate physical and electronic security as is necessary to secure its Computer System, including complex passwords that it changes periodically, and to comply with any Standards that Franchisor may issue in this regard.

8.3. **Response to Data Security Incidents.** Franchisee shall notify Franchisor as specified in the Manuals with twenty-four hours (or sooner if required by local law) after Franchisee (or its software partners, business partners, agents, or third party service providers) discovers, is notified of, or reasonably

suspects a security incident involving any PII or other customer or guest data, that leads to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to PII or other customer or guest data ("Security Incident"). Notwithstanding anything to the contrary in this Technology Agreement, to the extent that a Security Incident arises from or is related to Franchisee's or its software partners, business partners, agents, or third party service providers' processing of PII or other customer or guest data or use of or access to Franchisor's systems in breach of this section, Franchisee shall be responsible for the costs of responding, investigating, remediating and mitigating the Security Incident, and shall in good faith coordinate with Franchisor on the timing, content and manner of any remediation steps, and shall provide Franchisor the opportunity to review and comment on the content of any notices to authorities or customers or guests. Notwithstanding anything to the contrary in this Technology Agreement, Franchisee shall indemnify, defend, and hold Indemnified Parties harmless from and against any fines, regulatory penalties, claims, actions, damages, liabilities, costs, expenses, or penalties, including reasonable lawyers' fees and expenses arising from a claim related to a violation of this Section 8.3.

## **9. INDEMNIFICATION BY FRANCHISEE**

9.1. In addition to and not in substitution for the indemnity provided in Section 18.4 of the Franchise Agreement, Franchisee hereby expressly agrees to indemnify and hold harmless Franchisor, its affiliates and its employees, officers, directors, principals, successors, assigns, or agents, past or present from and against any claims, losses, costs, expenses (including, without limitation, reasonable legal fees), liabilities and damages, other than those specified in Section 6.1, arising out of or related to this Technology Agreement and/or Franchisee's use of the Licensed Software including but not limited to: (i) any breach of any representation or warranty made by Franchisee in this Technology Agreement; (ii) any non-fulfillment or breach by Franchisee of any of its agreements, covenants or obligations in this Technology Agreement; or (iii) any reckless, malicious, or other tortious conduct by Franchisee in connection with the obligations under this Technology Agreement.

## **10. ASSIGNMENT**

10.1. **Franchisee's Right to Transfer.** Without the express prior written consent of Franchisor, which may be arbitrarily withheld, Franchisee will not directly or indirectly sublicense, transfer, sell, donate, rent, lease, loan, convey, translate, demonstrate, convert to another programming, spoken or written language, encumber, distribute or otherwise assign this Technology Agreement, the rights granted hereunder, the Licensed Software or any interest therein.

10.2. **Consent to Transfer.** Notwithstanding the provisions of Section 10.1 above, Franchisor will approve the transfer of this Technology Agreement in conjunction with a transfer of the Franchise Agreement, which has been approved by Franchisor pursuant to Section 13 of the Franchise Agreement. Franchisor may, at its sole option, require transferee to execute the then-current form of technology agreement or other agreement.

10.3. **Franchisor's Right to Transfer.** Franchisor may transfer or assign this Technology Agreement or any part of its rights or obligations under this Technology Agreement to any person, affiliate or legal entity, provided that the transferee accepts Franchisor's assignment.

## **11. GENERAL PROVISIONS**

11.1. **Compliance with all Laws; Partial Invalidity.** Each party to this Technology Agreement agrees that it will perform its obligations hereunder in accordance with all applicable laws, rules and regulations now or hereafter in effect. If any term or provision of this Technology Agreement is found to

be illegal or unenforceable, then such provision notwithstanding, this Technology Agreement remains in full force and effect and such term or provision is deemed stricken.

11.2. **Amendments.** No amendment to this Technology Agreement is effective unless it is in writing and signed by duly authorized representatives of both parties.

11.3. **Waiver.** No term or provision hereof is deemed waived and no breach excused unless such waiver or consent is in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, any breach by the other, whether express or implied, does not constitute a consent to, waiver of or excuse for any other different or subsequent breach of any term or provision.

11.4. **Authority.** Each party represents and warrants to the other that it has full power and authority to enter into and perform this Technology Agreement, and the person signing this Technology Agreement on behalf of each has been properly authorized and empowered to enter into this Technology Agreement.

11.5. **Notices.** All notices given under this Technology Agreement must be given as provided for in the Franchise Agreement, using the information for notices set forth therein.

11.6. **Applicable Law.** The parties agree that the provisions of Section 23 (Applicable Law) of the Franchise Agreement are incorporated by reference into this Technology Agreement as if they were printed in this Technology Agreement.

11.7. **Force Majeure.** Neither party is liable for any delay, failure in performance, loss or damage due to: fire, terrorism, explosion, earthquake, flood, embargo, acts of war, or acts of God (“Force Majeure”); provided, however, that the party claiming such Force Majeure event must immediately notify the other party of the Force Majeure event, and must diligently attempt to continue to perform in spite of such cause of delay.

11.8. **Legal Fees and Expenses.** If any lawsuit or action is brought to enforce this Technology Agreement or as a result of a dispute under this Technology Agreement, the prevailing party in such litigation will be entitled to recover its reasonable costs and expenses of litigation (including, without limitation, reasonable legal fees, court costs, and expenses of litigation) in addition to any other recovery or relief to which it is entitled.

11.9. **Statute of Limitation.** No action, regardless of form, arising out of this Technology Agreement, may be brought by either party more than three years (3) after the cause of action has accrued.

11.10. **Entire Agreement.** This Technology Agreement constitutes the entire agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersedes all prior agreements concerning the same subject matter, no other representations having induced Franchisee to execute this Technology Agreement.

11.11. **Capitalized Terms.** Any capitalized term that is not defined in this Amendment shall have the meaning given it in the Franchise Agreement. Except as otherwise expressly set forth herein, all terms and conditions of the Franchise Agreement will fully apply to this Technology Agreement as if set forth herein.

IN WITNESS WHEREOF, each of the parties hereto has caused this Technology Agreement to be executed by its duly authorized representative as of the Effective Date.

**FRANCHISEE**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FRANCHISOR**

G6 Hospitality Franchising LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## Schedule A to Technology License and Services Agreement

### Licensed Software Fees:

Licensed Software*	Type of Software	Ongoing Fees*	Payment Due Date*
Property Management Software (currently Hotel Key)	Required	\$3.50 per Authorized Guest Room	Monthly, as required by Franchisor
Learning@Lightspeed	Required	Currently \$500 to \$1,000	Annually, as required by Franchisor
Revenue Management System (G6ROW)	Required	Included in the Program Fee	Monthly, as required by Franchisor
Guest Relations Application	Required	Currently \$50	Monthly, as required by Franchisor

### Technical Support Services Fee:

Currently, \$165 per month plus \$3.05 per Authorized Guest Room per month.

\* Franchisor reserves the right to change or adjust the Licensed Software, the Technical Support Services, the amount of the fees and/or the payment due date from time to time, as it deems necessary.

**ATTACHMENT 5 TO STUDIO 6 FRANCHISE AGREEMENT**  
**INSURANCE REQUIREMENTS**

Without limiting any other obligation or liability of Franchisee under the Agreement, Franchisee agrees that upon execution of the Agreement and throughout the Term, Franchisee will procure and maintain insurance coverage, at its sole cost and expense, with limits and conditions not less than those specified below.

1. Commercial General Liability Insurance, written on an ISO occurrence form (or a substitute form providing equivalent coverage), including but not limited to Innkeepers legal liability, premises-operations, broad form property damage, products/completed operations, contractual liability, liability assumed under a insured contract, independent contractors, personal injury and advertising including coverage for libel, slander, defamation, false arrest, detention, or imprisonment, malicious prosecution, wrongful entry, and invasion of privacy.

The commercial general liability will include limits of at least \$1,000,000 per occurrence and \$2,000,000 general aggregate and products/completed operations aggregate of \$2,000,000. Defense costs shall be outside of and in addition to these limits. Policy limits and aggregate must be provided on a “per location” basis, if a master policy is providing coverage to more than one location. Additionally, innkeeper’s legal liability coverage must be provided, at a minimum sublimit of \$25,000 per occurrence, \$5,000 for each guest. If alcoholic beverages are sold at the Motel, Dram Shop/Liquor Liability insurance will also be provided with limits of not less than \$5,000,000, per occurrence. Assault and Battery, Abuse and Molestation must not be excluded from the CGL Policy and must be covered to the full extent of the general liability and umbrella limit(s) without limitations. Any Sub-limits on this policy must be disclosed and included on the certificate of insurance to the Franchisor.

Coverage will be primary and non-contributory to any other insurance available to Franchisor.

2. Worker’s Compensation Insurance with benefits afforded under the laws of the state in which the services are to be performed and Employers Liability insurance with minimum limits of \$500,000 for bodily injury each accident, \$500,000 for bodily injury by disease policy limit and \$500,000 for bodily injury by disease each employee. Franchisee is required to carry this insurance regardless of waiver or exemptions of coverage under state statute.
3. Business Automobile Liability Insurance including coverage for all owned, hired, and non-owned vehicles with a combined single limit including bodily injury and property damage of not less than \$1,000,000 each accident.
4. Excess Liability (Umbrella) Insurance with a minimum limit of \$5,000,000 per occurrence and aggregate. This policy will be in excess of the General Liability, Employer’s Liability and Automobile Liability policies and follow the form or at least as broad in coverage. Assault and Battery, Abuse and Molestation must not be excluded from the CGL Policy and must be covered to the full extent of the general liability and umbrella limit(s) without limitations
5. Property Insurance will be written on a special cause of loss form, insuring all real property including the Motel, contents, fixtures, equipment, improvements and betterments on a full replacement cost value. Property policy will include business interruption insurance in an amount necessary to cover losses sustained for a period of at least twelve (12) months. Franchisor will be named as a loss payee with respects to the business interruption coverage covering royalties and other fees paid to Franchisor under this contract.

The property insurance will include the following coverage: (a) Flood - if property is identified by the Federal Emergency Management Agency (FEMA) as an area having special flood hazards; (b) earthquake - if the property is located in an earthquake zone; and (c) boiler and machinery or equipment breakdown - if the property has steam boiler or other pressure-fixed vessels in operation, as required by increased ordinance and/or law. Terrorism coverage is strongly recommended.

Policy will not contain a co-insurance provision. In the event of damage or destruction to the Motel, unless mortgagee requires otherwise, the proceeds of any such insurance will be used to repair or restore the Motel in accordance with Renovation or Construction Plans and specifications prepared by Franchisee and approved in writing by Franchisor.

6. Crime and Employee Dishonesty Insurance with a minimum limit of \$100,000 and covering all losses arising as a result of the theft or other dishonest conduct by any persons, whether or not employees of Franchisee, guests, invitees, contractors or subcontractors, or others.
7. Cyber Insurance with a minimum limit of \$1,000,000 and covering without limitation, network security failures, data breaches, ransomware and other cyber extortion, business interruption, data recovery, privacy incidents, incident response expenses, notices to affected persons and entities, credit monitoring and security and privacy liability.
8. General Requirements
  - a) Franchisee's purchase of insurance will not in any way limit Franchisee's liability under the Agreement. All coverage's must be written on an occurrence basis and must be maintained without interruption from the date of the Agreement until the date of termination of the Agreement.
  - b) Franchisee will be liable for the payment of any deductible amount under Franchisee's insurance policies maintained. Franchisee's insurance deductible or self-insured retention will not exceed Ten Thousand and 00/100 Dollars (\$10,000) or an amount approved by Franchisor and such amount will be evidenced on the certificate of insurance.
  - c) Before the effective date of the Agreement, and at least 10 days prior to the expiration of the above mentioned policies, Franchisee will provide ACORD 25 certificate of liability and an ACORD 28 evidence of property coverage to the Franchisor as requested along with Motel name and address and applicable endorsements. Franchisee must provide evidence showing that the premiums for the insurance policies listed on the certificates have been paid. In addition to the requirements in sections 1-5, the certificate of insurance will include: (i) the name and address of the Motel; (ii) the coverages and wording required as outlined in subsections 1 through 6. Additionally, evidence of renewal in compliance with then current insurance requirements will be furnished to Franchisor before the expiration date of such insurance.
  - d) Franchisee will provide thirty (30) days prior written notice of any intention not to renew such policy(ies) or to cancel, replace or alter the policy(ies) by reducing required coverage and will be sent to:

G6 Hospitality Franchising LLC  
Attn: Franchise Department  
4001 International Parkway  
Carrollton, TX 75007  
Email: G6RiskFranchise@g6hospitality.com

- e) The policies will be written with insuring company (ies) with AM Best financial strength ratings of “A-” or higher and financial size categories of “VII” or greater.
- f) The policies listed in subsections 1, 3 and 4 will include an endorsement naming Franchisor, its affiliates, and successors, and their respective past and present officers, directors, partners, agents, and employees as an additional insured.
- g) Notwithstanding anything to the contrary herein, to the extent permitted by law and without affecting the coverage provided by insurance required to be maintained hereunder, Franchisee waives on behalf of itself and its insurer all rights to assert claims for any losses, damages, liabilities, and expenses, including but not limited to attorney’s fees, against Franchisor for damages to the extent proceeds realized from policies of insurance maintained or required to be maintained in connection with products and/or services provided under the Agreement are applied to such losses, damages, liabilities, and expenses. The policies listed in subsections 1, 2, 3 and 4 will include an endorsement acknowledging such waiver of subrogation in favor of Franchisor.
- h) Franchisee will require its subcontractors to maintain coverage not less than those specified under this section.
- i) The furnishing of acceptable evidence of insurance as required under this Section will not relieve Franchisee or any subcontractor from any liability or obligation for which it is otherwise liable under the Agreement, nor is liability limited to the amount of the Agreement.
- j) Within three business (3) days of its receipt, Franchisee will provide notice to Franchisor of any claim or suit arising out of or in connection with its operation of the Motel that names Studio 6 or an affiliate, arises out of a death or serious injury, or arises out of any material event that affects the Studio 6 Brand and will be sent to:

G6 Hospitality Franchising LLC  
Attn: Franchise Department  
4001 International Parkway  
Carrollton, TX 75007  
Email: G6RiskFranchise@g6hospitality.com

**ATTACHMENT 6 TO STUDIO 6 FRANCHISE AGREEMENT**  
**GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGMENT**

As an inducement to and as additional consideration for Franchisor to enter into the Agreement with Franchisee, the undersigned, jointly and severally, hereby unconditionally agree to guarantee to Franchisor, its affiliates, successors and assigns the due, complete and punctual performance and observance of all of Franchisee's financial obligations under the Agreement including, without limitation, the due and timely performance of all payment obligations (the "Guarantee"). Additionally, each Guarantor shall submit to Franchisor, upon written request, a copy of its financial statement.

Upon demand by Franchisor, the undersigned will immediately make each payment required of Franchisee under the Agreement, including damages, costs and expenses owed by Franchisee, payments due under any indemnification claim for reimbursement and all other duties and obligations that are susceptible to being satisfied by payment. This Guarantee is a guarantee of payment, and not of collection. This Guarantee is a primary obligation of the undersigned and is an unconditional, absolute, irrevocable present and continuing obligation and guarantee of performance and is not subject to any defense other than that of full prior performance. The undersigned hereby waive any right to require Franchisor or its affiliates to: (a) proceed against Franchisee for any payment required under the Agreement; (b) proceed against or exhaust any security from Franchisee; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust or compromise any claims against Franchisee. The undersigned waive notice of amendment of the Agreement and notice of demand for payment by Franchisee and agree to be bound by any and all such amendments and changes to the Agreement.

In addition to and not in substitution for the indemnity provided in Section 18.4 of the Agreement, the undersigned hereby agree to defend, protect, indemnify and hold Franchisor, its affiliates, their respective successors and assigns, and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, past or present, of each of them (the "Indemnitees"), harmless from and against any and all losses, damages, liabilities, costs and expenses (including, but not limited to, reasonable legal fees, reasonable costs of investigation and court costs) resulting from, consisting of, or arising out of, or in connection with any act or omission of, or any failure by Franchisee to perform any obligation of Franchisee under the Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein.

THE UNDERSIGNED HEREBY ACKNOWLEDGE AND AGREE TO BE INDIVIDUALLY BOUND BY ALL OF THE TERMS OF THE FRANCHISE AGREEMENT, INCLUDING, IN PARTICULAR, THOSE CONTAINED IN SECTIONS 8, 9, 13, 16, 18 AND 23 OF THE FRANCHISE AGREEMENT. THESE SECTIONS CONTAIN A NUMBER OF PROVISIONS THAT MAY AFFECT THE LEGAL RIGHTS OF THE UNDERSIGNED, INCLUDING A WAIVER OF JURY TRIAL, WAIVER OF PUNITIVE OR EXEMPLARY DAMAGES AND LIMITATIONS ON WHEN CLAIMS MAY BE RAISED.

This Guarantee shall terminate upon the termination or expiration of the Agreement, except with respect to any and all obligations and liabilities which arose or accrued under the Agreement on or before the effective date of such termination, in which case this Guarantee shall remain in full force and effect until such obligations or liabilities have been fully satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

Attachment 6

The undersigned shall pay Franchisor or its affiliates for all costs and expenses (including, but not limited to, reasonable legal fees, court costs, and expenses of litigation) incurred by Franchisor in connection with any action brought by Franchisor or its affiliates to enforce this Guarantee or any other action related to or arising out of this Guarantee in which Franchisor or its affiliates is deemed to be the prevailing party. Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement and shall be interpreted and construed in accordance with Section 23 of the Agreement. This Guarantee shall be interpreted and construed under the laws of the State of Texas. In the event of any conflict of law, the laws of Texas shall prevail, without regard to, and without giving effect to, the application of the State of Texas conflict-of-law rules.

All notices pursuant to this Agreement shall be in writing and shall be personally delivered; mailed by registered or certified mail, return receipt requested; or dispatched by overnight delivery, or by email to the respective parties at the following addresses, unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: Chief Development Officer  
G6 Hospitality Franchising LLC  
4001 International Parkway  
Carrollton, Texas 75007  
[G6legalfranchisecontracts@g6hospitality.com](mailto:G6legalfranchisecontracts@g6hospitality.com)

With a copy to: General Counsel  
G6 Hospitality Franchising LLC  
4001 International Parkway  
Carrollton, Texas 75007  
[g6legalcontracts@g6hospitality.com](mailto:g6legalcontracts@g6hospitality.com)

Notices to Franchisee: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Notice shall be deemed to have been received as follows: by personal delivery - at the time of delivery; by overnight delivery service - on the next business day following the date on which the notice was given to the overnight delivery service; by registered or certified mail, return receipt requested - three (3) days after the date of mailing; and by email – at the time the email is transmitted to the recipient.

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Agreement.

**GUARANTORS**

\_\_\_\_\_  
\_\_\_\_\_

**STATE SPECIFIC ADDENDA**  
**TO FRANCHISE AGREEMENT**

## **Hawaii Addendum**

In recognition of the requirements of Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., the parties to the attached Studio 6 Franchise Agreement (the “Agreement”) agree as follows:

1. The following sentence is added to the end of Section 2.2.6, under the heading “Term and Renewal”:

The general release requirement excludes only such claims as Franchisee may have under the Hawaii Franchise Investment Law.

2. The following sentence is added to the end of Section 13.5.8, under the heading “Transfer by Franchisee”:

The general release requirement excludes only such claims as Franchisee may have under the Hawaii Franchise Investment Law.

3. The following new Section 14.7 is added, under the heading “Default and Termination”:

Notwithstanding anything to the contrary in this Section 14, Franchisor shall comply with Hawaii law which currently requires that Franchisor compensate Franchisee upon termination or refusal to renew the franchise for the fair market value, at the time of the termination or expiration of the franchise, of any inventory, supplies, equipment and furnishings which were purchased from Franchisor or a supplier designated by Franchisor. Personalized materials which have no value to Franchisor need not be compensated for. If Franchisor refuses to renew a franchise for the purpose of converting Franchisee’s business to one owned and operated by Franchisor, Franchisor, in addition, must compensate Franchisee for the loss of goodwill. Franchisor may deduct reasonable costs incurred in removing, transporting and disposing of Franchisee’s inventory, supplies, equipment and furnishings pursuant to these requirements, and may offset any moneys due Franchisor.

4. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

**IN WITNESS WHEREOF**, the parties hereto have duly executed, sealed and delivered this Addendum to the Agreement as of the same date that the Agreement was executed.

**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISOR:**

G6 Hospitality Franchising LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Illinois Addendum

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/1 *et seq.*, the parties to the attached Studio 6 Franchise Agreement (the “Agreement”) agree as follows:

1. Section 14 of the Agreement, under the heading “Default and Termination,” shall be supplemented by the addition of the following new subsection 14.7, which shall be considered an integral part of the Agreement:

14.8 If any of the provisions of this Section 14 concerning termination or non-renewal are inconsistent with Sections 19 and 20 of the Illinois Franchise Disclosure Act of 1987, then said Illinois law shall apply.

2. Section 22 of the Illinois Franchise Disclosure Act states that “any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void.” Section 41 of the Illinois Franchise Disclosure Act states that “any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void.” If this Agreement contains a provision that is inconsistent with the Illinois Franchise Disclosure Act of 1987, the Illinois Act will control. In recognition of those provisions, the following modifications are made to Section 23 of the Agreement.

A. Section 23, “Applicable Law,” Subsection 23.1 of the Agreement, shall be amended by adding the following sentence to the end of that Section: “Notwithstanding any provisions of this Section 23.1 or its subsections, Illinois law shall govern any claim arising under the Illinois Franchise Disclosure Act”.

B. Section 23, “Applicable Law,” subsection 23.3, shall be amended by the addition of the following sentence at the end of the subsection: “In the event of conflict between the foregoing provisions and the provisions of the Illinois Franchise Disclosure Act of 1987, the provisions of the Illinois Act shall control.”

C. Section 23, “Applicable Law,” subsection 23.5 of the Agreement shall be amended by adding the following sentence to the end of that Section: “Notwithstanding any provisions of this Section 23.5 or its subsections, Illinois law shall govern any claim arising under the Illinois Franchise Disclosure Act.”

D. Section 23, “Applicable Law,” subsection 23.6 of the Agreement shall be amended by adding the following sentence to the end of that Section: “Notwithstanding any provisions of this Section 23.6 or its subsections, Illinois law shall govern any claim arising under the Illinois Franchise Disclosure Act.”

Except as expressly set forth above, the provisions of Section 23 shall remain unchanged.

3. Section 24.1 of the Agreement, under the heading “Acknowledgment “ shall be deleted in its entirety and the following new Section 24.1 shall be substituted in lieu thereof and shall be considered an integral part of the Agreement:

23.1 Franchisee acknowledges that Franchisee has independently investigated the business to

be developed, including current and potential market conditions and competitive factors and risks, and recognizes that the business risks and that its success will be largely dependent upon the ability of Franchisee as an independent business owner.

4. Section 24.4 of the Agreement, under the heading “Acknowledgment” shall be amended by the addition of the following sentence at the end of such Section: “Any release of claims or acknowledgments of fact contained in the Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, shall be void and hereby deleted with respect to claims under the Act.”

5. Each provision of this Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987 are met independently without reference to this Addendum.

**IN WITNESS WHEREOF**, the parties hereto have duly executed, sealed and delivered this Addendum to the Agreement as of the same date that the Agreement was executed.

**FRANCHISEE:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**FRANCHISOR:**

G6 Hospitality Franchising LLC,  
a Delaware limited liability company  
  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## Maryland Addendum

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached Studio 6 Franchise Agreement (the “Agreement”) agree as follows:

1. Section 13.5.8 of the Agreement, under the heading “Transfer of Interest,” shall be deleted in its entirety and shall have no force or effect; and the following shall be substituted in lieu thereof:

13.5.8 That the transferor and each Owner whose interest is being transferred execute a general release, in a form satisfactory to Franchisor, of all claims against Franchisor, its affiliates, and their respective officers, directors, shareholders and employees, in their corporate and individual capacities, excluding only such claims as the Applicant may have under the Maryland Franchise Registration and Disclosure Law;

2. A. Section 23.1 of the Agreement, under the heading “Applicable Law,” shall be deleted in its entirety and shall have no force and effect, and the following shall be substituted in lieu thereof:

23.1 This Agreement takes effect upon its acceptance and execution by Franchisor in Texas, and shall be interpreted and construed under the laws of the State of Texas, except for claims arising under the Maryland Franchise Registration and Disclosure Law. In the event of any conflict of law, the laws of Texas shall prevail, without regard to, and without giving effect to, the application of Texas conflict of law rules.

B. Subsections 23.1.1 and 23.1.2 shall remain unchanged.

C. Section 23.3 of the Agreement shall be amended by the addition of the following sentence at the end of the Section: “In the event of any conflict between the foregoing provisions and the provisions of the Maryland Franchise Registration and Disclosure Law, the provisions of the Maryland Law shall control.”

3. Section 23.5 of the Agreement, under the heading “Applicable Law” shall be deleted in its entirety, and shall have no force or effect; and the following shall be substituted in lieu thereof:

23.5 Any and all claims and actions arising out of or relating to this Agreement, the relationship of Franchisee and Franchisor, or Franchisee’s operation of the Motel, brought by either party hereto against the other, whether in mediation or a legal action, shall be commenced within three (3) years from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred, except with respect to claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Section 24 of the Agreement, under the heading “Acknowledgments” shall be supplemented by the addition of the following new Section 24.9 which shall be considered an integral part of the Agreement:

24.9 The foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Maryland Addendum to the  
Franchise Agreement (Page 1 of 2)

5. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Regulations and Disclosure Law are met independently without reference to this Addendum.

**IN WITNESS WHEREOF**, the parties hereto have duly executed, sealed and delivered this Maryland Addendum to the Agreement on the same date that the Agreement was executed.

**FRANCHISEE:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**FRANCHISOR:**

G6 Hospitality Franchising LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## Minnesota Addendum

In recognition of the requirements of the Minnesota Franchises law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the parties to the attached Studio 6 Franchise Agreement (the “Agreement”) agree as follows:

1. Section 7 of the Agreement, under the heading “Proprietary Marks” shall be amended by the addition of the following new Section 7.8, which shall be considered an integral part of the Agreement:

7.8 Pursuant to Minnesota Stat. Sec. 80C.12, Subd. 1(g), G6 Hospitality Franchising LLC is required to protect any rights Franchisee may have to Franchisor’s Proprietary Marks.

2. Section 13.5.8 of the Agreement, under the heading “Transfer of Interest” shall be deleted in its entirety and shall have no force or effect; and the following Section shall be inserted in lieu thereof:

13.5.8 That the transferor and each Owner whose interest is being transferred execute a general release, in a form satisfactory to Franchisor, of all claims against Franchisor, its affiliates and their respective officers, directors, shareholders and employees, in their corporate and individual capacities, excluding only such claims as the transferor may have under the Minnesota Franchises Law and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

3. Section 14 of the Agreement, under the heading “Default and Termination” shall be supplemented by the addition of the following new Section 14.8, which shall be considered an integral part of the Agreement:

14.8 Minnesota Law provides Franchisee with certain termination rights. Minn. Stat. § 80C.14 (subd. 3) currently requires, except in 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 Agreement.

4. Section 23.5 of the Agreement, under the heading “Applicable Law” shall be deleted in its entirety and have no force or effect, and the following shall be substituted in lieu thereof:

23.5 Any and all claims and actions arising out of or relating to this Agreement, the relationship of Franchisee and Franchisor, or Franchisee’s operation of the Motel, brought by either party hereto against the other, whether in mediation or a legal action, shall be commenced within three (3) years from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

5. Sections 23.7 and 23.8 of the Agreement, under the heading “Applicable Law” shall be deleted in their entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

23.7 Nothing herein contained shall bar Franchisor’s right to seek injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders and preliminary injunctions.

6. Section 23 of the Agreement, under the heading “Applicable Law” shall be supplemented by the addition of the following new Section 23.10, which shall be considered an integral part of the Agreement:

23.10 Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

7. Section 23 of the Agreement, under the heading “Applicable Law” shall be supplemented by the addition of the following new Section 23.11 which shall be considered an integral part of the Agreement:

23.11 Minnesota Law provides Franchises with certain termination, non-renewal and Transfer rights. Minn. Stat. § 80C.14 (Subd. 3, 4 and 5) currently require, except in certain specified cases, that a Franchise be given 90 days written notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of the Agreement and that consent to the Transfer of the Franchise not be unreasonably withheld.

8. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Law or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently without reference to this Addendum.

**IN WITNESS WHEREOF**, the parties hereto have duly executed, sealed and delivered this Minnesota Addendum to the Agreement on the same date that the Agreement was executed.

**FRANCHISEE:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**FRANCHISOR:**

G6 Hospitality Franchising LLC  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## New York Addendum

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached Studio 6 Franchise Agreement (the “Agreement”) agree as follows:

1. Section 13.5.8 of the Agreement, under the heading “Transfer of Interest” shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

13.5.8 That the transferor and each Owner whose interest is being transferred execute a general release, in a form satisfactory to Franchisor, of all claims against Franchisor, its affiliates and their respective officers, directors, shareholders and employees, in their corporate and individual capacities, provided however, that all the rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.

2. Section 23.7 of the Agreement, under heading “Applicable Law” shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

23.7 Nothing herein contained shall bar Franchisor’s right to seek injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for seeking orders and preliminary injunctions.

3. Section 23 of the Agreement, under the heading “Applicable Law” shall be supplemented by the addition of the following new Section 23.10, which shall be considered an integral part of the Agreement:

23.10 Nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by New York General Business Law, Article 33, Sections 680-695.

4. Section 24.4 of the Agreement, under the heading “Acknowledgment” shall be amended by the addition of the following sentence at the end of such Section:

“If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the General Business law, regulation, rule or order under the Law, such release shall exclude claims arising under the New York General Business law, Article 33, Section 680 through 695 and the regulations promulgated thereunder, and such acknowledgments shall be void. It is the intent of this provision that non-waiver provisions of Sections 687.4 and 687.5 of the General Business law be satisfied.”

5. There are circumstances in which an offering made by Franchisor would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the State of New York. However, an offer or sale is deemed made in New York if Franchisee is domiciled in or the Franchise will be operated in New York. Franchisor is required to furnish a New York

prospectus to every prospective Franchisee who is protected under the New York General Business Law, Article 33.

**IN WITNESS WHEREOF**, the parties hereto have duly executed, sealed and delivered this New York Addendum to the Agreement on the same date that the Agreement was executed.

**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISOR:**

G6 Hospitality Franchising LLC  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## North Dakota Addendum

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51-19-01 through 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the parties to the attached Studio 6 Franchise Agreement (the “Agreement”) agree as follows:

1. Section 2.2 of the Agreement, under the heading “Term” shall be amended by the addition of the following at the end of the Section:

“To the extent that the foregoing requirement to sign a general release upon renewal of the Agreement conflicts with the North Dakota Franchise Investment Law, the North Dakota law will control.”

2. Section 13.5.8 of the Agreement, under the heading “Transfer of Interest” shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

13.5.8 That the transferor and each Owner whose interest is being transferred execute a general release, in a form satisfactory to Franchisor, of all claims against Franchisor, its affiliates and their respective officers, directors, shareholders and employees, in their corporate and individual capacities, excluding only such claims as Franchisee may have under the North Dakota Franchise Investment Law.

3. Section 14.6 of the Agreement, under the heading “Default and Termination” shall be amended by the addition of the following at the end of the Section: “A requirement that the Franchisee pay a termination penalty may be unenforceable under the North Dakota Franchise Investment Law.”

4. Section 23.1 of the Agreement, under the heading “Applicable Law” shall be amended by the addition of the following at the end of the Section:

“To the extent that the foregoing governing law provisions conflict with the North Dakota Franchise Investment Law, the North Dakota Law will control.”

5. Section 23.3 of the Agreement, under the heading “Applicable Law” shall be amended by the addition of the following at the end of the Section:

“Any provision of this Agreement that requires litigation to be conducted in a forum other than the State of North Dakota is void with respect to claims under the North Dakota Franchise Investment Law.”

6. Section 23.5 of the Agreement, under the heading “Applicable Law” shall be deleted in its entirety, and shall have no force or effect; and the following shall be substituted in lieu thereof:

23.5 Any and all claims and actions arising out of or relating to this Agreement, the relationship of Franchisee and Franchisor, or Franchisee’s operation of the Motel, brought by either party hereto against the other, whether in mediation or a legal action, shall be commenced within three (3) years from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred, except with respect to claims arising under the North Dakota Franchise Investment Law.

7. Section 23.6 of the Agreement, under the heading “Applicable Law” shall be amended by the addition of the following at the end of the Section:

“To the extent that the foregoing waiver of punitive and exemplary damages conflict with the North Dakota Franchise Investment Law, the North Dakota law will control.”

8. Any provision that provides that the parties waive their right to a jury trial may not be enforceable under the North Dakota Franchise Investment law.

9. If the North Dakota Franchise Investment Law does not apply to the offer or sale of the Franchise described in the franchise disclosure document and offered to Franchisee, the provisions of this Addendum will not be effective.

**IN WITNESS WHEREOF**, the parties hereto have duly executed, sealed and delivered this North Dakota Addendum to the Agreement on the same date that the Agreement was executed.

**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISOR:**

G6 Hospitality Franchising LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **Rhode Island Addendum**

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties to the attached Studio 6 Franchise Agreement (the “Agreement”) agree as follows:

1. A. Section 23.1, under the heading “Applicable Law” shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:
    - 23.1 This Agreement takes effect upon its acceptance and execution by Franchisor in Texas, and the entering into, performance and interpretation of this Agreement shall be governed, construed and interpreted by the laws of the State of Texas; except with respect to any cause of action which arises under the Rhode Island Franchise Investment Act. In the event of any conflict of law, the laws of Texas shall prevail, without regard to, and without giving effect to, the application of Texas conflict-of-law rules.
  - B. Subsections 23.1.1 and 23.1.2 shall remain unchanged.
  - C. Section 23.3 of the Agreement, under the heading “Applicable Law,” shall be amended by the addition of the following sentence at the end of the Section: “In the event of a conflict between the foregoing provisions and the provisions of the Rhode Island Franchise Investment Act, the provisions of the Rhode Island Act shall control.”
2. Section 24.4 of the Agreement, under the heading “Acknowledgment” shall be amended by the addition of the following sentence at the end of such Section:
- “If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release shall exclude claims arising under the Rhode Island Franchise Investment Act, and such acknowledgments shall be void with respect to claims under the Act.
3. This Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this Addendum.

**IN WITNESS WHEREOF**, the parties hereto have duly executed, sealed and delivered this Rhode Island Addendum to the Agreement on the same date that the Agreement was executed.

**FRANCHISEE:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**FRANCHISOR:**

G6 Hospitality Franchising LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## Washington Addendum

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, the parties to the attached Studio 6 Franchise Agreement (“Agreement”) agree as follows:

The State of Washington has a statute, RCW 19.100.180, which may supersede the Agreement in your relationship with the Franchisor including the areas of termination and non-renewal of your franchise. There may also be court decisions which may supersede the Agreement in your relationship with the Franchisor including areas of termination and renewal of your franchise.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a Franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

If the Agreement requires litigation or mediation to be conducted in a forum other than the State of Washington, the requirement may be unenforceable under Washington Law.

Transfer fees are collectable to the extent that they reflect the Franchisor’s reasonable estimated or actual costs in effecting a transfer.

Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, are met independently without reference to this Addendum.

**IN WITNESS WHEREOF**, the parties hereto have duly executed, sealed and delivered this Washington Addendum to the Agreement on the same date that the Agreement was executed.

**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISOR:**

G6 Hospitality Franchising LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Dual Brand Addendum  
To Studio 6 Franchise Agreement**

This Dual Brand Addendum to Studio 6 Franchise Agreement (“Addendum”) is made and entered into effective this \_\_ day of \_\_\_\_\_, 20\_\_ between G6 Hospitality Franchising LLC, a Delaware limited liability company (the “Franchisor”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

**RECITALS:**

Franchisor and Franchisee are parties to that certain Studio 6 Franchise Agreement dated as of \_\_\_\_\_, 20\_\_ (including all Attachments and Addenda, the “Studio 6 Agreement”) for the establishment and operation of a Studio 6 Motel to be located at the Approved Location (the “Studio 6 Motel”), upon the terms and conditions described in the Studio 6 Agreement.

Franchisor and Franchisee also are parties to that certain Motel 6 Franchise Agreement dated as of \_\_\_\_\_, 20\_\_ (including all Attachments and Addenda, the “Motel 6 Agreement”) for the establishment and operation of a Motel 6 motel to be located at the Approved Location (the “Motel 6 Motel”), upon the terms and conditions described in the Motel 6 Agreement.

The Studio 6 Motel and the Motel 6 Motel are both owned and operated by Franchisee and otherwise satisfy Franchisor’s requirements for dual branded Studio 6 and Motel 6 properties (the “Dual Brand Operation”).

This Addendum modifies the Studio 6 Agreement to reflect changes resulting from the Dual Brand Operation and to memorialize the parties’ intent that at all times during the term of the Studio 6 Agreement and the Motel 6 Agreement (including any renewal term) each of the Studio 6 Motel and the Motel 6 Motel will be operated together by the same person or entity.

Contemporaneously with the execution of this Addendum, Franchisee and Franchisor will enter into an addendum to the Motel 6 Agreement to modify the terms and conditions of the Motel 6 Agreement in substantially the same manner as set forth in this Addendum.

NOW, THEREFORE, the parties, in consideration of the mutual undertakings and commitments set forth herein and in the Studio 6 Agreement, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

1. Capitalized Terms. Capitalized terms shall have the meanings given to them herein, or if not defined, then as defined in the Studio 6 Agreement.
2. Definitions. The following defined terms are hereby added to the Definitions in Attachment 1 to the Studio 6 Agreement in the appropriate alphabetical order:

“Person” means an individual (and the heirs, executors, administrators or other legal representatives of an individual), a joint venture, a partnership, a company, a firm, a corporation, a governmental department or agency, a trustee, a trust, an unincorporated organization or any other legal entity.

“Standards” means the brand standards, brand requirements, specifications, policies and procedures of the Studio 6 System and brand as specified by

Franchisor in the Manuals, or otherwise in writing, and as modified by Franchisor, in its sole discretion, to take into account the Dual Brand Operation.

“Motel 6 Agreement” means that certain Motel 6<sup>®</sup> Franchise Agreement (including all Attachments and Addenda), dated as of \_\_\_\_\_, between Franchisor and Franchisee.

“Motel 6 Motel” means that certain Motel 6<sup>®</sup> motel to be operated by Franchisee or a manager consented to by Franchisor under the terms of the Motel 6 Agreement.

3. Expiration Date. Item 2 of Attachment 2 to the Studio 6 Agreement is hereby deleted in its entirety and replaced with the following:

“2. Expiration Date:  
This Agreement will expire on the earlier of (i) \_\_\_\_\_ years after the Opening Date and (ii) the expiration or termination of the Motel 6 Agreement.”

4. Renewal of Studio 6 Agreement. Notwithstanding any provision of the Studio 6 Agreement to the contrary, in addition to satisfying all of the terms and conditions for renewal set forth in the Studio 6 Agreement (including, without limitation, the terms and conditions set forth in Section 2.2), the Studio 6 Agreement may not be renewed for any period following the Expiration Date unless the Studio 6 Agreement and the Motel 6 Agreement are both renewed (i) at the same time and on the same date and (ii) for an identical renewal period such that the scheduled expiration date of the Studio 6 Agreement and the Motel 6 Agreement following renewal are the same. Franchisee acknowledges and agrees that, in connection with any renewal, it must continue to be the franchisee under both the Studio 6 Agreement and the Motel 6 Agreement and that any renewal of the Studio 6 Agreement and the Motel 6 Agreement is subject to Franchisor’s right, in its sole discretion, to approve Franchisee’s renewal applications with respect to the applicable agreement.

5. Transfer. Notwithstanding any provision of the Studio 6 Agreement to the contrary, in addition to satisfying all of the terms and conditions applicable to any proposed Transfer, Franchisee acknowledges and agrees that no direct or indirect interest in the Studio 6 Motel, Franchisee, the Studio 6 Agreement, or substantially all of the assets of the Studio 6 Motel will be Transferred to any Person unless, simultaneously with such Transfer, the same Person also acquires the same type of interest in the Motel 6 Motel, Franchisee, the Motel 6 Agreement, or substantially all of the assets of the Motel 6 Motel in accordance with the terms and conditions of the Motel 6 Agreement.

6. Default and Termination. The following amendments to Section 14 of the Studio 6 Agreement are hereby made.

A. A new Section 14.2.11 is hereby added to the Studio 6 Agreement as follows together with conforming changes deleting the “or” at the end of Section 14.2.9 and adding it to the end of Section 14.2.10:

“14.2.11. If the Motel 6 Agreement expires or is terminated for any reason.”

B. The first sentence of Section 14.4 is hereby deleted from the Studio 6 Agreement and replaced with the following:

“14.4. Except as provided in Sections 14.1, 14.2, and 14.3 of this Agreement, if Franchisee fails to maintain or observe any of the Standards prescribed by Franchisor in this Agreement, the Motel 6 Agreement, the Manuals, or otherwise in writing, Franchisor may terminate this Agreement by giving Franchisee written notice of termination (in the manner set forth under Section 20 below) stating the nature of the default at least thirty (30) days before the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to Franchisor’s satisfaction, and by promptly providing proof of the cure to Franchisor, all within the thirty (30) day period.”

7. Additional Conditions, Amendments and Provisions Applicable to Dual Brand Operation.

A. *Requirement for Common Control.* Franchisee acknowledges that Franchisor is willing to consent to the Dual Brand Operation and the terms of this Addendum only for so long as the Studio 6 Motel and the Motel 6 Motel are both owned by Franchisee. Failure to retain common control of the Studio 6 Motel and the Motel 6 Motel by Franchisee will constitute a default under Section 14.4 of the Studio 6 Agreement.

B. *Reconciliation of Certain Fees and Charges in Connection with Dual Brand Operation.* Franchisee and Franchisor acknowledge and agree that the fees and charges payable by Franchisee described on Exhibit A to this Addendum and which are applicable to the Studio 6 Motel and the Motel 6 Motel will be modified to the extent set forth on Exhibit A. Franchisee acknowledges that, except to the extent such fees and charges are expressly modified under Exhibit A, Franchisee will pay all fees and charges in accordance with the Studio 6 Agreement and the Standards.

C. *Use of the Approved Location.* Pursuant to Section 5.2.1 of the Studio 6 Agreement, Franchisor hereby consents to the operation of both the Studio 6 Motel and the Motel 6 Motel at the Approved Location so long as Franchisee is in compliance in all respects with the terms and conditions of the Studio 6 Agreement, the Motel 6 Agreement and this Addendum.

D. *Repair of Studio 6 Motel and Motel 6 Motel Following Casualty Event.* Franchisee acknowledges and agrees that the terms and conditions of Section 5.16 apply collectively with respect to the Studio 6 Motel and the Motel 6 Motel (i.e. the references to “Motel” in Section 5.16 of the Studio 6 Agreement shall be deemed to reference the Studio 6 Motel and the Motel 6 Motel, collectively). For avoidance of doubt, if a fire or other casualty event occurs and the cost to repair such damage is reasonably estimated to be not less than fifty percent (50%) of the fair market value of the Studio 6 Motel and the Motel 6 Motel (collectively), Franchisee shall expeditiously repair the damage and otherwise comply with all terms and obligations of the Studio 6 Agreement and the Motel 6 Agreement.

E. *Amendments to Manuals for Dual Brand Operation.* Franchisee acknowledges and agrees that Franchisor may, in its sole discretion, supplement, amend or otherwise modify the Manuals to take into account the Dual Brand Operation. Such supplements, amendments or modifications may include, without limitation, items necessary to address the requirements for the

Dual Brand Operation of the Studio 6 Motel and the Motel 6 Motel (e.g. uniforms, amenities, etc.). Franchisee will comply in all respects with the Manuals, as adapted for the Dual Brand Operation.

F. *Training and Operation of the Studio 6 Motel and the Motel 6 Motel.* Franchisor and Franchisee acknowledge and agree that one Manager and the same motel staff will be permitted to operate both the Studio 6 Motel and the Motel 6 Motel so long as such Manager and staff satisfy the requirements of Section 5.3 of the Studio 6 Agreement and the Motel 6 Agreement, including, without limitation, all of Franchisor's training requirements. The applicable training for Franchisee's Manager and motel staff may be supplemented, amended or otherwise modified by Franchisor to take into account the nature of the Dual Brand Operation.

G. *Access to Manuals and Confidential Information.* So long as Franchisee is in compliance in all respects with the terms and conditions of the Studio 6 Agreement and the Motel 6 Agreement (including, the terms and conditions of this Addendum and the requirement for Franchisor to consent to the Dual Brand Operation), Franchisee will be permitted to grant its Manager and motel staff access to the applicable Manuals for both the Studio 6 Motel and the Motel 6 Motel and such grant of access to the applicable Manuals will not be deemed to be a breach of the confidentiality provisions of the Studio 6 Agreement (including Section 8 and Section 9).

H. *Compliance with Applicable Standards.* Franchisee acknowledges and agrees that it will operate both the Studio 6 Motel and the Motel 6 Motel in accordance with the Standards, as such Standards may be modified by Franchisor to take into account the Dual Brand Operation.

#### 8. Acknowledgments of Franchisee and Guarantors.

A. Franchisee acknowledges and agrees that it is a material consideration to Franchisor that the Studio 6 Motel and the Motel 6 Motel at the Approved Location will continue to be operated together throughout the terms (including any renewal terms) of their respective Agreements. Franchisee understands and agrees that any event of default, termination, non-renewal or transfer affecting the Studio 6 Motel shall also affect the Motel 6 Motel and that any event of default, termination, non-renewal or transfer affecting the Motel 6 Motel shall also affect the Studio 6 Motel.

B. Each Guarantor acknowledges the terms of this Addendum and affirms and ratifies all of Guarantor's commitments and obligations under the Guarantee. Each Guarantor acknowledges and affirms that its obligations under the Guarantee continue in full force and effect.

9. Effect of Addendum; Construction. This Addendum is an integral part of the Studio 6 Agreement. Except as expressly provided in this Addendum, all terms and conditions of the Studio 6 Agreement will be and remain in full force and effect as written. In the event of any conflict between the terms and conditions of this Addendum and those of the Studio 6 Agreement, this Addendum will control. The amendments to the Studio 6 Agreement set forth herein shall be interpreted and construed consistent with the parties' intent that the Studio 6 Motel and the Motel 6 Motel at the Approved Location shall continue to be operated together throughout the terms (including any renewal terms) of their respective Agreements.

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date first above written.

**FRANCHISEE:**

\_\_\_\_\_

a \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**For purposes of Section 9:**

**GUARANTORS:**

\_\_\_\_\_

Name

\_\_\_\_\_

Name

\_\_\_\_\_

Name

**FRANCHISOR:**

**G6 Hospitality Franchising LLC**

a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit A**  
**Reconciliation of Certain Fees and Charges in Connection with Dual Brand Operation**

<b>Applicable Cost, Fee or Charge</b>	<b>Modification or Revision to Applicable Fee</b>
Application Fee	Franchisee shall pay a separate Application Fee for each of the Studio 6 Agreement and the Motel 6 Agreement, as described in the applicable Agreement.
Initial Franchise Fee	Franchisee shall pay a separate Initial Franchise Fee for each of the Studio 6 Agreement and the Motel 6 Agreement, as described in the applicable Agreement. For the avoidance of doubt, calculation of the room number in excess of 150 rooms is made by reference to the total number of rooms in the Studio 6 Motel or the Motel 6 Motel, as applicable.
Royalty Fee	Franchisee shall pay a separate Royalty Fee for each of the Studio 6 Agreement and the Motel 6 Agreement, as described in the applicable Agreement.
Program Fee	Franchisee shall pay a separate Program Fee for the Studio 6 Agreement and the Motel 6 Agreement, as described in the applicable Agreement.
PIP Fee/Site Evaluation Fee	If the applications for both the Studio 6 Agreement and the Motel 6 Agreement are submitted at the same time, Franchisee will only pay one Site Evaluation/PIP Fee for the Studio 6 Motel and the Motel 6 Motel (collectively). However, if the applications for the Studio 6 Agreement and Motel 6 Agreement are submitted at different times, then Franchisor reserves the right to charge separate PIP Fees/Site Evaluation Fees for the Studio 6 Motel and the Motel 6 Motel.
Opening Package Fee	Only one (1) fee will be charged for the Studio 6 Motel and the Motel 6 Motel (collectively).
On-Site and Other Opening Training and Assistance	Only one (1) fee will be charged for the Studio 6 Motel and the Motel 6 Motel (collectively).
Inspection/Re-Inspection Fee	Franchisee must participate in the applicable Quality Assurance Program for each of its Studio 6 Motel and its Motel 6 Motel.
Transfer Fee	Franchisee shall pay a separate Transfer Fee for each of the Studio 6 Agreement and the Motel 6 Agreement, as described in the applicable Agreement.
Renewal Fee	Franchisee shall pay a separate Renewal Fee for each of the Studio 6 Agreement and the Motel 6 Agreement, as described in the applicable Agreement.
Quality Assurance Audit Fee	The franchisor charges a separate Quality Assurance Audit Fee for Motel 6 Motel and Studio 6 Motel and may conduct the Quality Assurance audits on different dates.
Liquidated Damages for Early Termination	Upon termination of both the Studio 6 Agreement and the Motel 6 Agreement, Franchisee will pay one liquidated damages payment in the amount of the per room charge (currently, \$2,000), multiplied by the collective number of rooms in each of the Studio 6 Motel and the Motel 6 Motel.

Trademark Liquidated Damages for Opening Without Permission	Franchisee shall pay a separate liquidated damages payment for each brand in the amount of the per room charge (currently, \$50), multiplied by the collective number of rooms in each of the Studio 6 Motel and the Motel 6 Motel, for each day that the Motel is open without Franchisor's approval.
Trademark Infringement/De-Identification Fee	Franchisee shall pay a separate liquidated damages payment for each brand in the amount of the per room charge (currently, \$50), multiplied by the collective number of rooms in each of the Studio 6 Motel and the Motel 6 Motel, for each day that Franchisee continues to operate the Motel with Studio 6 or Motel 6 signage and/or other indicia of Franchisor's intellectual property in place.
Additional Training Fee	Only one (1) Additional Training Fee (per person) will be charged for the Studio 6 Motel and the Motel 6 Motel (collectively).
Annual Conference Fee	Only one (1) Annual Conference Fee will be charged for the Studio 6 Motel and the Motel 6 Motel (collectively) for 1 attendee. Additional Annual Conference Fees will be charged for each additional attendee.
Property Management System Software Fee	Franchisee shall pay separate Property Management System Software Fees pursuant to separate Technology License and Services Agreements signed for each of the Studio 6 Motel and the Motel 6 Motel. The monthly per room charge under each Technology License and Services Agreement will be calculated by reference to the number of rooms in the Studio 6 Motel or the Motel 6 Motel, as applicable.
IT Services Fee	Franchisee shall pay a separate IT Services Fee for each of the Studio 6 Motel and the Motel 6 Motel, as described in the applicable Agreement.
Learning@Lightspeed Online Subscription Fee	Only one (1) fee will be charged for the Studio 6 Motel and the Motel 6 Motel (collectively).

**EXHIBIT E**  
**GENERAL RELEASE**

## GENERAL RELEASE

THIS GENERAL RELEASE (“Release”) is executed on \_\_\_\_\_ by \_\_\_\_\_ (“Franchisee”) and/or \_\_\_\_\_ (“Guarantors”) as a condition of (1) the transfer of the \_\_\_\_\_ Franchise Agreement dated \_\_\_\_\_ between \_\_\_\_\_ (“Franchisor”) and Franchisee (“Franchise Agreement”); or (2) the execution of a renewal Franchise Agreement by Franchisee and Franchisor.

**1. Release by Franchisee and Guarantors.** If Franchisee is an entity, Franchisee (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities) and Guarantors (on behalf of themselves and their respective heirs, representatives, successors and assigns) or, if Franchisee is an individual, Franchisee (on behalf of himself/herself and his/her heirs, representatives, successors and assigns) (collectively, “Releasers”) freely and without any influence forever release Franchisor, its parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities (collectively, “Releasees”), with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, “Claims”), which any Releaser ever owned or held, now owns or holds or may in the future own or hold, including, without limitation, claims arising under federal, state and local laws, rules and ordinances and claims arising out of, or relating to, Franchise Agreement and all other agreements between any Releaser and any Release arising out of, or relating to any act, omission or event occurring on or before the date of this Release, unless prohibited by applicable law. This general release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

[For California franchisees, add: Each Releaser expressly waives and relinquishes all rights and benefits which he/she may now have or in the future have under and by virtue of California Civil Code Section 1542. Releasers do so understanding the significance and consequence of such specific waiver. Section 1542 provides that “[a]. General release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.” For the purpose of implementing a general release and discharge as described herein, Releasers expressly acknowledge that this agreement is intended to include in its effect, without limitation, all claims which Releasers do not know or suspect to exist in their favor at the time of execution hereof, and that this agreement contemplates the extinguishment of any such claims.]

**2. Risk of Changed Facts.** Franchisee and Guarantors understand that the facts in respect of which the release in Section 1 is given may turn out to be different from the facts now known or believed by them to be true. Franchisee and Guarantors hereby accept and assume the risk of the facts turning out to be different and agree that the release in Section 1 shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

**3. No Prior Assignment.** Franchisee and Guarantors represent and warrant that the Releasers are the sole owners of all Claims and rights released in Section 1 and that the Releasers have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1.

**4. Covenant Not to Sue.** Franchisee and Guarantors (on behalf of Releasers) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or

administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 with respect to any Claim released under Section 1.

**5. Complete Defense.** Franchisee and Guarantors: **(a)** acknowledge that the release in Section 1 shall be a complete defense to any Claim released under Section 1; and **(b)** consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

**6. Successors and Assigns.** This Release will inure to the benefit of and bind the successors, assigns, heirs and personal representatives of Franchisor and each Releasor.

**7. Third Party Beneficiary.** Franchisor and its parent, affiliates and subsidiaries shall be third party beneficiaries under this Release.

**8. Representation by Counsel.** Franchisee and Guarantors acknowledge and agree that they have been represented by independent counsel of their own choice throughout all negotiations which preceded the execution of this Release, and that they have executed this Release with the consent and upon the advice of said independent counsel.

**9. Enforcement.** This Release and all claims relating to this Release shall be governed by and construed under the law of the state of California. Franchisee and Guarantors shall file any controversy or claim whatsoever arising out of or relating to this Release or the enforcement of the promises in this Release or with regard to the interpretation, formation, or breach of this Release in the court where Franchisor's principal offices are located. Franchisor may file any controversy or claim whatsoever arising out of or relating to this Release or the enforcement of the promises in this Release or with regard to the interpretation, formation, or breach of this Release in the court where its principal offices are located, where Franchisee resides or does business, or where the claim arose.

**10. Confidentiality.** The terms of this Release shall remain confidential and may not be disclosed except when and to the extent necessary to comply with applicable federal, state, or local laws, court orders or regulations.

**11. Construction.** Any capitalized terms that are not defined in this Release shall have the meaning given them in the Development Agreement and Franchise Agreement, as the context requires. The masculine gender shall be deemed to refer to and include the feminine and neuter, and the singular to refer to and include the plural, and vice versa.

**[SIGNATURES ON NEXT PAGE]**

**IN WITNESS WHEREOF**, Franchisee and Guarantors have executed this Release as of the date shown above.

**ATTEST:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title \_\_\_\_\_

**WITNESS:**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

**FOR ENTITY:  
FRANCHISEE:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title \_\_\_\_\_  
Date: \_\_\_\_\_

**GUARANTOR:**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**FOR INDIVIDUAL:  
FRANCHISEE:**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT F**  
**MANUAL TABLE OF CONTENTS**

# Welcome to Studio 6®

## **Studio 6® Brand Promise:**

Studio 6 Extended Stay offers fully-equipped, comfortable rooms, welcoming guests that need to extend their stay, not their budget.

## **Brand Standards**

The Brand Standards set forth in this Manual provide a set of clear instructions, guidelines, and procedures on how to deliver on the Studio 6® Brand Promise. Each Brand Standard is purposeful and in alignment with our business model, strategies, and goals.

The term "Brand Standards Manual" refers to the guidelines and documentation presented herewith, in addition to other guidelines or documentation, such as: the Brand Identity Guidelines, the Safety Guidelines and Recommendations, the Operational Procedures, and others.

This document supersedes and replaces all prior or existing documents, agreements or records containing information about Studio 6® Brand Standards.

## **TABLE OF CONTENTS**

Preface	3
Disclaimer and Acknowledgment of Owner	4
Core Brand Standards	6
<b>S6.1</b> Brand Identity and Marketing	9
<b>S6.2</b> Brand Programs, eCommerce, and Sales Programs	16
<b>S6.3</b> Pricing and Revenue Management	19
<b>S6.4</b> Quality and Customer Experience	22
<b>S6.5</b> Reservations	26
<b>S6.6</b> Operations Standards and Procedures	30
<b>S6.7</b> Guest Relations	47
<b>S6.8</b> Team Members and Training	50
<b>S6.9</b> Computer Systems and Technology	55
<b>S6.10</b> Safety, Security, and Fire and Life Safety	63
<b>S6.11</b> Insurance for Franchised Property	70
<b>S6.12</b> Contact List	74



**EXHIBIT G-1**  
**LIST OF FRANCHISED MOTELS AT LAST FISCAL YEAR END**

**Exhibit G-1**

**List of Franchised Studio 6 Extended Stay Motels at Last Fiscal Year End**

<b>Entity Name</b>	<b>Street Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Telephone</b>
Tenancy in Common between Lakshmi, Inc. and Opelik	2100 Gateway Drive	Opelika	Alabama	36801	(334) 737-6040
Country Club Hotel, LLC	560 S. Country Club Drive	Mesa	Arizona	85210	(480) 969-2200
North Star Hospitality LLC	1202 East White Mountain Boulevard	Pinetop	Arizona	85935	(928) 367-3161
KNB Lodging, L.L.C.	10524 West Markham Street	Little Rock	Arkansas	72205	(501) 222-9251
Khan Hotels, Inc.	1251 North Harbor Boulevard	Anaheim	California	92801	(714) 635-6461
Bakersfield Hospitality LLC	6141 Knudsen Drive	Bakersfield	California	93308	(661) 393-1277
Shree Agashimata Inc.	150 Yucca South	Barstow	California	92311	(442) 295-9042
Shreeji Krupa LLC	20638 Tracy Avenue	Buttonwillow	California	93206	(661) 764-5153
Concord Inn and Suites, LP	1370 Monument Blvd.	Concord	California	94520	(925) 827-8998
Divine Hotels LLC	5601 Lincoln Avenue	Cypress	California	90630	(714) 828-4400
PCB11, Inc	4376 Central Place	Fairfield	California	94534	(707) 864-0800
KS Hospitality Inc	6730 North Blackstone Avenue	Fresno	California	93710	(559) 431-3630
Jayesh B. Patel and Hemaben Patel	1213 V Street	Merced	California	95341	(209) 723-3711
Kabeer Investments Group, Inc.	425 Roosevelt Avenue	National City	California	91950	(619) 474-8811
MS & Sons Hospitality, LLC	72215 Varner Road	Thousand Palms	California	92276	(760) 343-1381
599 E. Alisal Street, LLC	16868 Stoddard Wells Road	Victorville	California	92394	(760) 596-4000
CO Springs Motel Lee, LLC	8280 Voyager Parkway	Colorado Springs	Colorado	80920	(719) 598-6700
Reliance Hospitality of Englewood, LLC	2540 South McCall Road	Englewood	Florida	34224	(941) 474-5544
Kush Hotels II, Inc.	7413 West Newberry Road	Gainesville	Florida	32605	(352) 373-1604
Hare Krishna Jacksonville Hotel LLC	8285 Philips Highway	Jacksonville	Florida	32256	(904) 448-0021
Sakhi 1 LLC	8800 20th Street	Vero Beach	Florida	32966	(772) 562-9991
Hare Krishna Augusta Hotel, LLC	3421 Wrightsboro Road	Augusta	Georgia	30909	(706) 849-3100
Hare Krishna Chamblee Hotel, LLC	5280 Peachtree Industrial Boulevard	Chamblee	Georgia	30341	(678) 805-3400
JAYAMBE MOTEL LLC	2108 US Highway 441 South	Dublin	Georgia	31021	(478) 272-3640
Hare Krishna Duluth Hotel, LLC	3525 Breckinridge Boulevard	Duluth	Georgia	30096	(770) 931-3113
Diamond Alliance Hospitality LLC	1513 Lafayette Parkway	LaGrange	Georgia	30240	(706) 884-6175
YK Delk Rd LLC	2360 Delk Road	Marietta	Georgia	30067	(770) 952-2395

<b>Entity Name</b>	<b>Street Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Telephone</b>
The Skytop Lodge, LLC	20 US Highway 411 East	Rome	Georgia	30161	(706) 291-2447
Hare Krishna Roswell Hotel, LLC	9955 Old Dogwood Road	Roswell	Georgia	30076	(770) 992-9449
Hare Krishna Savanna Hotel, LLC	60 West Montgomery Cross Road	Savannah	Georgia	31406	(912) 921-1221
Ashok and Bina Bhula	126 Rushing Lane	Statesboro	Georgia	30458	(912) 681-4663
Hare Krishna LaVista Hotel, LLC	1795 Crescent Centre Boulevard	Tucker	Georgia	30084	(770) 934-4040
Concorde, Hotel LLC	2801 Court Street	Pekin	Illinois	61554	(309) 347-5533
SHRI KRISHNA HOSPITALITY INC.	4850 East State Street	Rockford	Illinois	61108	(815) 398-5050
8250 Fishers Inc	8250 North by Northwest Boulevard	Fishers	Indiana	46038	(317) 913-1920
High School Corp.	3740 North High School Road	Indianapolis	Indiana	46224	(317) 293-6551
BI Investments LLC	8290 Louisiana Street	Merrillville	Indiana	46410	(219) 738-2701
Bright LLC	15151 West 101st Terrace	Lenexa	Kansas	66219	(913) 956-6000
AJR Investments LLC	5736 West Kellogg Drive	Wichita	Kansas	67209	(316) 945-8440
MacArthur Hospitality LLC	742 MacArthur Drive	Alexandria	Louisiana	71301	(318) 448-1611
Radar Hospitality, LLC	1441 SE Evangeline Thruway	Lafayette	Louisiana	70501	(337) 706-7644
Jai Sai Krupa LLC	2607 Admiral King Street	Lake Charles	Louisiana	70601	(337) 602-6475
Sohum Hospitality, LLC	3900 Highway 51	LaPlace	Louisiana	70068	(985) 652-8905
St. Charles Hospitality, Inc.	12177 Highway 90	Luling	Louisiana	70070	(985) 785-1125
Monroe Hospitality, LLC	1501 Martin Luther King Junior Drive	Monroe	Louisiana	71202	(318) 537-8993
MAA BHAVANI NOS LLC	12330 Interstate 10 Service Road	New Orleans	Louisiana	70128	(504) 240-9778
SAI PORT ALLEN HOSPITALITY LLC	2740 North Westport Drive	Port Allen	Louisiana	70767	(225) 248-6222
Savita Hospitality, L.L.C.	112 Dennis Avenue	Sulphur	Louisiana	70665	(337) 564-5780
Owatonna Hospitality LLC	2365 43rd Street NW	Owatonna	Minnesota	55060	(507) 446-8900
MAA Bhavani OS LLC	2873 Bienville Boulevard	Ocean Springs	Mississippi	39564	(228) 875-0123
MAA Bhavani PG LLC	4419 Denny Avenue	Pascagoula	Mississippi	39581	(228) 696-9011
PARI LLC	1313 Walnut Street	Vicksburg	Mississippi	39180	(601) 631-0097
Colorado Hospitality Services Inc.	3200 NW 12th Street	Lincoln	Nebraska	68521	(402) 475-9541
Highland Hospitality, LLC	2701 Halligan Drive	North Platte	Nebraska	69101	(308) 338-1475
Electric Avenue Hotel LLC	795 USA Parkway	McCarran	Nevada	89434	(775) 473-2498
NJ 18 Enterprises, LLC	246 State Route 18	East Brunswick	New Jersey	08816	(732) 238-3330
Relianse Osuna NM LLC	4441 Osuna Road Northeast	Albuquerque	New Mexico	87102	(505) 344-7744
Hare Krishna Fayetteville Hotel LLC	3719 Bragg Boulevard	Fayetteville	North Carolina	28303	(910) 487-9000
Narayan Greensboro Hotel, LLC	2000 Veasley Street	Greensboro	North Carolina	27407	(336) 294-8600

Entity Name	Street Address	City	State	Zip	Telephone
Hare Krishna Greensboro Hotel LLC	6009 Landmark Center Boulevard	Greensboro	North Carolina	27407	(336) 218-1000
AG Hotels LLC	2084 South Hamilton Road	Columbus	Ohio	43232	(614) 864-8844
Aum 99, LLC	6225 Quarter Horse Drive	Columbus	Ohio	43229	(614) 505-7534
Springpike Hotels LLC	8101 Springboro Pike	Miamisburg	Ohio	45342	(937) 434-8750
SSA Springdale LLC	11645 Chesterdale Road	Springdale	Ohio	45246	(513) 771-2457
Prayosham Midwest City LLC	5801 Tinker Diagonal	Midwest City	Oklahoma	73110	(405) 737-8851
Sagar Kumar and Shareena Kumar	4601 S.W. Third Street	Oklahoma City	Oklahoma	73128	(405) 947-2400
R & I LLC	8181 E. 41st Street	Tulsa	Oklahoma	74145	(918) 664-7241
Yukon Joint Venture, LLC	11435 Northwest 4th Street	Yukon	Oklahoma	73099	(405) 265-1061
IE Hotel Group, LLC	4911 Northeast 82nd Avenue	Portland	Oregon	97220	(503) 255-9771
Riddhi Vinayak Hotels LLC	12 Impact Drive	Greenville	South Carolina	29605	(864) 277-2019
Kamala Sehgi Associates	7324 Shallowford Road	Chattanooga	Tennessee	37421	(423) 892-1500
Naresh H. and Rasila Patel	1607 N. Watson Road	Arlington	Texas	76006	(817) 640-4444
PH Arlington, LLC	1980 West Pleasant Ridge Road	Arlington	Texas	76015	(817) 465-8500
Hare Krishna Austin Northwest Hotel, LLC	11901 Pavilion Boulevard	Austin	Texas	78759	(512) 258-3556
HKV Hospitality, LLC	1901 Airport Commerce Drive	Austin	Texas	78741	(512) 580-0393
Hare Krishna Austin Midtown Hotel, LLC	6603 North I-35	Austin	Texas	78752	(512) 458-5453
Bay City 6 Hospitality, LLC	5511 7th Street	Bay City	Texas	77414	(979) 244-2400
Baytown Joint Venture LLC	4911 Interstate 10 East	Baytown	Texas	77521	(281) 421-7300
Aesha, LLC	2660 I-10 East	Beaumont	Texas	77703	(409) 924-0571
Singh Hotels, LLC	2180 Highway 59 East	Beeville	Texas	78102	(361) 542-4020
Diwali Partners, LP	2255 North Expressway	Brownsville	Texas	78520	(956) 546-4699
Diwali Byran, LLC	1601 South Texas Avenue	Bryan	Texas	77082	(979) 822-6196
Flamingo Hospitality Inc.	5163 Overpass Road	Buda	Texas	78610	(512) 787-6985
Rendon Hosts, LLC	12450 South Freeway	Burleson	Texas	76028	(817) 447-2000
PK.Rock Hospitality, LLC	940 IH 20 West	Colorado City	Texas	79512	(325) 500-0012
Deven and Mayuri Bhakta	5850 Williams Drive	Corpus Christi	Texas	78412	(361) 906-1500
Couture Hotel Corporation	6301 Interstate 37	Corpus Christi	Texas	78409	(361) 826-5100
Dallas Prosper Hospitality, L.L.C.	10326 Finnell Street	Dallas	Texas	75220	(214) 904-9666
Jalaram Hotel, LLC	12301 North Central Expressway	Dallas	Texas	75243	(972) 716-0600
Waco Prosper Hospitality, LLC	2395 Stemmons Trail	Dallas	Texas	75220	(214) 904-1400
Dhan Laxmi, L.L.C	9801 Adleta Court	Dallas	Texas	75243	(214) 342-5400

<b>Entity Name</b>	<b>Street Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Telephone</b>
Saimeera Inc.	825 Center Street	Deer Park	Texas	77536	(281) 930-7220
DTX Prosper Hospitality, L.L.C.	700 Fort Worth Drive	Denton	Texas	76201	(940) 387-5840
Relianse Loma S6 TX LLC	11049 Gateway Boulevard West	El Paso	Texas	79935	(915) 594-8533
Hanumanji Hospitality, Inc.	4850 North Freeway	Fort Worth	Texas	76137	(817) 834-8001
Sairam2002 LLC	406 E. Palace Pkwy	Grand Prairie	Texas	75050	(972) 642-9424
PH Katy LLC	1255 North Highway 6	Houston	Texas	77084	(281) 579-6959
CHG Hobby LLC	12700 Featherwood Dr	Houston	Texas	77034	(281) 929-5400
JNJD LLC	13213 Interstate 10 East	Houston	Texas	77015	(832) 962-4906
PH Northwest LLC	14255 Northwest Freeway	Houston	Texas	77040	(713) 895-2900
Ellington Suburban Extended Stay Hotel, L.L.C.	15313 Gulf Freeway	Houston	Texas	77034	(281) 484-1500
PH Spring LLC	220 Bammel Westfield Road	Houston	Texas	77090	(281) 580-2221
PH Westchase LLC	3030 West Sam Houston Parkway	Houston	Texas	77042	(713) 785-8550
DNA Hospitality, LLC	6 North Sam Houston Parkway East	Houston	Texas	77060	(281) 447-6888
Tanisha Hospitality Inc.	613 Interstate Highway 45 South	Huntsville	Texas	77340	(936) 295-9151
PDRAP, Inc.	2920 Rockland Boulevard	Ingleside	Texas	78362	(361) 775-1400
BHP Investments Company	3950 West Airport Freeway	Irving	Texas	75062	(972) 790-1950
Janveekrishna LLC	1332 Katy Fort Bend Road	Katy	Texas	77493	(281) 665-3551
Bajarangi Group LLC	5920 San Bernardo Avenue	Laredo	Texas	78041	(956) 722-8133
Diya Lodging, L.L.C.	717 Highway 31 South	Longview	Texas	75604	(903) 757-8887
South Loop S6, LLC	2551 South Loop	Lubbock	Texas	79423	(806) 745-1963
Subodh I. and Gita S. Patel	4521 Marsha Sharp Freeway	Lubbock	Texas	79414	(806) 687-6666
Savannah Studio Partnership, Ltd.	700 Savannah Avenue	McAllen	Texas	78503	(956) 668-7829
Executive Hospitality, LLC	2514 Balch Springs Road	Mesquite	Texas	75180	(469) 608-3373
S6NB Hospitality Inc.	1214 North Business 35	New Braunfels	Texas	78130	(830) 609-9096
TX JALARAM HOTEL, LLC	7450 Northeast Loop 820	North Richland Hills	Texas	76180	(817) 788-6000
Dev Yash Partnership LLC	600 South JBS Parkway	Odessa	Texas	79761	(432) 614-2222
Davilyn Hospitality, Inc.	2502 Highway 62 North	Orange	Texas	77632	(409) 883-6000
Pride Hotel Group LLC	1600 North Central Expressway	Plano	Texas	75074	(214) 501-2343
Plano Prosper Hospitality, LLC	4704 W. Plano Parkway	Plano	Texas	75093	(972) 758-8888
Pleasanton Hospitality LLC	1167 West Oaklawn Road	Pleasanton	Texas	78064	(830) 569-2604
Century Lodging, LLC	3000 Jimmy Johnson Blvd.	Port Arthur	Texas	77642	(409) 729-6611
Super Success, Inc.	1601 South Bryant Blvd.	San Angelo	Texas	76903	(325) 653-1323

Entity Name	Street Address	City	State	Zip	Telephone
Yogijikrupa Hospitality-A LLC	11221 San Pedro Avenue	San Antonio	Texas	78216	(210) 342-4800
Hare Krishna Sea World Hotel, LLC	11802 I-10 West	San Antonio	Texas	78230	(210) 691-0121
Apple Hospitality LLC	3617 North Pan Am Expressway	San Antonio	Texas	78219	(210) 227-8888
Hwy 90 Management, Inc.	6835 W. Highway 90	San Antonio	Texas	78227	(210) 556-3900
Hare Krishna S.A. Hotel, LLC	7719 Louis Pasteur Court	San Antonio	Texas	78229	(210) 349-3100
Shvasai Hospitality, LLC	2212 North Interstate 35	San Marcos	Texas	78666	(737) 213-4011
CHG Stafford LLC	12827 Southwest Fwy	Stafford	Texas	77477	(281) 240-6900
Raviraj, LLC	501 N. Georgia Avenue	Sweetwater	Texas	79556	(325) 933-4443
Divyang Investments, LLC	802 North General Bruce Drive	Temple	Texas	76504	(254) 771-3631
Falu Venture Corporation	2739 West Northwest Loop 323	Tyler	Texas	75702	(903) 531-9513
Diya Hotels, L.L.C.	3303 Troup Highway	Tyler	Texas	75701	(903) 595-5188
35-10 SA Hospitality, LLC	1430 Jack Kultzen Freeway	Waco	Texas	76706	(614) 214-0519
Bridgestone Hotel Group LLC	7888 Interstate 30 West	White Settlement	Texas	76108	(817) 246-5511
Arvind Patel and Sudha Patel	999 East Redhills Parkway	Saint George	Utah	84770	(435) 628-4271
Hare Krishna Hampton Hotel LLC	1616 Hardy Cash Drive	Hampton	Virginia	23666	(000) 000-0000
Hare Krishna Richmond Hotel LLC	7831 Shrader Road	Richmond	Virginia	23294	(804) 273-6100
Columbia Trading, LLC	2811 West 2nd Avenue	Kennewick	Washington	99336	(509) 735-9511
Old West 6017 LLC	24035 Van Ry Boulevard	Mountlake Terrace	Washington	98043	(425) 771-3139

**List of Franchised Studio 6 Suites at Last Fiscal Year End**

None.

**EXHIBIT G-2**  
**LIST OF FRANCHISE AGREEMENT SIGNED BUT MOTEL NOT YET OPEN**

**Exhibit G-2**

**List of Franchise Agreements Signed But Motel Not Yet Open  
For Studio 6 Extended Stay Motels**

<b>Entity Name</b>	<b>Street Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Telephone</b>
Ben-Raj LLC	4627 US Highway 280	Birmingham	Alabama	35242	(205) 991-9977
Nilay S. Patel and Shefalini N. Patel	3016 East Andy Devine Avenue	Kingman	Arizona	86401	(928) 279-4252
Marana 3 LLC	7277 North Camino De Oeste	Tucson	Arizona	85741	(520) 744-9300
Udeyvir Virk	2355 Willow Avenue	Clovis	California	93612	(000) 000-0000
Shanup Patel and Khushbu Patel	2042 West Valley Boulevard	Colton	California	92324	(000) 000-0000
1084 Pomona Corona LLC	1084 Pomona Road	Corona	California	92882	(951) 734-4241
Oceanic El Cajon LP	1250 El Cajon Boulevard	El Cajon	California	92020	(619) 780-0968
Turtle Hospitality LLC	44131 Sierra Highway	Lancaster	California	93534	(661) 945-8771
Cambridge Hospitality, Inc.	231 North Vineyard Avenue	Ontario	California	91764	(909) 937-6000
Madison Avenue P & L Enterprises, Inc.	3796 Northgate Boulevard	Sacramento	California	95834	(916) 927-7117
La Casa Inc.	33 N. Center Street	Stockton	California	95202	(209) 948-6151
Manishkumar Patel	4645 West Noble Avenue	Visalia	California	93277	(559) 732-5611
Jai Sunidev Hospitality LLC	704 Horizon Drive	Grand Junction	Colorado	81506	(970) 245-3080
Champak Patel	1170 Malabar Road SE	Palm Bay	Florida	32907	(000) 000-0000
Piine Forest Hospitality, Inc.	8690 Pine Forest Road	Pensacola	Florida	32534	(850) 476-8989
2350 Stephens, LLC	2350 Stephens Center Drive	Duluth	Georgia	30096	(678) 474-9700
McCollum, LLC	2929 Franklin Road	Caldwell	Idaho	83605	(000) 000-0000
McCormick Studio LLC	2300 South Indiana Avenue	Chicago	Illinois	60616	(773) 251-9102
AU Investment Group, Inc.	2726 West Lake Avenue	Peoria	Illinois	61615	(309) 688-7000
Wind Hospitality Inc.	4345 Southport Crossing Drive	Indianapolis	Indiana	46237	(317) 859-8888

<b>Entity Name</b>	<b>Street Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Telephone</b>
Pauline Hospitality, LLC	NorthEast Quadrant of the intersection of Interstate 70 and Highway 267	Plainfield	Indiana	46168	(000) 000-0000
Cloud 9 Altoona Inc.	3225 Adventureland Drive	Altoona	Iowa	50009	(515) 967-5252
Laxmi Hospitality, LLC.	401 Cherry Blossom Way	Georgetown	Kentucky	40324	(502) 863-1166
Sairam 21, LLC	2724 NE Evangeline Thruway	Lafayette	Louisiana	70507	(337) 889-5969
Nimesh A. Patel	Northwest Quadrant of Lodging Lane Road	Olive Branch	Mississippi	38654	(000) 000-0000
Landmark Hospitality, LLC	2800 10th Avenue	Great Falls	Montana	59405	(000) 000-0000
AM North Vegas, LLC	2401 Las Vegas Boulevard North	North Las Vegas	Nevada	89030	(702) 642-2115
Navjeet Singh and Manjit K. Singh	1090 East Plumb Lane	Reno	Nevada	89502	(000) 000-0000
JSN Hospitality LLC	4035 Route 33 West	Tinton Falls	New Jersey	07753	(000) 000-0000
ABQ 1701 LLC	1701 University Blvd. NE	Albuquerque	New Mexico	87102	(505) 843-9228
Rani Hotels LLC	5220 N. Lovington Highway	Hobbs	New Mexico	88240	(575) 391-0282
Minot Holdings LLC.	1515 22nd Avenue Southwest	Minot	North Dakota	58701	000-0000
Rina Park, L.L.C	1410 Southeast Washington Boulevard	Bartlesville	Oklahoma	74006	(918) 331-9151
MK HOSPITALITY GROUP OF OKLAHOMA LLC	202 South East Lee Boulevard	Lawton	Oklahoma	73501	(508) 355-9765
Purvi L.L.C.	Southeast quadrant of Lincoln Highway and Northgat	Feasterville Trevose	Pennsylvania	19053	(215) 431-1752
ARZY, LLC	123 Sloane Garden Road	Boiling Springs	South Carolina	29316	(000) 000-0000
Ohm Florence LLC	2004 West Lucas Street	Florence	South Carolina	29501	(843) 669-1611
Hare Krishna MB Hotel, LLC	730 Frontage Road East	Myrtle Beach	South Carolina	29577	(843) 448-4899

<b>Entity Name</b>	<b>Street Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Telephone</b>
Dinesh Patel	6155 Fain Street	North Charleston	South Carolina	29406	(000) 000-0000
Ragha Group, LLC	3705 Interstate 40	Amarillo	Texas	79104	(806) 331-7829
Pleiades Hospitality, LLC	8010 North Interstate 35	Austin	Texas	78735	(512) 837-9890
Taraben R. Patel	16939 East Freeway Service Road	Channelview	Texas	77530	(281) 457-1640
Jai Bhole Shiv Sai Hospitality, LLC	8705 East R.L. Thornton Freeway	Dallas	Texas	75228	(918) 916-5500
Sunil Wadhvani and Selma Wadhvani	Northwest Quadrant of Highway 281 and Conquest Blvd.	Edinburg	Texas	78539	(000) 000-0000
Relianse Loma S6 TX LLC	11049 Gateway Boulevard West	El Paso	Texas	79935	(915) 594-8533
Vishal Chopra	1300 North US Highway 285	Fort Stockton	Texas	79735	(432) 940-9696
Avinash Patel and Manisha Patel	14191 Fayridge Drive	Houston	Texas	77048	(000) 000-0000
CHG Medical Center, LLC	3223 South Loop West	Houston	Texas	77025	(713) 664-6424
Azeem Noorani and Afzalumsia Noorani	9221 Wallisville Road	Houston	Texas	77013	(713) 670-3000
BAP Hospitality, LLC	Southeast quadrant of Interstate 820 and Interstat	Lake Worth	Texas	76135	(817) 270-4207
AARTI, LLC	7124 Rosson Road	Laredo	Texas	78041	(956) 723-1198
Sunil and Selma Wadhvani	1813 East Expressway 83	Mission	Texas	78501	(956) 687-1942
Mahendra D. Patel	16500 Interstate 10 West	San Antonio	Texas	78257	(000) 000-0000
Hare Krishna S.A. Hotel, LLC	7719 Louis Pasteur Court	San Antonio	Texas	78229	(210) 349-3100
Bhakti Patel	9400 Wurzbach Road	San Antonio	Texas	78240	(210) 241-6447
ADKP Hospitality LLC	Southeast Quadrant of Interstate 37 and Interstate 410	San Antonio	Texas	78223	(000) 000-0000
Vipul Patel	902 TX-146	Texas City	Texas	77590	(409) 945-9900

<b>Entity Name</b>	<b>Street Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Telephone</b>
Sanjay Vallabh and Seema S. Vallabh	7007 Woodway Dr. - Building B	Woodway	Texas	76712	(254) 751-7400
Belle Meade Management, LLC	3210 South Main Street	Harrisonburg	Virginia	22801	(540) 435-8111
Arya Lodging LLC	1150 Wilkins Way	Casper	Wyoming	82601	(307) 212-3031
Evanston Hospitality 1724 LLC	1724 Harrison Drive	Evanston	Wyoming	82930	(000) 000-0000

**List of Franchise Agreements Signed But Motel Not Yet Open  
For Studio 6 Suites**

None.

**EXHIBIT G-3**  
**LIST OF FRANCHISEES WHO LEFT THE SYSTEM IN LAST FISCAL YEAR**

**Exhibit G-3**

**List of Franchisees Who Left System in Last Fiscal Year**

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

**Studio 6 Extended Stay Motel Franchisees Terminated and Outlet Left System**

<b>Entity Name</b>	<b>Street Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Telephone</b>
Anmol LLC	19318 Bloomfield Avenue	Cerritos	California	90703	(323) 728-5165
Gorman Hospitality, LLC	13640 Hawthorne Boulevard	Hawthorne	California	90250	(661) 248-6411
Ram Vishnu, L.L.C.	635 Henry Street	Lake Charles	Louisiana	70601	(337) 794-8772
Alpine Hotels, Inc.	4416 South Tryon Street	Charlotte	North Carolina	28217	(704) 522-8810
Jayesh Jain and Sadhana Jain	712 North Aster Avenue	Broken Arrow	Oklahoma	74012	(918) 361-7800
Bucavi, LLC	1947 Bedell Avenue, Suite 101	Del Rio	Texas	78840	(830) 775-8084
Siyaram, LLC	10830 Main Street	Houston	Texas	77025	(281) 784-1112
ALH Properties No. Seven, Inc.	2901 Wilcrest Drive, Suite 120	Houston	Texas	77042	(713) 977-5556

**Studio 6 Extended Stay Motel Franchisees  
Terminated Upon Transfer of Outlet to Different Entity; Outlet Remains Open**

<b>Entity Name</b>	<b>Street Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Telephone</b>
Mani Enterprises, LLC	3232 Lexington Lake Avenue	Baton Rouge	Louisiana	70810	(337) 255-2514
Lexicon Hospitality, LLC	3260 Delk Road, Suite 301	Marietta	Georgia	30067	(770) 635-0485

**Studio 6 Suites Franchisees Terminated and Outlet Left System**

None.

**Studio 6 Suites Franchisees  
Terminated Upon Transfer of Outlet to Different Entity; Outlet Remains Open**

None.

**EXHIBIT H**  
**FINANCIAL STATEMENTS**

# ***G6 Hospitality Franchising LLC***

Statements of Financial Position as of December 31, 2020 and 2019 and  
Statements of Income, Changes in Member's Capital and Cash Flows  
for the Years Ended December 31, 2020, 2019, and 2018 and  
Independent Auditors' Report

# G6 Hospitality Franchising LLC

## Financial Statements and Notes to the Financial Statements

### Table of Contents

---

	<b><u>Pages</u></b>
Independent Auditors' Report .....	1 - 2
Statements of Financial Position .....	3
Statements of Income .....	4
Statements of Changes in Member's Capital .....	5
Statements of Cash Flows .....	6
Notes to Financial Statements .....	7 - 11

## INDEPENDENT AUDITORS' REPORT

To G6 Hospitality Franchising LLC:

We have audited the accompanying financial statements of G6 Hospitality Franchising LLC (the "Company"), which comprise the statements of financial position as of December 31, 2020, and 2019, and the related statements of income, changes in member's capital, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of G6 Hospitality Franchising LLC as of December 31, 2020 and 2019, and

the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Adoption of New Accounting Standard**

As discussed in Note 1 to the financial statements, the Company has changed its method for recognizing revenue in 2019 due to the adoption of Accounting Standard Update 2014-09, Revenue from Contracts with Customers (ASC 606) and subsequent amendments.

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, the Company is a wholly-owned subsidiary of G6 Hospitality, LLC. The financial statements have been prepared from the separate records maintained by the Company and may not necessarily be indicative of the conditions that would have existed or the results of operations if the Company had been operated as an unaffiliated company. Our opinion is not modified with respect to this matter.

*Deloitte & Touche LLP*

March 4, 2021

## G6 Hospitality Franchising LLC

### Statements of Financial Position (In thousands)

	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 18,424	\$ 2,073
Fees receivable, net of allowances of \$923 and \$2,279 at December 31, 2020 and 2019, respectively	10,937	10,638
Receivable from affiliate	3,344	16,373
Deferred contract costs	554	510
Other current assets	332	337
Total current assets	<u>33,591</u>	<u>29,931</u>
Non current assets:		
Deferred contract costs, long-term	7,831	7,791
Other long-term assets	1,879	2,227
Total assets	<u>\$ 43,301</u>	<u>\$ 39,949</u>
<b>Liabilities and Member's Capital</b>		
Current liabilities:		
Accounts payable	\$ 2,219	\$ 928
Deferred revenue	1,138	981
Accrued expenses	230	239
Total current liabilities	<u>3,587</u>	<u>2,148</u>
Long Term liabilities:		
Deferred revenue, long-term	14,177	13,481
Total Liabilities	<u>17,764</u>	<u>15,629</u>
Member's capital	25,537	24,320
Total liabilities and member's capital	<u>\$ 43,301</u>	<u>\$ 39,949</u>

See accompanying notes to financial statements

## G6 Hospitality Franchising LLC

### Statements of Income (In thousands)

	Year ended December 31, 2020	Year ended December 31, 2019	Year ended December 31, 2018
<b>REVENUES:</b>			
Royalty fees	\$ 35,202	\$ 35,270	\$ 32,369
Franchise fees	3,053	2,985	3,880
Other income	556	293	152
Total revenues	<u>38,811</u>	<u>38,548</u>	<u>36,401</u>
<b>OPERATING EXPENSES:</b>			
Service fees	15,550	16,878	15,675
Bad debt	977	624	57
Administrative fees	29	34	820
Other taxes	40	129	61
Other operating expenses	28	6	18
Professional fees	312	850	394
Total operating expenses	<u>16,936</u>	<u>18,521</u>	<u>17,025</u>
Income before income tax expense	21,875	20,027	19,376
Income tax expense	<u>58</u>	<u>69</u>	<u>59</u>
<b>NET INCOME</b>	<u>\$ 21,817</u>	<u>\$ 19,958</u>	<u>\$ 19,317</u>

See accompanying notes to financial statements

## G6 Hospitality Franchising LLC

### Statements of Changes in Member's Capital (In thousands)

---

<b>Balance at January 1, 2018</b>	\$ 28,974
Cash distributions	(19,900)
Net income	<u>19,317</u>
<b>Balance at December 31, 2018</b>	\$ 28,391
Adoption of ASC 606	(5,029)
Cash distributions	(19,000)
Net income	<u>19,958</u>
<b>Balance at December 31, 2019</b>	\$ 24,320
Cash distributions	(20,600)
Net income	<u>21,817</u>
<b>Balance at December 31, 2020</b>	<u><u>\$ 25,537</u></u>

See accompanying notes to financial statements

## G6 Hospitality Franchising LLC

### Statements of Cash Flows (In thousands)

	Year ended December 31, 2020	Year ended December 31, 2019	Year ended December 31, 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income	\$ 21,817	\$ 19,958	\$ 19,317
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for bad debt	977	624	57
Amortization of franchise development cost	352	257	121
Changes in other assets and liabilities:			
Fees receivable	(1,275)	109	172
Receivable from affiliate	13,029	(3,400)	(2,492)
Other assets	-	(556)	(1,805)
Deferred contract costs	(84)	(401)	-
Accounts payable	1,291	(242)	902
Deferred revenue	853	1,533	-
Accrued expenses	(9)	(77)	176
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>36,951</u>	<u>17,805</u>	<u>16,448</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Cash distributions	(20,600)	(19,000)	(19,900)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(20,600)</u>	<u>(19,000)</u>	<u>(19,900)</u>
Increase (decrease) in Cash and Cash Equivalents	16,351	(1,195)	(3,452)
Cash and Cash Equivalents at Beginning of Period	2,073	3,268	6,720
Cash and Cash Equivalents at End of Period	<u>\$ 18,424</u>	<u>\$ 2,073</u>	<u>\$ 3,268</u>

See accompanying notes to financial statements

## G6 Hospitality Franchising LLC

### NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2020, 2019 and 2018  
(amounts in thousands, unless otherwise indicated)

---

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Description of Business** – G6 Hospitality Franchising LLC (the “Company”), is a wholly-owned subsidiary of G6 Hospitality LLC (“G6 Hospitality”), which is a wholly-owned motel management company of IBL Limited, LLC (“IBL”). IBL owns Motel 6 Operating L.P. (“Motel 6”) through which G6 Hospitality conducts substantially all of its motel operation activities throughout the continental United States. Motel 6 also offers extended-stay operations for long-term guests under the brand name of “Studio 6”.

On October 1, 2012, IBL was acquired by affiliates of The Blackstone Group (the “Acquisition”). The Blackstone Group is a private investment firm based in New York, New York.

The Company entered into an Intellectual Property License Agreement (the “IP License Agreement”) with G6 Hospitality IP LLC, a wholly owned subsidiary of Motel 6, whereby the Company has the rights to all “Motel 6” and “Studio 6” intellectual property, including trademarks. Additionally, the Company entered into a Franchise Management Agreement (“Management Agreement”) with G6 Hospitality, whereby G6 Hospitality will market and manage the franchising programs. Both agreements were effective beginning October 1, 2012.

**Basis of Presentation** – The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). The fiscal year ends on December 31.

**Worldwide pandemic** – In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. The COVID-19 pandemic continues to have a significant negative impact on the hospitality, travel and leisure industries due to various mandates and orders to close non-essential businesses, impose travel restrictions, and require citizens to “stay-at-home” for periods of time in an effort to control the spread of the virus. Such restrictions and directives resulted in hotel stay cancellations and significant reductions in travel around the world, and created the negative economic conditions throughout much of the year. As a result, the franchisees of the Company have experienced temporary and permanent closures of some motel locations and a significant reduction in guest demand. Company royalties have declined with the reduction in franchisee revenue. However, these declines are offset by the additional royalties received from new franchised motels in 2020. While the disruption is currently expected to be temporary and guest demand has increased each month since hitting a low in April 2020, there is uncertainty around the duration of the recovery.

In response to the impact of COVID-19, the Company has taken a variety of actions to ensure the continuity of the business and operations, including fee concessions to the franchisees, eliminating discretionary spend, and temporarily discontinuing the funding of franchise development related commitments in 2020. The Company has assessed whether any impairment of its amortizable assets existed and has determined that no charges were deemed necessary under applicable accounting standards as of December 31, 2020.

**Parent Company Support** – The Company receives substantial support from its parent company (G6 Hospitality) in the form of services and administration. These financial statements have been prepared from the separate records maintained by the Company and may not necessarily be indicative of the conditions that would have existed or the results of operations if the Company had been operated as an

## G6 Hospitality Franchising LLC

### NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2020, 2019 and 2018  
(amounts in thousands, unless otherwise indicated)

---

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

unaffiliated company. These financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company's ultimate parent BRE/Everbright M6 LLC ("BRE") is dependent upon its parent Blackstone Real Estate Partners VII L.P. and has obtained a commitment of financial support from Blackstone Real Estate Partners VII L.P. to enable BRE to meet its obligations and continue as a going concern for at least one year after the date that these financial statements are issued. The Company's management considers these plans in its assessment of the Company's ability to continue as a going concern and concludes that such plans alleviate substantial doubt about the Company's ability to continue as a going concern.

*Use of Estimates* – The preparation of the Company's financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and disclosure of contingent assets and liabilities at the balance sheet date. Actual results could differ from those estimates. Significant estimates for the Company include the allowance for doubtful accounts and other contingencies.

*Fees Receivable* – The Company records receivables from franchisees for fees earned and not yet collected. The receivables are carried at the original invoiced amount less an allowance for doubtful accounts based on a periodic review of all outstanding amounts. Bad debts are written off when identified and recorded within operating expenses.

*Receivable from Affiliate* – The Company, along with other related parties contribute to the combined operations of IBL. As such, cash is remitted and advanced to the affiliated companies as needed. Remittances and advances to/from affiliate are classified as increases or decreases to cash from operating activities in the Statements of Cash Flow. The receivable from affiliate balance as of December 31, 2020 and 2019 of \$3,344 and \$16,373, respectively, is comprised of cash remittances and advances to G6 Hospitality.

*Other Assets* – The Company incurs costs associated with franchise development and these costs are being amortized over a 5 to 20 year period and are reflected as a reduction of revenue.

*Liabilities* – The Company effectively purchases the receivables from certain guest stays at franchise locations and reimburses the franchisee for the revenues less a 4% fee for the credit risk associated with the stay. The net amounts due to the franchisee are recorded as accounts payable.

The Company bills franchisees for other fees or services rendered by any of its affiliates. These services may include marketing, reservations, training, technical support and administrative support for various programs and services the Company is required to provide under the franchise agreements. The Company collects the fees from the franchisees on behalf of the parent company (G6 Hospitality) (see Note 2).

*Other Income* – Other income consists primarily of early termination fees and non-compliance fees collected from franchisees.

*Expenses* – The Company records service fee expense for management, franchise sales and administrative services rendered by G6 Hospitality (see Note 2). All costs are expensed as incurred.

## G6 Hospitality Franchising LLC

### NOTES TO FINANCIAL STATEMENTS For the Years Ended December 31, 2020, 2019 and 2018 (amounts in thousands, unless otherwise indicated)

---

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Comprehensive Income** – There are no components of comprehensive income other than net income.

**Taxes** – The Company is a disregarded entity for tax purposes. The Company’s ultimate parent is an Limited Liability Company (“LLC”), which has elected to be taxed as a partnership for federal and state tax purposes; and therefore, is not subject to federal income taxes. Accordingly, no provision for federal income taxes has been recorded in the accompanying financial statements since any federal taxable income or loss of the Company is to be included in the tax returns of the ultimate parent’s individual partners.

The Texas franchise tax is computed by applying the applicable tax rate (1% for the Company) to the profit margin, which is generally determined by total revenue less compensation costs.

**Statement of Cash Flows** – For purposes of reporting cash flows, highly liquid short-term investments purchased with a remaining maturity of three months or less are considered to be cash equivalents.

**Revenue Recognition** – The Company adopted Accounting Standards Codification (“ASC”) 606 ‘Revenue from Contracts with Customers’ as of January 1, 2019, using the modified retrospective transition method.

Revenues consist primarily of monthly royalty fees and initial franchise fees. As of December 31, 2020, 2019 and 2018, the total number of franchised motels was 1,200, 1,073 and 980, respectively.

The franchise agreements typically have an initial term from 15 to 20 years with provisions permitting franchisees or the Company to terminate upon request under certain circumstances. Initial franchise fees received upon execution of a franchise agreement are recognized as revenue ratably as services are provided over the term of the franchise agreement.

Royalty fees, which are based on a percentage of franchised motels’ gross room revenue (as defined in each franchise agreement), are invoiced and recorded at a point in time when earned and due from the franchisee.

**Deferred Revenue** – The Company receives the initial franchise and relicensing fees when a franchise agreement is executed. Upon adoption of ASC 606 ‘Revenue from Contracts with Customers’ as of January 1, 2019, such upfront fees received are deferred and recognized over the term of the franchise agreement. In the event an agreement is terminated prior to the term end, any related deferred revenue is immediately recognized. Changes in deferred revenue were as follows.

	December 31, 2020	December 31, 2019
Deferred revenue at the beginning of the period	\$ 14,462	\$ 12,929
New deferrals due to cash received	3,311	4,020
Revenue recognized during the period	<u>(2,458)</u>	<u>(2,487)</u>
Deferred revenue at end of period	15,315	14,462
Less: current portion	<u>(1,138)</u>	<u>(981)</u>
Long-term deferred revenue at end of period	<u>\$ 14,177</u>	<u>\$ 13,481</u>

## G6 Hospitality Franchising LLC

### NOTES TO FINANCIAL STATEMENTS For the Years Ended December 31, 2020, 2019 and 2018 (amounts in thousands, unless otherwise indicated)

---

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Deferred Contract Costs* – The Company incurs certain direct costs such as franchise commissions and incentives in order to obtain franchise contracts. Upon adoption of ASC 606 ‘Revenue from Contracts with Customers’ as of January 1, 2019, such costs are capitalized and subsequently amortized over the term of the agreement. In the event an agreement is terminated prior to the term end, any unamortized cost is immediately expensed. Changes in deferred contract costs were as follows.

	December 31, 2020	December 31, 2019
Deferred contract costs at the beginning of the period	\$ 8,301	\$ 7,900
New deferrals due to costs incurred	1,388	1,977
Contract costs amortized during the period	(1,304)	(1,576)
Deferred contract costs at end of period	8,385	8,301
Less: current portion	(554)	(510)
Long-term deferred contract costs at end of period	<u>\$ 7,831</u>	<u>\$ 7,791</u>

#### *Newly Issued Accounting Standards*

In June 2016, the FASB issued ASU 2016-13, “Financial Instruments – Credit Losses (ASC 326), Measurement of Credit Losses on Financial Instruments” and issued subsequent amendments to the initial guidance at various points within ASU 2018-19, ASU 2019-04, ASU 2019-05, ASU 2019-10 and ASU 2019-11 (these ASUs collectively referred to as "ASC 326"), which changes the methodology for measuring credit losses on financial instruments and the timing of when such losses are recorded. For non-public entities, the guidance is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted for fiscal years and interim periods within those years, beginning after December 15, 2018. The Company is currently evaluating the impact on this guidance on the consolidated financial position, results of operations and related disclosures.

From time to time, new accounting standards are issued by FASB or other standards setting bodies, which the Company adopts as of the specified effective date. Unless, otherwise discussed, the Company believes the impact of recently issued standards that are not yet effective will not have a material impact on the financial statements upon adoption.

#### 2. RELATED PARTY TRANSACTIONS

In 2020, 2019, and 2018, the Company recorded service fees payable to G6 Hospitality LLC for the cost of all services, plus 3% of the franchised motels gross room revenues. In addition, the Company has an IP License Agreement with G6 Hospitality IP LLC.

Certain services are provided by G6 Hospitality directly to the franchisee. These services are billed to the franchisees by the Company and subsequently remitted to G6 Hospitality.

In 2020, 2019 and 2018, the Company made \$20,600, \$19,000, and \$19,900 of cash distributions, respectively, to G6 Hospitality LLC, which were recorded as a reduction of the Company’s Members’ Equity. These distributions were made to facilitate G6 Hospitality LLC cash management.

## **G6 Hospitality Franchising LLC**

### **NOTES TO FINANCIAL STATEMENTS For the Years Ended December 31, 2020, 2019 and 2018 (amounts in thousands, unless otherwise indicated)**

---

#### **3. INCOME TAXES**

The Company recorded a provision for the Texas franchise tax of \$58, \$69 and \$59 for the years ended December 31, 2020, 2019 and 2018, respectively. There are no deferred tax assets or liabilities at December 31, 2020 or 2019.

#### **4. COMMITMENTS AND CONTINGENCIES**

As of December 31, 2020, the Company has certain commitments related to franchise development of approximately \$6,949, of which \$3,429 is expected to be funded in 2021, \$2,825 in 2022 and \$695 in 2023.

#### **5. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through March 04, 2021, the date the financial statements were available to be issued.

**EXHIBIT I**  
**STATE ADDENDA TO DISCLOSURE DOCUMENT**

## STATE ADDENDA TO DISCLOSURE DOCUMENT

### California Addendum to Disclosure Document

In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code Section 31000 et seq., and the California Franchise Relations Act, Cal. Bus. & Prof. Code Section 20000 et seq., the Franchise Disclosure Document for Studio 6 for use in the State of California shall be amended to include the following:

1. Item 3, "Litigation," shall be amended by the addition of the following paragraph:

Neither we, nor any person or franchise broker in Item 2 of the disclosure document, 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, 15 U.S.C. 78a, et seq.) suspending or expelling such persons from membership in such association or exchange.

Pursuant to California law, this Item does not include any information regarding the arrest of any person(s) that did not result in a conviction or plea of nolo contendere.

2. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following paragraph(s) at the conclusion of the Item:

California Business and Professions Code Sections 20000 through 20043 provide rights to the Franchisee 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.

If any of the provisions of the Franchise Agreement conflict with the California Franchise Relations Act, the provisions of the California Franchise Relations Act will control.

The Franchise Agreement provides for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C. Sec/ 101, et seq.).

The Franchise Agreement requires application of the laws of Texas. These provisions may not be enforceable under California law.

The Franchise Agreement contains a provision that may be construed as a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

3. 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](http://WWW.DFPI.CA.GOV).

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

5. You must sign a general release if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

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

## Hawaii Addendum to Disclosure Document

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., the Franchise Disclosure Document for Studio 6 for use in the State of Hawaii is amended to include the following:

1. The following paragraphs are added to the State Cover Page:

THESE FRANCHISES WILL BE OR HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE COMMISSIONER OF SECURITIES, 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 AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, AND THIS ADDENDUM, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS ADDENDUM AND THE DISCLOSURE DOCUMENT CONTAIN 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 FRANCHISEE.

2. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

## **Illinois Addendum to Disclosure Document**

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, 815 ILCS-705/1 *et seq* the Franchise Disclosure Document for Studio 6 for use in the State of Illinois shall be amended to include the following:

1. If the franchise agreement requires that it be governed by a state's law, other than the state of Illinois, to the extent that such law conflicts with the Illinois Franchise Disclosure Act (including judicial decisions interpreting the Act), Illinois law will govern.

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

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

4. Your rights upon termination and non-renewal of a Franchise Agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure act.

5. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987 are met independently, without reference to this Addendum.

## **Maryland Addendum to Disclosure Document**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, MD. ANN. CODE, BUS. REG., 14-201 through 14-233 (2015 Repl. Vol.), the Franchise Disclosure Document for Studio 6 for use in the State of Maryland shall be amended as follows:

1. Item 7, "Initial Investment," is amended by the addition of the following to the first note after the chart:

We will grant a franchise for a conversion property located in the State of Maryland only where an initial investment (including the acquisition of the property) in excess of \$750,000 is required.

2. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is amended by the addition of the following language:

Franchisee shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its subsidiaries and Affiliates, and their respective officers, directors, agents, employees and successors, excluding only such claims as Franchisee may have under the Maryland Franchise Registration and Disclosure Law.

Any and all claims arising under the Maryland Franchise Registration and Disclosure Law shall be commenced within three (3) years from the occurrence of the facts giving rise to such claim or action, or such action shall be barred. Except for this limitation, nothing in the Franchise Agreement shall limit your rights under Maryland law to enter into litigation with Franchisor in any court of competent jurisdiction within the State of Maryland, for claims under the Maryland Franchise Registration and Disclosure Law.

A provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the Franchisee may not be enforceable under Title 11, U.S.C. Section 101.

3. Each provision of this Addendum to the disclosure document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.

## Minnesota Addendum to Disclosure Document

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the Franchise Disclosure Document for Studio 6 for use in the State of Minnesota shall be amended as follows:

1. Item 13 “Trademarks” shall be amended by deleting the second paragraph and substituting the following paragraph in lieu thereof:

The following Proprietary Marks have been registered, or registration has been applied for, with the United States Patent and Trademark Office. These Proprietary Marks are in use pursuant to a perpetual Master Trademark License Agreement between G6 Franchising and G6 Hospitality IP LLC dated March October 1, 2012.

2. Item 13 “Trademarks” shall be amended by adding the following statement to the end of the Item:

Notwithstanding the foregoing, pursuant to Minnesota Stat. Sec. 80C.12, Subd. 1(g), we are required to protect any rights which you have to use our Proprietary Marks.

3. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” is amended by adding the following language at the conclusion of the Item:

With respect to Franchisees governed by Minnesota law, we will comply with Minn. Stat. Sec 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Franchise Agreement, and that consent to the Transfer of the franchise not be unreasonably withheld.

Pursuant to Minn. Rule 2860.4400D, any general release of claims that you or a transferor may have against us or our shareholders, directors, employees and agents, including without limitation claims arising under federal, state and local laws and regulations shall exclude such claims you or a transferor may have under the Minnesota Franchise Law and the Rules and Regulations promulgated thereunder by the Commissioner of Commerce.

Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring a franchisee to consent to liquidated damages. Therefore, liquidated damages in violation of Minnesota law may be unenforceable, but the Franchisee remains liable for actual or other damages and the formula for liquidated damages in the Franchise Agreement may be admissible as evidence of actual damages.

4. To the extent required by Minnesota Law, the Franchise Disclosure Document is amended to delete all references to a waiver of jury trial.

5. All sections of the Franchise Disclosure Document referencing Franchisor's right to obtain injunctive relief are hereby amended to refer to Franchisor's right to seek to obtain.

6. Each provision of this Addendum to the disclosure document should be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Law or the Rules and Regulations promulgated thereunder by the Minnesota Commission of Commerce are met independently without reference to this Addendum to the disclosure document.

## New York Addendum to Disclosure Document

In recognition of the requirements of the New York General Business Law, Article 33, Section 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs. tit. 13, §§ 200.1 through 201.16), the Franchise Disclosure Document for Studio 6 for use in the State of New York shall be amended as follows:

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, NY 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), titled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

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

6. The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”:

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), titled “Assignment of contract by franchisor”:

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), titled “Choice of forum”, and Item 17(w), titled “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.

9. Each provision of this Addendum to the disclosure document shall be effective only to the extent, with respect to such provision that the jurisdictional requirements of the New York General Business Law, Article 33 are met independently without reference to this Addendum to the disclosure document.

## **Rhode Island Addendum to Disclosure Document**

1. In recognition of the restrictions contained in Section 19-28.1-14 of the Rhode Island Franchise Investment Act, Items 17(v) and 17(w) of the Franchise Disclosure Document for G6 Hospitality Franchising LLC are supplemented with the following:

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

## **Virginia Addendum to Disclosure Document**

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17.h. of the Franchise Disclosure Document for G6 Hospitality Franchising LLC is supplemented by the following:

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

## 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:

<b>STATES</b>	<b>EFFECTIVE DATE</b>
California	January 7, 2021 as amended April 9, 2021 and July 1, 2021
Hawaii	September 10, 2021
Illinois	March 5, 2021 as amended April 9, 2021 and July 1, 2021
Indiana	March 5, 2021 as amended April 9, 2021 and July 1, 2021
Maryland	March 9, 2021 as amended April 9, 2021 and July 1, 2021
Michigan	March 8, 2021 as amended April 9, 2021 and July 1, 2021
Minnesota	March 19, 2021 as amended April 23, 2021 and July 15, 2021
New York	March 5, 2021 as amended April 9, 2021 and July 1, 2021
North Dakota	March 11, 2021 as amended April 9, 2021 and July 1, 2021
Rhode Island	March 8, 2021 as amended April 13, 2021 and July 1, 2021
South Dakota	March 8, 2021 as amended April 9, 2021 and July 1, 2021
Virginia	March 11, 2021 as amended April 12, 2021 and July 6, 2021
Washington	March 13, 2021 as amended April 9, 2021 and July 1, 2021
Wisconsin	March 13, 2021 as amended April 9, 2021 and July 1, 2021

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.

**EXHIBIT J**  
**RECEIPTS**



**RECEIPTS**

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 G6 Hospitality Franchising LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make payment to, G6 Hospitality Franchising LLC or its affiliate in connection with the proposed sale or sooner if required by applicable state law.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or fourteen (14) days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If G6 Hospitality Franchising LLC 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agencies listed in Exhibit A.

The franchisor is G6 Hospitality Franchising LLC, located at 4001 International Parkway, Carrollton, Texas 75007. Its telephone number is 972-360-5405.

Issuance Date: March 5, 2021 as amended on April 9, 2021 and July 1, 2021.

The name, principal business address, and telephone number of the franchise seller offering the franchise is (PLEASE FILL IN THE FOLLOWING INFORMATION IF DIFFERENT):

<b>Name</b>	<b>Principal Business Address</b>	<b>Telephone Number</b>
Mike McGeehan	4001 International Pkwy, Carrollton, TX 75007	972-360-5405

G6 Hospitality Franchising LLC authorizes the agents listed in Exhibit B to receive service of process for it.

I received a disclosure document dated March 5, 2021 as amended on April 9, 2021 and July 1, 2021 that included the following Exhibits:

Exhibit A – List of State Administrators	Exhibit G-1 – List of Franchised Motels At Last Fiscal Year End
Exhibit B – Agents for Service of Process	Exhibit G-2 – List Of Franchise Agreements Signed But Motel Not Yet Open
Exhibit C – Franchise Application	Exhibit G-3 – List of Franchisees Who Left System In Last Fiscal Year
Exhibit D – Franchise Agreement	Exhibit H – Financial Statements
Exhibit E – General Release	Exhibit I – State Addenda To Disclosure Document
Exhibit F – Manual Table of Contents	Exhibit J – Receipts

**Dated:** \_\_\_\_\_

\_\_\_\_\_  
**Franchisee Signature**

**Property Information:**

**Print Name:** \_\_\_\_\_

**City and State:** \_\_\_\_\_

***[KEEP THIS COPY FOR YOUR RECORDS]***



**RECEIPTS**

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 G6 Hospitality Franchising LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make payment to, G6 Hospitality Franchising LLC or its affiliate in connection with the proposed sale or sooner if required by applicable state law.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or fourteen (14) days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If G6 Hospitality Franchising LLC 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agencies listed in Exhibit A.

The franchisor is G6 Hospitality Franchising LLC, located at 4001 International Parkway, Carrollton, Texas 75007. Its telephone number is 972-360-5405.

Issuance Date: March 5, 2021 as amended on April 9, 2021 and July 1, 2021.

The name, principal business address, and telephone number of the franchise seller offering the franchise is (PLEASE FILL IN THE FOLLOWING INFORMATION IF DIFFERENT):

Name	Principal Business Address	Telephone Number
Mike McGeehan	4001 International Pkwy, Carrollton, TX 75007	972-360-5405

G6 Hospitality Franchising LLC authorizes the agents listed in Exhibit B to receive service of process for it.

I received a disclosure document dated March 5, 2021 as amended on April 9, 2021 and July 1, 2021 that included the following Exhibits:

Exhibit A – List of State Administrators	Exhibit G-1 – List of Franchised Motels At Last Fiscal Year End
Exhibit B – Agents for Service of Process	Exhibit G-2 – List Of Franchise Agreements Signed But Motel Not Yet Open
Exhibit C – Franchise Application	Exhibit G-3 – List of Franchisees Who Left System In Last Fiscal Year
Exhibit D – Franchise Agreement	Exhibit H – Financial Statements
Exhibit E – General Release	Exhibit I – State Addenda To Disclosure Document
Exhibit F – Manual Table of Contents	Exhibit J – Receipts

**Dated:** \_\_\_\_\_

\_\_\_\_\_  
**Franchisee Signature**

**Property Information:** \_\_\_\_\_

\_\_\_\_\_  
**Print Name:**

**City and State:** \_\_\_\_\_

***[RETURN THIS COPY TO US FOR OUR RECORDS]***

Please return the signed Receipt by completing all of the blanks above and mailing it to G6 Hospitality Franchising LLC, 4001 International Parkway, Carrollton, Texas 75007, Attention: Franchise Administration.