

04/22

FLJ41 – 0000041462
Cambria

CHOICE HOTELS INTERNATIONAL, INC.
FRANCHISE AGREEMENT

FINAL
CAMBRIA - T.V.

THIS AGREEMENT ("Agreement") is made in Maryland, effective as of 12/30/2022 ("Effective Date"), between Choice Hotels International, Inc., a Delaware corporation ("we" or "us"), and Titusville Mall LLC, a Florida Limited Liability Company ("you").

As set forth in this Agreement, including the Rider to the Franchise Agreement (Attachment A), we and you agree as follows:

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

a. "Hotel" means the property located at **3550 S Washington Ave, Titusville, FL 32780** ("Location") and includes the building, land and all improvements, structures, fixtures, amenities, equipment, furniture and related rights, privileges and properties at such Location.

b. "Sleeping Rooms" means the number 153, which is and shall be the total number of rentable sleeping rooms in the Hotel, subject to change only in accordance with Section 8, below.

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

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

e. "Designated Representative" means the person designated by you to represent you on all matters relating to this Agreement and to receive notices under this Agreement on your behalf. Unless you change the Designated Representative in accordance with Section 15 of this Agreement, your Designated Representative is Jessie Wright whose address is 22939 Hawthorne Blvd, Torrance, CA 90505.

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

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

h. "Hotel Supplies" means all furniture, fixtures, equipment (including, without limitation,

computers, printers, telephones and facsimile machines), signs, amenities and other supplies used in the construction, renovation, maintenance and operation of the Hotel.

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

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

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

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

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

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

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

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

2. **Grant of License.** Subject to your compliance with all of your obligations under this Agreement, we grant to you a non-exclusive, limited, revocable license to use (without the right to sublicense) our System and the Brand Mark to operate the Hotel during the Term; provided, that we will not grant another franchise to use the Brand Mark and the System during the period beginning upon the Effective Date and ending on the 5th anniversary of the Opening Date within the area described and depicted on Attachment

A ("Exclusive Territory"). Unless and until you materially breach the terms of this Agreement, the Exclusive Territory will remain in effect. The term "materially breach" shall mean those violations of this Agreement that are not cured within any applicable cure periods outlined in Sections 10(b)(1) and 10(b)(2) of this Agreement. This license is non-exclusive, except to the extent stated in this Agreement. You do not have the right to use any of the Choice Marks other than the Brand Mark in connection with the operation of the Hotel except as expressly authorized by us in writing. We, for ourselves and our affiliates, retain all rights and discretion with respect to the Brand Mark and the System, including, but not limited to, those specified in Section 19(b).

3. **Term**. The term of this Agreement ("Term") begins on the Effective Date and ends on the date that is 30 years after the Opening Date. You have no right or option to renew this Agreement or extend the Term.

4. **Fees and Reports**.

a. **Affiliation Fee**. By no later than the date you sign this Agreement, you will pay us an affiliation fee of **\$60,000.00** ("Affiliation Fee"), which is non-refundable except as provided in this Section 4(a). The Affiliation Fee is fully earned upon our receipt, whether or not you open the Hotel. If we do not sign this Agreement for any reason, any monies that you have paid to us towards the Affiliation Fee will be refunded to you.

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

1. **Royalty Fee**. A royalty fee of 6% of the preceding month's Gross Room Revenues ("Royalty Fee") in consideration for the license granted to you in Section 2.

2. **System Fee**. A system fee of 3% of the preceding month's Gross Room Revenues for the ongoing development, maintenance and upgrading of the Property Management System and Reservation System, and for advertising, publicity, public relations, marketing, promotional programs, website maintenance, reservations and other similar services that we will provide to you under this Agreement and for our System as further described in Section 19(h) below, as we determine in our sole discretion (collectively, the "System Fee"). The System Fee shall not be used for the license or right to use any computer software or computer systems, including but not limited to, the Property Management System and Reservation System, or for the license or right to use the Brand Mark or any other Choice Intellectual Property. You acknowledge and agree that (i) we may increase the System Fee due to cost increases attributable to inflation, increases in the costs of advertising, publicity, public relations or marketing, additional costs of implementing new or improved programs or systems, or increases in our cost of providing the Property Management or Reservation Systems or any of the other aspects of our System, so long as the increases apply to all or most of the U.S. hotels that are authorized to use the Brand Mark; (ii) we may assess additional fees and charges for various components of the System and other services (including promotional programs and use of proprietary software) as described in this Agreement and the Brand Standards; and (iii) we may advance monies for the purposes described herein in an amount reasonably necessary to ensure the continuation of such services whether or not sufficient System Fees are then available, and subsequently obtain reimbursement of such advances by utilizing future System Fees or through the fee increases described above, provided that such increases shall be limited to the amount needed to recover the previous monies advanced; and

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

c. **Payments and Reports**. Beginning on the Opening Date, within 5 days after the end of each calendar month during the Term, you will send us a statement on a form to be determined by us showing the Gross Room Revenues, occupancy and other related information that we request for the

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

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

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

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

5. Our Duties. We will during the Term:

- a. Brand Standards. Make available to you an electronic copy of the Brand Standards;
- b. Quality Assurance. Administer quality assurance programs as described in the Brand Standards that may include periodic visits to the Hotel (by us or authorized third parties) and/or guest satisfaction surveys and guest reviews to evaluate your compliance with this Agreement and the Brand Standards and advise you of any defaults and on changes that you must make to the Hotel or its operations to comply with this Agreement or the Brand Standards;
- c. System Services. (i) Allow you to use the Property Management System and the Reservation System, (ii) provide marketing services, such as national, international and regional advertising, promotional programs, publicity, marketing research, and other related marketing activities, that we reasonably determine are appropriate for the promotion of the Hotel, our System and the Other Choice Brand Hotels; and (iii) periodically make available to the traveling public a directory or other listing of all hotels which are in good standing and that are authorized to use our System, which may be provided in an electronic format, including on the Internet, in our sole discretion. You acknowledge and agree that we may combine the services that we will provide to you in clauses (i), (ii) and (iii), above, with other hotels that are authorized to use the Brand Mark and/or our System, or other hotels that we or our affiliates operate in our sole, but reasonable, discretion. You also acknowledge and agree that we will not be obligated to permit or assist in making reservations for the Hotel for any dates following the scheduled date of expiration or termination of this Agreement, or during any period in which your rights are suspended under Section 10(c) of this Agreement; and
- d. Consultation. Make available to you, at our discretion, additional consultation and services to assist you to construct, renovate, maintain, operate, and/or market the Hotel on the same basis as provided to other hotels that are authorized to use our System under the Brand Mark; we reserve the right to charge you reasonable fees that we may establish in advance or on a project-by-project basis for such consultation and services. Any guidance, recommendations, or advice provided to you during such consultation shall be deemed suggestions only, and the decision to follow any such guidance, recommendations, or advice will be made by you in your sole discretion.

6. Your Duties. You will during the Term:

- a. Compliance with Brand Standards. Comply with the requirements of this Agreement and the Brand Standards which you acknowledge we may modify and/or update in our sole discretion from time to time. You will not disclose this Agreement or the Brand Standards (including any copies of the Brand Standards that are no longer the then-current version) to anyone except your authorized employees (or the employees of your management company, if authorized by us), your attorneys, accountants, lenders, or authorized agents and advisors who have a need to know for the purpose of operating the Hotel and your lenders, investors and potential purchasers, each of whom have been clearly informed of their obligation to maintain the confidential status of such confidential information and who sign corresponding documentation protecting such confidential information from unauthorized disclosure without our written consent and which grants us the right to enforce such confidentiality agreement and pursue any unauthorized disclosure by such parties;
- b. Good Repair; Safe and Secure. Construct, renovate, operate, furnish, maintain and advertise the Hotel according to this Agreement and the Brand Standards; undertake all repairs, cleaning, redecoration, repainting, and replacement of obsolete or outdated Hotel Supplies; take such other corrective action as is necessary to maintain the Hotel interior and exterior, including any parking areas and food and beverage facilities, in a clean, sound, and attractive condition and good repair at all times; and operate the Hotel in a safe and secure manner that optimizes public health and safety. You are solely responsible for determining and addressing all safety concerns relating to the condition of the Hotel and surrounding areas;
- c. Ethical Standards; Performance. Establish and maintain a high ethical and moral standard in

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

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

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

f. Signage. Subject to applicable governmental rules and regulations, obtain and display prominently at the Hotel our approved interior and exterior signage in compliance with the Brand Standards, which may be modified from time to time in our sole discretion, and maintain the signage in a clean and attractive condition, and in good working order at all times;

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

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

i. Rate Information. Upon our request, and in the manner and format we specify, send us a written description of your Hotel and its then-current rates so that we may include this information in directories and other listings and information that we periodically make available to the public. If you do not send us

changes to the information that you provide to us by the deadlines that we indicate, you will honor the rates and descriptive information on record at the time of the deadlines;

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

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

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

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

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

o. Renovations. Undertake, at our written request, remodeling, renovations, and modifications to existing improvements, necessary to modernize and conform the Hotel to the Brand Standards or other requirements of our System ("Renovations") and sign a property improvement plan or other writing that we prepare to document your obligation to complete such Renovations. Within 90 days after receipt of our written request that your Hotel undergo Renovations, you will submit to us for our review and approval, complete and professional drawings and plans for such Renovations before beginning any work to complete the Renovations. You will complete the required Renovations within the time reasonably specified by us in our written request and failure to do so will be subject to notice and cure periods set forth in Section 10 hereof. Without limiting the foregoing, you agree to replace all Soft Goods at least every six (6) years after the date such Soft Goods are installed, and replace all Case Goods at least every twelve (12) years after the date such Case Goods are installed; provided, however, earlier or more frequent Renovations or replacements may be necessary to maintain the quality level of the Hotel in compliance with the Brand Standards as we determine in our reasonable discretion. Any such replacement of Soft Goods or Case

Goods, as the case may be, must be performed within a limited time period (not to exceed 90 days) and not over an extended period of time in order to minimize disruption to guests and avoid inconsistency of product. For purposes of this Section 6(o), "Soft Goods" shall mean wall and floor coverings, window treatments, carpeting, bedspreads, lamps, artwork, decorative items, wall decorations, upholstery, textiles, fabrics, vinyl, and similar items used in the Sleeping Rooms, Meeting Rooms, and public areas of the Hotel; and "Case Goods" shall mean furniture and fixtures, such as cabinets, shelves, chests, armoires, chairs, beds, headboards, desks, tables, mirrors, lighting fixtures, and similar items used in the Sleeping Rooms, Meeting Rooms, and public areas of the Hotel. You acknowledge and agree that the obligations described in this Section 6(o) are in addition to your ongoing obligations to comply with Section 6(b) and Section 6(d);

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

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

r. Construction and Substantial Renovation Related Duties. If the Hotel has yet to be constructed or if the Hotel is to be substantially renovated:

1. Plans. Prepare 30% design development documents for the Hotel ("30% Plans") that satisfy the Brand Standards and the then-current prototype design specifications for hotels that are authorized to use the Brand Mark, and submit a copy of the 30% Plans to us for our review and approval within **3 months** after the Effective Date. Prepare 60% design development documents for the Hotel ("60% Plans") that satisfy the Brand Standards and the then-current prototype design specifications for hotels that are authorized to use the Brand Mark, and submit a copy of the 60% Plans to us for our review and approval within **6 months** after the Effective Date. "30% Plans" means drawings that, in accordance with the American Institute of Architects best practices, provide clear direction regarding the design intent for the size and character of the entire project, including the following preliminary drawings: civil plans; architectural floor and roof plans; concept building sections and elevations; conceptual structural, mechanical, electrical, and plumbing plans; unique conditions that are site specific; room type matrix and gross square footage of each guest room; estimations of area tabulation, construction type for budget, and cost estimation. "60% Plans" means drawings that, in accordance with the American Institute of Architects best practices, fix and describe the size and character of the entire project as to structural, landscape, mechanical, plumbing, and electrical systems; interior design concepts, finishes, and sample materials; materials, window and door locations; unique conditions that are site specific; and a construction cost estimation;

2. Timing and Extensions. Cause Construction Start to occur within **12 months** of the Effective Date, and within 5 days after Construction Start, inform us in writing that Construction Start has occurred. "Construction Start" means either: (i) for a new construction hotel, the date that construction permit(s) is(are) obtained, the Location has been fenced off and mobilized by the contractor, and construction activity is occurring daily at the Location; or (ii) for a conversion hotel, the date that demolition permit(s) is(are) obtained, the Location has been fenced off and mobilized by the contractor, and construction activity is occurring daily at the Location. If you do not cause Construction Start to occur within 12 months of the Effective Date of this Agreement, you may request, before the end of the 12 months, an additional 3 months for Construction Start. We are not obligated to extend the time for Construction Start. If we agree to extend the time for Construction Start beyond the original 12 month requirement, you will pay us an extension fee of \$5,000 for each 3-month extension that we grant to you;

3. Model Room. Build a model Sleeping Room for our review and approval prior to

ordering any fixtures, furnishings or equipment for the Hotel;

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

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

6. Construction Schedule. Provide to us a final construction schedule at Construction Start and an updated schedule as material changes in completion date occur.

s. Opening. Prior to the Opening Date:

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

2. Cooperation/Inspection. Cooperate with us, and use commercially reasonable efforts to require your architect, engineer, contractors and subcontractors to cooperate with us, and allow us to inspect the Location and the Hotel to determine whether construction (or renovation) satisfies the Brand Standards, the then-current prototype design specifications for hotels that are authorized to use the Brand Mark, and the Plans subject to industry standard tolerances;

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

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

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

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

7. Pre-Opening Budget. Provide us within 7 months prior to the Opening Deadline, and as an express condition of opening, a detailed property pro forma and segmented stub and first full year operating budget on a form to be determined by us.

t. Management Company. Engage a professional hotel management company ("Management Company") before Construction Start and retain such Management Company to operate and manage the Hotel during the Term of the Agreement. Your selection of Management Company will be subject to our prior written consent. We will consider you or your affiliate as a Management Company using the same criteria we use in considering a third-party Management Company. Our consent of a Management Company selected by you does not constitute an endorsement, recommendation, or validation of such management company, and we provide no guaranty or assurance that such Management Company will be successful. Our consent is revocable at any time if we determine, in our sole discretion, that Management Company no longer complies with our standards and requirements. Within 30 days of such revocation, you must replace your then-current Management Company with a replacement Management Company that we approve in writing. To comply with the foregoing requirements, any hotel management company agreement

you execute during the Term of this Agreement in connection with the Hotel must be terminable by you without cause. Choice is under no obligation to approve a proposed management company or replacement management company that is a franchisor or owner (or an affiliate of a franchisor or owner) of a hotel, resort or other lodging chain or brand.

u. Marketing Plan. Provide us within 4 months prior to the Opening Deadline, and as an express condition of opening, a detailed sales, advertising and marketing plan ("Marketing Plan") for review and approval. The Marketing Plan must include a detailed market and demand overview, segmentation strategy along with supporting analysis, local marketing plan, and proposed rate positioning along with supporting strategy. You must also within 6 months prior to the Opening Deadline hire, employ and effectively integrate and onboard a Director of Sales and Marketing that is solely dedicated to the Hotel. You and we agree that we will have the right to evaluate the Marketing Plan during the Term of the Agreement no more than once every six months and we will have the right, in our sole discretion, to require revisions to the Marketing Plan that are commercially reasonable. You and the Management Company will be responsible for the implementation and execution of the Marketing Plan, including any revisions required by us that are commercially reasonable. We will base our revisions on your input and the performance of the hotel against its competitive indexes. We will notify you in writing of the required revisions to the Marketing Plan. You acknowledge that your failure to implement and execute the Marketing Plan, including any revisions required by us that are commercially reasonable within the period set forth in such notice and subject to the notice and cure periods set forth in Section 10 of the Agreement, will constitute a material default under the Franchise Agreement giving us the right to terminate the Agreement pursuant to Section 10 of the Franchise Agreement. The immediately preceding sentence does not apply to your failure to achieve property level sales results at the Hotel as they relate to the Marketing Plan.

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

w. Reserve. You must fund the cost of all repairs, renovations, and upgrades at the Hotel, including, but not limited to, those required by Sections 6(b), 6(f), and 6(o) above. For the purpose of

periodically replacing Soft Goods, Case Goods, signage, fixtures, and equipment, you shall establish a cash reserve fund ("Reserve") at a bank selected by you and acceptable to us. All interest earned on funds in the Reserve will be deposited in and credited to the Reserve in addition to the other funds already in the Reserve. The Reserve will not be used for repairs, alterations, improvements, renewals, or replacements to the Hotel's building structure or to its mechanical, electrical, heating, ventilation, air conditioning, plumbing, or vertical transportation systems, which structure and operating systems will be maintained in good repair and condition from other funds of yours.

1. Commencing with the Opening Date and continuing through the Term, you must, within fifteen (15) days after the end of each month, transfer into the Reserve an amount equal to the following percentages of the preceding month's Gross Room Revenues:

Months	Percentage of Gross Room Revenues
1 – 12	1.5%
13 – 24	2.5%
25 – 60	3.5%
61 – 120	4.5%
121 and thereafter	5.0%

2. At the end of each 12-month period, any amounts remaining in the Reserve will be carried forward and will not be credited against or decrease the amount otherwise required to be deposited in the Reserve during the next 12-month period.

3. No later than thirty (30) days after the beginning of each 12-month period, you will prepare and submit to us a financial accounting of the Reserve for the prior 12-month period, including all contributions and expenditures.

4. You agree that the contributions to the Reserve required by Section 6(w)(1) may not be sufficient to keep the Reserve at the level necessary to make all repairs and replacements required by this Agreement or otherwise. If the funds in the Reserve are insufficient for such purpose, you agree to promptly contribute any necessary funds.

x. Revenue Management. Enroll in then-current brand revenue management program or secure brand approval based on then-current requirements and qualifications for non-brand revenue management as set forth in the Brand Standards.

y. Confidential Information. Maintain the absolute confidentiality of the Confidential Information (as defined below) during and after the term of this Agreement. You agree that you: (i) will not use the Confidential Information in any capacity or business or purpose other than what is explicitly authorized under the terms of this Agreement; (ii) will not make unauthorized copies of any Confidential Information disclosed in written form; (iii) will adopt and implement all reasonable procedures we direct to prevent unauthorized use or disclosure of the Confidential Information. You shall divulge such Confidential Information only to such of your authorized employees (or the employees of your management company if authorized by us), attorneys, accountants, authorized agents, lenders, investors or prospective purchasers of the Hotel as must have access to it in order to operate, loan money in connection with, or purchase the Hotel. "Confidential Information" includes the methods, techniques, formats, marketing and promotional techniques and procedures, specifications, information, Brand Standards, systems, costs and financial information that we communicate to you or that you otherwise acquire in operating the Hotel under the System. Confidential Information does not include information, processes or techniques that are generally known to the public, other than through disclosure (whether deliberate or inadvertent) by you.

z. Food and Beverage. You are required to manage all food and beverage operations and offerings at the Hotel in accordance with our Brand Standards. Any third-party operator ("Third-Party Operator") you designate to operate any restaurant, bar (including any rooftop bar), any retail bay outlet or other food establishment must be pre-approved by us in writing. We will not approve of any Third-Party

Operator associated with or operating as a part of a regional, national or international chain. Additionally, you must seek our prior written consent before executing any lease with any Third-Party Operator to ensure the lease meets our requirements. Our consent of a Third-Party Operator does not constitute an endorsement, recommendation, or validation of the Third-Party Operator. Our consent of your Third-Party Operator is revocable at any time if we determine, in our sole discretion, that the Third-Party Operator no longer complies with our standards and requirements. Within 30 days of such revocation, you must replace your then-current Third-Party Operator with a replacement third-party operator approved in writing by us. To comply with the foregoing requirements, any lease agreement you execute during the Term of this Agreement must be terminable by you without cause. You and/or any Third-Party Operator must provide food and beverage at the Hotel in strict compliance with the Brand Standards, including: (1) operating the restaurant, bar, lounge, market and sundry area or any other food outlet at the Hotel in accordance with our requirements as provided in the Brand Standards to ensure the highest level of quality, safety, and service; (2) maintaining in sufficient supply all food and beverage products and ingredients (as well as other supplies, paper goods, dinnerware, and furnishings) that meet our requirements and conform to our Brand Standards; (3) selling or offering to sell only those food and beverage items in the restaurant, bar, lounge, or any other food outlet (including any rooftop bar or restaurant) at your Hotel that comply with our Brand Standards and applicable law (including abiding by applicable licensing and other requirements for the sale of alcoholic beverages); (4) maintaining hours of operation for the restaurant, bar, lounge, or any other food or beverage outlet (including rooftop) in accordance with our Brand Standards; and (5) using only menus, signs, promotional displays and other materials that comply with the design of our Brand Standards.

7. Intellectual Property.

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

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

associated with any of the Choice Marks. You may not participate in any website or other electronic media (including social media) that markets goods and services under the Choice Marks unless it is first approved in writing by us.

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

1. **Temporary Signs.** Use the Brand Mark on a temporary sign, meeting our standards, at the Location advising the general public that a hotel authorized to use the Brand Mark is under construction;

2. **Local Media.** Use the Brand Mark to promote the Hotel construction and opening in the local media;

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

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

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

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

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

8. Change in Sleeping Room Count. You may change the Sleeping Rooms by 10% or less by constructing additional (or removing) Sleeping Rooms, but only after providing prior written notice to us. If you wish to change the Sleeping Rooms by more than 10% by constructing additional (or removing) Sleeping Rooms or if you wish to make substantial alterations to the Hotel as it relates to the number of Sleeping Rooms, you may not do so without our prior written consent, which may be conditioned on, among other things, our inspection of the Hotel and the applicable rooms. If we consent to your expansion of the Hotel or to substantial alterations to the Hotel as it relates to the number of Sleeping Rooms, you must send us your construction plans and pay us an expansion fee for each addition to the number of Sleeping Rooms

equal to the then-current per-room charge for hotels that are permitted to use the Brand Mark, but the expansion fee will be not less than \$1,000. We will add any additional Sleeping Rooms or Meeting Rooms that you construct to the Rentable Rooms (or delete any Sleeping Rooms or Meeting Rooms that you remove from the Rentable Rooms), and you will include revenues from the additional Sleeping Rooms to calculate the Gross Room Revenues for determining the Monthly Fees due under this Agreement.

9. Assignment.

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

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

c. Transfer due to Death or Mental Incompetence; Transfer to Close Family Member. If you, or any natural person with an ownership interest in you, dies or becomes mentally incompetent, the executor, administrator, or personal representative of that person must transfer that person's ownership interest in you or the Hotel (within 12 months after death or determination of mental incompetence) to one or more of the remaining persons in your entity (if applicable) or to heirs of the deceased person that we approve. If you wish to transfer your ownership interest in the Hotel to a Close Family Member that Close Family Member must demonstrate to us that he or she has both the ethical and moral standards required by Section 6(c), he or she has both the financial ability and experience necessary to operate the Hotel as required by Section 9(b), and can satisfy the requirements of our customary credit and legal review before we will approve a transfer. For purposes of this Agreement, "Close Family Member" shall mean your adult spouse, parent, child, sibling, grandchild, or grandparent. No additional fees will be payable for any transfers of an ownership interest in the Hotel due to death or determination of mental incompetence. However, if you wish to transfer your ownership interest in the Hotel to a Close Family Member, an application fee (not to exceed \$7,500) will be due to us, which will be fully refundable if we do not approve the transfer. Our approvals under this Section 9(c) will not be unreasonably withheld or delayed.

d. **Right of First Refusal.** Notwithstanding any other section of this Agreement, you acknowledge and agree that if at any time during the Term you receive a good faith offer for the purchase of a Controlling Interest in the Hotel (or lease of the Hotel) by a third party that is acceptable to you, you will, prior to the acceptance of this offer, give us written notice of this offer (including a copy of the offer containing the terms of the offer and the name(s) and address of the proposed purchaser or lessee), and you agree that we will have the option and right of first refusal for 90 days after we receive this notice from you, to elect to purchase (or lease) the Hotel, as the case may be, on the same terms as the offer made to you by the third party. If we elect to purchase or lease the Hotel according to our option and our right of first refusal, we will give you notice of our decision within the 90 day period. You acknowledge and agree that if we decide not to exercise our option under our right of first refusal, this decision will not affect any of our any of our other rights under this Agreement.

10. Default and Termination.

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

b. Termination By Us.

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

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

(b) **Other Breach.** If you do not cure fully any other breach of your obligations or warranties under this Agreement, within 30 days of our written notice of default to you (or such longer period we designate in our sole discretion). Notwithstanding the foregoing, with regard to any defaults, breaches or causes for termination relating to your failure to meet minimum standards required by this Agreement which are not reasonably capable of being cured within said 30 day period, we will extend the cure period for a commercially reasonable period of time to cure the default, breach or cause for termination so long as we receive written notice and documentation satisfactory to us indicating the default, breach, or cause for termination cannot be cured within 30 days and you have begun to cure or cause to be cured such default, breach or cause for termination and continuously and diligently maintain your efforts once begun.

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

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

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

(b) **Abandonment; Loss of Possession; Failure to Open.** Subject to Section 14 of this

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

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

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

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

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

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

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

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

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

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

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

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

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

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

d. Our Remedies.

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

2. Liquidated Damages – Post-Opening Termination. If we terminate this Agreement due to your default after the Opening Date, you will pay us, within 30 days after termination, as liquidated damages and not as a penalty for the premature termination of this Agreement, an amount equal to the product of (i) the average monthly Gross Room Revenues during the prior 12 full calendar months (or such shorter time that the Hotel has been open), multiplied by (ii) the maximum Royalty Fee payable under Section 4(b)(1), multiplied by (iii) the number of months (including partial months, which will be prorated) between the date of termination and the next date that you could have terminated this Agreement under Section 3, not to exceed 60 months. However, the product of (i) multiplied by (ii) will not be less than the product of \$100.00 multiplied by the number of contractually approved Sleeping Rooms.

3. Liquidated Damages – Pre-Opening Termination. If we terminate this Agreement due to your default prior to the Opening Date, you will pay us, within 30 days after the termination, as liquidated damages and not as a penalty for the premature termination of this Agreement, an amount equal to the product of (i) the number of contractually approved Sleeping Rooms, multiplied by (ii) \$100.00, multiplied by (iii) 60 months.

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

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

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

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

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

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

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

12. Insurance.

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

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

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

b. **Post-Opening Coverage.** Beginning no later than the Opening Date and for the rest of the Term, you must purchase and maintain, at your expense, the types and amounts of insurance coverage as we

may require in the Brand Standards or otherwise in writing, including, but not limited to:

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

2. **General Liability; Automobile.** Commercial Automobile and Commercial General Liability Insurance policies written on an occurrence form protecting you and the Additional Insureds (as defined in Section 12(c)) from and against all manner of liability. The coverage described in the preceding sentence is primary to any coverage that we maintain and must include Contractual, Products and Completed Operations, Independent Contractors, Personal Injury, Property Damage, Bodily Injury and Host Liquor Liability coverage (if applicable), together with the costs and expenses of the defense and/or adjustment of injury or damage, without exception, from or in any way related to any operation or activity conducted under this Agreement and/or of the Hotel, including adjacent areas like swimming pools, parking lots, restaurants, and bars. Your Automobile Liability Policy must cover owned, hired and non-owned vehicles used in the operation of the Hotel. The policies described in this Section 12(b)(2) must cover lawsuits or actions brought anywhere in the world. These policies must provide limits per location and per occurrence as required in the Brand Standards and must be accompanied by a waiver of subrogation in favor of the Additional Insureds. You may meet the required total minimum limits through a combination of primary and umbrella policies. If alcoholic beverages are sold at the Hotel (whether or not you own the establishment that sells the alcohol), you must purchase and maintain Dram Shop/Liquor Liability Insurance with such limits as required in the Brand Standards.

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

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

5. **Cyber Liability.** Cyber Liability insurance providing minimum coverage as required by the Brand Standards.

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

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

e. **Certificates of Insurance.** You must send us, by no later than Construction Start and/or the Opening Date, as applicable, certificates of insurance, endorsements, declarations and/or other documents requested by us, indicating your property code, the Hotel name and address, and proof that you have purchased the required insurance coverage and the Additional Insureds endorsement has been accepted

by your insurance carrier. You must also provide us with evidence of renewal before the expiration date of each insurance policy. You are responsible for providing us with 30 days advanced written notice if the certificate of insurance by the insurer has been canceled, reduced in coverage, or otherwise altered. Acceptance by Choice of an improper certificate of insurance shall not constitute a waiver, release, or modification of any of the insurance coverage and endorsements required under this Agreement.

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

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

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

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

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

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

17. Taxes, Permits; Notice of Legal Actions.

a. **Taxes.** You must pay when due all taxes related to the Hotel that may be levied or assessed by any federal, state, or local taxing authority, and all other indebtedness related to the Hotel. You shall comply with all federal, state, and local tax laws. You shall pay all property taxes imposed on your property when they are due. You shall be responsible for all state and local sales and transaction taxes that are imposed on, or measured by, the gross receipts paid to Choice pursuant to this Agreement.

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

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

18. Approvals and Waivers.

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

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

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

19. Acknowledgments.

a. No Warranty or Guarantee. You acknowledge and agree that you have conducted an independent investigation of the benefits of signing this Agreement, and you understand that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent on your ability as an independent businessperson. We have not made, and you acknowledge that you have not received from us or our agents, any representations, projection, warranty or guarantee, express or implied, as to the profitability or other potential success of the business venture contemplated by this Agreement, except as expressly set forth in the Franchise Disclosure Document.

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

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

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

e. Disclosure. You acknowledge that you received from us the Franchise Disclosure Document

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

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

g. **Data Security.** You acknowledge and agree that we and you each own the rights in and to any data captured by the Property Management System or Reservation System ("Guest Data") and that we may use Guest Data in any reasonable manner that we determine. You also acknowledge and agree that you are obligated to comply with all information security and data privacy standards and requirements contained in the Brand Standards and all applicable federal and state laws, regulations, and standards relating to information security and data privacy, including, without limitation, the Payment Card Industry Data Security Standard ("PCI DSS"). You must secure all Guest Data against loss or theft and against unauthorized or unintended access, disclosure, copying, use or modification. You agree to notify us in writing as soon as practicable (and at least within 24 hours) of any known, suspected, or alleged security breach of Guest Data in your possession or custody or under your control. You also acknowledge and agree that you are obligated to indemnify us from and against any Claim resulting from any such data security breach pursuant to Section 13 of this Agreement. Without limiting the foregoing, to the extent we possess or otherwise provide services that allow for the storage, processing, or transmittal of Guest Data as defined by the PCI DSS ("Services"), or to the extent we could impact the security of the Guest Data environment, we will remain in compliance with the applicable PCI DSS requirements with respect to those Services. We will also remain aware of changes to the PCI DSS and implement all procedures and practices as may be reasonably necessary for the Services to remain in compliance with the PCI DSS, in each case at our sole cost and expense.

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

i. **ChoiceAdvantage Software Terms of Use.** You acknowledge and agree that your right to use the Property Management System will be governed by the ChoiceAdvantage Software Terms of Use that are provided to you in an online format which you agree to review periodically. You acknowledge and agree that the ChoiceAdvantage Software Terms of Use are specifically incorporated as part of this Agreement and you will comply with the terms and conditions of the then-current ChoiceAdvantage Software Terms of

Use. You agree that you, the Hotel's general manager, or any other authorized employee of the Hotel ("Authorized User") may accept and agree on behalf of you to the terms and conditions of the ChoiceAdvantage Software Terms of Use. You also acknowledge and agree that we have the right, in our sole discretion, to modify, add or remove any terms or conditions of the ChoiceAdvantage Software Terms of Use. Changes to the ChoiceAdvantage Software Terms of Use will be posted online and will be immediately effective. You agree that use by an Authorized User of the Property Management System after we post any such changes, will indicate that you accept and agree to the ChoiceAdvantage Software Terms of Use, as modified.

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

k. Anti-Terrorism / Anti-Bribery Laws. You individually represent and warrant to us that neither you (including your directors and officers, senior management and shareholders (or other persons) having a controlling interest in you), nor any affiliates or funding sources are (a) owned or controlled by, or acting on behalf of, the government of any country that is subject to an embargo imposed by the United States government; or (b) an entity or individual ("Person") identified by any government or legal authority under applicable laws as a Person with whom dealings and transactions by us are prohibited or restricted, including Persons designated on the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) List of Specially Designated Nationals and Other Blocked Persons (including known terrorists and narcotics and human traffickers). You will promptly notify us in writing upon the occurrence of any event which would render the foregoing representations and warranties incorrect. You further represent and warrant to us that you, including persons having a controlling interest in you, are not in violation of any anti-money laundering laws, anti-terrorism, anti-bribery, trade sanctions or other laws or embargoes, including without limitation the U.S. Patriot Act and the U.S. Foreign Corrupt Practices Act and related regulations and executive orders. You represent and warrant that you are qualified to do business in the United States, have the authority to execute this Agreement, and are eligible under applicable United States laws to carry out the obligations under this Agreement and any subsequent assumption of your rights and obligations under this Agreement.

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

20. Miscellaneous.

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

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

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

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

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

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

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

h. **Attachments/Addenda.** All attachments, addenda and amendments to this Agreement are incorporated into and a part of this Agreement. Any addenda or amendments to this Agreement will not be effective unless signed by one of our duly-authorized representatives and by you. All duly-executed addenda and/or amendments are incorporated into and will become a part of this Agreement.

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

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

k. **Force Majeure.** If either party is delayed or prevented from the performance of any act required under this Agreement by reason of acts of war, acts of terrorism, acts of God, strikes or lockouts, inability to procure materials or a substitute thereof of equal or better quality, restrictive governmental laws or regulations, natural disaster, unusual delay in transportation, pandemic, or any other substantially similar event completely without the party's fault and beyond the party's control, the performance of that act will be extended for a period equivalent to the period of the delay; provided, however, the party experiencing the delay must exercise all reasonable efforts to remedy the cause of delay or cause preventing performance, and further provided, that this provision will not apply to any payment obligations of the party experiencing such delay.

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

21. Arbitration. Except for our claims against you for indemnification or actions seeking to enjoin you from using any of our Intellectual Property (including the Brand Mark) or the Choice-Related Words in violation of this Agreement or any other related agreements (including the ChoiceAdvantage Software Terms of Use), any controversy or claim arising out of or relating to this Agreement or any other related agreements, or the breach of this Agreement or any other related agreements, including any claim that this Agreement or any part of this Agreement or any related agreements is invalid, illegal, or otherwise voidable or void, as well as any claim that we violated any laws in connection with the execution or enforcement of this Agreement or any related

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

22. NO CLASS ACTIONS. NEITHER YOU NOR WE SHALL SEEK TO LITIGATE OR ARBITRATE AGAINST THE OTHER PARTY TO THIS AGREEMENT OR SUCH PARTY'S AFFILIATES, EITHER AS A REPRESENTATIVE OF, OR ON BEHALF OF, ANY OTHER PERSON, CLASS, OR ENTITY. ANY DISPUTE, CONTROVERSY, OR CLAIM OF ANY KIND ARISING OUT OF, OR RELATING TO, THIS AGREEMENT, THE RIGHTS AND OBLIGATIONS OF THE PARTIES, THE SALE OF THE FRANCHISE, OR OTHER CLAIMS OR CAUSES OF ACTION RELATING TO THE PERFORMANCE OF EITHER PARTY TO THIS AGREEMENT. NO ARBITRATION OR OTHER ACTION OR PROCEEDING UNDER THIS AGREEMENT SHALL ADD AS A PARTY, BY CONSOLIDATION, JOINDER, OR IN ANY OTHER MANNER, ANY PERSON OR PARTY OTHER THAN US AND YOU AND ANY PERSON IN PRIVACY WITH, OR CLAIMING THROUGH, IN THE RIGHT OF, OR ON BEHALF OF, US OR YOU, UNLESS BOTH WE AND YOU CONSENT IN WRITING. WE HAVE THE ABSOLUTE RIGHT TO REFUSE SUCH CONSENT. YOU AGREE AND ACKNOWLEDGE THAT ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING FROM OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP BETWEEN THE PARTIES, OR ANY AGREEMENT OR RELATIONSHIP BETWEEN YOU AND US OR ANY AFFILIATE OF OURS WILL BE CONSIDERED UNIQUE ON ITS FACTS AND MAY NOT BE BROUGHT AS A CLASS OR GROUP ACTION.

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

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

ATTACHMENT A

RIDER TO THE FRANCHISE AGREEMENT

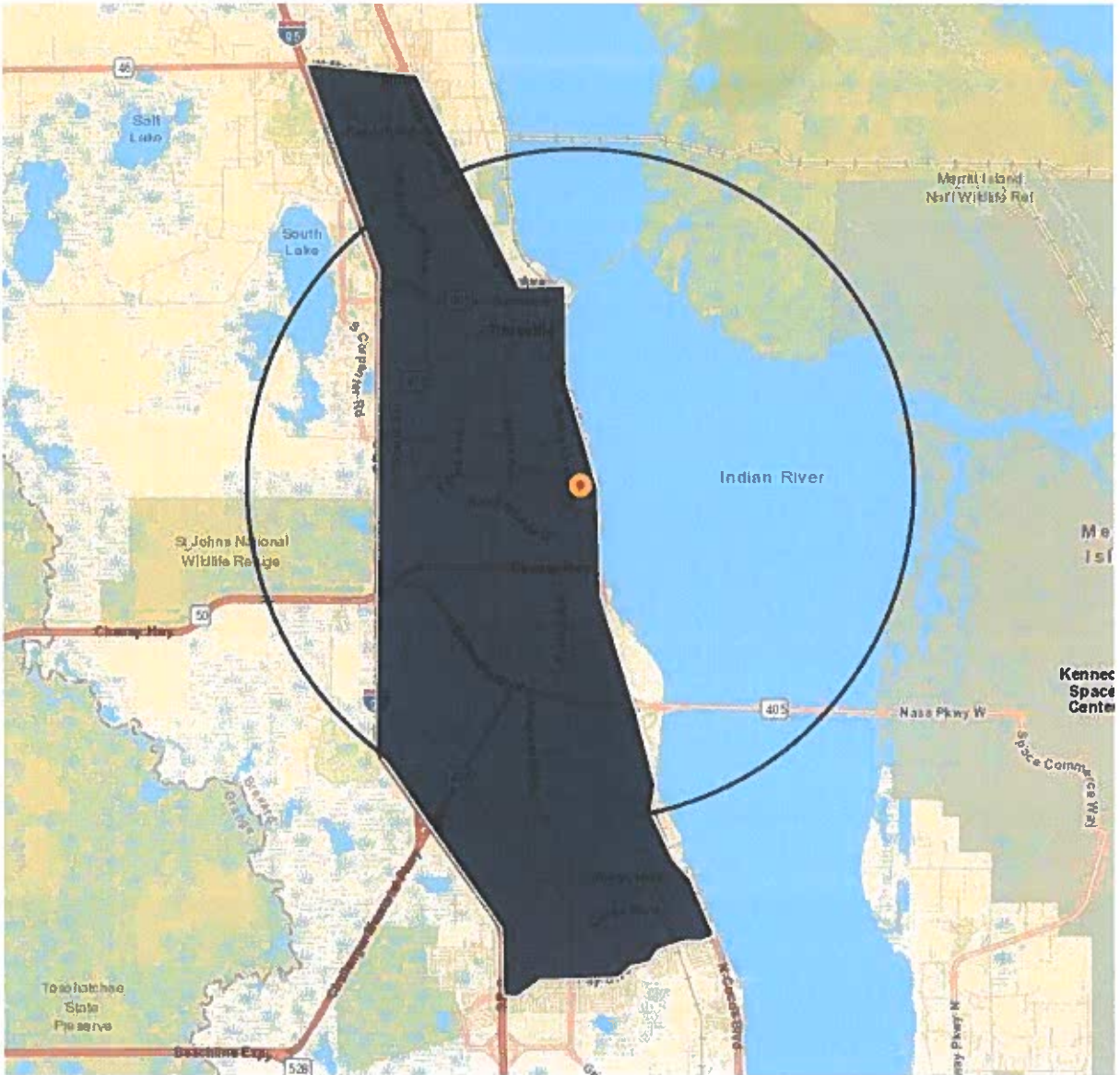
The terms of this Agreement are modified as follows:

1. **Grant of License.** Section 2 of the Agreement is deleted in its entirety and replaced with the following:

Subject to your compliance with all of your obligations under this Agreement, we grant to you a non-exclusive, limited, revocable license to use (without the right to sublicense) our System and the Brand Mark to operate the Hotel during the Term; provided, that we will not grant another franchise to use the Brand Mark and the System during the period beginning upon the Effective Date and ending on the 15th anniversary of the Opening Date within the area described and depicted on Attachment A ("Exclusive Territory"). Unless and until you materially breach the terms of this Agreement, the Exclusive Territory will remain in effect. The term "materially breach" shall mean those violations of this Agreement that are not cured within any applicable cure periods outlined in Sections 10(b)(1) and 10(b)(2) of this Agreement. This license is non-exclusive, except to the extent stated in this Agreement. You do not have the right to use any of the Choice Marks other than the Brand Mark in connection with the operation of the Hotel except as expressly authorized by us in writing. We, for ourselves and our affiliates, retain all rights and discretion with respect to the Brand Mark and the System, including, but not limited to, those specified in Section 19(b).

2. **Exclusive Territory.** Subject to Section 2 of the Agreement (as modified by Paragraph 1 of this Rider), we will not permit another Cambria franchise to open and operate within the area encompassed as described and depicted below:

A boundary of W Main St to the north, I-95 to the west, Washington Ave (US-1) to the east, and US-1 to the South.



3. **Incentive Loans.** The following section is added to Section 5 of the Agreement as Section 5(e):

Subject to the terms of the Incentive Promissory Note that you will execute at the time of signing this Agreement, we will lend to you an amount equal to the product of \$10,323.00 multiplied by the number of Sleeping Rooms (however, such product shall not exceed \$1,579,419.00) contemporaneously with the closing on the construction loan financing for the Hotel provided that the following conditions have been met: (i) you provide us with all documentation reasonably requested by us regarding the construction loan financing at least 30 days prior to the closing of such loan; (ii) you invest 100% of the remaining required equity (land and/or cash equal to at least 15% of the total approved budget) for construction of the Hotel; (iii) each person required by your lender to execute a construction completion guaranty executes a construction completion guarantee in our favor and in substantially similar form to the guarantee required by your lender for the Hotel; (iv) you provide us with the necessary building permit(s) as we may reasonably require and an executed construction agreement entered into between you and a general contractor; and (v) in accordance with the Franchise Agreement, you engage and retain a professional hotel management company prior to Construction Start to operate and manage the Hotel subject to our prior written consent.

If the Opening Date occurs in accordance with this Agreement, subject to Section 20(k), and subject to the terms of the Incentive Promissory Note that you will execute at the time of signing this Agreement, we will lend to you, within ~~45~~³⁰ days after the Opening Date and subject to any delay caused by you, an additional amount equal to the product of \$10,323.00 multiplied by the number of Sleeping Rooms (however, such product shall not exceed \$1,579,419.00). If the number of Sleeping Rooms is changed in accordance with Section 8 of this Agreement prior to the Opening Date, the amount we will pay you under this Section 5(e) will be adjusted accordingly such that a total incentive of \$20,646.00 will be paid per Sleeping Room as of the Opening Date (however, such total incentive shall not exceed the lesser of \$3,158,838.00 or 30% of the total equity required for the construction and opening of the Hotel). Notwithstanding the foregoing, in the event the sum of the amount we pay you under this Section 5(e) plus the amount of your senior construction loan ("Loan") exceeds 85% of the total approved project budget, the amount we will pay you under this Section 5(e) will be adjusted downward such that the sum of the total incentive plus the amount of the Loan will equal 85% of the total approved project budget. This revised amount shall be reflected in the Incentive Promissory Note, which you agree to execute an Incentive Promissory Note in substantially the form attached herein. You further agree that the Incentive Promissory Note will control in the interpretation or enforcement of this incentive loan.

4. **Plans.** Section 6(r)(1) of the Agreement is replaced in its entirety with the following:

Prepare 30% design development documents for the Hotel ("30% Plans") that satisfy the Brand Standards and the then-current prototype design specifications for hotels that are authorized to use the Brand Mark, and submit a copy of the 30% Plans to us for our review and approval on or before **August 1, 2024**. Prepare 60% design development documents for the Hotel ("60% Plans") that satisfy the Brand Standards and the then-current prototype design specifications for hotels that are authorized to use the Brand Mark, and submit a copy of the 60% Plans to us for our review and approval on or before **October 1, 2024**, and final working drawings and final architectural designs for the Hotel ("100% Plans") to us for our review on or before **December 1, 2024**. "30% Plans" means drawings that, in accordance with the American Institute of Architects best practices, fix and describe the size and character of the entire project as to structural, landscape, mechanical, plumbing, and electrical systems; interior design concepts, finishes, and sample materials; materials, window and door locations; unique conditions that are site specific; and a construction cost estimation. "60% Plans" means; (i) drawings that, in accordance with the American Institute of Architects, include overall building plans, enlarged plans regarding public space and guest rooms; (ii) furniture plans, reflected ceiling plans and details, enlarged pool plans and details (if applicable), exterior elevations and details, building and wall sections, civil engineering drawings, landscape and hardscape drawings, mechanical, plumbing and electrical plans (including fixture schedule), structural drawings, and building specifications; (iii) signage package that include exterior and interior packages; and (iv) model room review of finishes, casework, lighting, interior design elements, window treatment, and art. The 30% Plans, 60% Plans and 100% Plans shall include at least 1,500 square feet of meeting space and all Brand Mark amenities that we require. Notwithstanding the foregoing, you may request and we will waive the applicable extension fee for one (1) free 6-month extension to submit either 30% Plans, 60% Plans or 100% Plans.

5. **Timing and Extensions.** Section 6(r)(2) of the Agreement is replaced in its entirety with the following:

Cause Construction Start to occur on or before **March 1, 2025** (the "Construction Start Deadline"), and within 5 days after Construction Start, inform us in writing that Construction Start has occurred. "Construction Start" means either: (i) for a new construction hotel, the date that construction permit(s) is(are) obtained, the Location has been fenced off and mobilized by the contractor, and construction activity is occurring daily at the Location; or (ii) for a conversion hotel, the date that demolition permit(s) is(are) obtained, the Location has been fenced off and mobilized by the contractor, and construction activity is occurring daily at the Location. If you do not cause Construction Start to occur on or before the Construction Start Deadline, you may request, before that deadline, an additional 3 months for Construction Start. We are not obligated to extend the time for Construction Start. If we agree to extend the time for Construction Start beyond the original requirement, you will pay us an extension fee of \$5,000 for each 3-month extension

that we grant to you. Notwithstanding the foregoing, if you do not cause Construction Start to occur on or before the Construction Start Deadline, you may request and we will waive one (1) extension fee of \$5,000 for an additional 6-month extension for Construction Start.

6. **Opening Deadline.** Section 6(s)(6) of the Agreement is replaced in its entirety with the following:

Ensure that the Opening Date occurs on or before **September 1, 2026** (if the Hotel has yet to be constructed or if the Hotel is to be substantially renovated ("Opening Deadline")). The Opening Deadline will be extended for the same amount of time as any extension period we grant you under Section 6(r)(2).

7. **Management Company.** Section 6(t) of the Agreement is replaced in its entirety with the following:

Engage a professional hotel management company ("Management Company") before Construction Start and retain such Management Company to operate and manage the Hotel during the Term of the Agreement. Your selection of Management Company will be subject to our prior written consent. We will consider you or your affiliate as a Management Company using the same criteria we use in considering a third-party Management Company. Our consent of a Management Company selected by you does not constitute an endorsement, recommendation, or validation of such management company, and we provide no guaranty or assurance that such Management Company will be successful. Our consent is revocable at any time if we determine, in our sole discretion, that Management Company no longer complies with our standards and requirements. Within 90 days of such revocation, you must replace your then-current Management Company with a replacement Management Company that we approve in writing. To comply with the foregoing requirements, any hotel management company agreement you execute during the Term of this Agreement in connection with the Hotel must be terminable by you without cause. Choice is under no obligation to approve a proposed management company or replacement management company that is a franchisor or owner (or an affiliate of a franchisor or owner) of a hotel, resort or other lodging chain or brand.

8. **Reserve.** Section 6(w) of the Agreement is deleted in its entirety.

9. **Food and Beverage.** Section 6(z) of the Agreement is replaced in its entirety with the following:

You are required to manage all food and beverage operations and offerings at the Hotel in accordance with our Brand Standards. Any third-party operator ("Third-Party Operator") you designate to operate any restaurant, bar (including any rooftop bar), any retail bay outlet or other food establishment must be pre-approved by us in writing, which approval we will not unreasonably withhold. We will not approve of any Third-Party Operator associated with or operating as a part of a regional, national or international chain. Additionally, you must seek our prior written consent before executing any lease with any Third-Party Operator to ensure the lease meets our requirements. Our consent of a Third-Party Operator does not constitute an endorsement, recommendation, or validation of the Third-Party Operator. Our consent of your Third-Party Operator is revocable at any time if we determine, in our sole discretion, that the Third-Party Operator no longer complies with our standards and requirements. Within 30 days of such revocation, you must replace your then-current Third-Party Operator with a replacement third-party operator approved in writing by us. To comply with the foregoing requirements, any lease agreement you execute during the Term of this Agreement must be terminable by you without cause. You and/or any Third-Party Operator must provide food and beverage at the Hotel in strict compliance with the Brand Standards, including: (1) operating the restaurant, bar, lounge, market and sundry area or any other food outlet at the Hotel in accordance with our requirements as provided in the Brand Standards to ensure the highest level of quality, safety, and service; (2) maintaining in sufficient supply all food and beverage products and ingredients (as well as other supplies, paper goods, dinnerware, and furnishings) that meet our requirements and conform to our Brand Standards; (3) selling or offering to sell only those food and beverage items in the restaurant, bar, lounge, or any other food outlet (including any rooftop bar or restaurant) at your Hotel that comply with our Brand Standards and applicable law (including abiding by applicable licensing and other requirements for the sale of alcoholic beverages); (4) maintaining hours of operation for the restaurant, bar, lounge, or any other food or beverage outlet (including rooftop) in accordance with our Brand Standards; and (5) using

only menus, signs, promotional displays and other materials that comply with the design of our Brand Standards. We acknowledge that the rooftop of the Hotel (which is approximately 8,000 square feet) may be used as an observation deck and bar, and that you may lease a restaurant adjacent to the Hotel (which shall be approximately 4,000 square feet) to be operated by a lessee, provided, however, that you comply with the requirements of this Section 6(z) relating to such observation deck/bar and restaurant.

10. **Transfer of Ownership.** Notwithstanding anything contained in Section 9(b) of the Agreement, you may transfer a direct or indirect interest in the Hotel or in the Agreement without payment of any affiliation fee to a limited liability company, a corporation, or a partnership (the "Alternate Entity") if each of the following conditions is satisfied:

- (a) The transfer to the Alternate Entity is made within 12 months of the Effective Date;
- (b) You send us prior written notice of the transfer;
- (c) You are not in default under the Agreement;
- (d) You sign and deliver to us a general release of all claims you may have against us;
- (e) You will own a majority of the beneficial interest in the Alternate Entity after the transfer;
- (f) The Alternate Entity assumes, in a writing that we accept, your obligations under the Agreement;
- (g) All of the Alternate Entity's owners sign our then-current form of personal guaranty agreement;
- (h) You agree that you are not relieved of your obligations under the Agreement unless we specifically release you in writing;
- (i) The transferee submits evidence to us that it owns the Hotel; and
- (j) We approve of the transfer after our credit and legal review.

11. **Right of First Refusal.** Section 9(d) of the Agreement is replaced in its entirety with the following:

Notwithstanding any other section of this Agreement, you acknowledge and agree that if at any time during the Term you receive a good faith offer for the purchase of a Controlling Interest in the Hotel (or lease of the Hotel) by a third party that is acceptable to you, you will, prior to the acceptance of this offer, give us written notice of this offer (including a copy of the offer containing the terms of the offer and the name(s) and address of the proposed purchaser or lessee), and you agree that we will have the option and right of first refusal for 30 days after we receive this notice from you, to elect to purchase (or lease) the Hotel, as the case may be, on the same terms as the offer made to you by the third party. If we elect to purchase or lease the Hotel according to our option and our right of first refusal, we will give you notice of our decision within the 30 day period. You acknowledge and agree that if we decide not to exercise our option under our right of first refusal, this decision will not affect any of our any of our other rights under this Agreement.

12. **Termination by You.** Section 10(a) of the Agreement is replaced in its entirety with the following:

If we default in our material obligations under this Agreement, you may terminate this Agreement only if you first give us written notice of the defaults and of your intention to terminate this Agreement and we have not cured those defaults within 60 days after receiving your written notice, however, you hereby acknowledge and agree that you may not terminate this Agreement during any period in which we or an affiliate of ours has an ownership interest in you or the Hotel or has capital committed to or invested in or for the benefit of you or the Hotel (including but not limited to the incentive loan described in Section 5(e) of this Agreement). With regard to any defaults which are not reasonably capable of being cured within 60 days, the cure period shall be extended for a reasonable additional period of time provided that we have promptly commenced to cure or cause to be cured such default, and thereafter we diligently pursue our efforts in that regard.

13. **Other Breach.** Section 10(1)(b) of the Agreement is replaced in its entirety with the following:

If you do not cure fully any other breach of your material obligations or warranties under this Agreement, within 30 days of our written notice of default to you. With regard to any defaults, breaches or causes for

termination of a non-monetary nature which are not reasonably capable of being cured within said period, said period shall be extended for a reasonable additional period of time not to exceed 120 days, provided that you shall immediately have commenced to cure or cause to be cured such default, breach or cause for termination and thereafter you shall diligently pursue your efforts in that regard; upon our request, you shall provide us with written documentation evidencing your compliance with the foregoing requirements;

14. **Multiple Defaults.** Section 10(b)(2)(h) of the Agreement is replaced in its entirety with the following:

We send you 3 or more written notices of default under this Agreement for the same or a similar cause or reason in any consecutive 12 month period during the Term, whether or not cured.

15. **Damages-Post Opening Termination.** Section 10(d)(2) of the Agreement is replaced in its entirety with the following:

If we terminate this Agreement due to your default after the Opening Date, you will pay us, within 30 days after termination, as liquidated damages and not as a penalty for the premature termination of this Agreement, an amount equal to the product of (i) the average monthly Gross Room Revenues during the prior 12 full calendar months (or such shorter time that the Hotel has been open), multiplied by (ii) the maximum Royalty Fee payable under Section 4(b)(1), multiplied by (iii) Remaining Months. For purposes of this Section 10(d)(2) and Section 10(d)(3) below, "Remaining Months" shall mean: (a) 84 months, if this Agreement is terminated on or before the 15th anniversary of the Opening Date; or (b) 36 months if this Agreement is terminated after the 15th anniversary of the Opening Date. Notwithstanding the immediately preceding sentence, the Remaining Months shall in no event exceed the number of months remaining in the Term, and the liquidated damages due under this Section 10(d)(2) shall not be less \$2,946,000.00 if the Agreement is terminated within the first 36 months following the Opening Date.

16. **Liquidated Damages- Pre-Opening Termination.** Section 10(d)(3) of the Agreement is replaced in its entirety with the following:

If we terminate this Agreement due to your default prior to the Opening Date or Opening Deadline, you will pay us, within 30 days after the termination, as liquidated damages and not as a penalty for the premature termination of this Agreement, an amount equal to the product of (i) the number of contractually approved Sleeping Rooms, multiplied by (ii) \$100.00, multiplied by (iii) 84 months.

17. **Permits.** Section 17(b) of the Agreement is replaced in its entirety with the following:

You must timely obtain and maintain all permits, certificates, and licenses necessary for the construction, renovation, operation and maintenance of the Hotel, including licenses to do business, fictitious name registration and sales tax permits, health and sanitation permits, and ratings and fire clearances. You must send us, within 30 days of your receipt, copies of all inspection reports, warnings, certificates, and ratings, received from any governmental entity.

18. **Confidentiality.** You agree to keep the grant of the modification(s) contained in this Attachment A in strict confidence and will not disclose them to any persons other than your directors, officers, partners, employees, agents and advisors who have a need to know for the purpose of operating the Hotel. Any unauthorized disclosure is a default under the Agreement, and we may, at our option, immediately terminate the Agreement on notice to you or may revoke the modification(s) contained in this Attachment A upon any unauthorized disclosure by you. The modification(s) outlined in this Attachment A are for the Hotel only and do not indicate that other hotels owned by you or by others will receive similar modification(s). You acknowledge and agree that nothing in this Section prohibits us from disclosing the terms of this Attachment to any vendors, lenders, or other third parties as we determine in our reasonable discretion.

19. **Order of Precedence.** In the event of any conflict or inconsistency between the terms of the Agreement and the terms of this Attachment A, the terms of this Attachment A will supersede and control. In

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

Attachment A

(Signatures follow on next page.)

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

Choice Hotels International, Inc.,
a Delaware corporation

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

12-31-22
Date: _____

Titusville Mall LLC,
a Florida Limited Liability Company

By: MC Call Village Investors Corp, a
California Corporation, its manager

By:  (Seal)
Name: Jessie Wright
Title: President

Date: 12/30/2022

PLEASE INITIAL THE ATTACHED SCHEDULE A

Schedule A – Entity Ownership Breakdown

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

<u>Level</u>	<u>Name and Percentage Owned</u>
1	--Jessie Wright (100.00%)
INITIAL HERE	<u>JW</u>

Schedule B – Entity Ownership Breakdown

By initialing this Schedule B that is attached to the Franchise Agreement, you certify that the information provided below is true and accurate. The following represents the names and percentages owned of MC Call Village Investors Corp.

Level Name and Percentage Owned

1 --Jessie Wright (100.00%)

INITIAL HERE

J.W

INCENTIVE PROMISSORY NOTE

Up to \$3,158,838.00

Titusville, FL

Date: 12/30/22

FOR VALUE RECEIVED, each of the undersigned (collectively, "**Maker**"), jointly and severally hereby promises to pay to the order of Choice Hotels International, Inc. ("**Holder**") the principal sum equal to the lesser of (i) Three Million One Hundred Fifty Eight Thousand Eight Hundred Thirty Eight and 00/100 Dollars (**\$3,158,838.00**) or (ii) the product of **\$20,646** multiplied by the number of Sleeping Rooms (such amount, the "**Principal Amount**"), together with interest thereon, as provided for herein. Capitalized terms used but not defined herein will have the meaning ascribed to such terms in the Franchise Agreement (defined below).

1. **Background and Certain Definitions.** Maker and Holder are parties to a franchise agreement dated 12/30/2022, (as may be amended or supplemented from time to time, the "Franchise Agreement"), which Franchise Agreement, among other items, set forth certain conditions pursuant to which Holder will make a loan to Maker pursuant to a promissory note in substantially similar form to this promissory note (the "Note").

2. **Interest.**

2.1 This Note will bear interest from the date on which funds are advanced to Maker (the "**Distribution Date**") until paid in full at the annual rate of Prime plus two percent (prime plus 2%) (the "**Rate of Interest**"). "**Prime**" initially refers to the prime rate quoted by the Wall Street Journal Prime Rate as of the Distribution Date, and during the period in which all or any portion of the Principal Amount remains outstanding, shall adjust from time to time as the rate quoted by the Wall Street Journal adjusts. Rate of Interest will be computed on the basis of a 360-day year and charged for the actual number of days elapsed in each interest calculation period. The maximum interest rate in California is 10% annually.

2.2 Nothing in this Note will be construed or operate to require Maker to pay interest at a greater rate than the maximum allowed by law. Should any interest or other charges paid or payable by Maker under this Note result in the computation or earning of interest in excess of the maximum allowed by law, then all excess interest charges are waived by Holder, and any such excess interest received by Holder will be automatically credited against the Principal Amount, and any such remaining excess received by Holder that exceeds the Principal Amount will be credited by Holder against Royalty Fees payable to Holder pursuant to the Franchise Agreement.

3. **Use of Proceeds.** Maker agrees that the entire proceeds of this Note will be used solely for purposes related to the construction and operation of a Cambria hotel pursuant to the Franchise Agreement.

4. **Payment.**

4.1 Unless otherwise accelerated pursuant to Section 5.2, this Note matures fifteen (15) years from the Opening Date (the "**Maturity Date**"), at which time the entire Principal Amount, all accrued and unpaid interest on this Note and all other sums due under this Note will be due and payable in full.

4.2 Notwithstanding the foregoing, no payments (of either the Principal Amount or any associated interest) will be due or payable under this Note unless and until a Default (as defined in Section 5.1 hereof) occurs. If no Default (i) has occurred before the Maturity Date, or (ii) is occurring on the Maturity Date, then the entire Principal Amount and all accrued interest will be waived and forgiven by Holder as of the Maturity Date.

4.3 As of each anniversary of the Opening Date, unless a Default has occurred, the loan balance shall automatically be reduced by: (a) 1/15th of the Principal Amount (the "Forgiven Amount"), and (b) all accrued interest on the Forgiven Amount.

4.4 Payments on this Note shall be made in lawful currency of the United States of America to Holder, at the address set forth in Section 6.3 of this Note or such other address as Holder may designate by written notice to Maker.

5. Default.

5.1 The occurrence of any one or more of the following events shall constitute a "Default": (1) Maker's failure to observe or perform any covenant, condition or agreement under the terms of this Note or under the terms of any documents signed in connection with this Note, if any, (including, but not limited to, any commitment, loan agreement, stock pledge agreement or guaranty) or any other note or other obligation payable by Maker to Holder; (2) if any representation or warranty made in connection with this Note or in any report, opinion, schedule or certification with this Note or later submitted to Holder is in Holder's opinion, false, misleading or incorrect in any material respect; (3) if for any reason, the Franchise Agreement terminates or is otherwise rendered ineffective prior to the Maturity Date; (4) the occurrence of any event(s) or existence of any situation that, after providing for any applicable notice/cure rights set forth in the Franchise Agreement, would provide Holder with a right to terminate the Franchise Agreement; (5) if all or any portion of the premises to which the Franchise Agreement applies (the "Premises"), any interest in the Premises (including an ownership interest in any entity that owns the Premises), or any interest in this Note is transferred, leased, or conveyed, other than as security for a debt or other obligation, whether done by a direct or indirect method, or should Maker enter into any contractual arrangement to transfer or convey the Premises, any interest in the Premises (including an ownership interest in any entity that owns the Premises), any part of this Note, or any interest in this Note other than as security for a debt, unless, within 30 days of such transfer, Holder enters into a new Cambria franchise agreement with the transferee for the Premises, and the transferee assumes all of Maker's obligations under this Note and executes Holder's then-current form of Assumption of Promissory Note; and (6) the filing of any insolvency or bankruptcy proceeding by or against any Maker or the appointment of a receiver for any Maker or any Maker's assets.

5.2 If a Default occurs, at Holder's option, the Default Payment Amount (as defined below) will immediately become due and payable by Maker to Holder without notice to Maker or any other person or entity. The "Default Payment Amount" means the sum of: (a) the original Principal Amount less an amount equal to the product resulting from multiplying the original Principal Amount by a fraction, the numerator of which is the number of full calendar years that have elapsed since the Opening Date, and the denominator of which is fifteen (15) (the amount resulting from this calculation is referred to as the "Amount Due"); plus (b) interest on the Amount Due calculated from the Distribution Date at the Rate of Interest.

5.3 Interest will accrue on the Default Payment Amount at the Rate of Interest until the Default Payment Amount has been paid in full; provided, that if such Default Payment Amount has not been paid in full by the date that is fifteen (15) days after the date such amount became due and payable, interest will begin to accrue at a default annual rate equal to Prime plus seven percent (prime plus 7%). The maximum interest rate in California is 10% annually; should California law control this note, then the maximum interest rate shall be 10%.

5.4 The following provisions are applicable upon the occurrence of a Default: (A) Maker will pay Holder all expenses, costs and attorneys' fees that Holder incurs in connection with Holder's collection of any monies due under this Note or for the enforcement of any right under this Note or under any other agreement related to the loan evidenced by this Note, and (B) Holder may exercise any or all other rights, powers and remedies provided for in any instrument, document or agreement now or later evidencing security or otherwise relating to the loan evidenced by this Note or now or later existing at law or in equity or by statute or otherwise.

5.5 **CONFESSION OF JUDGMENT.** Upon the occurrence of a Default, Maker hereby irrevocably authorizes and empowers any attorney or clerk of any court of record in the United States or elsewhere to appear for and, with or without declaration filed, confess judgment against Maker in favor of Holder or an assignee or successor of Holder, of the Note, at any time, for the full or total Default Payment Amount under this Note, together with all indebtedness provided for therein, with interest, costs of suit, and reasonable attorneys' fees; and the undersigned expressly releases all errors, waives all stay of execution, rights of inquisition and extension upon any levy upon real estate and all exemption of property from levy and sale upon any execution hereon; and Maker expressly agrees to condemnation and expressly relinquishes all rights to benefits or exemptions under any and all exemption laws now in force or which may hereafter be enacted. Maker acknowledges and agrees that Maker is voluntarily, knowingly, and intelligently giving up its right to notice and hearing prior to the entry of judgment, is granting Holder, or Holder's assignee or successor, the right to confess judgment against Maker and is freely waiving its due process rights. Maker further consents to immediate execution on the judgment and waives all right of appeal, ratifying and confirming all that the attorney or clerk may do by virtue of this Note.

5.6 Maker waives demand, presentment for payment, protest and notice of dishonor and agrees that at any time and from time to time and with or without consideration, Holder may, without notice to or further consent of Maker and without in any manner releasing, lessening, or affecting the obligations of any of them: (1) release, surrender, waive, add, substitute, settle, exchange, compromise, modify, extend, or grant indulgences with respect to (a) this Note, (b) all or any part of any collateral or security for this Note, and (c) Maker or any of them; and (2) grant any extension or other postponements of the time of payment of this Note.

6. **General.**

6.1 **Cumulative Rights.** Each right, power and remedy of Holder as provided for in this Note or now or hereafter existing at law or in equity or by statute or otherwise is cumulative and concurrent and is in addition to every other right, power or remedy, and Holder's exercise or beginning of exercise of any one or more of these rights, powers or remedies will not preclude Holder's simultaneous or later exercise of any or all these other rights, powers or remedies.

6.2 **No Waiver; Application of Payment.** No failure or delay by Holder to insist on the strict performance of any term of this Note or to exercise any right, power or remedy upon the occurrence of a Default or any other breach of this Note, is a waiver of any term or agreement or of any breach, or preclude Holder from exercising any right, power or remedy at any later time unless in writing. If Holder accepts any payment after its due date, this act will not be a waiver of Holder's right to receive timely payment of all other amounts or to declare a default for the failure to make any other payment when due. Any partial payments under this Note may be applied to pay interest, the Principal Amount, the Amount Due or costs as Holder, in its sole discretion determines.

6.3 **Notices.** All notices required under this Note must be in writing, must be personally delivered or mailed by registered or certified mail, return receipt requested, or by a nationally recognized courier service, to Holder at **Choice Hotels International, Inc., 1 Choice Hotels Circle, Suite 400, Rockville, MD 20850, Attention: General Counsel**, and to Maker at the Designated Representative's address identified in the Franchise Agreement. Either Holder or Maker may change the applicable address to which such notices are to be sent by written notice to the other party; provided, that Maker may only change the Designated Representative by written notice to Holder delivered in compliance with the Franchise Agreement. Maker authorizes the Designated Representative to receive Holder's written notices to Maker as its agent. Any notice by registered or certified mail or by reputable national courier service is deemed given and received at the date and time of sending.

6.4 **Severability.** If any provision (or any part of any provision) in this Note is for any reason held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability will not affect any other provision (or remaining part of the affected provision) of this Note, and this Note will be

construed as if the invalid, illegal or unenforceable provision (or part of this Note) had never been contained in this Note but only to the extent it is invalid, illegal or unenforceable.

6.5 Assignment. If Holder or any future holder of this Note assigns its rights under this Note, the term "Holder" as used in this Note will refer to such then-current assignee.

6.6 Choice of Law. This Note is a contract made under, and for all purposes will be construed in accordance with, the internal laws and judicial decisions of the State of Maryland. Maker and Holder agree that any dispute arising out of this Note is subject to the jurisdiction of both the state and federal courts in the State of Maryland. For that purpose, Maker submits to the jurisdiction of the state and federal courts of the State of Maryland. Maker further agrees to accept service of process out of any of the before-mentioned courts in any dispute by registered, certified mail or international courier service addressed to Maker.

6.7. Confidentiality. You agree to keep the provisions of this Note in strict confidence and will not disclose them to any persons other than your directors, officers, partners, employees, agents and advisors that have a need to know. Any unauthorized disclosure is a Default under this Note as defined in Section 5.1 hereto.

6.8 Waiver of Trial by Jury. **THE MAKER AND THE HOLDER HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH THE MAKER AND THE HOLDER MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO THIS NOTE. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS NOTE.**

In Witness Whereof, Maker acknowledges and agrees to the terms of this Note as evidenced by its signature under seal as of the day and year first above written.

Titusville Mall LLC, a Florida limited liability company,
Jessie Wright, individually, jointly and severally

Titusville Mall LLC,
a Florida Limited Liability Company

By: MC Call Village Investors Corp, a
California Corporation, its manager

By:  (Seal)
Name: Jessie Wright
Title: President

Date: 12/30/2022

Jessie Wright, individually

X:  L.S.

Date: 12/30/2022

Address: ~~22939 Hawthorne Blvd #100~~
~~Torrance Ca 90505~~

GUARANTY

This Guaranty ("Guaranty") is made as of 12/30/2022 by Jessie Wright, individually ("Guarantor"), in favor of and for the benefit of Choice Hotels International, Inc., a Delaware corporation ("Choice"). In consideration of and as an inducement to Choice to execute a Franchise Agreement by and between Choice and Titusville Mall LLC, a Florida Limited Liability Company ("Franchisee"), Guarantor agrees as follows:

1. Guarantor unconditionally warrants to Choice and its successor and assigns that all of Franchisee's representations and warranties in (a) any application submitted by Franchisee to Choice; and (b) the Franchise Agreement are true, accurate and complete as of the time made as of the date of this Guaranty.

2. Guarantor personally and unconditionally guarantees that all of Franchisee's obligations under the Franchise Agreement, as amended, and all related agreements will be punctually paid and performed.

3. Guarantor agrees that the obligations of Guarantor under this Guaranty shall not be reduced, limited, terminated, discharged, impaired or otherwise affected by: (a) the occurrence or continuance of a default under the Franchise Agreement or any related agreement; (b) any assignment of the Franchise Agreement; (c) any modification or amendment of, or waiver or consent or other action taken with respect to the Franchise Agreement or any related agreement; (d) the voluntary or involuntary liquidation, sale or other disposition of Franchisee's assets, or the receivership, insolvency, bankruptcy, reorganization or similar proceedings affecting Franchisee or its assets or the release or discharge of Franchisee from any of its obligations under the Franchise Agreement; or (e) any change of circumstances, whether or not foreseeable, and whether or not any such change does or might vary the risk of Guarantor hereunder. Any failure by Choice to exercise any power or right or to insist upon Guarantor's compliance with any term under this Guaranty shall not constitute a waiver of Choice's right to demand full compliance with any term of this Guaranty.

4. Guarantor unconditionally and irrevocably waives notice of acceptance of this Guaranty, presentment, demand, diligence, protest and notice of dishonor or of any other kind to which Guarantors otherwise might be entitled under applicable law.

5. Guarantor agrees to promptly pay all sums owed to Choice and its subsidiaries or affiliates, and all damages, costs, and expenses, including reasonable attorneys' fees, that Choice or its subsidiaries or affiliates incur as a result of any default under this Guaranty, the Franchise Agreement, or any related agreement, including all outstanding fees, any liquidated damages due under the Franchise Agreement, and any costs and expenses that Choice or its subsidiaries or affiliates incur to obtain injunctive relief for the enforcement of any portion of this Guaranty, the Franchise Agreement, or any related agreement.

6. If more than one person or entity has signed this Guaranty as a Guarantor, the liability of each such Guarantor shall be joint, several and primary. Each Guarantor shall be bound by his/her/its/their signature block below, and such Guarantor's obligations hereunder are not contingent on any other Guarantor being bound hereby.

7. All notices required or permitted under this Guaranty must be in writing, must be personally delivered or mailed by registered or certified mail, return receipt requested, or by a nationally recognized courier service, to Choice at **Choice Hotels International, Inc., 1 Choice**

Hotels Circle, Suite 400, Rockville, Maryland 20850, Attention: General Counsel, and to Guarantor care of the Designated Representative at the address set forth in the Franchise Agreement. Any notice by registered or certified mail or by courier service is deemed given and received at the date and time of sending. Guarantor may change its address only by written notice to Choice, and Choice may change our address by written notice to Guarantor.

8. This Guaranty will be interpreted under the substantive laws of Maryland, not including its conflict of laws provision or such provisions of any other jurisdiction.

9. Except for Choice's claims for indemnification or actions seeking to enjoin Guarantor from using any of Choice's Intellectual Property or the Choice-Related Words in violation of the Franchise Agreement, any controversy or claim founded upon or arising out of or relating to this Guaranty, the Franchise Agreement, or any related Agreement, or to the breach of this Guaranty, the Franchise Agreement, or any related Agreement, will be sent to final and binding arbitration before either the American Arbitration Association, J.A.M.S., or National Arbitration Forum in accordance with the Commercial Arbitration Rules of the American Arbitration Association, including its rules for emergency measures of protection, except to the extent that the Commercial Rules of the American Arbitration Association may be interpreted to require Guarantor or Choice to produce documents, witnesses, or information at a time other than at a hearing on the claim without the parties' mutual consent. In the event more than one demand for arbitration is filed in connection with this Guaranty, the Franchise Agreement, or any related Agreement, the demand filed with the American Arbitration Association, J.A.M.S., or National Arbitration Forum office having jurisdiction over Maryland proceedings shall take precedence, and any other demand shall be withdrawn and presented in the Maryland filing. The arbitrator will apply the substantive laws of Maryland, without reference to its conflict of laws provision, except that nothing herein shall be construed to establish independently a right to pursue claims under Maryland's Franchise Registration and Disclosure Law. Judgment on the arbitration award may be entered in any court having jurisdiction. If any party fails to appear at any properly noticed arbitration proceeding, an award may be entered against the party, notwithstanding its failure to appear. Any arbitration will be conducted at Choice's headquarters office in Maryland. Nothing in this Section will be construed as requiring Guarantor or Choice to make a claim in arbitration before exercising any rights Choice or Guarantor may have to give notice of default or termination in accordance with the terms of this Guaranty.

IN WITNESS WHEREOF, the undersigned have set his/her/its/their hands and seals on the date noted above.

Jessie Wright, individually

X: Jessie Wright L.S.

Social Security No. 625-96-8280

Date: 12/30/22

Address: 22939 Hawthorne Blvd #100
Tollance Ca 90505

**WRITTEN CONSENT OF THE MEMBERS
OF
Titusville Mall LLC**

The undersigned, constituting all of the members of Titusville Mall LLC, a Limited Liability Company (the "LLC"), acting by written consent in lieu of a meeting of the members, hereby approve and adopt the following resolutions:

WHEREAS, the LLC desires to obtain a franchise agreement with Choice Hotels International, Inc. ("Choice") to obtain certain rights and obligations with respect to the development of a Choice-branded hotel;

WHEREAS, the LLC and Choice have agreed to the form of the franchise agreement to be entered into between the parties (along with all other ancillary and related agreements and documentation, the "Franchise Agreement");

WHEREAS, as a condition to granting the Franchise Agreement to the LLC, Choice has required that the LLC provide evidence that an affiliate of the LLC has been duly authorized, empowered and directed to sign and deliver the Franchise Agreement on behalf of the LLC.

THEREFORE, it is, **RESOLVED**, that Jessie Wright, whose position(s) with the LLC is/are that of MEMBER or MANAGING MEMBER (the "Authorized Representative(s)") is hereby authorized and directed to execute and deliver the Franchise Agreement and all related agreements to Choice on behalf of the LLC; and be it

FURTHER RESOLVED, that Choice and its successors or assigns are authorized to rely upon these resolutions as evidence of (i) the LLC's power and authority to enter into the Franchise Agreement and all related agreements, and (ii) the Authorized Representative's binding authority to sign and deliver the Franchise Agreement and all related agreements on behalf of the LLC.

Dated: 12/30/2022

All Members:

Signature: 
Print Name: Jessie Wright

**WRITTEN CONSENT OF THE BOARD OF DIRECTORS
OF
MC Call Investors Corp**

The undersigned, constituting the entire Board of Directors of MC Call Village Investors Corp, a California Corporation (the "Corporation"), acting by written consent in lieu of a meeting of the Board of Directors, hereby approve and adopt the following resolutions:

WHEREAS, the Corporation desires to obtain a franchise agreement with Choice Hotels International, Inc. ("Choice") to obtain certain rights and obligations with respect to the development of a Choice-branded hotel;

WHEREAS, the Corporation and Choice have agreed to the form of the franchise agreement to be entered into between the parties (along with all other ancillary and related agreements and documentation, the "Franchise Agreement");

WHEREAS, as a condition to granting the Franchise Agreement to the Corporation, Choice has required that the Corporation provide evidence that an affiliate of the Corporation has been duly authorized, empowered and directed to sign and deliver the Franchise Agreement on behalf of the Corporation.

THEREFORE, it is **RESOLVED**, that Jessie Wright, whose position with the Corporation is that of President (the "Authorized Representative") is hereby authorized and directed to execute and deliver the Franchise Agreement and all related agreements to Choice on behalf of the Corporation; and be it

FURTHER RESOLVED, that Choice and its successors or assigns are authorized to rely upon these resolutions as evidence of (i) the Corporation's power and authority to enter into the Franchise Agreement and all related agreements, and (ii) the Authorized Representative's binding authority to sign and deliver the Franchise Agreement and all related agreements on behalf of the Corporation.

Dated: 12/30/2022

Board of Directors:

Signature: 
Print Name: Jessie Wright