

FRANCHISE DISCLOSURE DOCUMENT

Super 8 Worldwide, Inc.
A South Dakota corporation
22 Sylvan Way
Parsippany, New Jersey 07054
(973) 753-8300
www.super8.com



The franchisee will operate a Super 8[®] guest lodging facility franchise offering overnight accommodations and related services.

The total investment necessary to begin operation of a Super 8 franchise for a 60 room new construction facility ranges from ~~\$2,851,570~~~~2,819,970~~ to ~~\$3,962,600~~~~3,846,500~~. The total investment necessary to begin operation of a Super 8 franchise for a 60 room conversion facility ranges from \$176,170 to ~~\$1,591,000~~~~1,425,600~~. The above amounts include from \$31,900 to \$32,900 that must be paid to the franchisor or an affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Franchise Development Department, Super 8 Worldwide, Inc., 22 Sylvan Way, Parsippany, NJ 07054 or call (800) 758-8999.

The terms of your contract will govern your franchise relationship. Do not rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 1, 2013~~4~~.

STATE COVER PAGE

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

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

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

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

1. THE FRANCHISE AGREEMENT STATES THAT NEW JERSEY LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
2. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for the effective dates of this Franchise Disclosure Document in the franchise registration states.

SUPER 8 WORLDWIDE, INC.

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This Franchise Disclosure Document is registered in the following states having franchise registration and/or disclosure laws, with the following effective dates:

Hawaii _____, 2014

Minnesota _____, 2014

South Dakota _____, 2014

Wisconsin _____ April 2, 2014

In all other states, this Franchise Disclosure Document's effective date is the issuance date of April 1, 2014~~3~~.

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

To simplify the language in this Disclosure Document, “we,” “our” or “us” means Super 8 Worldwide, Inc., the franchisor. “You” means the person or entity who buys the franchise, the franchisee. If the franchisee is a corporation, partnership or other entity, “you” includes the franchisee’s owners.

The Franchisor and Its Affiliates. We are a South Dakota corporation, incorporated on October 5, 1971. We changed our name from Super 8 Motels, Inc. to Super 8 Worldwide, Inc. in March 2008. We do not do business under any other name. We are a subsidiary of Wyndham Hotel Group, LLC, a Delaware limited liability company (“Wyndham Hotel Group”), which is owned by Wyndham Worldwide Corporation, a Delaware corporation (“Wyndham Worldwide”). Wyndham Worldwide guarantees the performance of our obligations under the “Franchise Agreements” we enter into with franchisees. Wyndham Worldwide’s predecessor, Hospitality Franchise Systems, Inc. (“HFS”) acquired us on April 30, 1993.

Wyndham Worldwide’s corporate history can be traced back to the 1990 formation of Hospitality Franchise Systems (which changed its name to HFS Incorporated or HFS). The company initially began as a hotel franchisor that later expanded its hospitality business and became a major real estate and car rental franchisor. In December 1997, HFS merged with CUC International, Inc., or CUC, to form Cendant Corporation (“Cendant”), which changed its name to Avis Budget Group, Inc. in September 2006. During July 2006, Cendant transferred to Wyndham Worldwide all of the assets and liabilities of Cendant’s Hospitality Services (including Timeshare Resorts) businesses and, on July 31, 2006, Cendant distributed all of the shares of Wyndham Worldwide common stock to the holders of Cendant common stock issued and outstanding on July 21, 2006, the record date for the distribution. The separation was effective on July 31, 2006. On August 1, 2006, Wyndham Worldwide commenced “regular way” trading on the New York Stock Exchange under the symbol “WYN.”

Wyndham Hotel Group and its affiliate, Worldwide Sourcing Solutions, Inc. (“WSSI”) and Wyndham Technical Services LLC (“WTS”), offer goods and services to our franchisees and the franchisees of the Lodging Affiliates as defined below. See Items 5 and 8.

Lodging Affiliates. Wyndham Hotel Group owns other franchising subsidiaries in the lodging industry (the “Lodging Affiliates”). The Lodging Affiliates include Ramada Worldwide Inc. (“RWI”), Days Inns Worldwide, Inc. (“DIW”), Howard Johnson International, Inc. (“HJI”), Travelodge Hotels, Inc. (“THI”), Knights Franchise Systems, Inc. (“KFS”), Wingate Inns International, Inc. (“WII”), Baymont Franchise Systems, Inc. (“BFS”), Microtel Inns and Suites Franchising, Inc. (“MISF”), TRYP Hotels Worldwide, Inc. (“TRYP Hotels”), Moonlight Franchisor, Inc. (“Moonlight”), PH Franchisor, Inc. (“PH”) and Hawthorn Suites Franchising, Inc. (“HSF”) which offer and support lodging system franchises under the Ramada[®], Days Inn[®], Howard Johnson[®], Travelodge[®] (North America only), Knights Inn[®], Wingate by Wyndham[®], Baymont Inn & Suites[®], Microtel Inn & Suites[®] by Wyndham[®], TRYP by Wyndham[®], Dream[®], NIGHT[®], Planet Hollywood Hotels[®] and Hawthorn Suites by Wyndham[®] guest lodging facility systems, respectively. The above Lodging Affiliates do not own or operate any lodging facilities, although other affiliates manage and may own hotel properties. Another Lodging

Affiliate, Wyndham Hotels and Resorts, LLC (“WHR”), offers and supports franchises for upscale, full service and select service Wyndham® transient guest lodging facilities. An affiliate of WHR ~~owns~~ ~~has an equity ownership interest in two~~ 2 Wyndham branded properties.

Certain Other Franchise and Travel Industry Affiliates. The following chart outlines which affiliate offers and administers franchises, master franchises and managed facilities for our guest lodging facilities and those of the Lodging Affiliates outside of the United States, and, in the case of managed facilities, within the United States:

<u>Region/Country</u>	<u>Franchise System</u>	<u>Franchisor</u>
<u>Canada</u>	<u>Baymont Inn & Suites</u> <u>Hawthorn Suites by Wyndham</u> <u>Howard Johnson</u> <u>Microtel Inn & Suites by Wyndham</u> <u>Night Ramada</u> <u>Super 8</u> <u>TRYP by Wyndham</u> <u>Wingate by Wyndham</u> <u>Wyndham</u>	<u>Wyndham Hotel Group Canada, ULC (“WHG Canada”)</u> or one of the <u>Lodging Affiliates</u>
<u>All of Asia with the exception of Hong Kong</u>	<u>All brands with the exception of Dream, Night, Planet Hollywood Hotels and TRYP by Wyndham</u>	<u>Wyndham Hotel Asia Pacific Co. Limited (“WH APAC”)</u>
<u>Hong Kong</u>	<u>All brands with the exception of Dream, Night, Planet Hollywood Hotels and TRYP by Wyndham</u>	<u>Wyndham Hotel Hong Kong Co. Limited (“WH Hong Kong”)</u>
<u>Australia</u>	<u>Days Inn</u> <u>Ramada</u> <u>TRYP by Wyndham</u>	<u>Wyndham Hotel Group International, Inc. (“WHGI”)</u>
<u>Most of Europe, Middle East & Africa</u>	<u>All brands with the exception of Dream, Night, Planet Hollywood Hotels and TRYP by Wyndham</u>	<u>Wyndham Hotel Group (UK) Limited (“WHG UK”), Wyndham Hotel Group (UK) East Limited (“WHG UK East”)</u> or <u>WHG (Ireland) Hotels</u>
<u>Armenia</u> <u>Azerbaijan</u> <u>Kazakhstan</u> <u>Lithuania</u> <u>Russia</u> <u>Ukraine</u>	<u>All brands with the exception of Planet Hollywood Hotels</u>	<u>Wyndham Hotel Group (UK) East Limited</u>
<u>Europe, Middle East & Africa</u>	<u>TRYP by Wyndham</u>	<u>Wyndham Hotel Group Europe Limited (“WHG</u>

		<u>Europe</u>)
<u>Latin America</u>	<u>Days Inn</u> <u>Howard Johnson</u> <u>Ramada</u> <u>Super 8</u> All brands with the exception of Ramada	Wyndham Hotel Group International, Inc. (“WHGI”)
<u>Latin America</u>	<u>Ramada</u>	<u>Ramada International, Inc.</u>
<u>Saudi Arabia</u>	All brands	WHGI
<u>Region/Country</u>	<u>System with Master Franchisees</u>	<u>Master Franchisors</u>
<u>Canada</u>	<u>Days Inn</u> <u>Howard Johnson</u> <u>Knights Inn</u> <u>Travelodge</u>	<u>DIW</u> <u>HJ</u> <u>KFS</u> <u>THI</u>
<u>Outside US & Canada</u>	<u>Days Inn</u> <u>Howard Johnson</u> <u>Ramada</u> <u>Super 8</u> <u>Wyndham</u>	An affiliate of Wyndham Hotel Group†
<u>Region/Country</u>	<u>Managed System</u>	<u>Management Company</u>
<u>US & Canada</u>	<u>Wyndham</u>	Wyndham Hotel Management, Inc. (“WHM”) or another affiliate or
<u>US & Canada</u>	<u>Hawthorn Suites by Wyndham</u> <u>TRYP by Wyndham</u>	WHG Hotel Management, Inc. (“WHGHM”)
<u>US & Canada</u>	<u>Hawthorn by Wyndham</u>	WHGHM Revere, LLC
<u>Europe</u>	<u>Ramada</u> <u>Wyndham</u>	<u>WHG UK</u>
<u>Singapore</u>	<u>Days Inn</u>	WH APAC

As of December 31, 2012³, WHM, ~~or~~ WHGHM or another affiliate provided property management services to 6049 hotels associated with either the Days Inn, Hawthorn Suites by Wyndham, Ramada, TRYP by Wyndham or Wyndham brands.

In January 2012, six major hotel companies, including Wyndham Hotel Group, announced a new joint venture, RoomKey. RoomKey is a hotel search engine that provides consumers with comprehensive information about hotels and hotel room availability for those participating hotel chains. Upon selection of a hotel room, the consumers make the hotel booking directly on the respective brand website.

Other affiliates include Wyndham Exchange and Rentals, Inc., formerly known as Group RCI, Inc., (“WER”) and Wyndham Vacation Ownership, Inc. (“WVO”). WER provides vacation

~~exchange products and services to developers, managers and owners of intervals of vacation ownership interests, and markets vacation rental properties. WER is the world's largest vacation exchange network with over 4,000 vacation ownership resorts in approximately 100 countries and 3.7 million vacation exchange members. It also is among the world's largest global marketers of vacation rental properties with relationships with nearly 58,000 independent property owners in 34 countries. WVO develops, markets and sells vacation ownership interests to individual consumers, provides consumer financing in connection with the sale of vacation ownership interests and provides management services at resorts. WVO has the largest vacation ownership business in the world as measured by the numbers of vacation ownership resorts (over 190 resorts), vacation ownership units (over 23,000 units) and owners of vacation ownership interests (over 915,000 owners).~~

The principal business address of us, Wyndham Worldwide, Wyndham Hotel Group, the Lodging Affiliates, WHGI, WHG Canada, WTS and WSSI is 22 Sylvan Way, Parsippany, New Jersey 07054. The principal business address of WER is 147 Sylvan Way, Parsippany, New Jersey 07054. The principal business address of WVO is 8427 South Park Circle, Suite 500, Orlando, FL 32819. The principal business address for WHG Europe is The Triangle, 5 Hammersmith Grove, London W6 0QLG England. The principal address of WH APAC and WH Hong Kong is Suites 3110-11 Dorset House, Taikoo Place, 979 King's Road, East Island, Hong Kong. Our agents for service of process are listed on Exhibit B.

The Franchisor's Business and the Franchises Offered. We offer, sell and support franchises for Super 8 "Chain" guest lodging facilities. We do not own, operate or manage any Chain or other lodging facility. We are not engaged in any other business.

Under the Franchise Agreement (found as Exhibit C-1 to this Disclosure Document), we offer you, if you qualify, a franchise to operate a Super 8[®] guest lodging facility (a "Chain Facility" or "Facility") at a single, defined location utilizing the Super 8 service mark and the proprietary Super 8 "System" for providing economy-oriented transient guest lodging services to the public. You may obtain more than one franchise for a Chain Facility from us. However, each location is subject to our usual application procedures and requires you to execute an additional Franchise Agreement as described in this Disclosure Document. The Facilities provide an economy lodging service, consisting of guest rooms, without restaurants or many of the amenities offered by other hotels having similar guest rooms. Facilities cater to business and leisure travelers, vacationing families and senior citizen travelers. A toll-free reservation number and our Chain website for guests are provided as part of the System.

The Hospitality Industry. The hospitality industry is highly competitive. Chain Facilities compete with all types of facilities that offer transient guest lodging to the public. The primary competition on a nationwide basis is from lodging establishments affiliated with other major lodging chains. Your Facility may also compete with franchises of the Lodging Affiliates. Your ability to compete in your market will depend in large part upon your geographic area, specific site location, the Facility's condition, general economic conditions and the capabilities of your management and service team. Affiliation with us does not guarantee that you will be successful or profitable in your business operation.

Industry Specific Laws. You must comply with a number of federal, state and local laws and regulations which apply to businesses generally and to the construction and operation of hotels. These include environmental laws and those relating to zoning and construction, permits and licensing; public accommodations and accessibility by persons with disabilities; labor; occupational safety; fire safety; health and food storage, preparation and service; privacy and data collection; and laws regulating the posting of hotel room rates and the registration and identification of guests. In addition to these laws, laws of general application may have special relevance to hotels. Consult your attorney for more information on these and other laws.

Business Experience of Franchisor and the Lodging Affiliates

We have been offering franchises for Chain Facilities since 1975. We do not own or operate any Chain Facility. We are not engaged in any activities other than franchising Super 8 Chain Facilities and offering related products and services as described in this Disclosure Document. The Lodging Affiliates have been offering franchises for lodging facilities in the United States since the following dates:

Affiliate	Began Franchising	Predecessor Began Franchising	Number of Franchised Facilities in U.S. as of December 31, 2013
DIW	1992	1972	1,585
HJI	1990	1954	295
WII	1998	1995	155
KFS	1995	1972	351
THI	1996	1966	341
RWI	1989	1954	432
WHR	2005	1996	101
BFS	2006	2004	328
MISF	1995	1998	292
HSF	1996	1986	89
TRYP Hotels	2011	2000	0
Moonlight	2011	-	6
PH	2011	-	0

~~As of December 31, 2012, there were 7,342 lodging facilities, representing over 627,437 rooms on six continents, which were franchised by the Lodging Affiliates and us worldwide. The Lodging Affiliates have never offered franchises in businesses other than guest lodging facilities and related restaurants.~~

ITEM 2: BUSINESS EXPERIENCE

Chief Executive Officer: ~~Eric Danziger~~ Geoff Ballotti

Mr. Ballotti was elected our Chief Executive Officer in March 2014. He holds similar positions with Wyndham Hotel Group and the Lodging Affiliates. From 2008 until March 2014, Mr. Ballotti was Chief Executive Officer and President of WER. ~~Mr. Danziger was elected our Chief Executive Officer in December 2008. He holds similar positions with Wyndham Hotel Group and the Lodging Affiliates. From August 2006 until December 2008, Mr. Danziger was Chief Executive Officer of WhiteFence Inc., an online one-stop comparison shopping and transaction site for home services based in Houston, TX.~~

Director, Executive Vice President and Chief Operating Officer: Robert Loewen

Mr. Loewen was elected our Chief Operating Officer in April 2013 and our Director in June 2011. He was elected our Executive Vice President in March 2006. From April 2002 until April 2013, he was our Chief Financial He holds similar positions with Wyndham Hotel Group and the Lodging Affiliates.

Director, Executive Vice President, General Counsel and Secretary: Lynn Feldman

Ms. Feldman was elected our Director in June 2011, our Executive Vice President and General Counsel in January 2009 and our Secretary in August 2006. She holds similar positions with Wyndham Hotel Group and the Lodging Affiliates.

Director: Nicola Rossi

Mr. Rossi was elected our Director in June 2011. He has also been Senior Vice President and Chief Accounting Officer for Wyndham Worldwide since July 2006.

Executive Vice President – Brand Operations, Wyndham Hotel Group: Keith Pierce

Mr. Pierce was elected our Executive Vice President, Brand Operations, in May 2011, with overall executive responsibility for all of the Lodging Affiliates, ~~except WHR,~~ and us. From September 2008 until May 2011, he served as the President, Brand Operations for the Americas for the HJI, RWI, DIW, KFS, THI, BFS and MISF Lodging Affiliates and us. ~~Previously, he served as Group President the WHI, RWI, BFS and KFS Lodging Affiliates, having been elected President of each of such companies in February 2000, June 2004, March 2006 and February 2007, respectively.~~

Executive Vice President, Chief Financial Officer: Thomas Edwards

Mr. Edwards was elected our Executive Vice President and Chief Financial Officer in April 2013. He holds similar positions with Wyndham Hotel Group and the Lodging Affiliates. From January 2010 to March 2013 he served as Senior Vice President and Treasurer for Wyndham Worldwide Corporation. From April 2007 until December 2009, he served as Executive Vice President and Chief Financial Officer of WER.

Senior Vice President – Contracts Administration, Compliance & Property Openings/Quality Assurance: Michael Piccola

Mr. Piccola was elected our Senior Vice President, ~~Contracts Administration, Compliance and Quality Assurance~~ in April 2013. He holds a similar position with Wyndham Hotel Group and the Lodging Affiliates. Before then, Mr. Piccola served as Senior Vice President, Financial Planning and Analysis for Wyndham Hotel Group from March 2010 until March 2013 and Vice President, Investor Relations for Wyndham Worldwide from October 2008 until February 2010.

President: John Valletta

Mr. Valletta was elected our President in August 2002 and has served in such position continuously since then. He has been the Senior Vice President of the HJI Lodging Affiliate since August 2012.

Vice President – Operations: Adam Cannon

Mr. Cannon was elected our Vice President of Operations in November 2013. He has also been the Vice President of Operations for the HJI Lodging Affiliate since November 2013 and the THI Lodging Affiliate from July 2011 until November 2013. Before then he was the Senior Director of Operations and Support for the THI Lodging Affiliate from September 2008 until July 2011.

Executive Vice President – Franchise Development: Gus E. Stamoutsos

Mr. Stamoutsos was elected our Executive Vice President, Franchise Development in May 2011. He holds similar positions with Wyndham Hotel Group and the Lodging Affiliates. He served as our Executive Vice President, Domestic Franchise Development from February 2009 until May 2011. ~~He was our Senior Vice President, Franchise Sales and Development from August 2003 until February 2009.~~

Executive Vice President – Global Sales: Ross Hosking

Mr. Hosking was elected our Executive Vice President, Global Sales in March 2009. He holds similar positions with the Lodging Affiliates and Wyndham Hotel Group. ~~Before then, Mr. Hosking served as Regional Vice President of Starwood Hotels and Resorts Worldwide, Inc., a hotel and leisure company based in White Plains, NY, from September 2002 until February 2009.~~

Chief Information Officer: Gabrielle Wolfson/Daniel Kornick

Ms. Wolfson was elected our Chief Information Officer in January 2014. She holds similar positions with the Lodging Affiliates and Wyndham Hotel Group. Before then, Ms. Wolfson served as Chief Information Officer of Panasonic Corporation.~~Senior Vice President and Chief Information Officer: Daniel Kornick~~

~~Mr. Kornick was elected our Senior Vice President and Chief Information Officer in May 2010.~~

~~He holds similar positions with the Lodging Affiliates and Wyndham Hotel Group. Before then, Mr. Kornick served as the Senior Vice President, Application Development for WER from August 2005 until May 2010.~~

~~Senior Vice President – Brand Marketing: Rosanne Zusman~~

~~Ms. Zusman was elected our Senior Vice President, Brand Marketing in July 2009. She holds similar positions with the Lodging Affiliates. From July 2008 until July 2009, Ms. Zusman was Brand Senior Vice President for the MISF and HSF Lodging Affiliates. Before then, she held the position with of Vice President, Change Management for Wyndham Hotel Group from February 2008 until July 2008.~~

~~Vice President – Operations: Jim Darby~~

~~Mr. Darby was elected our Vice President, Operations in September 2004 and has served continuously in such position since then.~~

~~Vice President – Marketing: Henry Gabay~~

~~Ms. Gabay was elected our Vice President, Marketing in August 2009. She was Vice President, Marketing and Strategy of the RWI, HJI and THI Lodging Affiliates from as early as March 2008 for some of these Lodging Affiliates through July 2009.~~

~~Senior Vice President – Global Learning and Development Brand Services: Anmarie Fairweather~~

~~Ms. Fairweather was elected our Senior Vice President, Global Learning and Development Brand Services in February 2014, October 2010. She holds a similar position with the Lodging Affiliates and Wyndham Hotel Group. Before then, Ms. Fairweather was Vice President, Brand Services from October 2010 until February 2014 and Vice President, Franchise Support from June 2006 until October 2010.~~

Except as otherwise indicated in this Item, each of the above persons is based in our Parsippany, NJ offices while employed by us, the Lodging Affiliates, Wyndham Hotel Group or Wyndham Worldwide.

ITEM 3: LITIGATION

Pending Litigation Against the Licensor

Percy Pooniwala and Dinaz Pooniwala v. Wyndham Worldwide, Inc., Super 8 Worldwide Inc., Travelodge Hotels Inc., and Days Inn Worldwide, Inc. (Case No. 27-CV-14-2867, District Court, Fourth Judicial District, County of Hennepin, State of Minnesota). On February 28, 2014, plaintiffs served a Complaint upon Super 8, THI, DIW and Wyndham Worldwide Operations, Inc. (the "Wyndham Defendants") asserting allegations including (1) violation of the Minnesota Franchise Act; (2) breach of contract; (3) breach of the implied covenant of good faith and fair dealing; and (4) retaliation. Plaintiffs' claims relate to six franchise agreements with the Wyndham Defendants for the operation of Super 8, Travelodge and Days Inn franchised guest lodging facilities in Minnesota. Plaintiffs seek a Temporary Restraining Order and/or Preliminary Injunction and damages in excess of \$150,000.00, as well as the recovery of attorneys' fees. Defendants removed the case to the United States District Court for the District of Minnesota and filed a motion to transfer venue to the United States District Court for the District of New Jersey.

Pending Litigation Against the Lodging Affiliates

FTC v. Wyndham Worldwide Corporation, et al. (United States District Court for the District of New Jersey, Case No. 13-cv-1887 (ES)(JAD)). On June 26, 2012 the U.S. Federal Trade Commission ("FTC") filed a lawsuit in Federal District Court for the District of Arizona against Wyndham Worldwide and its subsidiaries, Wyndham Hotel Group, WHR and WHM, alleging unfairness and deception-based violations of Section 5 of the FTC Act in connection with three prior data breach incidents involving a group of Wyndham brand hotels. The Court transferred the matter to the United States District Court for the District of New Jersey (Salas, J.) on March 25, 2013. At a hearing on November 7, 2013, the Court denied our Motion to Stay Discovery and requested supplemental briefing on our Motion to Dismiss the lawsuit. The parties have completed that briefing and the Motion to Dismiss remains pending. Discovery is proceeding.

Patricia Greenberg, individually and on behalf of others similarly situated v. Expedia, Inc. et al., United States District Court for the Northern District of California (C-12-4975 (MEJ)). On September 24, 2012, a purported antitrust class action complaint was filed against Wyndham Worldwide, Wyndham Hotel Group, THI, and other unrelated hotel companies and online travel agencies. The complaint alleges that the online travel agency defendants conspired with the hotel company defendants by entering into, maintaining and/or enforcing contracts aimed to fix the retail prices for room reservations at certain rates and to restrain competition for room reservations in the market for online reservations. The complaint further alleges that, as a result of these contracts, there is no competition for hotel rooms as all of the online travel agency defendants and the hotel company defendants charge the same rates for their respective hotel rooms. Plaintiff seeks damages and equitable relief against all defendants for alleged violations of: (a) Section 1 of the Sherman Act (unfair restraint of trade) and (b) the Cartwright Act. Plaintiff also seeks damages and equitable relief only against the online travel companies for (a) violating California's Consumer Legal Remedies Act, (b) false advertising, and (c) unfair competition.

Rose Marie Rich and Andrew Bouchard, on behalf of themselves and all others similarly situated v. Expedia, Inc. et al., United States District Court for the District of Connecticut (Civ. 3:12-cv-01382). On September 26, 2012, a purported antitrust class action complaint was filed against Wyndham Worldwide, and other unrelated hotel companies and online travel agencies. The complaint alleges that the online travel agency defendants and hotel company defendants conspire to structure their contracts with each other to avoid price competition, constituting per se horizontal price fixing. The complaint alleges that the hotel company defendants impermissibly require that online travel agencies raise their retail prices for hotel rooms to the hotel company defendants' rates for certain inventory, preventing non-defendant online travel agencies from gaining market share from the online travel agency defendants or competing against them on price.

This matter was consolidated with Patricia Greenberg, individually and on behalf of others similarly situated v. Expedia, Inc. et al., United States District Court for the Northern District of California (C-12-4975 (MEJ)) (described above), as well as with several other lawsuits in which we are not named that have similar allegations, and transferred to the Northern District of Texas. On May 1, 2013, a consolidated complaint was filed naming Wyndham Worldwide and Wyndham Hotel Group among others but not THI. The core allegations in the consolidated complaint do not differ from the previously filed complaints. On February 18, 2014, the Court granted Defendants' motion to dismiss without prejudice. The Court imposed a deadline of March 20, 2014 for Plaintiffs to file a motion for leave to file an amended complaint.

Loren Stone v. Howard Johnson International, Inc. & Does 1-10, United States District Court for the Central District of California (Los Angeles) (CV. 12 1684). On February 28, 2012, a purported class action complaint was filed against a lodging affiliate of BFS and several fictitious defendants, alleging that Defendants surreptitiously recorded telephone conversations with consumers. Specifically, plaintiff asserts three causes of action, alleging Defendants (i) violated California's Invasion of Privacy Act (California Penal Code Section 630 et seq.); (ii) violated the common law right to privacy; and (iii) acted negligently, when it allegedly recorded two of his calls, but did not provide a verbal or automated warning that the conversation was being recorded. Plaintiff purports to bring the complaint on behalf of himself and "all other California residents whose telephone conversations were surreptitiously recorded by Defendants between July 13, 2006 and the present." On August 7, 2012, the Court granted HJI's motion to dismiss the common law invasion of privacy claim, with leave to amend, and also granted HJI's motion to strike punitive damages, which was unopposed. Plaintiff amended his complaint to add Wyndham Hotel Group and WHR on January 11, 2013, but subsequently dismissed WHR on May 10, 2013. Discovery is proceeding. Plaintiff's brief for class certification is due in June 2014 and trial is scheduled for February 17, 2015.

Resolved Litigation Against the Licensor

Amar Shakti Enterprises, LLC et al. v. Wyndham Worldwide, Inc. et al., United States District Court for the Middle District of Florida (Orlando) (Civ. 6:10-CV-1857-ORL-19-KRS). On December 10, 2010, a purported class action lawsuit was filed against SWI other lodging affiliates of SWI by a number of their franchisees alleging claims involving the proactive matching feature and associated 5% fee under the Wyndham Rewards guest loyalty program. On October 13, 2011, a Second Amended Complaint was filed. Class representatives included

Baymont[®], Days Inn[®], Ramada[®] and Super 8[®] franchisees. The proposed class included all franchisees that are or were parties to a franchise agreement with Wyndham Hotel Group's hotel franchisors offered to franchisees from November 30, 1994 to December 10, 2010. There were also four proposed subclasses based upon different language in the various franchise agreements from 1994 to December 10, 2010.

Specific counts in the Second Amended Complaint included (1) two breach of contract counts; (2) allegations of unfair and deceptive trade practices under Florida law; and (3) violation of New Jersey's Consumer Fraud Act. The franchisees sought damages in excess of \$260,000,000 and recovery of attorneys' fees. Plaintiffs did not file their motion for class certification and effective April 4, 2012, the parties settled the case. The franchisors reimbursed franchisee's Counsel \$125,000 to defray certain of their out-of-pocket costs but no other damages or attorneys' fees were paid. Under the settlement, the franchisors retained the right to pursue separate legal actions in New Jersey for their Counterclaims. On May 23, 2012, the Court entered an Order of Dismissal with Prejudice.

Bird Hotel, Inc. v. Super 8 Motels, Inc., United States District Court for the District of South Dakota, Southern Division (Sioux Falls) (Civil Action No. 06-4073). Plaintiff, a franchisee, commenced this class action lawsuit against SWI in February 2006 in the Second Judicial Circuit Court for Minnehaha County, State of South Dakota. We removed this case to the United States District Court for the District of South Dakota, Southern Division, in April 2006. The total class composition, resulting from potential class members who opted out or otherwise released their claims concerning this matter, was 160. Plaintiff alleged in its complaint that we violated the provisions of certain standard franchise agreements by requiring franchisees to pay an additional fee of 5% of Gross Room Revenue realized from eligible stays by members of our Wyndham Rewards loyalty program. Both parties moved for summary judgment at the close of merits discovery. On February 4, 2010, the Court ruled that we breached the class members' contracts (entered into with SWI's predecessor between 1984 and 1991) in connection with the collection of Wyndham Rewards charges, but did not rule on whether the class members suffered any damages. The parties entered into a Stipulation and Agreement of Settlement which provided for a lump sum payment on behalf of SWI of \$2.75 million to be used towards plaintiffs' counsel fees and expenses, costs of notice of settlement to the class and settlement claims administration and payment to class members, and without admission of liability by SWI. The settlement became effective on December 10, 2010.

Litigation Against Franchisees Commenced in the Past Fiscal Year

Litigation Against Terminated Franchisees for Non-Payment of Outstanding Amounts Owed:

<u>Case Name</u>	<u>Date Complaint Filed</u>	<u>Court</u>	<u>Docket Number</u>
Super 8 Worldwide, Inc. v. Bharti Hospitality Corp., Niranjan S. Viyas and Meena Tailor	1/29/2013	United States District Court for the District of New Jersey	13-cv-556

<u>Super 8 Worldwide, Inc. v. Jackson Avenue Hospitality, Inc. and Bharat Patel</u>	<u>1/29/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-583</u>
<u>Super 8 Worldwide, Inc. v. Orlando Lodging Associates, LLP, Raman Patel and Damyanti Patel</u>	<u>2/12/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-867</u>
<u>Super 8 Worldwide, Inc. v. Jayant Patel</u>	<u>3/5/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-1292</u>
<u>Super 8 Worldwide, Inc. v. Itbar, Inc., Gurudev Singh, Balbindar Dhilon and Ranbir Singh</u>	<u>3/8/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-1419</u>
<u>Super 8 Worldwide, Inc v. Pravinkumar Gandhi and Madhukanta P. Gandhi</u>	<u>3/14/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-1570</u>
<u>Super 8 Worldwide, Inc. v. Sree Tirupati Corporation, Prakash S. Patel, Narendra A. Patel, Kaushik R. Patel and Dilip R. Patel</u>	<u>5/3/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-2844</u>
<u>Super 8 Worldwide, Inc v. Chandani Hospitality, LLC and Minesh Deva</u>	<u>6/14/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-3693</u>
<u>Super 8 Worldwide, Inc. v. Sainath LLC, Amit Patel, Ajit Patel and Bhavin Patel</u>	<u>6/14/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-3688</u>
<u>Super 8 Worldwide, Inc. v. Lotus MKC Hospitality, LLC, Mahendra Magan Patel, Kokilaben Mahendra Patel and Chetan M. Jala</u>	<u>6/17/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-3725</u>
<u>Super 8 Worldwide, Inc. v. Khalsa Brothers, Inc., Rajvir Singh Gill and Gurinder Kaur</u>	<u>6/25/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-3910</u>
<u>Super 8 Worldwide, Inc. v. Sunil R. Patel and Amita S. Patel</u>	<u>7/11/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-4253</u>

<u>Super 8 Worldwide, Inc. v. Missouri Hotels I, LLC, George A. Smith and Geoffrey K.J. Yeun</u>	<u>7/12/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-4257</u>
<u>Super 8 Worldwide, Inc. v. AVM Enterprises, LLC, Ashesh Patel, Vijay Patel and Minesh Patel</u>	<u>7/25/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-4482</u>
<u>Super 8 Worldwide, Inc. v. Simple Hospitality, LLC, Rupa Patel, Charulatta Patel and Mahendra Patel</u>	<u>7/25/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-4503</u>
<u>Super 8 Worldwide, Inc. v. S H D, Inc. and Hament Desai</u>	<u>7/29/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-4551</u>
<u>Super 8 Worldwide, Inc. v. Anu, Inc., Pravin M. Patel and Kailashben Zaver</u>	<u>8/13/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-4852</u>
<u>Super 8 Worldwide, Inc. v. Shree Shivshakti, LLC, Nimesh Bhagat, Rupal Bhagat and Harish Bhagat</u>	<u>8/13/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-4865</u>
<u>Super 8 Worldwide, Inc. v. Fiftea, Inc., Bernard C. Horejsi and Debra J. Horejsi</u>	<u>9/4/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-5274</u>
<u>Super 8 Worldwide, Inc. v. Super Investments, LLC, Marita Fortades, Elenita Silva-Aquino, Isabel Laqui, Virginio Tordero and Aristides Aquino</u>	<u>9/20/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-5623</u>
<u>Super 8 Worldwide, Inc. v. Kim Hospitality, Inc., Manny Johar and Satpal Johar</u>	<u>9/20/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-5624</u>
<u>Super 8 Worldwide, Inc. v. Windsor Real Estate, LLC, Kiran Patel and Gurbachan Singh</u>	<u>9/20/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-5620</u>
<u>Super 8 Worldwide, Inc. v. Kusum, LLC, Parkash Patel, Hardika Patel, Bharat Patel and Dipika Patel</u>	<u>9/20/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-5603</u>

<u>Super 8 Worldwide, Inc. v. Asian American Hospitality Services, Inc., Sumesh N. Patel, Sandhya S. Patel, Paresh K. Patel, Minal P. Patel and Laxmi K. Patel</u>	<u>9/23/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-5648</u>
<u>Super 8 Worldwide, Inc. v. Dasht, Anil R. Patel, Sunil J. Patel, Hemal Patel, Tejas Patel and Devang Naik</u>	<u>11/22/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-7111</u>
<u>Super 8 Worldwide, Inc. v. Mukesh M. Somaya</u>	<u>12/5/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-7303</u>
<u>Super 8 Worldwide, Inc. v. Theta Properties, LLP, Dino Panousopoulos, a/k/a Constantine Panousopoulos and Nelida Pansousopoulos</u>	<u>12/5/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-7307</u>
<u>Super 8 Worldwide, Inc. v. Prahlad, Inc. and Peter Patel</u>	<u>12/18/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-7637</u>
<u>Super 8 Worldwide, Inc. and Knights Franchise Systems, Inc. v. Mital Hospitality, Inc. and Chintubhai Patel</u>	<u>12/23/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-7781</u>
<u>Super 8 Worldwide, Inc. v. F&R Group Investments, LLC and Faraz Faiz</u>	<u>12/26/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-7835</u>
<u>Super 8 Worldwide, Inc. v. AM Hospitality LLC, Altaf Gandhi and Tehmina Gandhi</u>	<u>12/26/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-7826</u>
<u>Super 8 Worldwide, Inc. v. Krupa Motels, Inc. and Rakesh Patel</u>	<u>12/26/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-7831</u>
<u>Super 8 Worldwide, Inc. v. Mamta Hospitality, LLC, Shashi Kaushal, Geeta Kaushal and Subhash Sethi</u>	<u>12/26/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-7837</u>
<u>Super 8 Worldwide, Inc. v. VP2, LLC, Vijay J. Patel, Hamant B. Patel and Ketan Vakil</u>	<u>02/11/2014</u>	<u>Superior Court of New Jersey, Law Division, Morris County</u>	<u>MRS-L-371-14</u>

<u>Super 8 Worldwide, Inc. v. Shree Nathji, Inc., Roger Vyas and I.G. Vyas</u>	<u>02/12/2014</u>	<u>United States District Court for the District of New Jersey</u>	<u>14-cv-887</u>
<u>Super 8 Worldwide, Inc. v. Sita Corporation, Jaimin K. Patel and Rashmi K. Patel</u>	<u>02/14/2014</u>	<u>United States District Court for the District of New Jersey</u>	<u>14-cv-938</u>
<u>Super 8 Worldwide, Inc. v. Sushil & Brothers Properties, LLC a/k/a Sushi & Brothers Properties, LLC, Gordhanbhai S. Patel and Ratanben G. Patel</u>	<u>02/14/2014</u>	<u>United States District Court for the District of New Jersey</u>	<u>14-cv-939</u>
<u>Super 8 Worldwide, Inc. v. JJC Corporation and Rajendra Patel</u>	<u>02/14/2014</u>	<u>United States District Court for the District of New Jersey</u>	<u>14-cv-961</u>
<u>Super 8 Worldwide, Inc. v. Shiv I J, LLC, Ishver H. Patel and Jayantilal H. Patel</u>	<u>02/19/2014</u>	<u>United States District Court for the District of New Jersey</u>	<u>14-cv-1021</u>
<u>Super 8 Worldwide, Inc. v. RK Hospitality, LLC, Rukhsana B. Tak and Adnan Khan</u>	<u>02/19/2014</u>	<u>United States District Court for the District of</u>	<u>14-cv-1023</u>
<u>Super 8 Worldwide, Inc. v. Hospitality Solutions of Kinston, Inc., Aaron Maune and Mark Enyedi</u>	<u>02/19/2014</u>	<u>United States District Court for the District of New Jersey</u>	<u>14-cv-1025</u>
<u>Super 8 Worldwide, Inc. v. Shri Narayan, LLC and Chandubhai Patel</u>	<u>02/19/2014</u>	<u>United States District Court for the District of New Jersey</u>	<u>14-cv-1034</u>
<u>Super 8 Worldwide, Inc. v. AKSR Corporation and Ajesh H. Patel, a/k/a AJ Patel</u>	<u>02/19/2014</u>	<u>United States District Court for the District of New Jersey</u>	<u>14-cv-1037</u>
<u>Super 8 Worldwide, Inc. v. Bhavani, Inc., Ramesh Patel and Ramilaben R. Gorgamkar</u>	<u>02/25/2014</u>	<u>United States District Court for the District of New Jersey</u>	<u>14-cv-1195</u>
<u>Super 8 Worldwide, Inc. v. Ambrosia Lands Hospitality, Inc. and Merv Dukatt</u>	<u>02/26/2014</u>	<u>United States District Court for the District of New Jersey</u>	<u>14-cv-1225</u>

<u>Super 8 Worldwide, Inc. v. Shreehari, Inc., Rajiv Johar and Brian Taylor</u>	<u>02/26/2014</u>	<u>United States District Court for the District of New Jersey</u>	<u>14-cv-1226</u>
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Litigation Against Terminated Franchisees for De-Identification of Facility and Non-Payment of Outstanding Amounts Owed:

<u>Super 8 Worldwide, Inc. v. Guru Investment, LLC, Ashwin Kumar Patel, Mukesh Kumar Patel and Sankabhai Patel</u>	<u>7/18/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-4374</u>
<u>Super 8 Worldwide, Inc. v. Grand Junction, LLC, James M. Randle and Debbie Wacasey</u>	<u>7/18/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-4377</u>
<u>Super 8 Worldwide, Inc. v. Sachin, LLC, Prakash Patel and Bharat Patel</u>	<u>8/7/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-4720</u>
<u>Super 8 Worldwide, Inc. v. Sairam Corporation and Dinesh Patel</u>	<u>10/17/2013</u>	<u>United States District Court for the District of New Jersey</u>	<u>13-cv-6161</u>
<u>Super 8 Worldwide, Inc. v. Bini & Rema, Inc., Hasmukh Patel, Vinesh Patel, Narendra Patel and Harshad Patel</u>	<u>01/17/2014</u>	<u>United States District Court for the District of New Jersey</u>	<u>14-cv-357</u>
<u>Super 8 Worldwide, Inc. v. Bini & Rema, Inc., Hasmukh Patel, Vinesh Patel, Narendra Patel and Harshad Patel</u>	<u>01/17/2014</u>	<u>United States District Court for the District of New Jersey</u>	<u>14-cv-357</u>

Pending Litigation Against the Franchisor

~~FTC v. Wyndham Worldwide Corporation, et al. (United States District Court for the District of Arizona, Case No. 2:12 CV. 1365 filed June 26, 2012). On June 26, 2012 the U.S. Federal Trade Commission ("FTC") filed a lawsuit in Federal District Court for the District of Arizona against Wyndham Worldwide Corporation and its subsidiaries, Wyndham Hotel Group, LLC, Wyndham Hotels & Resorts, Inc. and Wyndham Hotel Management, Inc., alleging unfairness and deception based violations of Section 5 of the FTC Act in connection with three prior data breach incidents involving a group of Wyndham brand hotels. We dispute the allegations in the lawsuit and are defending this lawsuit vigorously. We filed a Motion to Transfer the matter to New Jersey, or as an alternative, Washington D.C., which is pending before the Court. We additionally filed a Motion to Dismiss the lawsuit, which is pending before the Court. Meanwhile, the parties are engaged in discovery.~~

~~Patricia Greenberg, individually and on behalf of others similarly situated v. Expedia, Inc. et al., United States District Court for the Northern District of California (C 12 4975 (MEJ)). On September 24, 2012, a purported antitrust class action complaint was filed against Wyndham Worldwide Corporation, Wyndham Hotel Group, LLC, Travelodge Hotels, Inc., and other unrelated hotel companies and online travel agencies. The complaint alleges that the online travel agency defendants conspired with the hotel company defendants by entering into, maintaining and/or enforcing contracts aimed to fix the retail prices for room reservations at certain rates and to restrain competition for room reservations in the market for online reservations. The complaint further alleges that, as a result of these contracts, there is no competition for hotel rooms as all of the online travel agency defendants and the hotel company defendants charge the same rates for their respective hotel rooms. Plaintiff seeks damages and equitable relief against all defendants for alleged violations of: (a) Section 1 of the Sherman Act (unfair restraint of trade) and (b) the Cartwright Act. Plaintiff also seeks damages and equitable relief only against the online travel companies for (a) violating California's Consumer Legal Remedies Act, (b) false advertising, and (c) unfair competition.~~

~~Plaintiff pleads a nationwide class as follows: "All persons and entities throughout the United States who paid for a room at a Defendant Hotel reserved through the online retailer defendants. Expressly excluded are (i) room reservations made as part of a package deal; or (ii) room reservations made without disclosure of the name of the hotel until after paying for the room reservation." Plaintiff additionally pleads a California subclass, identical to the definition above, but which limits the claimants to persons and entities throughout California.~~

~~This matter was consolidated with Rose Marie Rich and Andrew Bouchard, on behalf of themselves and all others similarly situated v. Expedia, Inc. et al., United States District Court for the District of Connecticut (Civ. 3:12 cv 01382), as well as with several other lawsuits in which we are not named that have similar allegations, and transferred to the Northern District of Texas. We deny the allegations in the complaint and intend to defend this lawsuit vigorously.~~

~~Rose Marie Rich and Andrew Bouchard, on behalf of themselves and all others similarly situated v. Expedia, Inc. et al., United States District Court for the District of Connecticut (Civ. 3:12 cv 01382). On September 26, 2012, a purported antitrust class action complaint was filed against Wyndham Worldwide Corporation ("WWC"), and other unrelated hotel companies and online travel agencies. The complaint alleges that the online travel agency defendants and hotel company defendants conspire to structure their contracts with each other to avoid price competition, constituting per se horizontal price fixing. The complaint alleges that the hotel company defendants impermissibly require that online travel agencies raise their retail prices for hotel rooms to the hotel company defendants' rates for certain inventory, preventing non-defendant online travel agencies from gaining market share from the online travel agency defendants or competing against them on price. The proposed class definition is: "From January 1, 2004 to the present, all persons in the United States who purchased directly from any Defendant an online room reservation for a Hotel Defendant's room. Expressly excluded are (i) room reservations made as part of a package deal or (ii) room reservations made without disclosure of the name of the hotel until after paying for the room reservation." The complaint contains a single count for violating Section 1 of the Sherman Act.~~

~~This matter was consolidated with Patricia Greenberg, individually and on behalf of others similarly situated v. Expedia, Inc. et al., United States District Court for the Northern District of California (C 12 4975 (MEJ)), as well as with several other lawsuits in which we are not named that have similar allegations, and transferred to the Northern District of Texas. We deny the allegations in the complaint and intend to defend this lawsuit vigorously.~~

~~Resolved Litigation Against the Franchisor~~

~~Amar Shakti Enterprises, LLC et al. v. Wyndham Worldwide, Inc. et al., United States District Court for the Middle District of Florida (Orlando) (Civ. 6:10 CV 1857 ORL 19 KRS). On December 10, 2010, a purported class action lawsuit was filed against SWI and other lodging affiliates of SWI alleging claims involving the proactive matching feature and associated 5% fee under the Wyndham Rewards guest loyalty program. Defendants filed a motion to dismiss and, on August 22, 2011, Defendants' motion to dismiss was granted in part and denied in part and Defendants' motion to compel arbitration was granted. The court's ruling dismissed eleven of the fourteen named plaintiffs from the case; four of the plaintiffs' claims were dismissed without prejudice.~~

~~On October 13, 2011, a Second Amended Complaint was filed. Class representatives included Baymont[®], Days Inn[®], Ramada[®] and Super 8[®] franchisees. The proposed class included all franchisees that are or were parties to a franchise agreement with Wyndham Hotel Group's hotel franchisors offered to franchisees from November 30, 1994 to December 10, 2010. There were also four proposed subclasses based upon different language in the various franchise agreements from 1994 to December 10, 2010.~~

~~Specific counts in the Second Amended Complaint included (1) two breach of contract counts, including the implied duty of good faith and fair dealing, as a result of the alleged unilateral assessment of additional mandatory franchise fees of 5% for each and every stay by proactive matched members; (2) allegations of unfair and deceptive trade practices under Florida law in connection with (a) the enrollment of customers in a rewards program purportedly without their knowledge and consent; (b) the alleged masking of references on franchisees' monthly statements to guests whose hotel stays are proactively matched; (c) the alleged award of Wyndham Rewards points to customers who stay at properties and do not know they are Wyndham Rewards members, do not know they have been awarded loyalty reward points, and who never use their points prior to their automatic expiration; and (d) the alleged unequal bargaining power between the franchisors and the franchisees in connection with the terms of their respective franchise agreements; and (3) violation of New Jersey's Consumer Fraud Act. Plaintiffs sought damages in excess of \$260,000,000 and recovery of attorneys' fees.~~

~~Defendants filed a motion to dismiss and, on December 21, 2011, the Court granted in part and denied in part Defendants' motion to dismiss the Second Amended Complaint. The Court's ruling dismissed the New Jersey Consumer Fraud Act claim as to all plaintiffs but allowed the nine named plaintiffs to proceed on their other asserted claims. Only two plaintiffs with Florida ties were allowed to bring a claim for violation of Florida's deceptive trade act. Defendants asserted counterclaims against four of the named Plaintiffs for breach of contract and sought~~

~~damages for unpaid amounts owed to Defendants. Class certification discovery was completed by January 31, 2012. Plaintiffs' motion for class certification was due to be filed by February 10, 2012. Plaintiffs did not file their motion for class certification.~~

~~Effective April 4, 2012, the parties settled the case on the following terms: (1) Defendants reimbursed Plaintiffs' Counsel \$125,000 to defray certain of their out-of-pocket costs; (2) each side bore their own attorneys' fees; and (3) Defendants retained the right to pursue separate legal actions in New Jersey for its Counterclaims. On May 23, 2012, the Court entered an Order of Dismissal with Prejudice.~~

~~Bird Hotel, Inc. v. Super 8 Motels, Inc., United States District Court for the District of South Dakota, Southern Division (Sioux Falls) (Civil Action No. 06-4073). Plaintiff, a franchisee, commenced this class action lawsuit against SWI in February 2006 in the Second Judicial Circuit Court for Minnehaha County, State of South Dakota. We removed this case to the United States District Court for the District of South Dakota, Southern Division, in April 2006. The total class composition, resulting from potential class members who opted out or otherwise released their claims concerning this matter, was 160. Plaintiff alleged in its complaint that we violated the provisions of certain standard franchise agreements by requiring franchisees to pay an additional fee of 5% of Gross Room Revenue realized from eligible stays by members of our Wyndham Rewards loyalty program. We denied the allegations in the complaint. Both parties moved for summary judgment at the close of merits discovery. On February 4, 2010, the Court ruled that we breached the class members' contracts (entered into with SWI's predecessor between 1984 and 1991) in connection with the collection of Wyndham Rewards charges, but did not rule on whether the class members suffered any damages. The parties entered into a Stipulation and Agreement of Settlement which provided for a lump sum payment on behalf of SWI of \$2.75 million to be used towards plaintiffs' counsel fees and expenses, costs of notice of settlement to the class and settlement claims administration and payment to class members, and without admission of liability by SWI. The settlement became effective on December 10, 2010.~~

Litigation Against Franchisees Commenced in the Past Fiscal Year

Litigation Against Terminated Franchisees for Non Payment of Outstanding Amounts Owed:

Case Name	Date Complaint Filed	Court	Docket Number
Super 8 Worldwide, Inc. v. Roshni Hospitality, LLC and Yaswant Patel	1/3/2012	United States District Court for the District of New Jersey	12-cv-48
Super 8 Worldwide, Inc. v. U.S. Cheema, Inc., Vikram Singh Cheema and Inderjit Cheema	2/13/2012	United States District Court for the District of New Jersey	12-cv-415
Super 8 Worldwide, Inc. v. Dattaraya, Inc., Ramanlal Patel and Shantaben Patel	7/13/2012	United States District Court for the District of New Jersey	12-cv-4367
Super 8 Worldwide, Inc. v. Sai Sidhivinayak, Inc., Madhukanta Gandhi, Mihir Gandhi, Pravinkumar Gandhi, Tejas Gandhi, Gulabben Patel and Ishverbhai Patel	8/9/2012	United States District Court for the District of New Jersey	12-cv-5026

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

ITEM 4: BANKRUPTCY

~~No bankruptcy information is required to be disclosed in this Item. On February 3, 2009, Jim Darby, our Vice President—Operations, filed a petition for personal bankruptcy under Chapter 7 of the United States Bankruptcy Code in the United States Bankruptcy Court of the Southern District of New York (Case No. 09-10479-geb). Mr. Darby's address is 21 West 110th Street, New York, NY 10026. On May 6, 2009, Mr. Darby received a discharge in bankruptcy. On July 20, 2009, the Bankruptcy Court issued an Order of Final Decree, closing the bankruptcy case.~~

~~Other than the above, neither we; any parent; predecessor; affiliate; officer or general partner of ours, nor any other person who will have management responsibility relating to the sale or operation of the franchises offered by this Disclosure Document has, during the 10-year period immediately before the date of this Disclosure Document, been involved as a debtor in proceedings under the U.S. Bankruptcy Code or any foreign bankruptcy laws required to be disclosed in this Item.~~

ITEM 5: INITIAL FEES

Application and Initial Fees

You must pay a \$1,000 "Application Fee" when you submit your "Franchise Application". It is not refundable except if your application is not accepted due to proximity of the proposed site to another Chain Facility. A copy of the Franchise Application signature page appears at the end of Exhibit C-1.

You must pay an Initial Fee when you sign the Franchise Agreement. The Initial Fee for a conversion facility is \$25,000, plus \$100 for each guest room in excess of 120 rooms. The Initial Fee for a new construction facility is \$25,500, plus \$100 for each guest room in excess of 120 rooms. We do not intend to refund any Initial Fees. If we grant you a franchise, we will credit the Application Fee against your Initial Fee. If we defer payment of all or a portion of the Initial Fee, when business circumstances warrant, you will sign the "Initial Fee Note" found in Exhibit C-1. See Item 10. In 2012~~3~~, Initial Fees ranged from ~~\$23,000~~\$7,000 to \$265,500.

If you are the transferee of an existing Chain Facility, or a franchisee renewing your franchise, you must pay us an Application Fee of \$1,000 and a Relicense Fee in place of the Initial Fee. The Relicense Fee is calculated using the same formula as the Initial Fee we charge new franchisees at the time of the transfer or renewal. We may negotiate a lower Relicense Fee with you for a transfer or renewal at the time the parties sign the original, transfer or renewal Franchise Agreement when business circumstances warrant. Relicense Fees are not refundable. In 2012~~3~~, the Relicense Fee for transfer franchises ranged from ~~\$11,000~~\$24,000 to ~~\$25,000~~\$24,900. Excluded from this range were any Administrative Assignments and any transfer franchises in which the transferor had previously negotiated a reduced Relicense Fee in their Franchise Agreement with us. Also excluded were temporary operating agreements entered into with financial institutions and agreements entered into with receivers. In 2012~~3~~, the Relicense Fee for franchise renewals ranged from ~~\$12,500~~\$24,000 to ~~\$25,000~~\$25,000.

If you assign the Franchise Agreement, with our consent, to an entity affiliated with the initial franchisee using the Assignment and Assumption Agreement included in Exhibit C-1, we charge you a non-refundable Application Fee of \$1,000 and an administrative Relicense Fee of \$4,000 (an "Administrative Assignment").

If you don't complete your pre-opening construction or renovation of the Facility by the dates specified in Schedule D of the Franchise Agreement, you will pay us an extension fee of up to \$2.00 per guest room per day every 30 days until the Facility opens. The final installment is due 10 days after the Facility's "Opening Date." We may negotiate the amount, payment terms or charging of this fee with you when business circumstances warrant.

~~If your franchise is for a transfer or conversion Facility and we allow you to open the Facility under the System before all required improvements have been made, we may require you, at our discretion, to place funds in escrow, at your expense, to pay for the necessary renovations.~~

Integration Services and Fees

You must pay us an "Integration Fee." ~~The Integration Fee is of \$6,400 for a new construction facility or \$7,900 for a conversion facility. The Integration Fee is due on or before the Opening Date of the Facility. The Integration Fee for a conversion facility includes the following services:~~

- ~~• Orientation – We will provide Orientation training for your general manager in our program called Executive Leader Orientation ("Orientation"), without a separate tuition charge, provided that he/she attends and successfully completes this mandatory training program before you open a new construction facility or, for a conversion facility, within 90 days after the Opening Date of the Facility. If your initial general manager does not attend Orientation within the respective time period, you must pay the tuition then in effect (currently \$1,500). Any replacement or successor general manager must attend and satisfactorily complete Orientation within 90 days after he/she assumes responsibility as general manager, and you must pay the tuition then in effect. You will remain responsible for paying for your general manager's travel and living expenses, compensation and benefits while attending Orientation. If this is your first franchise with us, you (or a site or entity principal if you are an entity), must also attend Orientation, in addition to your general manager. Your tuition is not covered by the Integration Fee. You will be responsible for paying your tuition (currently \$825), as well as your travel and living expenses. Tuition for these programs is subject to increase and is not refundable. See Item 11 for more detailed information about training.~~
- ~~• Integration Assistance~~On-Site-Integration~~ – We will provide training through various on-line courses on subjects such as quality assurance, Wyndham Hotel Group resources, housekeeping, preventive maintenance, customer service and the RFP process. We will also assist with property operations topics including Systems Standards, using the Chain's intranet site and revenue management concepts. We will provide training through various on-line courses on subjects such as quality assurance, Wyndham Hotel Group resources, housekeeping, preventive maintenance, customer service and the RFP process. A member of our field team will also visit the Facility to provide on-site training on various operational issues including Systems Standards, using the Chain's intranet site and revenue management concepts.~~
- ~~• Digital Photographs – We will arrange for digital photographs to be taken of the Facility by our preferred professional photography company that specializes in the hospitality industry. The photographs will be taken of various areas of the hotel for use on our consumer website, third party travel websites, and various marketing media. See Item 8.~~

In addition, for a conversion facility, the Integration Fee includes:

- ~~• Initial Property Supplies of Guest Room Amenity Products – We will arrange for delivery of an initial supply of key property supplies that assist the property with meeting brand standards and/or participating in key marketing initiatives as reasonably determined by us. We will arrange for delivery of an initial supply of guest room items (e.g., soap, shampoo) as reasonably determined by us. See Item 8.~~

- ~~Digital Photographs~~ We will arrange for digital photographs to be taken of the Facility by our preferred professional photography company that specializes in the hospitality industry. The photographs will be taken of various areas of the hotel for use on our consumer website, third party travel websites, and various marketing media. See Item 8.
- ~~Temporary Signage~~ – If we allow you to open the Facility before installing permanent signage, we will arrange for one of our approved suppliers to provide temporary signage for the Facility in the form of a mark-bearing bag to cover your primary free-standing exterior sign. If you install permanent signage from an approved supplier for the Facility on or before the Opening Date, or if within 30 days of executing your Franchise Agreement, you sign a quote for and pay the required deposit for permanent signage from the vendor assigned to provide temporary signage for the Facility, we will issue you a credit of \$1,000 against the Integration Fee. See Item 8.

1. ~~The Integration Fee for a conversion facility includes the following services:~~

2. ~~The Integration Fee for a new construction facility includes the following services:~~

- ~~Orientation~~ We will provide orientation training for your general manager in our program called Executive Leader Orientation (“Orientation”), without a separate tuition charge, provided that he/she attends and successfully completes this mandatory training program before you open a new construction facility or, for a conversion facility, within 90 days after the Opening Date of the Facility. If your initial general manager does not attend Orientation within the respective time period, you must pay the tuition then in effect (currently \$1,500). Any replacement or successor general manager must attend and satisfactorily complete Orientation within 90 days after he/she assumes responsibility as general manager, and you must pay the tuition then in effect. You will remain responsible for paying for your general manager’s travel and living expenses, compensation and benefits while attending Orientation. If this is your first franchise with us, you (or a site or entity principal if you are an entity), must also attend Orientation, in addition to your general manager. Your tuition is not covered by the Integration Fee. You will be responsible for paying your tuition (currently \$825), as well as your travel and living expenses. Tuition for these programs is subject to increase and is not refundable. See Item 11 for more detailed information about training.
- ~~On Site Integration~~ We will provide training through various on-line courses on subjects such as quality assurance, Wyndham Hotel Group resources, housekeeping, preventive maintenance, customer service and the RFP process. A member of our field team will also visit the Facility to provide on-site training on various operational issues including Systems Standards, using the Chain’s intranet site and revenue management concepts.
- ~~Digital Photographs~~ We will arrange for digital photographs to be taken of the Facility by our preferred professional photography company that specializes in the hospitality

~~industry. The photographs will be taken of various areas of the hotel for use on our consumer website, third party travel websites, and various marketing media. See Item 8.~~

~~3. For transfer facilities, your Integration Fee, your Integration Fee will only be \$4,500, assuming you will not need an initial supply of amenity products, digital photographs or temporary signage for the Facility. Franchisees who are renewing their franchises are not required to participate in Integration Services or pay an Integration Fee. We may negotiate the amount of the Integration Fee when business circumstances warrant.~~

Property Management Systems

~~You must procure computer hardware and a software license so that the Facility can communicate with the Central Reservation System, the enterprise data warehouse and the brand information source. We have approved two property management systems ("PMS") under our technology standard: our proprietary WynGuestSM system (formerly called SoftHotel) and the Opera[®] system from Micros Systems, Inc. See Item 11 for a description of these systems and their differences, which are available in three levels of sophistication, depending upon the needs of the Chain Facility. For an Opera system, purchased under Option 1 (as set forth below) the PMS software is installed on your computer hardware at the Facility. For an Opera system purchased under Option 2, the PMS software is not installed on your computer at the Facility but maintained at the Micros data center. For the WynGuest system, we or our vendor hosts the PMS software which you access via the Internet. The system which you will need to buy for the Facility will depend on a number of factors including the number of guest rooms in the Facility, whether the Facility will have food and beverage and/or catering operations, the amount of group and convention business which is anticipated, and the third party software interfaces that will need to be supported.~~

~~There are two options available for procuring the WynGuest PMS software and the hardware needed to operate the PMS:~~

~~1. You may purchase a license to use the WynGuest PMS – Upfront Model. The price of the base WynGuest PMS and hardware we sell ranges from \$15,000 to \$20,000 depending on the number of additional workstations, guest rooms and software interfaces needed for the Facility. You must pay us a deposit of \$10,000 at least 30 days before the Opening Date of the Facility. You must pay the balance of the purchase price or make credit arrangements satisfactory to us before we will install the PMS at the Facility. You can may also purchase the hardware for our WynGuest PMS from an affiliate or from another source as long as it meets our specifications, which amount may be more than the range stated above; or~~

~~2. You may subscribe to the WynGuest PMS software. The monthly subscription price ranges from \$425 to \$650 and depends on the number of software interfaces needed for the Facility and whether the installation is performed onsite or remotely. The monthly subscription fee includes deployment, installation, training and monthly support but does not include the hardware needed to operate the WynGuest PMS. If you choose this subscription plan, you must pay a \$1,400 set-up fee at least 30 days before the Opening Date of the Facility. Your first monthly payment is due upon installation of the WynGuest PMS. The hardware for our WynGuest PMS can be purchased separately from us, an affiliate or from another source as long as it meets our~~

specifications. If you choose to purchase the hardware from us, the price will range from \$3,000 to \$6,000, depending on the number of workstations required.

If you elect to acquire the Opera system, you will acquire that system directly from Micros. See Item 11 for a description of the options for acquiring this system. There are two options available for procuring the Opera PMS:

1. You can license the software directly from Micros, which provides you with software maintenance and support under the Intellectual Property License and Support Agreement found in Exhibit C 3(b). If you choose this Opera PMS option, you can purchase the computer hardware, peripheral equipment, and operating system software under the Integrated System Agreement forms found in Exhibit C 2(b). Alternatively, you can buy the computer equipment from another source as long as it meets our technology standards and specifications.

The price for an Opera system can vary dramatically. A base Opera Lite PMS we sell ranges from \$30,000 to \$40,000 while the most powerful Opera system ranges from \$55,000 to \$100,000 or more. You must pay us a deposit of \$10,000 for the Opera system at least 30 days before the Opening Date of the Facility. You must pay the balance of the purchase price or make credit arrangements satisfactory to us before we will ship the Opera PMS to the Facility; or

2. As an alternative, you can subscribe to an Opera PMS and the licenses required in connection with this PMS through the subscription based Opera SAAS Model offered by Micros under the Hosting Services Agreement found in Exhibit C 3(e). If you elect this system, you will pay a one-time set up fee that ranges from \$9,275 to \$21,118 and a monthly subscription fee that ranges from \$708 to \$3,697. These fee ranges include installation and the installers' travel, the right to use the Opera software, support of the Opera application, database backups and the hosting fees. The fee ranges do not include additional interfaces that may be required. The Opera databases, servers, application servers and storage are housed in the Micros data center and not at the Facility. Facilities connect to the Micros data center via their own broadband connection, which must meet certain requirements as specified by Micros. We may require you to utilize tokenization technology for the transmission of credit card information, and Micros may require that a tokenization provider be selected as part of this Opera SAAS Model. Facilities must also have an Opera interface PC and any required work stations. Facilities that choose to subscribe to the Opera SAAS Model must commit to a minimum term of thirty-six (36) months.

Regardless of the PMS option you choose, you are required to obtain network connectivity to enable your PMS to interface with the CRS, the brand information source and the enterprise data warehouse. You may either contract for network connectivity services with our approved supplier by signing the Connectivity Equipment and Services Addendum to your Franchise Agreement (Exhibit C 1) or from another source as long as such provider meets our System Standards. See Item 11 for more details on network connectivity.

If you purchase an existing Chain Facility in which a PMS is installed which does not meet our then-current technology standards, you must install a new approved PMS at your cost. If you are a transferee of a Chain Facility with a current PMS that meets our technology standard, we offer

~~optional~~ require PMS recertification training for your Facility. ~~This training is offered~~ remotely at a fixed cost of \$500. You may also request additional training. ~~For our WynGuest PMS for a fee, the additional cost of training could be up to \$5,000, depending upon the number of staff that need to be trained and whether the training is conducted on-site or remotely. For an Opera PMS, the cost of additional training would be \$10,000 for up to seven trainer days. See Item 11. We may require franchisees to replace existing PMS installations that are more than four years old.~~

~~If your franchise is for a conversion Facility, you have completed all payment and other obligations for your PMS, but it will not be ready for installation by the Opening Date of the Facility, we may make available to you, on a temporary basis, a limited function, property management system. See Item 11.~~

Other

You can purchase furniture, fixtures, equipment and other supplies which you may need before opening the Facility as a Chain Facility through WSSI's "Approved Supplier" program. See Items 7 and 8.

We may provide you with an interior design prototype for the construction, renovation or furnishing of the Facility. However, if you choose to create your own custom design, we will charge you a Custom Interior Design Review Fee. This Fee will be assessed for our review of custom interior design drawings which you must submit to us to ensure compliance with our interior design standards. The Custom Interior Design Fee is currently \$75 per hour up to a maximum of \$5,000, but is subject to increase in the future.

Our affiliate, WTS, can, at your option, provide you with design and construction advisory services known as Technical Advisory Services. The fee for these services is based on the amount of work enlisted. The available services include: providing System approved design and technical information and approvals; attending meetings and presentations; and conducting design and technical reviews. Attendance at project team meetings and site visits may also be included in these services.

WTS also provides, at your option, Project Management Services. The fee for these services is 5% of the total cost of the project excluding the costs of furniture, fixtures and equipment and operating supplies and equipment. These services include: actively managing the work on behalf of the Facility; overseeing, coordinating, planning and monitoring the work of the teams involved in the project; and selective responsibility for directing and managing the process for a new construction, renovation or capital expenditure project.

ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks ¹
Royalty ²	5.5% of Gross Room Revenue	Monthly by the 3rd day of the month after Gross Room Revenue accrue.	Payable from Opening Date until the expiration or sooner termination of your Franchise Agreement. See Item 11.
System Assessment Fee	3% of Gross Room Revenue	Same as Royalty.	Subject to change to cover costs of providing marketing, reservation and other services, upon 60 days' notice to you.
Loyalty Program Charge	Up to 5% of the Gross Room Revenue accrued by a loyalty program member.	Payable after a member is awarded points at your Facility and we invoice you.	Loyalty Program Charges fund the Wyndham Rewards® guest loyalty program. ³
Taxes	Amount assessed by federal, state and local tax authorities on Recurring Fees and basic charges.	When we invoice you.	Includes sales, gross receipt, value added, use or similar taxes, but not income tax (or any optional alternative to income tax assessed) against us.
Interest	Lesser of 1.5% per month or the maximum rate permitted by law on any amount not paid by the due date.	When we invoice you.	Payable for late payments of Recurring Fees.
Extension Fee	\$2.00 per room per day	After each 30 days of opening deadline extension; 10 days after Opening Date.	Paid to extend opening deadlines beyond dates established in Schedule D of the Franchise Agreement.

Type of Fee	Amount	Due Date	Remarks ¹
Training Fees and Expenses	<p>Tuition is currently \$1,500 for you or your initial general manager to attend our orientation program known as Executive Leader Orientation (“Orientation”). This fee is included in your Integration Fee. However, if he/she does not attend Orientation by the deadline established in the Franchise Agreement, you will pay the tuition then in effect. See Items 5 and 11. If you are an owner, entering into your first franchise agreement with us or have not completed Orientation within the last two years, you must attend Orientation in addition to your general manager. This tuition is not included in the Integration Fee and is \$825. You must pay the tuition then in effect for any replacement general manager personnel.</p> <p>Internet-based training is currently \$65 per year and is mandatory. This fee is subject to increase in the future.</p>	When we invoice you before orientation.	Orientation is mandatory for all general managers and for owners who are entering into their first Franchise Agreement with us or have not completed Orientation within the last two years. See Item 7 for additional estimated costs of attending Orientation. See Item 11 for supplemental training information.
Spirit of Super 8 Training	\$175 per year	When we invoice you.	
Remedial Training	<p>Online: \$250</p> <p>Onsite: \$1,300</p>	When we invoice you.	We may require you, the general manager and/or staff member to participate in a remedial customer experience assessment or training. See Item 11.
Public Offering Fee	\$5,000	Before public offering of your equity interests occurs.	Fee payable when you have your first registered public offering of your equity securities, after which they are freely transferable.

Type of Fee	Amount	Due Date	Remarks ¹
Condemnation Payments ^{4/} Casualty Payments	Recurring Fee for one year after notice of Condemnation or to the date of Condemnation, whichever is longer. If your Franchise Agreement terminates as the result of a Casualty, you will pay all amounts accrued prior to termination.	30 days after Facility condemnation is completed.	You must give one year's notice of termination for Condemnation. Fee payments continue until the Facility is actually taken by public authority. You will not be obligated to pay Liquidated Damages if the Facility will no longer be used as an extended stay or transient lodging facility after the Casualty.
Chain Conference Fee	In 2015, the Chain Global Conference Fee will be \$1,049 for your first attendee which will be automatically billed to you; \$849 for each additional attendee.	Before the conference when we invoice you.	Chain Conference may be held on either a Chain-wide or regional basis. Attendance required by you or another representative of the Facility for each Facility you own. We will automatically bill and charge you the Chain Conference Fee even if you do not attend. The Conference may be held as part of a multi-brand Conference with other Lodging Affiliates. We may increase fee to offset higher costs in the future. You must also pay for your attendees' travel, lodging and incidental expenses for attending the Conference.
Rooms Addition Fee	Currently, Now \$255 for each guest room added to the Facility.	When we approve the addition.	Fee will be the same as Initial Fee per room when you request our approval to increase the number of guest rooms in the Facility under Section 3.14 of Franchise Agreement.
Relicense Fee	Same as Application Fee plus Initial Fee (See Item 5)	When transferee or renewing party signs new Franchise Agreement.	
Indemnification Costs	Cost of defending and resolving indemnified claims. Includes "Returned Check Fee" (currently \$20) for checks you submit to us which are dishonored by your bank or other financial institution.	When costs incurred or demanded by us.	Section 8 of the Franchise Agreement specifies when you indemnify us and the Lodging Affiliates for "Losses and Expenses" (defined in the Franchise Agreement, Appendix A) incurred to defend third party claims and suits. Returned Check Fee reimburses us for any fee we must pay if your bank or other financial institution dishonors your check, plus our administrative charge. We may change the Returned Check Fee in the future to cover changes in bank charges and administrative costs.

Type of Fee	Amount	Due Date	Remarks ¹
Audit Fee	If understated amount is 3% or more of total amount owed during a 6 month period, you will also pay the costs and expenses of audit. Understated amount plus interest.	When we invoice you.	If understated amount is 3% or more of total amount owed during a 6 month period, you will also pay the costs and expenses of audit.
WynGuest PMS Maintenance, Support and Service Fee (includes HTCS & CRISP fees) – Upfront Model	Currently, \$54.48 per room per year, plus up to \$660 for credit card interface and \$300 for each additional other interfaces. This fee does not apply if you purchase a WynGuest PMS through our subscription model described in Item 5. See WynGuest PMS Subscription Fee below.	1/12th of the Annual Fee, payable each month when we invoice you, beginning at the end of the month of PMS acceptance.	This fee is for WynGuest PMS – Upfront Model users only. See Items 5 and 11. We may increase the WynGuest PMS Maintenance, Support and Service Fee up to 5% per year.
WynGuest PMS Subscription Fee (includes HTCS & CRISP fees) – Subscription Model	Currently, \$425 - \$650 per month depending on the number of software interfaces needed for the Facility and whether the installation is performed onsite or remotely. Includes deployment, installation, training and monthly support.	Monthly when we invoice you.	This fee is for WynGuest PMS Subscription users only. See Items 5 and 11. We may increase this fee in the future.
WynGuest PMS Subscription Set-Up Fee – Option 2	Currently, \$1,400, payable only if you choose the Subscription Model.	Due at least 30 days before the Opening Date.	This fee is for WynGuest PMS Subscription users only. See Items 5 and 11.
OPERA PMS Maintenance Fee (includes HTCS & CRISP fees) – Option 1	Currently, \$59.55 - \$71.70 per room per year depending on the OPERA system you purchase, plus \$1,400 for credit card interface and up to \$1,300 for each additional other interfaces.	1/12 th of the Annual Fee, payable each month when we invoice you, beginning at the end of the month of PMS acceptance.	This fee is for facilities using an OPERA System – Option 1. See Items 5 and 11. Provided you purchase the latest version at opening, all future upgrade costs are covered by this maintenance fee. We may increase this fee in the future.

Type of Fee	Amount	Due Date	Remarks ¹
OPERA PMS: Subscription AAS Model-Subscription – Option 2	Currently, \$708 - \$3,697 per month depending on the OPERA system you choose.	1/12 th of the Annual Fee, payable each month when you are invoiced, beginning at the end of the month of PMS acceptance.	This fee is for facilities using an OPERA Subscription AAS Model – Option 2. See Items 5 and 11. This fee may increase in the future.
OPERA PMS Subscription AAS Model-Subscription Set-Up Fee – Option 2	Currently, \$9,275 – \$21,118, depending on which OPERA system you choose and payable only if you choose the Subscription Model.	Due at least 30 days before the Opening Date.	This fee is for facilities using an OPERA Subscription AAS Model – Option 2. See Items 5 and 11.
OPERA PMS Subscription Model Management & Implementation Fee – Option 2	Currently, \$1,500		This fee is for facilities using an OPERA Subscription Model – Option 2.
Dispute Resolution Costs	Costs, expenses, reasonable attorneys’ fees.	When dispute resolution concludes.	Non-prevailing party reimburses prevailing party for litigation expenses to enforce the Franchise Agreement or collect amounts owed.
Re-inspection Fee and Costs	Currently, \$1,900	When we invoice you.	Pays for reinspection if (i) you do not complete all required improvements for the Facility by the deadlines established in the “Punch List” included in your Agreement, (ii) the Facility fails a quality assurance inspection, or (iii) you do not cooperate with the inspection. We may increase the Reinspection Fee in the future. We may also charge you for the travel, lodging and meal expenses of the quality assurance inspectors on reinspections.
GDS and Other Distribution Channel/Internet Booking Fees	\$6.55 per reservation booked through the global distribution systems (“GDS”), \$5.55 per reservation booked through an alternate distribution system-third party distribution channel (not booked through a GDS), plus agency commissions if applicable.	When we invoice you.	Reimburses us for fees we pay on your behalf on reservations processed through the GDS and other distribution channels plus our costs (including overhead). In the future, we may charge \$2.50 per reservation booked through Super8.com, Wyndhamhotelgroup.com, Wyndhamrewards.com, or through any of our other consumer websites. Subject to modification to reflect changes in third party fees and our cost (including overhead) of providing the service, and new service offerings.

Type of Fee	Amount	Due Date	Remarks ¹
<p>Third Party Channel Direct Connect Fee</p>	<p>\$13.050 per reservation booked with our distribution partners and processed directly or indirectly through our distribution platform transaction.</p>	<p>When we invoice you.</p>	<p>Subject to modification as existing reservation channels are modified, partners are added to existing channels or new reservation channels are established. This fee is on net transactions that are made through the direct connections we have with Online Travel Agencies and other online partners with which we build connections. Currently we have direct connections with Expedia.com and Travelocity.com and may add connections in the future to which this fee will apply.</p>
<p>Agency Commissions ----- Service Charge</p>	<p>Up to 20% of Gross Room Revenue generated on qualifying reservations. ----- Service Charge – Up to 1.5% of commissionable revenue booked by agencies.</p>	<p>When we invoice you</p>	<p>Reimburses us for Agency Commissions we pay on your behalf plus related administrative costs. Includes commissions for travel agents, on-line travel and referral websites, travel consortia, travel management companies and global sales agents (“GSA”), and other third party distribution channels (e.g., Kayak, Expedia, Google, RoomKey). May also be used to pay for paid search and other marketing by third party distribution channels on a going forward basis. 20% limit is subject to modification to reflect changes in the commissions we pay these agencies on your behalf. This fee may include commissions related to group sale activities to offset third party costs. ----- The standard Service Fee is 0.75% but may be up to 1.5% on certain group sales and commission activities. Reimburses us for administrative and overhead costs. Subject to modification to reflect changes in our costs.</p>
<p>Member Benefits Commissions ----- Service Charge</p>	<p>Up to 10% of Gross Room Revenue from reservations booked through our Member Benefits Program. See Item 8. ----- Service Charge – Up to 1.5% of commissionable revenue booked by Member Benefits.</p>	<p>When we invoice you.</p>	<p>Commissions are generally split between the organization whose member books the reservation and our Global Sales Organization to reimburse it for its costs (including overhead) of providing the Member Benefits and other programs for generating reservations for Chain Facilities. ----- The standard Service Fee is 0.75% but may be up to 1.5% on certain group sales and commission activities. Subject to modification to reflect changes in our costs.</p>

Type of Fee	Amount	Due Date	Remarks ¹
G.O.Leads Plus Guest Referral Program	10% of Gross Room Revenue.	When we invoice you.	Commission payable for a referral made by another Chain Facility: 7% is paid to the referring Facility; 3% is retained by us to offset Global Sales Organization administrative and overhead costs.
Network Connectivity Monthly Fee	Currently, \$66 - \$88 per month depending on the connectivity you select. We may increase the Fee up to 5% per year on a cumulative basis.	Monthly when we invoice you.	This fee is for facilities that which purchase network connectivity from our approved supplier for interfacing with the Central Reservation System, the enterprise data warehouse and the brand information source. See Items 5 and 11 and the Connectivity Equipment and Services Addendum to the Franchise Agreement — Exhibit C-1.
Network Connectivity Set-Up Fee	Currently, \$1,030 - \$2,170	When we invoice you.	This fee is for facilities which that purchase network connectivity from our approved supplier. See Items 5 and 11.
Customer Care Fee	Currently, up to \$195 Customer Care Fee plus resolution costs if you do not respond to a guest's complaint and resolve it within 3 business days after we notify you, and if we become aware of complaints posted on third-party travel websites, distribution channels, blogs, social networks and other forums to which you don't respond.	When we invoice you.	We reserve the right to modify the Customer Care Program from time to time including its operation and fees, via the Systems Standards or another directive.
Early Termination Fees for Connectivity Equipment and Services Addendum	The amount due for the number of full and partial months left in the initial term of the addendum.	When we invoice you.	You must pay us this Fee if you choose to purchase network connectivity from our approved supplier and your agreement terminates before the end of its <u>initial</u> 12 month term.
Guaranteed Best Available Rate Processing Fee	Currently, \$60 plus you must match the lower Internet rate less 10%.	When we invoice you.	Under our Guaranteed Best Available Rate Program, if a guest finds a lower publicly available rate on the Internet for the same date at your Facility, you must provide the applicable night at 10% less than the lower Internet rate. We will also charge you a \$60 Processing Fee, currently \$60 to cover our administrative costs for handling the complaint. We may increase this fee in the future. See Items 11 and 16.
Reconnection Fee	Currently, \$4,000	When we invoice you.	You must pay this fee to re-establish Central Reservation System service if we suspend the service because of your default under your Franchise Agreement or for any other reason. We may increase this fee in the future through a change in the Systems Standards or another directive.

Type of Fee	Amount	Due Date	Remarks ¹
ResCentral Call Handling Fee	Currently, \$1.65 per transferred call with \$50 minimum per month.	When we invoice you.	Currently, you may participate in our ResCentral call transfer program at your option. In the future we may make ResCentral a mandatory program and/or change the formula for or increase the Call Handling Fee. See Item 11.
Weekly Comprehensive Revenue Management Services Program (Tier 2)	<p>Currently, \$135 per room per month with a minimum monthly fee of \$1,500417 and a maximum monthly fee of \$5,2500.</p> <p><u>For hotels up to 150 rooms, monthly fees will range between \$1,500 and \$4,500, depending on market dynamics.</u></p> <p><u>For hotels over 150 rooms and less than 400 rooms, monthly service will be more than the above ranges, based on a variety of factors.</u></p>	As indicated on the invoice or, if not indicated, 15 days after receipt.	You may participate, at your option, in this program if offered to Chain Facilities in your region. We may increase these fees in the future. See Item 11.
Liquidated Damages	<p>Liquidated damages will be equal to the greater of \$2,000 per guest room or total Royalties, Marketing Contribution, and Rooms Sales Charges <u>Systems Assessment Fees</u> for 24 months preceding termination. For pre-opening termination, reduced to one-half of formula amount, payable 10 days after termination notice is sent.</p> <p>If the Facility has been open for fewer than 24 months, then the amount shall be the average monthly Royalties and System Assessment Fees since the Opening Date multiplied by 24.</p>	Within 30 days after franchise Termination (within 10 days if termination occurs before Opening Date).	Payable for termination under causes specified in Section 11.2 of the Franchise Agreement.

Type of Fee	Amount	Due Date	Remarks ¹
De-Identification Fee ⁵	\$2,000 per day.	Upon demand.	We may assess this fee if , following termination of your franchise, you fail to comply with the de-identification obligations under your Franchise Agreement and our procedures.
MyRequest	\$20.00 <u>per call</u>	When we invoice you.	We may charge † this fee is for providing telephone support to assist you with those services available to you through the MyRequest Portal (e.g., rate, inventory and content management requests in our central reservation system).
CRISP (as defined in Item 11) Services Fee - OPERA PMS SAAS Model Subscription – Option 2	\$121 - \$377 per month	When we invoice you.	This fee is only if you choose the Opera PMS SAAS subscription model – Option 2 (see Items 5 and 11 and Exhibit C-3(d)).
HTCS (as defined in Item 11) Fee - OPERA PMS SAAS Model Subscription – Option 2	\$225 - \$375 per month	When we invoice you.	This fee is only if you choose the Opera PMS SAAS subscription model – Option 2 (see Items 5 and 11 and Exhibit C-3(d)).
Technical Advisory Services	Varies	When we invoice you.	This fee is for optional design and construction services only if you choose to use them. See Item 5.
Project Management Services	Up to 5% of total project cost.	When we invoice you.	This fee is for optional services only if you choose to use them. See Item 5.
Custom Interior Design Review Fee	\$75 per hour; maximum of \$5,000.	When we invoice you.	This fee is for our review of your custom interior design drawings if you choose not to follow our interior design prototype, as applicable. See Item 5.

¹ Unless otherwise indicated, all fees are (i) imposed and collected by us, (ii) payable to us, (iii) non-refundable, and (iv) uniformly imposed. We require you to pay all Recurring Fees and other fees and charges online via our self service, Electronic Invoice Presentment and Payment (“WynPay”) tool, accessible through MyPortal, or through such other technologies or other means as we may establish from time to time. In the online WynPay environment, payments can be made either by the electronic check payment channel or the credit card payment channel. Standard Recurring Fees include the Royalty and System Assessment Fee. We may negotiate increases or decreases for a particular transaction at the time the Franchise Agreement is signed for Royalties, System Assessment Fees, Extension Fees, ~~Public Offering Fees~~, Liquidated Damages, Condemnation Payments, Rooms Addition Fees and Relicense Fees when business circumstances warrant. You may not be eligible for early termination rights if we reduce any of the standard Recurring Fees in your Franchise Agreement. See Item 17. You begin paying Recurring Fees when you open the Facility. If you purchase an existing Facility, you begin paying Recurring Fees when you acquire or take possession of the Facility, whichever comes first.

² “Gross Room Revenue” means gross revenues attributable to or payable for rentals of guest (sleeping) rooms at the Facility, including all credit transactions, whether or not collected, guaranteed no-show revenue net of chargebacks from credit card issuers, and any proceeds from any business interruption or similar insurance applicable to the loss of revenues due to the non-availability of guest rooms. Excluded from Gross Room Revenue are separate charges to guests for Food and Beverage, room service, actual telephone charges, key forfeitures and entertainment (including Internet fees and commissions); vending machine receipts; and federal, state and local sales, occupancy and use taxes.

³ All Chain Facilities must participate in the Wyndham Rewards[®] guest loyalty program which is operated by our affiliate Wyndham Rewards, Inc. Under Wyndham Rewards, members can earn Wyndham Rewards points, airline miles or rail points through “Qualifying Stays” at participating Chain Facilities as well as through Qualifying Stays at participating Lodging Affiliate hotels, through purchases from non-affiliated merchants and service providers, or by making purchases with a Wyndham Rewards co-branded credit card. Members can redeem their Wyndham Reward points for free night stays at Chain Facilities and at Lodging Affiliate hotels, for airline tickets, shopping and dining gift cards, merchandise and other rewards. Membership in Wyndham Rewards is free. We will offer callers to our toll-free reservation center and visitors to our consumer website the option to join Wyndham Rewards. You must also offer to enroll guests at your front desk, and we may establish enrollment quotas, from time to time, for Chain Facilities. All franchisees will be assessed a Loyalty Program Charge on qualifying Wyndham Rewards member stays at their Facility. Qualifying Stays are defined in the Front Desk Guide, as it may be amended from time to time. Certain member stays may not qualify for Wyndham Rewards point earnings. We will proactively match and award points to members even if they fail to present their membership card at check-in. We will reimburse you for free night stays at your Facility under a formula which is set forth in the program guidelines, which may be amended from time to time. Wyndham Rewards, Inc. has reserved the right to modify, alter, delete or add new terms or conditions, procedures, point values, redemption levels or rewards for the Wyndham Rewards program at any time upon thirty (30) days’ notice. Wyndham Rewards, Inc. may terminate the program at any time upon six months’ prior notice.

⁴ If taking occurs less than one year after notice to us, you pay the average daily Royalties and System Assessment Fees payable over the one year period preceding the date of your condemnation notice to us multiplied by the number of days remaining in the one year notice period. We may reduce the required notice period when business circumstances warrant.

⁵ If you fail to comply with all of the de-identification obligations of Section 13.2 of your Franchise Agreement and our procedures, you agree to: (i) pay a de-identification fee of \$2,000 per day until de-identification is completed to our satisfaction; and (ii) permit our representative to enter the Facility to complete the de-identification process at your expense.

ITEM 7: ESTIMATED INITIAL INVESTMENT

The following tables provide an estimate of the initial investment required for a 60 room Chain Facility. The presentation in the conversion Facility table presumes that you already own the Facility. The new construction Facility table excludes the cost of land. The figures for “hard costs,” such as Facility construction and improvements, furniture, fixtures and equipment, and signage, are based on hotel industry sources. They are believed to be accurate, but have not been independently verified. Your actual expenditures for a Chain Facility will depend upon many variables, such as region of the country, labor costs, economic conditions, and timetable for completing the project, and may be outside of the ranges presented.

YOUR ESTIMATED INITIAL INVESTMENT

ESTIMATED EXPENDITURES FOR A 60 ROOM CONVERSION FACILITY				
(1) Type of expenditure	(2) Amount	(3) Method of payment	(4) When due	(5) To whom payment is to be made
Application Fee / Initial Fee ¹	\$25,000	Lump Sums	Application Fee: upon submittal of Franchise Application; Initial Fee: upon signing of Franchise Agreement	Us
Integration Fee ²	\$7,900	Lump Sum	At Signing of Franchise Agreement	Us
Facility Improvements ³	\$0 - \$74422,000	As Incurred	Before Opening	Suppliers
Furniture, Fixtures and Equipment ⁴	\$0 - \$31506,000	As Incurred	Before Opening	Suppliers, WSSI
Signage ⁵	\$25,000 - \$100,000	As Incurred	Before Opening	Suppliers
Opening Inventory and Supplies ⁶	\$5,000 - \$625,000	As Incurred	Before Opening	Suppliers or WSSI
Insurance ⁷	\$6,500 - \$8,000	Lump Sum	Before Opening	Insurance Carriers
Grand Opening Advertising	\$12,000 - \$19,600	As Incurred	Before Opening	Advertising Media, Agency, Printer, Photographer
Training Expenses ⁸	\$770 - \$5,000	As Incurred	Before Opening	Us, Suppliers, General Manager
Technical Systems ⁹	\$18,000 - \$65,000	As Incurred	Before Opening	Us, Wyndham Hotel Group, Approved Alternative Supplier
Miscellaneous Non-Tangible Asset Costs ¹⁰	\$25,000 - \$45,000	As Incurred	Before Opening	Suppliers, Professionals
Additional Funds for 3 Month Initial Period ¹¹	\$51,000 - \$61,000	Monthly Payments For Recurring Fees, As Incurred For Other Expenses	After Opening	Us, Employees, Suppliers, Utilities

ESTIMATED EXPENDITURES FOR A 60 ROOM CONVERSION FACILITY				
(1) Type of expenditure	(2) Amount	(3) Method of payment	(4) When due	(5) To whom payment is to be made
Conversion Contingency ¹²	\$0 - \$376,0400	As Incurred	Before Opening	Suppliers, Utilities
Architecture, Design & Engineering ¹³	\$0 - \$75,000	Installments	Before, During, After Construction	Architects, Engineers, Consultants
Permits, Licenses, Deposits and Related Fees ¹⁴	\$0 - \$18,500	Lump Sum	Before Opening	Government Agencies, Utility Companies
Total Estimated Initial Investment	\$176,170 - \$1,591,000,425,600			
Total Cost per Room	\$2,936 - \$26,51723,760			

1. See Item 5 for the amount or formula for each fee. We may defer payments of the Initial Fee. See Items 5 and 10.

2. See Items 5 and 11 for a description of the Integration Services we provide.

3. The low end of the range assumes that (i) you already own the Facility and have no acquisition costs, and (ii) the Facility's exterior, public areas, guest rooms and plumbing, heating, ventilation, air conditioning and other systems are in good condition and meet Systems Standards. The high end of the range assumes that (i) you already own the Facility and have no acquisition costs, (ii) the Facility requires no extensive structural renovations to meet Systems Standards, and (iii) the exterior, public areas and guest rooms are in poor condition and require refinishing (e.g., exterior walkways and swimming pool surface, landscaping, carpeting and floor tile, wallcoverings, ceiling tile).

4. Includes furniture, fixtures and equipment ("FF&E") for all areas of the Facility including guest rooms and public areas. The low end of the range assumes that the FF&E are in excellent condition and meet Systems Standards. The high end of the range assumes that most FF&E are in poor condition and need to be replaced. The Estimate presumes that you will install our approved interior design package in all guest rooms. Tax and freight will vary and are calculated at 5% of cost on the low end and 20% of cost on the high end.

5. Includes the cost of materials and installation for one pylon sign, one wall mounted sign and one directional sign. Your actual cost will depend on many variables including sign size, materials and height, distance signs must be shipped, labor costs and local ordinances.

6. Includes linens, paper supplies, logoed items and housekeeping supplies.

7. You must maintain commercial general liability insurance with combined single limits per occurrence of \$1 million primary coverage and \$3 million excess liability umbrella coverage (\$4 million total), plus other coverage. Insurance requirements are subject to change on a Chain-wide basis. Does not include your costs for property and casualty insurance, workers' compensation, disability and other insurance benefits for your employees.

8. The low end of the range presumes that only your general manager will attend Orientation and that he/she will drive to the program. Since your initial general manager's Orientation tuition is included in the Integration Fee, the low end estimate includes minimal travel costs, mid-level lodging and meal expenses. The high end of the range presumes that you or one of your representatives will also attend Orientation and will incur significant airfare, car rental, lodging and meal expenses. The tuition cost for you or another staff member to attend Orientation in addition to your general manager is \$825. See Item 11.

9. This item presumes that the Facility's telephone, television and high speed Internet access systems meet our standards and specifications and do not need to be upgraded. All Chain Facilities must procure an approved property management system ("PMS") so it can interface with the Central Reservation System, ~~the brand information source and the enterprise data warehouse~~. The lower end of the range presumes that you select the base ~~monthly subscription~~ WynGuest PMS for the Facility. The upper end of the range presumes that you choose a full Opera system for the Facility. See ~~Items 5 and~~ 11 for information about the PMS.

10. Includes attorneys' fees and accountants' fees, business license fees, surveys, bank fees, the cost of back office accounting systems, and similar business startup expenses.

11. This amount is an estimate and includes the Recurring Fees you will pay us. It does not include debt service payments or rent. ~~No earnings claim is implied.~~ Many factors affect your initial period Gross Room Revenue and operating costs, including seasonality, pre-opening advertising and marketing, location, your management ability, staff performance and local market factors such as competition for customers and employees. These expenses include labor costs. We do not guarantee that you will not have additional expenses starting the business.

12. This amount is calculated as 5% of renovation costs.

13. This amount includes your architectural (and structural, mechanical, electrical and plumbing engineering) fees to adapt our prototypical plans and specifications to meet site feasibility report requirements and local code and zoning requirements. This amount does not include site evaluation fees, geotechnical report fees, or civil engineering fees.

~~12,14.~~ This item includes costs for permit fees, utility deposits and related fees. This item does not include impact fees which may be assessed by local authorities. You should check with the applicable local authorities to determine if impact fees are assessed and, if so, how they are calculated and the amount to be charged to your Facility.

ESTIMATED EXPENDITURES FOR A 60 ROOM NEW CONSTRUCTION FACILITY				
(1) Type of expenditure	(2) Amount	(3) Method of payment	(4) When due	(5) To whom payment is to be made
Application Fee, Initial Fee ¹	\$25,500	Lump Sums	Application Fee: upon submittal of Franchise Application; Initial Fee: upon signing of Franchise Agreement	Us
Integration Fee ²	\$6,400	Lump Sum	At Signing of Franchise Agreement	Us
Market Study ³	\$5,000 - \$12,000	Lump Sum	Before Construction	Feasibility Consultant
Phase I Environmental Survey ⁴	\$4,000 - \$7,500	Lump Sum	Before Land Acquired	Environmental Consultant
Architecture, Design & Engineering ⁵	\$8,179,600 - \$14,73,600	Installments	Before, During, After Construction	Architects, Engineers, Consultants
Land Acquisition ⁶	Not Estimated			
Permits, Licenses, Deposits and Related Fees ⁷	\$30,000 - \$675,000	Lump Sum	Before Opening	Government Agencies, Utility Companies
Facility Construction ⁸	\$24,000,984,000 - \$2,700,606,000	Progress Payments	Before Opening	General Contractor
Furniture, Fixtures and Equipment ⁹	\$26457,000 - \$32142,000	As Incurred	Before Opening	Suppliers, WSSI
Signage ¹⁰	\$45,000 - \$100,000	As Incurred	Before Opening	Suppliers
Opening Inventory and Supplies ¹¹	\$210,000 - \$310,500	As Incurred	Before Opening	Suppliers or WSSI
Insurance ¹²	\$6,500 - \$8,000	Lump Sum	Before Construction and Prior to Opening	Insurance Carrier
Grand Opening Advertising	\$12,000 - \$19,600	As Incurred	Before Opening	Advertising Media, Agency, Printer, Photographer
Training Expenses ¹³	\$770 - \$5,000	As Incurred	Before Opening	Us, Suppliers, General Manager
Technical Systems ¹⁴	\$95,800 - \$148,500	As Incurred	Before Opening	Us, Wyndham Hotel Group, Approved Alternative Supplier
Miscellaneous Non-Tangible Asset Costs ¹⁵	\$55,000 - \$100,000	As Incurred	Before Opening	Suppliers, Professionals
Construction Contingency ¹⁶	\$1020,000 - \$1350,000	As Incurred	Before Opening	Suppliers, Utilities
Additional Funds for 3 Month Initial Period ¹⁷	\$97,000 - \$128,000	As Incurred	After Opening	Us, Employees, Suppliers, Utilities
Total Estimated Initial Investment	\$2,851,5702,819,970 - \$3,962,6003,846,500			
Total Cost Per Room	\$47,52647,000 - \$66,04364,108			

¹ See Item 5 for the amount or formula for each fee. We may defer payment of the Initial Fee. See Item 10.

² See Items 5 and 11 for a description of the Integration Services we provide.

³ We do not require a market or feasibility study. We strongly suggest that you obtain one from a reputable consultant to confirm your decision to construct a Chain Facility and to provide potential financing sources with independent information on prospects for the Facility.

⁴ The outcome of the Phase I Survey may dictate additional environmental studies be done to satisfy any concerns over potential hazards at the location you select.

⁵ This amount includes your architectural (and structural, mechanical, electrical and plumbing engineering) fees to adapt our prototypical plans and specifications to meet site feasibility report requirements and local code and zoning requirements. This amount does not include site evaluation fees, geotechnical report fees, or civil engineering fees.

⁶ Land costs vary materially. A 60 room Facility needs at least 1.5 acres for the building and adequate parking areas. Within urban areas the acreage requirements are less, provided that adequate parking is available for guests. Your land cost depends on land prices in your area and the site you select. Frontage on major thoroughfares and proximity to interstate highways or transportation centers used by persons needing overnight accommodations is desirable.

⁷ This item includes costs for permit fees, utility deposits and related fees. This item does not include impact fees which may be assessed by local authorities. You should check with the applicable local authorities to determine if impact fees are assessed and, if so, how they are calculated and the amount to be charged to your Facility.

⁸ This includes general construction, minimal site work and landscaping. The cost of construction may vary substantially from location to location. The type of construction used, cost of materials, labor, costs, local code requirements and other factors will affect the cost.

⁹ Includes furniture, fixtures and equipment ("FF&E") for all areas of the Facility including guest rooms and public areas. Estimate presumes that you will install our approved interior design package in all guest rooms. Tax and freight will vary and are calculated at 5% of cost on the low end and 20% of cost on the high end.

¹⁰ Includes the cost of materials and installation for one pylon sign, one wall mounted sign and one directional sign. Your actual cost will depend on many variables including sign size, materials and height, distance signs must be shipped, labor costs and local ordinances.

¹¹ Includes linens, paper supplies, logoed items and housekeeping supplies.

¹² You must maintain commercial general liability insurance with combined single limits per occurrence of \$1 million primary coverage and \$3 million excess liability umbrella coverage (\$4 million total), plus other coverage. Insurance requirements are subject to change on a Chain-wide basis. Does not include your costs for property and casualty insurance, workers' compensation, disability and other insurance benefits for your employees.

¹³ The low end of the range presumes that only your general manager will attend Orientation and that he/she will drive to the program. Since your initial general manager's

Orientation tuition is included in the Integration Fee, the low end estimate includes minimal travel costs, mid-level lodging and meal expenses. The high end of the range presumes that you or one of your representatives will also attend Orientation and will incur significant airfare, car rental, lodging and meal expenses. The tuition cost for you or another staff member to attend Orientation in addition to your general manager is \$825. See Item 11.

¹⁴ This item includes capital equipment costs and installation for the PMS, guest room and public area high speed Internet access, PBX/telephone system (including consoles and guest room and administrative telephones) and television system. The low end of the range presumes that you select a base WynGuest PMS for the Facility. The high end of the range presumes that you purchase a full Opera system. See Items 5 and 11 for information about the PMS.

¹⁵ Includes attorneys' fees and accountants' fees, business license fees, surveys, bank fees, the cost of back office accounting systems, and similar business startup expenses.

¹⁶ This amount is calculated as 5% of Facility Construction costs.

¹⁷ This amount is an estimate and includes the Recurring Fees you will pay us. It does not include debt service payments or rent. ~~No earnings claim is implied.~~ Many factors affect initial period Gross Room Revenue and operating costs, including seasonality, pre-opening advertising and marketing, location, your management ability, staff performance and local market factors such as competition for customers and employees. These expenses include labor costs. We do not guarantee that you will not have additional expenses starting the business.

None of the fees and costs payable to us in the foregoing tables is refundable. Fees and costs payable to suppliers and other third parties above generally are not refundable unless you negotiate such a right with them. See Item 10 for a discussion of financing which might be available for your initial investment in a Chain Facility.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must design the Facility to meet minimum standards for guest room size and equip the Facility with certain items, including but not limited to, furniture, fixtures, equipment, signage, bath and bed linens, draperies, bedspreads, carpet, wall coverings, lighting, lobby rack card display cases, ice machines, telephone systems and other amenities for which we have established specifications, specific designated sources or "Approved Suppliers", or minimum standards. We may revise existing standards and add new ones from time to time through amendments to the Systems Standards Manual.

~~You must purchase We sell the WynGuest and Opera computer hardware, peripheral equipment, and operating system software that meet our standards under the two Integrated System Agreement forms found in Exhibits C-2(a) and C-2(b). Alternatively, you can buy this computer equipment from another source as long as it meets Systems Standards.~~

You may purchase mark-bearing items such as signage, room supplies and digital photographs of the Facility that will be posted on our consumer website, only from suppliers for these products included in WSSI's Approved Supplier program. ~~We provide digital photography of the Facility, an initial supply of guest room amenity products and a temporary mark-bearing bag to cover your primary free-standing exterior sign as part of the Integration Services for a conversion facility. For a new construction facility, we provide digital photography of the Facility. See Items 5 and 11.~~

We may require you to purchase certain items, such as mattresses, box springs, bathroom fixtures and amenities, from our Approved Suppliers.

You must obtain insurance as disclosed in Item 7.

We have developed a mandatory SuperStart[®] complimentary continental breakfast program for all Chain Facilities featuring standard menu items, equipment and method of presentation. Under the program, franchisees must purchase certain branded food products either through our recommended distributor(s) or through other vendor(s) they select. Franchisees who purchase breakfast items through our recommended distributor(s) will receive negotiated prices and may receive complimentary display and dispensing equipment for certain food items.

We receive commissions from our recommended distributors and from certain product manufacturers on sales to Chain Facilities.

~~We may offer certain optional architectural, project management, consultation and design services for the Facility for a fee. See Items 5 and 6. You must purchase certain training from us, our affiliate or our provider at our option.~~

To support the purchasing efforts of our franchisees, we and/or WSSI negotiate purchasing terms, including price, volume discounts and commissions on a range of products and services. In doing so, we and our affiliates seek to promote the overall interests of our lodging systems, our management company and our interests as franchisors. We and/or WSSI believe that the

prices obtained through our products and services programs for franchisees are generally competitive because of our buying power and negotiated discounts with suppliers. We do not represent that pricing under any of these programs is the best available on a per item basis.

In connection with this program, we and/or WSSI identify certain suppliers of products and services who are then designated as "Approved Suppliers." Under the Approved Supplier program, franchisees may purchase products and services directly from these Approved Suppliers through our electronic e-procurement system or through more traditional means.

~~Approved Suppliers pay WSSI a commission based upon the volume of sales to franchisees. These commissions are generally a percentage of net or gross sales to franchisees. Commissions on average, should range from 1% to 3% of net or gross sales to franchisees, with the exception of a limited number of legacy Approved Supplier agreements which may pay a commission of 5%. WSSI also receives marketing fees from many of its vendors in order to market their products or services to Chain Facilities.~~

Suppliers interested in doing business with us or the Lodging Affiliates who are not currently on the Approved Supplier list must apply by registering online at the Supplier Registration site: <http://suppliers.wyndhamworldwide.com>. Registration on the site does not guarantee that a supplier will become an Approved Supplier. Registered suppliers are evaluated and potentially approved according to an approval process established by WSSI. The specific criteria and processes utilized by WSSI in the selection process are not disclosed to franchisees. WSSI will review a supplier who has registered with the Supplier Registration site on an as needed basis. If WSSI determines the need for a specific product or service that is not already provided by an Approved Supplier, WSSI may contact ~~the~~ a supplier of such product or service which has registered with the Supplier Registration site but has not yet been made an Approved Supplier. Such contact does not guaranty that the supplier will become an Approved Supplier. As WSSI reviews registered suppliers in connection with new initiatives as described above, WSSI does not guaranty that it will review each supplier which registers with the Supplier Registration site or that it contacts, and ~~f~~For those it does review, WSSI does not guaranty that it will do so within a specified amount of time. Only suppliers which are chosen by WSSI to become an Approved Supplier will be notified by WSSI of their acceptance; ~~WSSI will not notify suppliers which are not chosen to become an Approved Supplier that they have not been chosen.~~ Modifications to specifications may be made from time to time through changes in the System Standard Manual or other publications. No fees are charged by us or WSSI for franchisees to purchase outside of the Approved Supplier listing.

Wyndham Hotel Group, the Lodging Affiliates and we are not Approved Suppliers except as noted in this Item above. Except for mandated products and services as described in this Item above, you may participate in the Approved Supplier program at your option. We do not provide you with the opportunity to acquire additional franchises, special renewal rights or similar benefits if you purchase goods or services through this program.

We estimate that the cost of purchases or leases you must make through us, our affiliates, approved vendors, or subject to our standards or specifications will represent approximately 75% of your total expenditures for goods and services in establishing a new construction or

conversion Facility. Your annual expenditures from these sources or under our standards or specifications should represent approximately 12% of your annual purchases and lease payments.

In 2012~~3~~, Wyndham Hotel Group had total net revenues of \$890 million. The Lodging Affiliates, including us, had net revenues of approximately \$320 million in 2013~~2~~, or approximately 3.5% of the Wyndham Hotel Group's net revenues, from purchases of products or services under the programs described above. Wyndham Hotel Group's total net revenues were derived from Wyndham Worldwide's Consolidated Statement of Operations for 2012~~3~~. ~~See Exhibit D.~~

~~Wyndham Hotel Group maintains a number of programs for generating room nights at Chain Facilities. Under Wyndham Hotel Group's "Member Benefits" program, Wyndham Hotel Group or an affiliate identifies organizations having members who travel frequently and enters into an agreement with the organization to promote Chain Facility usage by the members. Chain Facilities which choose to participate in the program must offer discounted rates to the organization's members and pay a commission, usually 10%, on the room rate paid by the members. We utilize the remainder of the commissions to support the marketing of the Member Benefits and other programs administered by our Global Sales Organization. In 2012, the Member Benefits program generated a total of 348,837 room nights and \$20,601,631 in revenues for Chain Facilities. We received commissions of \$1,422,781 from Chain Facilities.~~

None of our officers own an interest in any privately-held supplier to our franchise system. From time to time, our officers may own non-material interests, for investment purposes only, in publicly-held companies that are suppliers to our franchise system. ~~Wyndham Worldwide has a corporate policy which prohibits conflicts of interest, which is applicable to our officers and employees. Under this policy, employees must avoid any relationship or activity that might create or give the appearance of a conflict between their personal interests, such as those which might arise from owning a financial interest in a supplier (other than less than one percent of the capital stock of a public company), and the interests of Wyndham Worldwide, a subsidiary or us.~~

ITEM 9: FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document. ¹

Obligation	Section in Franchise Agreement	Section in WynnGuest Integrated System Agreement – Upfront Model	Section in Software and Services Agreement – Subscription Model	Section in Master Subscription Operating a Supplemental Services Agreement – Option 1	Section in Opera Supplemental Services Agreement – Option 2	Disclosure Document Item
a. Site Selection and acquisition/lease	3.1, Schedule D	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Items 7, 8, 11
b. Pre-opening purchases/leases	3.1, 3.8, 3.10, 3.15, Schedule D	1.4 2	1.2 4	Not Applicable	Not Applicable	Items 5, 7, 8, 11
c. Site development and other pre-opening requirements	3.1, Schedule D	1.2	Not Applicable 1.2	1.1, 1.2 Not Applicable	Not Applicable	Items 5, 6, 7, 11
d. Initial and ongoing training	3.3, 4.1	1.3 2	1.3 2, 9	1.1, 1.2	1.2 4	Items 6, 7, 11
e. Opening	3.1, Schedule D	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Item 11
f. Fees	3.7, 3.9, 3.12, 3.15, 4.1, 4.2, 4.3, 4.8, 6, 7, 9.2, 9.4, 11.4, 12.1, 12.2, 13.2, 15.6, 17.4, Schedule C, Schedule D	1.3 5 , 2, Exhibit B	1.1, Schedule 1.3, 2, Exhibit B	2, 5.1, Exhibit B 1.1, 2, Schedule B	2.1, Schedule B 1.1, 2, Schedule B	Items 5, 6, 11, 17
g. Compliance with standards and policies/operating manual	3.2, 3.3, 3.4, 3.6, 3.7, 3.8, 3.10, 3.11, 3.13, 3.15, 4.3, 4.5, 4.7, 7.1, 13.1, 15.6, Schedule D	1.2, 3.3, 4.1, 4.2 5.4	7.8, 9, 10 2, 3.3, 4.1, 5.4	20 21.3	1.3 2	Items 8, 11
h. Trademarks and proprietary information	3.4, 3.10, 3.11, 4.5, 13.1, 15.1, 15.2, 15.4, 15.6	Not Applicable 3	4.5 3	Not Applicable 3	Not Applicable	Items 13, 14
i. Restrictions on products/services offered	3.2, 3.4, 3.11, 3.12	4.2 3	Not Applicable 3.3	Not Applicable 6.4	Not Applicable	Items 8, 16
j. Warranty and customer service requirements	3.2, 3.4, 3.11	5.2 9	Not Applicable 9	4 10	4	Items 6, 11

Obligation	Section in Franchise Agreement	Section in WynGuest Integrated System Agreement – Upfront Model	Section in Software and Services Agreement – WynGuest Agreement – Subscription Model	Section in Master Subscription or a Supplemental Services Agreement – Option 1	Section in Opera Supplemental Services Agreement – Option 2	Disclosure Document Item
k. Territorial development and sales quotas	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
l. Ongoing product/service purchases	3.10, 4.2, 15.6	4.3, 6 <u>Exhibit C</u>	8 <u>Exhibit C</u>	Exhibit B <u>Not Applicable</u>	Not Applicable	Item 8
m. Maintenance, appearance and remodeling requirements	3.12, 3.14	<u>5.3, Exhibit D</u> 5	10-15.3, <u>Exhibit D</u>	10.2, 10.3 <u>Not Applicable</u>	Not Applicable	Items 6, 8, 11
n. Insurance	3.8, Schedule D	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Items 6, 7, 8
o. Advertising	3.4, 15.6	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Items 6, 11
p. Indemnification	8	11 6	12 11	3 12	3	Item 6
q. Owner's participation/management/staffing	3.2	<u>1.2, 5.4</u> 3	Not Applicable <u>1.2, 5.4</u>	11.3 <u>1.3.2</u>	<u>1.2, 3.2</u>	Items 11, 15
r. Records and reports	3.6	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Item 6
s. Inspections and audits	3.7, 4.8, Schedule D	4.1, 3.2, <u>Exhibit C</u>	Not Applicable <u>3.2, Exhibit C</u>	Not Applicable	Not Applicable	Items 6, 11
t. Transfer	9	4.1, 12.1 <u>1.3, 8.4</u>	4.2, 19.12 <u>1.3, 8.4</u>	3.1, 9.5, 20.5 <u>Not Applicable</u>	Not Applicable	Items 6, 17
u. Renewal	5	Not Applicable	Not Applicable	Not Applicable <u>2.2</u>	Not Applicable	Item 17
v. Post-termination obligations	12, 13	11.2 <u>16.5, 19.9, 19.13</u>	18.3 <u>16.5, 19.9, 19.13</u>	17.4, 17.5, 20.1 <u>3.7, 8.13</u>	8.7, 8.13	Items 6, 17
w. Non-competition covenants	2, 3.11	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Item 12
x. Dispute resolution	11.4, 17.6.1, 17.6.2, 17.6.3, 17.6.4, 17.6.5	12.6, 12.12 <u>19.8, 19.12</u>	19.8, 19.12	20.1 <u>28.12</u>	8.12	Item 17

¹ If you are a corporation, partnership or other entity, your significant owners must sign a guaranty (see Exhibit C-1) agreeing to assume and discharge all obligations of the franchisee under the Franchise Agreement. If we offer you Development Incentive financing (see Item 10), your significant owners must co-sign the promissory note with you. If the significant owners are residents of community property or certain other states, their spouses must also sign the note.

ITEM 10: FINANCING

Except as specified in this Item 10, we do not offer or provide any financing arrangements for Super 8 Franchisees, either directly or indirectly.

Initial Fee Deferral. We may defer payment of the Initial Fee, if business circumstances warrant, in our sole discretion. The deferral is usually for a short term such as 90 days, or until the Facility opens as a Chain Facility, whichever occurs first. If deferred, you must pay the Initial Fee ~~will be paid~~ in one installment without the accrual of interest unless you do not pay the Initial Fee within ten days after it is due. You and your owners must sign the Initial Fee Note in substantially the form shown in Exhibit C-1. If your owners are residents of community property or certain other states, their spouses must also co-sign the Note. Under the Note, you and your guarantors or co-makers of the Note waive traditional defenses. These defenses include presentment, demand, notice of demand, protest, notice of non-payment, notice of protest, notice of dishonor and diligence in collection. We reserve the right to modify the terms of the Note and/or grant extensions, novations, releases or compromises to you or any co-maker without the consent of, or affecting the liability of, any other party to the Note. The Note is not subject to setoff, offset or recoupment. If the Franchise Agreement terminates for any reason or a "Transfer" occurs, as defined in the Franchise Agreement, we may demand that you immediately pay the Note in full. If you do not pay the Note within ~~ten~~ 10 days after it is due, the Note will bear simple interest at the rate of the lesser of 18% per annum or the highest rate allowed by law.

Development Incentive Financing. We may offer, in our sole discretion, certain "Development Incentives" for new construction and conversion Chain Facilities. ~~The amount of the financing may not exceed 50% of your equity investment in the Facility.~~ The Development Incentive is a loan that is not subject to repayment unless the franchise terminates before the end of the term of the Franchise Agreement ~~for~~ for the Facility or a Transfer occurs. At each anniversary of the Facility Opening Date, the Development Incentive reduces by 1/20th of the original amount. If the franchise terminates or is transferred, you must repay the balance of the Incentive. The Development Incentive Note bears no interest except in the case of default. To receive the Development Incentive, you and your principals, as co-makers, must sign a Development Incentive Note in the form attached to Exhibit C-1 when you sign and deliver to us the Franchise Agreement. If your principals are residents of community property or certain other states, their spouses must also co-sign the Note. In addition, you must sign an addendum to the Franchise Agreement, agreeing to make all payments due under the Franchise Agreement and ancillary agreements through electronic funds transfers through the ACH system. You must provide us with a current balance sheet, loan documents and other information we request detailing the total cost of the Facility, the amount being financed, and your equity investment in the Facility. You must also submit the franchisee and good standing certificates found in Exhibit C-1 if we request them. If we offer you a Development Incentive, you will not be eligible for any reduction in Initial or Recurring Fees (see Items 5 and 6).

The Development Incentive will be disbursed after (i) the applicant has passed a final credit review with no material adverse changes in the business, legal, litigation, bankruptcy status, or finances of the applicant, the guarantors or the project since preliminary approval, (ii) the Facility officially opens with our consent, (iii) the applicant has completed all required pre-

opening improvements specified in the Franchise Agreement; and (iv) you have paid the Initial Fee. You and your guarantors or co-makers waive traditional defenses, as described above for the Initial Fee Note. With or without notice to or consent from each guarantor or co-maker, we may grant renewals, extensions, modifications, compositions, compromises, releases or discharges of other parties. If you transfer the Facility, you must repay the balance of the Development Incentive Note unless the transferee and its principals assume the obligation to repay the Incentive and provide us with such other security as we may require in our sole discretion. If you are purchasing an existing Chain Facility and you assume the obligation to repay the unamortized balance of the Incentive Note with our consent, you must repay the balance if the franchise terminates after your purchase of the Chain Facility. We may offer the Development Incentive to be issued in cash or in the form of a line of credit with WSSI, in our sole discretion ~~when~~ as business circumstances warrant.

~~**Other Financing.** In the alternative to Development Incentive financing, we may offer you benefits in the form of royalty rate reductions, credits or rebates if you remain in compliance with your payment, quality assurance and other obligations under your Franchise Agreement. We do not presently offer any other direct financing and do not guarantee your note, lease or obligation.~~

~~**Third Party SBA and Conventional Financing Programs.** PMC Commercial Trust (“PMC”) offers financing under the U.S. Small Business Administration (“SBA”) 7(a) financing program to qualified franchisees for acquiring, constructing, renovating or refinancing a Chain Facility. The SBA 7(a) program provides financing through a loan issued by an authorized participating commercial lender which is partially guaranteed by the SBA. Loan proceeds can be used for most business purposes related to the development of the Facility including land and building (including purchase, renovation and new construction), leasehold improvements, furniture, fixtures and equipment (“FF&E”), working capital, and, in some cases, debt refinancing. Up to 90% of the project cost can be financed under the SBA 7(a) program.~~

~~PMC offers conventional financing for qualified applicants. These SBA and conventional financing programs are described in greater detail in the table below.~~

SUMMARY OF FINANCING OFFERED

	PMC SBA 7(a) Program	PMC Conventional Program
Items Financed	Initial Fees, site acquisition, construction costs, FF&E, opening inventory, supplies, working capital, engineering, architectural and construction period interest, and closing costs.	Initial Fees, site acquisition, construction costs, FF&E, opening inventory, supplies, working capital, engineering, architectural and construction period interest, and closing costs.
Amount of Financing	Up to \$5 million	Up to \$5 million.
Annual Percentage Rate	Generally a variable rate equal to the Prime Rate (as reported by the Wall Street Journal), plus 2.75%, depending upon the creditworthiness of the borrower and other factors.	Generally a fixed rate (7.5% as of January 2013), depending upon the creditworthiness of the borrower and other factors. Variable rate options are also available in certain instances.
Term of Loan (Period of Repayment)	Up to 25 years (fully amortizing), depending upon the type of items financed in accordance with SBA guidelines.	Up to 20 years.
Security Interest in Favor of Lender	First mortgage (or other senior security interest) on the hotel property financed (including all real property and improvements, FF&E and other assets directly related to the hotel operation). Lender may require additional outside collateral.	First mortgage (or other senior security interest) on the hotel property financed (including all real property and improvements, FF&E and other assets directly related to the hotel operation). Lender may require additional outside collateral.
Personal Guarantees Required from Your Owners	Generally required by the lender from each owner of the hotel property who is in a position of "control" or who owns 20% or more of the legal entity owning the hotel project.	Generally required by the lender from each owner of the property.
Prepayment Option	Loan may be prepaid at any time. For approved loans with a term of 15 years or greater, there is a prepayment penalty. The penalty is 5% if prepaid during the first year, 3% if prepaid in the second year, 1% if prepaid during the third year. No prepayment penalty otherwise.	Prepayment options vary.
Your Potential Liability on Default	Lender may accelerate all amounts due under the loan, take possession of the collateral, sell or lease the collateral, and charge you for all legal fees and other expenses for exercising the above rights.	Lender may accelerate all amounts due under the loan, take possession of the collateral, sell or lease the collateral, and charge you for all legal fees and other expenses for exercising the above rights.
Waiver of Legal Rights and Defenses	You waive all demands and notices including presentment, demand, protest and notice of dishonor. You waive all defenses that the lender did not obtain a guarantee, did not obtain or perfect a lien on the collateral or did not obtain fair market value on the sale of the collateral.	You waive all demands and notices including presentment, demand, protest and notice of dishonor. You waive all defenses that the lender did not obtain a guarantee, did not obtain or perfect a lien on the collateral or did not obtain fair market value on the sale of the collateral.

All or a portion of the financing offered by PMC may be assigned, sold or discounted to third parties who may be immune to your defenses and claims against the originating lender.

We have been deemed eligible for streamlined and expedited loan processing through the SBA. We are listed on the SBA's central registry of franchisors whose current franchise agreements are eligible for SBA financing found at www.franchiseregistry.com. We have arranged with the SBA to provide certain information and benefits to the SBA so that our Franchise Agreement meets SBA eligibility criteria for 7(a) loans.

~~Conventional Financing Programs.~~ Direct Capital Corp. provides direct (non-brokered) financing to qualified franchisees for Property Improvement Programs. Under the financing program, franchisees may use the funding for equipment purchases, facility renovations and improvements and soft costs associated with improving the Facility.

~~Direct Capital Corp. offers conventional financing for qualified applicants on a direct basis. Direct Capital Corp. is the second largest independent finance company in the US as measured by the annual Equipment Lease & Finance Association list of financing providers.~~

SUMMARY OF FINANCING OFFERED

	Direct Capital Property Improvement Program
Items Financed	All Property Improvement items such as renovations, signage, equipment, mattresses, furniture and fixtures, kitchen equipment, POS systems, TV's, telephone systems, computers, copiers, soft costs not to exceed 50% of total project costs.
Amount of Financing	Up to \$1 million.
Annual Percentage Rate	Generally a fixed rate starting as low as 5.99% depending upon the creditworthiness of the borrower and other factors.
Term of Loan (Period of Repayment)	Up to 5 years (fully amortizing), depending upon the type of items financed.
Security Interest in Favor of Lender	First security interest in assets acquired. Lender may require additional outside collateral.
Personal Guarantees Required from Your Owners	Generally required by the lender from each owner of the hotel property who is in a position of "control" or who owns 20% or more of the legal entity owning the hotel project.
Prepayment Option	Loan may be prepaid at any time. For approved loans with a term of 5 years or less, the general terms are a 5% if prepaid during the first year, 4% if prepaid in the second year, 3% if prepaid during the third year and 2% if prepaid in the fourth year.
Your Potential Liability on Default	Lender may accelerate all amounts due under the loan, take possession of the collateral, sell or lease the collateral, and charge you for all legal fees and other expenses for exercising the above rights.
Waiver of Legal Rights and Defenses	You waive all demands and notices including presentment, demand, protest and notice of dishonor. You waive all defenses that the lender did not obtain a guarantee, did not obtain or perfect a lien on the collateral or did not obtain fair market value on the sale of the collateral.

All or a portion of the financing offered by Direct Capital Corp. may be assigned, sold or discounted to third parties who may be immune to your defenses and claims against the originating lender.

American Express[®] Merchant Financing is a program that offers a set of commercial lending products to qualified businesses with quick and simple access to cash. Through the program, eligible merchants can leverage their relationship with American Express to tap into a convenient

and hassle free source of capital, which is automatically repaid through settlement amounts and accompanied by low fixed fees.

SUMMARY OF FINANCING OFFERED

	American Express® Merchant Financing Monthly Program	American Express® Merchant Financing Annual Program
Items Financed	Fund overhead, rent, payroll, and inventory expenses or take advantage of vendors' early pay discounts	Fund larger investments like technology and equipment upgrades or increase your reserve for unexpected cash needs.
Amount of Financing	Up to \$500,000 in each monthly disbursement	Up to \$750,000
Annual Percentage Rate	There is NO annual percentage rate. There is a FIXED FEE of 0.5% of each monthly disbursement.	There is NO annual percentage rate. A FIXED FEE of 6 % of the total annual loan
Term of Loan (Period of Repayment)	Each monthly loan is paid back over the course of the month.	One year
Security Interest in Favor of Lender	American Express is granted a security interest in substantially all of your business assets. The security interest does not cover any real estate, motor vehicles, household furniture or fixtures, or any other goods for personal, family or household use.	American Express is granted a security interest in substantially all of your business assets. The security interest does not cover any real estate, motor vehicles, household furniture or fixtures, or any other goods for personal, family or household use.
Personal Guarantees Required from Your Owners	None	None
Prepayment Option	Loan may be prepaid at any time. There is no prepayment penalty.	Loan may be prepaid at any time. There is no prepayment penalty.
Your Potential Liability on Default	Outstanding Balance will become due immediately.	Outstanding Balance will become due immediately.
Waiver of Legal Rights and Defenses	You waive all demands and notices including presentment, demand, protest and notice of dishonor. You waive claims under any theory of law, including for lost profits, lost revenues, lost business opportunities, exemplary, punitive, special, incidental, indirect or consequential damages. Additionally, you waive your right to a jury trial and to join a class and instead agree to submit all claims to individual arbitration.	You waive all demands and notices including presentment, demand, protest and notice of dishonor. You waive claims under any theory of law, including for lost profits, lost revenues, lost business opportunities, exemplary, punitive, special, incidental, indirect or consequential damages. Additionally, you waive your right to a jury trial and to join a class and instead agree to submit all claims to individual arbitration.

Please see Exhibit C-4 for standard loan and lease forms for the above programs. You should request a Lender Notification Agreement using the forms presented in Exhibit C-5 we provide you. Any lender you select may request a collateral assignment of, or security interest in, the Franchise Agreement, but we have no obligation to enter into any agreement or arrangement with any lender. See Exhibit C-5.

~~WSSI may also receive marketing fees from the lender in order to market its services to Chain Facilities.~~

~~**Third Party Lease Financing Programs.** WSSI may in the future make arrangements with a leasing company to provide lease financing for qualified applicants. Such lessor will make credit decisions, not WSSI or us. Your purchase of a franchise from us does not ensure that you will be able to obtain lease financing from any such lessor or the terms of any financing you are able to obtain.~~

~~Additional sources of financing may be available in the future. We have no plans to sell, assign or discount any Franchise Agreement.~~

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

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

Pre-Opening Obligations to Provide Assistance

Before the Facility opens, we will provide this assistance to you:

1. You select the Facility's location and describe it in the Franchise Application. We reserve the right to obtain, or to require you to obtain at your expense, as a condition for receiving our approval of the site, a positive market feasibility study prepared by a nationally prominent independent accounting or consulting firm we approve. Since individual sites are necessarily unique, no listing of relevant factors will be applicable to all sites. However, we believe these factors are important: geographical area, population and density, other demographic factors, proximity to transportation, major attractions and destinations, commercial development, traffic patterns, competition, accessibility, and the compatibility of the area with the proposed use. We grant a franchise for a new construction or conversion Facility for a specific location or site only, and approve your site when we approve your Franchise Application. There is no specific time limit in which this approval has to be completed. However, we typically complete our review of your site and the other elements of your Application, and award or decline to award you a franchise, within ~~thirty (30) to sixty (60)~~ days after we receive your completed Application and all supporting documentation. By approving your Application we do not represent or promise that a Chain Facility will succeed at that site. Approval of the site only indicates our willingness for you to represent the Chain at that site.

2. We will designate a Protected Territory for the Facility in the Franchise Agreement. (Franchise Agreement – Section 2).

3. For conversion and transfer Facilities, we will inspect the Facility and create a "Punch List" of improvements needed before you open the Facility under our service marks and afterwards (Franchise Agreement – Schedule D). ~~The Punch List is attached to the Franchise Agreement when it is signed. If we allow you to open the Facility under the System before you complete all items on the Punch List, we may require, at our discretion, you to place funds in escrow to pay for the improvements.~~

4. For a new construction Facility, we may provide access to your architect to prototype drawings and specifications reflecting the overall design intent for the Facility (the "Prototype Plans"), subject to availability. ~~Your architect must be licensed in the state where your Chain Facility will be located.~~ To receive the Prototype Plans, you and your architect must sign and return to us a Designation of Architect and Prototype Plans Agreement, respectively. (Franchise Agreement - Schedule D, Addendum for New Construction Facilities). ~~The Prototype Plans will be in AUTOCAD and Microsoft[®] Word[®] file formats, and will usually be downloadable by your architect from the Internet.~~ A member of our Design and Development Team will be available to consult with your architect about the plans we provide. (Franchise Agreement – Schedule D).

5. We will review and, if appropriate, approve any detailed architectural plans and specifications for constructing a new Facility or for renovating a conversion Facility. We will review any requests to materially modify or deviate from the plans or specifications after they have become "Approved Plans". We may charge you a fee to review such material modifications to your plans or specifications. ~~Our review and approval is intended only to ascertain initial compliance with Systems Standards and not to detect errors or omissions in the plans or specifications or to verify that they meet any federal, state or local requirements. We disclaim any liability for our review of your plans and specifications. (Franchise Agreement – Schedule D).~~

~~6. If you do not utilize any interior design prototype we offer to you, we will charge a custom Interior Design Review Fee to review any custom design you propose to utilize for the Facility. See Item 5. We may provide other design or architectural services and may charge a separate fee for them depending upon the complexity of the project. (Franchise Agreement – Section 4.4).~~

~~7.6. We may inspect the Facility during or following construction or renovation to determine compliance with Systems Standards and, where appropriate, approve its opening as a Chain Facility. (Franchise Agreement – Schedule D).~~

~~8.7. We will provide you with access to our Systems Standards Manual as described in this Item below. (Franchise Agreement – Section 4.7).~~

~~9.8. We will furnish you with written specifications for required products and services, as well as information about Approved Suppliers whose products have been approved for usage, as described in greater detail in Item 8. (Franchise Agreement – Section 4.4).~~

~~10.9. We will provide Integration Services to assist you in opening the Facility. For a conversion facility, these services will include Orientation training for the general manager, an initial supply of guest room amenity products, professional digital photographs of the Facility, temporary signage for the Facility's primary free-standing sign, access to on-line courses on operational issues and other matters, and a visit by a member of our field team to assist with the integration process. Integration Services for a new construction facility include all of the services listed above except for the initial supply of amenity products and temporary signage. Transfer facilities will typically receive only Orientation training for their general manager, on-line courses and a visit by one of our field representatives. Integration Services are not applicable to franchisees renewing their franchises with us. See Item 5 for a more detailed description of our Integration Services and the Integration Fee we charge for them. (Franchise Agreement - Schedule D).~~

~~11.10. We will provide training to you and your general manager as described in this Item below. (Franchise Agreement – Section 4.1).~~

~~12.11. We will review and, where appropriate, approve your proposals for pre-opening advertising of the Facility that utilize the marks. (Franchise Agreement - Schedule D).~~

Length of Time Before Opening

There is no “typical length of time” between the signing of a Franchise Agreement or the first payment for a franchise, and the Opening Date of the Facility. This is due to the impact of a number of variables including (i) your ability to obtain any necessary financing; (ii) whether the Facility is to be converted from an existing hotel or is to be newly constructed; and (iii) the process required to obtain all necessary permits, licenses and approvals from various government agencies.

We have established certain parameters for the pre-opening period. In the case of an existing facility newly entering the Chain or an existing Chain Facility being transferred, you must begin renovation no later than 30 days after we sign the Franchise Agreement. You must complete the pre-opening phase of the work and be ready, willing and able to open the Facility under the System no later than 90 days after we sign the Franchise Agreement. In the case of new construction, you must provide us with proof of ownership or ground lease of the location within 30 days after we sign the Franchise Agreement. Depending upon the size of the Facility, you must commence construction of the Facility within 60 to 90 days after we execute the Franchise Agreement and complete construction and receive our written approval to open the Facility within six to nine months after signing the Agreement. (Franchise Agreement - Schedule D).

~~Before we authorize you to open the Facility, you must complete and submit the ADA Certification Form for New Construction (Post-Construction) in Exhibit C of Schedule D (New Construction) of the Franchise Agreement (the “Certification”). You must complete the Certification per its instructions and submit it to us only after it has been signed by your general contractor, your architect of record or a consulting architect you hire for the Certification. If you cannot obtain the signature of the contractor or such an architect for the Certification, you must sign the Franchisee’s Certification of Compliance on the signature page of the Certification.~~

Post-Opening Obligations to Provide Assistance

After the Facility opens, we will provide this assistance to you:

1. We will continue to provide you with access to the Systems Standards Manuals, as described in this Item below. (Section 4.7)
2. We will hold a Chain conference, which may be in the form of a Wyndham Hotel Group multi-brand conference with special sessions and programs only for our Chain. Currently, we hold national conferences approximately every 18 to 24 months, but this is subject to change. We may also hold periodic regional summits throughout the year. ~~See Item 6 above for its cost.~~ (Franchise Agreement – Section 3.9)
3. We or our contractor will conduct announced and unannounced inspections and/or mystery shops of the Facility. (Franchise Agreement - Section 4.8)
4. We will continue to provide you with operational support and information about the Chain by e-mail, telephone and via the Chain’s Intranet site. In addition, our field support team will periodically visit your Facility to provide on-site operational support. Our representatives will also consult with you in person when they are at the Facility for compliance inspections, upon your request. (Franchise Agreement - Section 4.6)

5. We provide a Central Rate and Inventory Support Program (“CRISP”). The service begins with an audit of the Facility’s PMS to verify that all mandatory and local rate plans are correctly loaded into the system and that they are available for sale through all applicable distribution channels. On an ongoing basis, we monitor the Facility’s inventory settings and rates to ensure rate and inventory parity across all applicable distribution channels in conformance with Systems Standards. ~~See Items 5, 6 and 11 for additional description of options and fees. If you choose a WynGuest PMS or an Opera PMS – Option 1, this service is included as part of the PMS maintenance and support services you receive under the Software and Services Agreement, the Intellectual Property License and Support Agreement or the Master Subscription Agreement. See Exhibits C-3(a), C-3(b) and C-2(c). If you choose an Opera PMS – Option 2 (Opera SAAS subscription model), this CRISP fee is in addition to your Micros fee and is described in Item 6 above and Exhibit C-3(d).~~

6. We also offer Weekly Revenue Management Services, subject to our internal policies and on an optional basis, a more comprehensive revenue management program for an additional fee. This service includes daily inventory management, strategic positioning, future demand strategy and targeted promotions and packages. ~~This includes Best Available Rate planning, Request for Proposal management, and availability restrictions on rate plans and stay patterns. The monthly fee for Chain Facilities is currently \$13.00 per guest room, per month with a minimum fee of \$1,417 (109 rooms) and a maximum fee of \$5,200 (400 rooms). See Exhibit C-8.~~

7. We and our affiliates will continue to provide you with information about Approved Suppliers. ~~See Item 8 above (Franchise Agreement - Section 4.4).~~

8. We will review and, where appropriate, approve requests to add guest rooms to a Facility after receipt of your Rooms Addition Fee (Franchise Agreement - Section 3.12).

9. ~~We will offer to you strongly encourage you to participate in our ResCentral call transfer program, allowing you to. Utilizing this program you can transfer inbound reservation calls, through a toll-free line, to our Central Call Center where our professionally trained agents will answer questions and book reservations on behalf of your Facility. This service is available 24 hours a day/7 days a week. Participation in this program may become mandatory in the future. See Item 6 for the Call Handling Fee and Exhibit C-7 for the ResCentral Application and Terms and Conditions.~~

10. We will provide a computerized Centralized Reservation System (“CRS”), directly or indirectly through another party, or such technological substitute as we may determine, for making reservations at Chain Facilities. See the property management system discussion below. (Franchise Agreement – Section 4.2).

11. We will provide you with a cloud computing resource called WynReview, which will aggregate all reviews regarding the Facility from TripAdvisor and other major online travel agency sites, as well as customer surveys. ~~WynReview is accessible through MyPortal and is intended to help the Facility with its performance analysis in order to improve operations.~~

Marketing and Advertising

We engage in advertising and marketing activities funded by the marketing Fees that franchisees pay us to promote the Super 8 network and to maximize the general public recognition, acceptance or use of Super 8. The marketing may include various forms of advertising and promotion activities using such media as we deem appropriate. Specific advertising activities may include: online, broadcast, print media, sponsorships, e-mail and direct mail. Advertising may be created and placed internally or by advertising agencies with the participation and supervision of in-house staff. The Fund (as defined below) may also be used to pay for e-commerce, market research, public relations, guest services, training, the Central Reservation System, distribution and the staffing of sales offices which generate corporate, government, tour and other bookings at Super 8 hotels and other marketing support. We have the right to select the nature and type of advertising copy, media placement or other aspects of the marketing program. We do not have to expend any portion of the Fund for marketing or advertising in your trading area and we do not promise that your Facility will benefit directly or proportionately from marketing activities.

Funding for these foregoing marketing programs will come from a fund (the "Fund") into which we deposit each Franchisee's monthly marketing fee. The amount of your marketing fees is described in Item 6 under System Assessment Fees. It is our intention that all or at least substantially all Franchisees contribute to the Fund on an equal basis.

We administer and apply the Fund in our discretion. The Franchisee Advisory Board ("FAB"), acting in an advisory capacity, reviews the annual marketing plan and provides input on marketing programs. We select the members of the FAB from the franchisees who volunteer to participate. We have the right to change or dissolve the FAB in our discretion.

The Fund is not held in trust and we do not manage it in a fiduciary capacity, although its funds are separately accounted for on our books. We provide financial reporting (which may include unaudited financial statements) for the Fund, which is prepared and presented to the FAB. We do not make them available to other franchisees. Any monies which remain in the Fund at the end of the year (or deficiencies where the amount of money spent for marketing exceeds the Fees collected for the year) are carried over the following year. The Fund may be used to compensate us or an affiliate for any administrative or other services, such as reasonable expenses incurred for accounting, collection, data processing, computer services, bookkeeping, reporting, system maintenance and legal services, which we or the affiliate provides to the Fund to support marketing activities, the Central Reservation System and for our out-of-pocket costs. In addition, we or an affiliate may provide products or services to the Fund. Any such products or services provided by us or an affiliate will be provided at a cost comparable to the cost that the Fund would otherwise incur if the products or services were obtained from unaffiliated third parties. See Item 8.

In 2013~~2~~, marketing expenditures from the Fund for marketing were used~~disbursed~~ as follows: 24.82~~26.8~~% for media placement, 2.93~~2~~% for production, 1.82~~6~~% for promotions and sponsorships, 22.22~~3.3~~% for administration and 48.34~~4.1~~% for other expenses (e.g., public relations, guest services, training, field services, group and corporate sales and market research). In 2013~~2~~, no funds were utilized for the marketing of franchises.

You may conduct your own local marketing program provided that all materials conform with Systems Standards, including proper service mark usage, or are approved in writing by us. We may, at our option, offer you advertising copy and other marketing materials for such prices which reasonably cover our direct and indirect costs.

~~You must participate in certain mandatory marketing programs which may involve honoring room discounts for certain club or association members, providing free lodging for children aged 17 and under, and/or may be required to purchase certain marketing materials at their reasonable cost. You must participate in our guest loyalty program and in our guaranteed best available rate program. See Items 6 and 16. Currently there are no local or regional advertising cooperatives.~~

Property Management System

We will also use System Assessment Fees, directly or indirectly through another party, to provide a computerized CRS, or such technological substitute as we may determine, for making reservations at Chain Facilities. (Franchise Agreement - Sections 4.2, 7.1)

~~Pursuant to Item 5 above, y~~You must select and procure a PMS, including computer hardware and a software license and Internet access service so that the Facility can interface with the CRS, ~~the brand information source and the enterprise data warehouse.~~ We have approved two systems under our technology standard: our proprietary WynGuest system (formerly called SoftHotel), which is licensed to us under a perpetual, irrevocable, royalty-free license by SoftHotel, Inc. ("WynGuest"), and the Opera system from Micros Systems, Inc. ("Micros"). The Opera system is available in three levels of sophistication depending on the needs of the Facility. If you procure an Opera system via the first Opera alternative below we, Micros or our or their contractor install the PMS software on your computer hardware at the Facility. If you procure an Opera system via the second alternative below, the databases servers, application servers, and storage are housed in the Micros data center and not at the Facility. For the WynGuest system, we or our vendor hosts the PMS software which you access via the Internet. We will consult with you to determine which is the appropriate PMS product for your Facility. Guidelines for product selection, cost and other information about each of the systems are included in the table found later in this Item. We may from time to time, at our option, change or make exceptions to our PMS technology standard.

The PMS books reservations, performs check-in and check-out functions, manages rates and inventory, collects and transmits ~~to the enterprise data warehouse~~ certain information collected about each guest, automates the front desk and operational record keeping of the Facility, and interfaces with other electronic systems at the Facility.

There are two alternatives to procure your WynGuest PMS:

1. We sell the WynGuest PMS computer hardware, peripheral equipment, and operating system software under the ~~Integrated System~~ WynGuest Agreement – Upfront Model forms found in Exhibit C-2(a). Under this agreement, we provide you with software, maintenance and support services for the WynGuest PMS. ~~Alternately, y~~You must ~~supply~~ buy the computer equipment ~~that from another source so as long as it meets Systems Standards; or~~ We provide you with

~~software, maintenance and support services for the WynGuest PMS under the Software and Services Agreement found in Exhibit C-3(a).~~

2. You can subscribe to the WynGuest PMS under the WynGuest Master Subscription Agreement – Subscription Model form found in Exhibit C-2(eb). This subscription includes the deployment, installation, training and monthly support of the WynGuest PMS, ~~but it does not include the purchase of the hardware needed to operate the WynGuest PMS. You must supply~~ can purchase the hardware for our WynGuest PMS ~~separately from us, an affiliate or from another source as long as it~~ that meets our technology standards and specifications. ~~If you choose to purchase the hardware from us, the price will range from \$3,000 to \$6,000, depending on the number of workstations required.~~

There are two alternatives to procure your Opera PMS:

1. You can license the software directly from Micros, which provides you with software maintenance and support under the Intellectual Property License and Support Agreement found in Exhibit C-3(ba). If you choose this Opera PMS option, you ~~must~~ can purchase the computer hardware, peripheral equipment, and operating system software ~~from Micros under the Integrated System Agreement forms found in Exhibit C-2(b). Alternatively, you can buy the computer equipment from another source as long as it meets our technology standards and specifications;~~ or

2. As an alternative, you can subscribe to an Opera PMS and the licenses required in connection with this PMS through the subscription based Opera SAAS Model offered by Micros under the Hosting Services Agreement found in Exhibit C-34(ae). If you elect this system, you will pay a one-time set up fee that ranges from \$9,275 to \$21,118 and a monthly subscription fee that ranges from \$708 - \$3,697. These fee ranges include installation and the installers' travel, the right to use the Opera software, support of the Opera application, database backups and the hosting fees. The fee ranges do not include additional interfaces that may be required. In addition to these fees, you will pay us a one-time management and implementation fee of 41,500 and a monthly Hotel Technology Client Support ("HTCS") and CRISP fee which will range from \$346225 - \$752375 as described in further detail in the Opera Supplemental Services Agreement – Option 2. See Item 6 and Exhibit C-34(db). HTCS services include, but are not limited to, support for technology applications we offer you, such as MyPortal, the CRS and PMS vendor management, if any. The Opera databases, servers, application servers and storage are housed in the Micros data center and not at the Facility. Facilities connect to the Micros data center via their own broadband connection, which must meet certain requirements as specified by Micros. We may require you to utilize tokenization technology for the transmission of credit card information, and Micros may require that a tokenization provider be selected as part of this Opera SAAS Model. Facilities must also have an Opera interface PC and any required work stations. ~~Facilities that choose to subscribe to the Opera SAAS Model must commit to a minimum term of thirty six (36) months.~~

~~We will not require you to replace a PMS for four years after installation at the Facility. However, w~~ We may require you to purchase additional or replacement communications hardware or software, additional random access memory or additional hard disk storage to keep pace with changes in technology. There is no contractual limitation on the cost or frequency of

this obligation. Neither we nor Micros has any obligation to modify, enhance or rewrite the PMS software for a WynGuest or an Opera system. If we modify, enhance or rewrite the WynGuest PMS software and you are not in default under the ~~Software and Services~~ WynGuest Agreement – Upfront Model, the ~~Master Subscription~~ WynGuest Agreement – Subscription Model or the Franchise Agreement, we will provide to you and you must install the modified software in accordance with our Chain-wide distribution plan. Micros may charge you for enhancements or upgrades to the Opera software.

If you purchase an existing Chain Facility with a PMS, we may require you to upgrade it or purchase a new PMS to meet our current configuration requirements at your cost. If you purchase an existing Chain Facility with a WynGuest PMS, you must pay a \$500 transfer fee. If you purchase an existing Chain Facility with an Opera PMS, you must pay a \$3,900 transfer fee plus possible additional fees for changes in the number of guest rooms in the Facility and changes to the number of interfaces the Opera PMS uses.

If you are a transferee of a Chain Facility with a current PMS that meets our technology standard, we or our designated supplier offer optional PMS recertification training for your staff, subject to the availability of training personnel. This training is offered remotely at a fixed cost of \$500. You may also request additional training for a WynGuest PMS for . The additional recertification training fee for a WynGuest system could be up to \$5,000, but will vary depending on the number of Facility employees needing training and whether the training will be held at the Facility or remotely and \$10,000 for an Opera PMS . The additional recertification training fee for an Opera system is \$10,000 for up to 7 trainer days. Regardless of the system you install at the Facility, you must provide complimentary lodging for our trainers if the training is provided at the Facility.

If your franchise is for a conversion Facility, you have paid the PMS deposit or ~~WynGuest PMS subscription~~ ~~set-up fee~~ and fulfilled all other obligations necessary to order your PMS on a timely basis, but the PMS will not be ready for installation on or about the Opening Date of the Facility, we may make available to you, on a temporary basis, a limited function property management system. This PMS will interface with our Central Reservation System and will perform the following additional functions: guest check-in/check-out, night audit, and running limited reports. For this temporary PMS, you may use an existing computer system at the Facility or procure new computer hardware and operating system software from an independent source as long as they meet our specifications. We will provide you with a property specific User ID and Password and an electronic mail address. You must complete payment for your WynGuest or Opera PMS or pay the ~~WynGuest PMS subscription~~ ~~set-up fee~~ and be ready and willing to take delivery of your system within 60 days after the Opening Date, if you ordered a SoftHotel PMS, or 90 days after the Opening Date if you ordered an Opera PMS. If you fail to do so, we will disable your User ID and Password, and you will lose all access to the Central Reservation System and to the other functionality provided by the system.

Network Connectivity Services

You are required to obtain network connectivity to enable your PMS to interface with the CRS, ~~the brand information source and the enterprise data warehouse.~~

If you choose the Opera PMS Option 1, as described above, you must procure network connectivity services from our approved supplier by signing the Connectivity Equipment and Services Addendum to your Franchise Agreement (Exhibit C-1). We offer the following connectivity service options, subject to availability in your local market: HughesNet Satellite, HughesNet Managed VPN with an HN7700SR VPN Router or the HughesNet FortiNet Firewall/Router. In addition, we must pre-qualify the Facility for the service you select to make sure it meets bandwidth and other technical requirements. Additional connectivity service options may be added in the future. The term of the Addendum is 12 months. The start-up fee currently ranges from \$1,030 to \$2,170. The monthly service charge currently ranges from \$66 to \$88 depending on the service option you select and covers all communication charges, support and maintenance. Installation is included unless special equipment, additional cabling, special handling or labor is required or requested. The HughesNet Managed VPN with either the HN7700SR VPN Router or HughesNet FortiNet Firewall/Router does not include a broadband Internet connection. Under these options, you will need to procure this service on your own from a nationally recognized ISP and pay their service fee. Regardless of which connectivity option you select, we may increase the monthly service fee up to 5% per year, computed on a cumulative basis.

If you purchase a WynGuest PMS or an Opera PMS through the Opera SAAS sSubscription Model (Option 2 described above), you are not required to use the network connectivity solutions (HughesNet) described above. You must procure a broadband Internet connection from a nationally recognized Internet service provider ("ISP") and pay their service fee. For a WynGuest PMS you must meet the requirements and technical requirements set forth in the System Standards. For an Opera SAAS subscription, your network connectivity must meet Micros' requirements.

Enterprise Data Warehouse and Brand Information Source

~~The PMS will automatically send the name, address, telephone number and certain other information about each guest ("Guest Data") to the enterprise data warehouse periodically. We will also have access to Guest Data and other information sent from your PMS. There are no contractual limits on our right to access or use the Guest Data and other information. You may use any Guest Data you collect from the Facility without our consent, but you are responsible for complying with all applicable privacy and related laws. You will have access via the System Intranet, called MyPortal to the brand information source containing our electronic information library, training modules, marketing support functions, standard forms and reports, and operational support information and data. You will be granted a user identification and password to access MyPortal via an Internet accessible website.~~

Approved Property Management Systems ("PMS")	
PMS Product	WYNGUEST (formerly SoftHotel)
Targeted Property Size (rooms)	Less than 180
Target Audience	Limited service Facilities requiring core PMS functionality, no meeting space, no food and beverage, limited workstations.
Estimated Cost* - Option 1	\$15,000 - \$20,000 or \$425 - \$650 per month plus the \$1,400 Subscription Model Set-up Fee
Estimated Cost (monthly fees includes HTCS & CRISP fees) - Option 2	\$425 - \$650 per month plus the \$1,400 Subscription Model Set-up Fee
Maintenance, Support and Service Fee** (monthly fees includes HTCS & CRISP fees) - Option 1	\$54.48 per room per year, plus \$660 for credit card interface and \$300 for <u>each additional</u> other interfaces. Fee is payable in monthly installments. If property opts to participate in the subscription pricing, monthly maintenance support and service fee is included as part of the above mentioned estimated cost.
Feature/Functionality	
Seamless Connectivity to CRS	X
Guest Checkin/Checkout	X
Automated Night Audit	X
Accounts Receivable	X
Group Functionality	X
System Interfaces to:	
Call Accounting	X
Credit Cards	X
PBX	X
In-Room Movies	X
Key Locks	
Multi-Currency/Multi-Language Support	N/A
Multi-Property Support	X
Reporting	Limited number of standard reports
Multi-Folio Capability	3
Maximum Workstations	6
Amount of Training/Install Time	up to 12 man-days
<p>*Estimated cost includes hardware, software, installation and training for a base system, but will vary depending upon the number of rooms, size of hardware configuration, and the number of third party interfaces – such as credit card, PBX, voice mail, etc. to be installed.</p> <p>** Monthly support costs are dependent upon number of rooms and the number of third party interfaces that are supported and may be increased up to 5% per year on a cumulative basis.</p>	

Approved Property Management Systems ("PMS") – Option 1			
PMS Product	OPERA LITE	OPERA XPRESS	FULL OPERA
Targeted Property Size (rooms)	Less than 150	50-200	150+
Target Audience	Rooms only facilities with limited group business, no food and beverage and no sales and catering operations.	Sites with robust needs and greater than 30% group business, supports food and beverage and sales and catering functionality of most mid-tier sites.	Large Full Service sites with high transaction volumes, enhanced interfaced options, full food and beverage and sales and catering functionality.
Estimated Cost*	\$30,000 - \$40,000	\$45,000 - \$65,000+	\$55,000 +
Maintenance, Support and Service Fee (includes HTCS & CRISP fees) **	\$59.55 per room per year, plus \$1,400 for credit card interface and \$300-\$850 for each additional other interfaces. Fee is payable in monthly installments.	\$64.50 per room per year, plus \$1,400 for credit card interface and \$300-\$1,050 for each additional other interfaces. Fee is payable in monthly installments.	\$71.70 per room per year, plus \$1,400 for credit card interface and \$300-\$1,300 for each additional other interfaces. Fee is payable in monthly installments.
Feature/Functionality	Functional Comparison		
Seamless Connectivity to CRS	X	X	X
Guest Checkin/Checkout	X	X	X
Automated Night Audit	X	X	X
Accounts Receivable	X	X	X
Group Functionality	Limited	X	X
Meeting Room/Conference Rental Support	Limited	X	X
System Interfaces to:			
Call Accounting	X	X	X
Credit Cards	X	X	X
PBX	X	X	X
In-Room Movies		X	X
Key Locks		X	X
Energy Management		X	X
Point of Sale (F&B/Retail)	Limited	X	X
Sales & Catering		X	X
Mini Bar		X	X
On-site Server Required	X	X	X
Internal Messaging (Maintenance Traces, etc)	Limited	X	X
Data Export Capability to 3rd Party Applications		X	X
Multi-Currency/Multi-Language Support		X	X
Multi-Property Support		X	X
Reporting	Large variety of standard reports.	Large variety of standard reports	Large variety of standard reports and integrated report generator for custom reports available
Multi-Folio Capability	5	6	Up to 21
Maximum Workstations	10	25	40+
Amount of Training/Install Time	8 – 13+ man days	15 - 30+ man days	18 - 60+ man days
*Estimated cost includes hardware, software, installation and training for a base system, but will vary depending upon the number of rooms, size of hardware configuration, and the number of third party interfaces – such as credit card, PBX, voice mail, etc. to be installed.			
** Monthly support costs are dependent upon number of rooms and the number of third party interfaces that are supported and may be increased up to 5% per year on a cumulative basis.			

Approved Property Management Systems (“PMS”) – Option 2		
OPERA LITE	OPERA XPRESS	OPERA
Monthly Fee		
\$708	\$738 - \$1,180	\$873 - \$3,697
One-Time Set Up Fee (Includes travel and installation)		
\$9,275	\$15,735	\$21,118
One-Time Management & Implementation Fee		
\$1,500		
Additional Interface Fee		
\$58 each	\$84 each	\$99 each
HTCS & CRISP Services Fee (Billed Monthly)		
\$346	\$360 - \$752	\$362 - \$752

Systems Standards Manual

We will provide you with access to the Standards of Operation and Design Manual and any other manuals for franchisees (the “Systems Standards Manual”) which contain specifications for the construction or renovation and operation of the Facility under the System. The Wyndham Rewards Front Desk Guide, which may be amended from time to time, is a System Standard. ~~The Systems Standards Manual is confidential and remains our property. We may modify the Systems Standards Manual, but any modification will not materially alter your status or rights under the Franchise Agreement.~~ The table of contents of the Systems Standards Manual is set forth in Exhibit F (Franchise Agreement – Sections 4.5, 4.6, 4.7).

Training

~~Wyndham Hotel Group’s School of Hospitality Operations (“SoHO”) is a leading hospitality educator that offers a variety of mandatory and optional training programs, workshops, online training and other training resources to familiarize you and your staff with the System and Wyndham Hotel Group, and to provide training on our five hospitality key disciplines: Property Operations; Sales and Marketing Management; Revenue Generation; Customer Experience; and Leadership and People Management.~~

All personnel employed at your Facility in those positions we designate to receive training must attend and successfully complete our initial training program and other training programs we may require. ~~We will determine, in our discretion, whether any person has successfully completed training. These programs and their fees are described below.~~ We may charge a reasonable fee for these training programs. In addition, you are responsible for your employees' travel, lodging and meal expenses and wages while attending the program. (Franchise Agreement – Section 4.1)

Executive Leader Orientation. Orientation training will be provided to your general manager by SoHO in our program called Executive Leader Orientation (“Orientation”). ~~Orientation is designed to provide management personnel with in-depth knowledge of Wyndham Hotel Group~~

~~tools and resources as well as organization and industry best practices. Designed for new and experienced hotel managers, this four day orientation is organized into our five key hospitality disciplines essential to the success of any property, regardless of brand or size. This conference-style program features pre-orientation and break-out sessions to enhance attendees' learning experiences.~~

Required attendees must satisfactorily complete all components of Orientation (including any pre-course activities or related diagnostic assessments) as outlined below unless stated otherwise in the Franchise Agreement. If we do not offer Orientation within the specified time period, required attendees must complete the next available program.

- First-time franchisees (or a site or entity principal if an entity): by the Opening Date of the Facility;
- Initial general manager: no later than 90 days after the Facility's Opening Date;
- Replacement general manager: no later than 90 days after he/she assumes responsibility as a general manager;
- If you own more than one Chain Facility, you must send your initial and any replacement general manager from each Facility to Orientation; and
- Financial institutions and real estate mortgage investment conduits are exempt from attending Orientation.

The tuition fee of \$1,500 may be covered by an Integration Fee, provided that the initial general manager attends and successfully completes this mandatory training program and all related components within the timeframe noted above. If the general manager does not attend Orientation as required, you will pay the tuition then in effect. If you are an owner, entering into your first franchise agreement with us or have not completed Orientation within the last two years, you must attend Orientation in addition to your general manager. This tuition is not included in the Integration Fee and is \$825.~~You must pay your general manager's travel and living expenses, compensation and benefits, if any, while participating in the program.~~ Tuition for these programs is subject to increase and is not refundable.

No-Show and Cancellation Policy

We may charge you a No Show-Fee of up to 50% of the tuition for a program if you, your general manager or any other member of your staff is a "no-show" for any scheduled program. The No-Show Fee will be 100% of the tuition for the program if you, your general manager, or any other member of your staff does not register for, and/or attend, any mandatory training program by the required completion date. This date is 90 days after the Opening Date for your initial general manager and 90 days after assuming his/her position for any replacement general manager. If you, your general manager or any other member of your staff cancels participation in any training program less than seven days before it is scheduled to be held, we may charge you a Cancellation Fee of 25% of the tuition for the program. No-Show and Cancellation Fees are in addition to the tuition which you will have to pay at the then offered rate when you attend the program. We may assess you additional No-Show or Cancellation Fees for continued failures by you.~~We may assess you a "No-Show" or "Cancellation" Fee if you: (i) fail to register for and/or attend Orientation by the deadline established in your Franchise Agreement; (ii) register~~

~~for, but are a “no show” for any scheduled Orientation class; or (iii) fail to notify us at least seven days in advance that you will be unable to attend a scheduled program. No Show and Cancellation Fees are in addition to tuition that you must pay us at the then in effect rate when your general manager attends the training. See “No Show and Cancellation Policy” below.~~

~~In 2012, a total of 26 Orientation programs were offered for Chain Facilities and facilities franchised by the Lodging Affiliates. In 2014³, we plan to offer Orientation a total of 21 times in either our corporate offices in Parsippany, NJ or at central locations in North America. We reserve the right to require Orientation attendance at specific locations based on the System to which you belong or the region in which the Facility is located. Classes will be available for registration 120 days in advance with a minimum of one corporate designated location available within 90 days.~~

EXECUTIVE LEADER ORIENTATION

This chart shows a summary of this program as it existed on December 31, 2013

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Organization and Brand Overview	2 hours	0.25 hours	Corporate designated location
Sales and Marketing Management	2.5 hours	0.3 hours	Corporate designated location
Revenue Management and Tools	4 hours	0.3 hours	Corporate designated location
Distribution Systems and Content	2 hours	None	Corporate designated location
Customer Experience/ Quality Assurance	4 hours	0.3 hours	Corporate designated location
Property Operations, Systems, and Tools	1.5 hours	0.3 hours	Corporate designated location
Leadership and People Management	2.5 hours	0.25 hours	Corporate designated location

Notes:

~~1 Orientation is subject to change without notice to reflect updates in the materials, methods and manuals used and changes in personnel. The subjects taught and the time periods allocated for each subject may vary based on the experience of the people being trained.~~

21 The training staff consists of the SoHO and Wyndham Hotel Group personnel. The Learning and Development team is headed by Annmarie Fairweather, Senior Vice President, Global Learning and Development Brand Services. She has 267 years of experience in the hotel industry and 2019 years of experience with Wyndham Hotel Group, the Lodging Affiliates and us. The lodging industry experience of the rest of the Learning and Development staff ranges from 32 to 32+ years, with an average (mean) of

176 years. Their experience with Wyndham Hotel Group, its predecessors, the Lodging Affiliates and us ranges from 24 to 254 years, with an average (mean) of 143 years.

Remedial Training. We may require an owner, GM and/or property staff to participate in a remedial customer experience assessment or training if the property receives a “D” or “F” (or equivalent score) on a quality assurance inspection, a “D” or “F” score in consumer feedback responses or experiences significant complaints to WHG’s Customer Care Department, as determined by WHG in its sole discretion. This customer experience assessment or training may be offered at WHG’s corporate offices, at a regional location, on-line or at the property. The training may be in the form of ~~one (1)~~ or more sessions held at different times and locations. ~~The property must pay the fees in effect for this program when it is offered.~~ If the assessment or training is conducted at the property, it must provide complimentary lodging for the WHG representative.

In addition, if at the time of the property’s initial post-opening Quality Assurance inspection, the property receives (i) a failure rating on guest room cleanliness and (ii) an average consumer feedback score of “F” on cleanliness of guestroom category or cleanliness of bathroom category, based on a minimum of ~~ten (10)~~ electronic consumer feedback surveys, the property must take a ~~one (1)~~ day, on-site remedial class on housekeeping within ~~sixty (60)~~ days after the inspection. The tuition for an on-line class is currently \$250, but is subject to change from time to time for WHG modifying System Standards.

The fee for an on-site customer experience assessment or training class is currently \$1,300, but is subject to change from time to time by WHG modifying System Standards.

Conferences. We require general managers to attend an annual national leadership conference. The national leadership conference will typically be held every 12 to 18 months and may be included as part of a Wyndham Hotel Group multi-brand conference. Costs for these conferences are determined annually and billed back to you even if you do not attend the conference. The fee for the 2015 conference will be \$1,049 for your first attendee and \$849 for each additional attendee. See Item 6.

Regional Meetings. Certain personnel employed at the facility may be required to attend periodic meetings held to address matters of general interest to the System. We will establish the locations where these programs are offered. If you participate in any of these programs, you must pay any tuition we establish for the program as well as the travel, lodging and meal expenses and wages for your personnel attending it.

Supplemental Training. We require all franchisees to have access to Internet-based training via the Wyndham Hotel Group intranet website. The current price for this Internet-based training library is \$65 but is subject to change. We may require all general managers to complete Re-Certification Training at such intervals as are set forth in the Systems Standards Manual or another brand directive. We may periodically make available to you other training courses, as well as programs, conferences, workshops and materials. We may offer to sell you other on-site training aids or support at reasonable prices.

Wyndham Rewards Training. All facilities must participate in a training program on our

customer loyalty program, Wyndham Rewards. All managers must complete a manager specific web-based training and all front desk associates must complete a general web-based training.

Training Administration. We maintain a staff of field-based training professionals who conduct training regionally and at the hotel level. Each of these trainers has an operational and/or human resources background with us and with other hotel companies. We also draw upon the experience of other officers and employees of us and the Lodging Affiliates in conducting training.

No Show and Cancellation Policy

~~We may charge you a No Show Fee of up to 50% of the tuition for a program if you, your general manager or any other member of your staff is a "no show" for any scheduled program. The No Show Fee will be 100% of the tuition for the program if you, your general manager, or any other member of your staff does not register for, and/or attend, any mandatory training program by the required completion date. This date is 90 days after the Opening Date for your initial general manager and 90 days after assuming his/her position for any replacement general manager. If you, your general manager or any other member of your staff cancels participation in any training program less than seven days before it is scheduled to be held, we may charge you a Cancellation Fee of 25% of the tuition for the program. No Show and Cancellation Fees are in addition to the tuition which you will have to pay at the then offered rate when you attend the program. We may assess you additional No Show or Cancellation Fees for continued failures by you.~~

ITEM 12: TERRITORY

We grant to you a "Protected Territory" in which we will not own, operate or manage another Chain Facility utilizing the same service mark. In addition, we will not grant any additional franchise using the same service mark in the Protected Territory after you ~~execute~~ sign your Franchise Agreement with us. However, Any Chain Facility located within the Protected Territory when your Franchise Agreement becomes effective may have its franchise renewed or reissued, expanded for additional guest rooms or, if its franchise terminates or is not renewed, replaced with a replacement Chain Facility having not more than 120% of the guest rooms of the replaced Chain Facility, located within the same trading area. Therefore, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We will negotiate the Protected Territory with you, which will encompass the trading area in which the primary demand generators for the Facility (as they exist on the date of the Franchise Agreement) are located. These negotiations will take into account one or more of the following: the nature of the market your Facility will serve (urban/suburban/rural); population density; demographics; natural travel boundaries (such as rivers or impassable lands); what public and private facilities, if any, may generate lodging demand for your Facility (including airports, highways, sports and entertainment venues, colleges, military bases, tourist attractions, hospitals, shopping malls and commercial and industrial activities); the "seasonal" versus year-round nature of the anticipated occupancy of your Facility; the weekend versus weekday anticipated occupancy of your Facility; and other such variables. The Protected Territory may be defined as a radius from the door of the Facility or an irregular area bound by one or more streets, highways, governmental jurisdiction boundaries or natural boundaries, or by latitude and longitude and described in words, depicted on a map, or both. In either case, your Protected Territory will be described in the Franchise Agreement. There is no minimum Protected Territory that we offer.

We may own, operate, lease, manage or franchise Chain Facilities anywhere outside of the Protected Territory without restriction or obligation, even if they compete with your Facility. We may grant Protected Territories for other Chain Facilities that overlap your Protected Territory.

Continuation of your territorial rights does not depend upon whether you ~~the achievement of~~ certain sales volumes, market penetration or other contingencies. During the term of your Franchise Agreement, neither you nor your owners, officers or directors may own, lease, manage or franchise (i) another lodging facility in the Protected Territory unless it is franchised to you by us or the Lodging Affiliates, or (ii) a time share resort, vacation or residence club, fractional ownership residence, condominium/apartment leasing or rental business, or the like, for any facility or business that shares directly or indirectly, common areas, amenities, recreation facilities, services, supplies or support activities with the Facility. If you breach this obligation, we may terminate your Protected Territory. Your Protected Territory may be impacted upon a Notice of Condemnation. We have no other rights to modify your Protected Territory during the term of your Franchise Agreement.

We grant you a franchise to operate a Chain Facility only for specific location ~~we approved by us~~. Relocation of a Facility or the establishment of additional Chain Facilities is subject to our usual application procedures and requires the execution of additional Franchise Agreements. Franchisees are not usually granted options, rights of first refusal or similar rights to acquire additional Chain Facilities in their trading areas.

We will not restrict you or any other franchisee from soliciting or accepting guest reservations from inside or outside of your Protected Territory, including through, telemarketing, direct mail, on-line marketing, or other means, providing that you comply with applicable law. However, the Facility must not book reservations through any electronic reservation system, booking engine or other channel other than our CRS or through approved consumer website(s) or third party distribution sites unless permitted under our Systems Standards Manual or with our prior written consent. You will participate in Chain marketing programs in which you make a commitment to serve guests according to the terms of the programs.

There are no restrictions on our soliciting or accepting reservations from guests residing in your Protected Territory on behalf of you and other Chain Facilities, and we reserve the right to continue to do so using our service marks. This may include through our toll-free reservation number, our consumer website, electronic or direct mail, our Chain directory or other means.

Our affiliates may own, manage or franchise in your trading area under service marks other than our marks described in Item 1 (i) transient lodging facilities, or (ii) time share resorts, vacation or residence clubs, fractional ownership residences, condominiums, apartment buildings or the like. Except for certain Days Inn, Hawthorn Suites by Wyndham, Ramada, TRYP by Wyndham and Wyndham Hotels and Resorts properties, all of our and the Lodging Affiliates' transient lodging facilities in the United States are franchised. Wyndham Hotel Group may acquire additional hotel chains in the future which have company operated or franchised properties in your trading area. ~~Except as otherwise provided herein with respect to the Protected Territory, you consent to (i) the development, ownership, operation, licensing, franchising and marketing by us or our affiliates of all hotel brands owned by us or our affiliates, whenever and wherever located; and (ii) us and our affiliates using and granting other persons the right to use the System even if they are operating under different hotel brands owned by us or our affiliates, including using the same systems, resources, assets, marketing programs and/or technology to provide services to multiple hotel brands.~~

~~These Lodging Affiliates may solicit or accept reservations from guest residing in your area through their own toll free reservation number, consumer website, electronic or direct mail, chain directory or other means.~~ In addition, we may provide information about and book reservations for hotels franchised or managed by the Lodging Affiliates through the CRS toll-free reservation number or consumer website. We will preference Chain Facilities over other hotels in a destination if there is room availability at Chain Facilities, they meet the guest's search criteria, including closest proximity to a point of reference or point of interest, and they are not in default under their Franchise Agreement. The Lodging Affiliates have reciprocal programs for booking reservations at Chain Facilities. We have the right to provide reservation services to lodging facilities other than Chain Facilities or to other parties.

~~We and the Lodging Affiliates share certain facilities in Wyndham Hotel Group's offices in Parsippany, NJ, Aberdeen, SD, St. John, New Brunswick, Canada and other locations. We and the Lodging Affiliates contract with Wyndham Hotel Group for support services, including data processing and computer support services for the CRS, group sales programs and other programs directed at servicing the Chain. However, each lodging chain has its own marketing programs.~~

ITEM 13: TRADEMARKS

We will grant you the right to operate your Facility under the “Super 8” service mark. We may ask or permit you to utilize a secondary designation with the licensed mark for the Facility.

We own the following service marks (the “Marks”) that are registered on the principal register of the United States Patent and Trademark Office. Affidavits of use and renewal applications have been filed as required by law.

SERVICE MARK	REGISTRATION NO.	REGISTRATION DATE
“SUPER 8”	1,602,723	6/19/90
“SUPER 8” AND DESIGN	3,610,109	4/21/09
“SUPER 8” AND DESIGN	3,610,108	4/21/09

There are no agreements currently in effect which could significantly limit our right to use or to sublicense the marks in a manner material to you.

Your right to use the Marks and any other symbols, logos, insignia, trademarks or service marks developed for or with your Super 8 hotel is derived solely from the Franchise Agreement and is limited to the conduct of business under and in compliance with the Franchise Agreement and all applicable specifications, standards and operating procedures we prescribe during the term of the Franchise Agreement. Any unauthorized use of the Marks by you will constitute an infringement of our rights in and to the Marks. You may not use the Marks in your corporate or legal name but you may use a Mark in an assumed business or trade name filing.

You must promptly notify us of (i) any adverse or infringing uses of the marks (or names or symbols confusingly similar), confidential information or other System intellectual property, (ii) any threatened or pending litigation related to the System against (or naming as a party) you or us of which you become aware. ~~(Franchise Agreement – Section 15.5)~~ We alone handle disputes with third parties concerning use of all or any part of the System. You will cooperate with our efforts to resolve these disputes. We need not initiate suit against imitators or infringers who do not have a material adverse impact on your Facility, or any other suit or proceeding to enforce or protect the System in a matter we do not believe to be material.

We will indemnify, defend and hold you harmless, to the fullest extent permitted by law, from and against all “Losses and Expenses” (defined in Appendix A of the Franchise Agreement), incurred by you in any action or claim alleging that your proper use of the System and any property we license to you is an infringement of a third party’s rights to any trade secret, patent, copyright, trademark, service mark or trade name. (Franchise Agreement – Section 8.3) You will promptly notify us in writing when you become aware of any alleged infringement or an action is filed against you. You will cooperate with the defense and resolution of the claim. We may resolve the matter by obtaining a license of the property for you at our expense, or by requiring that you discontinue using the infringing property or modify your use to avoid infringing the rights of others.

There are no currently effective material determinations of the United States Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court; no pending material infringement, opposition or cancellation actions; nor any pending material federal or state court litigation involving the Marks other than as may be stated in this Disclosure Document. We are aware of non-material, unauthorized use of one or more of the Marks as part of third party domain names. We are not aware of superior prior rights or infringing uses of the Marks that could materially affect your use of them.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no issued patents or patent application that, as of the date of this Disclosure Document, are material to the franchise or part of your Franchise Agreement. We claim copyright protection in all copyrightable materials developed ~~in connection with~~for our business, including the Systems Standards Manual, videotapes, training materials, marketing materials (including all advertising and promotional materials), architectural drawings, building designs, interior design manuals and guidelines, logos, proprietary fabrics, artwork and furnishings, and business and marketing plans, whether or not registered with the U.S. Copyright Office (“Copyrighted Materials”).

If you install a WynGuest PMS at the Facility, we will license to you the right to use the WynGuest PMS software for the term of your Franchise Agreement, subject to obsolescence or any other early termination of your ~~Software and Services~~WynGuest Agreement – Upfront Model. We have a perpetual, irrevocable, royalty-free copyright license from SoftHotel, Inc. to use, modify and sublicense the WynGuest PMS software. Limitations on the use of the WynGuest PMS software are described in Exhibits C-~~23~~(a) and C-2(eb). If you choose an Opera PMS for your Facility, you will license the Opera software directly from Micros and not from us. See Item 11, Exhibit C-3(~~ba~~) and Exhibit C-~~34~~(ea).

You must take all appropriate actions to preserve the confidentiality of our trade secrets, our other proprietary information not generally known to the lodging industry, or other information we otherwise impart to you or your representatives in confidence, including the Manual and other documents (the “Confidential Information”). Access to Confidential Information should be limited to persons who need the Confidential Information to perform their jobs and are subject to your general policy on maintaining confidentiality as a condition of employment or who have first signed a confidentiality agreement. You will not permit copying of Confidential Information (including, as to computer software, any translation, decompiling, decoding, modification or other alternation of the source code of such software). You will use Confidential Information only for the Facility and to perform under your Franchise Agreement. We will respond to any inquiry from you about continued protection of Confidential Information..

All Copyrighted Materials and Confidential Information are owned exclusively by us. Your right to use Copyrighted Materials and Confidential Information is derived solely from the Franchise Agreement and is limited to the conduct of the business under and in compliance with the Franchise Agreement and all applicable specifications, standards, and operating procedures we prescribe during the term of the Franchise Agreement. Any unauthorized use of our Copyrighted Materials or any unauthorized use or disclosure of Confidential Information will constitute an infringement of our rights in and to the Copyrighted Materials and Confidential Information.

There is currently no litigation pending involving the Copyrighted Materials or Confidential Information. We do not know of any effective material determinations of the U.S. Copyright Office or any court regarding any of the Copyrighted Materials or Confidential Information. There are no agreements in effect that significantly limit the right to use or license the Copyrighted Materials or Confidential Information.

We will indemnify you against third party claims that the Copyrighted Materials we provide to you infringe the property rights of the third party, in the same manner as we will indemnify for trademark infringement. See ~~Item 13~~.

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

You do not have to participate personally in the direct operation of your Facility although we recommend that you do so. If you do not personally manage the Facility, you must hire a management company or individual manager with significant training and experience in general management of similar lodging facilities to manage the Facility. The manager must successfully complete our training program ~~and undertake the confidentiality obligation of Section 15 in the Franchise Agreement.~~

The management company or individual manager does not have to own an equity interest in the franchisee or the Facility.

If you are an entity, your owners must guaranty your obligations under the Franchise Agreement ~~by signing the guaranty form found as an exhibit to the Franchise Agreement (see Exhibit C-1).~~ If your owners of the Facility are located in a community property or tenancy by the entirety – no severance state, your owners' spouses must also sign the guaranty. We may make exceptions to the obligation to provide a guaranty when business circumstances warrant.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may not provide any services nor sell any products which are not customary for the economy lodging industry. You may not operate a restaurant, lounge, bar or other retail food or beverage operation in or adjacent to the Facility, except for a mandatory SuperStart® complimentary continental breakfast in accordance with System Standards. You must offer accommodations that comply with our Systems Standards Manual and applicable law. We may modify the System to require that you provide more services or amenities to guests. You may not offer goods or services in your Facility that we do not authorize. You must not affiliate the Facility with another franchise system, reservation system or cooperative. The Facility's front desk operation, telephone system, parking lot, swimming pool and other guest service facilities may not be made available to guests of another lodging or housing facility. ~~You will not permit or allow your officers, directors, principals, employees, representatives or guests of the Facility to engage in conduct which is unlawful or damaging to the goodwill or public image of the System.~~

~~You must participate in and comply with the terms of all mandatory marketing, reservation, advertising, promotion, rate and room inventory, discount, training and operations programs we may periodically adopt.~~

~~You may not develop, maintain, or authorize any website that has the word "Super 8" or any of our other Marks as part of its domain name or URL unless you receive our prior written consent and your usage is in compliance with Systems Standards. You may also not accept reservations on any website you develop for your Facility other than through a link that we approve that connects to our brand consumer website. You may, with our approval and subject to conditions that we specify, authorize third party travel services websites to list and promote your Facility together with other Chain Facilities. We may implement and periodically modify, and you must comply with, our rules and regulations relating to any travel service website and other electronic uses of the Marks, and we may withdraw our approval of any website that no longer meets our minimum standards.~~

~~Your Internet marketing activities, including your Chain Facility's website, must conform to the Franchise Agreement and Systems Standards Manual. This includes making available to the CRS and the Chain website the same room rates as you offer to the general public through other Internet websites, and participating in our guaranteed best available rate on the Internet program. Under this program, if a guest finds on the Internet a lower publicly available rate than your "best available rate" for the same date and meets the other published requirements, you must provide the applicable night to the guest at the lower Internet rate, less ten percent. We will also charge you a Guaranteed Best Available Rate Processing Fee for our administrative costs of handling the inquiry. See Item 6.~~

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the Franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

Provision	Section in Franchise Agreement	Section in Integrated System Agreement - WynGuest Agreement - Upfront Model	Section in Software and Services - WynGuest Agreement - Subscription Model	Section in Opera Supplemental Services - Master Subscription Agreement - Option 1	Section in Opera Supplemental Services Agreement - Option 2	Summary
a. Length of the franchise term	5	510	517	46	6	20 years for new construction Facilities, 20 years for conversion Facilities, beginning on the first day of the month after the Opening Date of the Facility. ¹ Integrated Services Agreement is concurrent with franchise under the Franchise Agreement or until Micros License and Support Agreement terminates. Right to use WynGuest PMS software, CRISP Services and HTCS Services is concurrent with the franchise under the Franchise Agreement, subject to early termination for obsolescence or any other basis for early termination.
b. Renewal or extension of the term	5	Not Applicable	Not Applicable	Not Applicable	Not Applicable	No renewal or extension rights.
c. Requirements for franchisee to renew or extend	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	If we and you elect to renew the franchise, you must (i) sign our then in effect Franchise Agreement, which may have

Provision	Section in Franchise Agreement	Section in Integrated System Agreement WvnGuest Agreement – Upfront Model	Section in Software and Services WvnGuest Agreement – Subscription Model	Section in Opera Supplemental Services Master Subscription Agreement – Option 1	Section in Opera Supplemental Services Agreement – Option 2	Summary
						materially different terms and conditions than the original Agreement, and (ii) pay the then in effect Relicense Fee, which is currently calculated under the same formula as the Initial Fee.
d. Termination by franchisee ²	11.3	Not Applicable 16.3	Not Applicable 16.3	Not Applicable 17.2	Not Applicable	You may terminate if the Facility suffers a casualty or is condemned; certain notice periods must be observed. ³ You may terminate Master Subscription Agreement at any time after Commitment period upon 30 days' advance written notice.
e. Termination by Franchisor without cause	None	16.4 Not Applicable	Not Applicable 16.4	Not Applicable 17.3	Not Applicable	We may terminate the Master Subscription Agreement for convenience at any time upon six months' advance notice.
f. Termination by franchisor with cause	11.2, 17.1, Schedule D	16.1	16.1	17	7	We may terminate if you default, fail to meet improvement deadlines or provide the Certification, certain events occur, or a material term of the Franchise Agreement is held invalid. We may terminate the license for the

Provision	Section in Franchise Agreement	Section in Integrated System Agreement WynGuest Agreement – Upfront Model	Section in Software and Services WynGuest Agreement – Subscription Model	Section in Opera Supplemental Services Master Subscription Agreement – Option 1	Section in Opera Supplemental Services Agreement – Option 2	Summary
						WynGuest PMS software if it becomes obsolete.
g. "Cause" defined – curable defaults	11.1, Schedule D	16.2 16.1	18.1 16.2	47	7	10 days to cure monetary, reporting and confidentiality defaults; 30 days to cure other breaches of the Franchise Agreement; Quality Assurance defaults must cure within 90 days if written plan approved and 30 day cure is not feasible.
h. "Cause" defined – non-curable defaults	11.2, 17.1, Schedule D	11.2 16.1	18.1 16.1	47	2.3 7	You discontinue operation, lose possession or the right to possession of the Facility, you maintain false books, fail to pay debts, misstate or omit a material fact, default twice in one year, contest the Marks, act or fail to act in a manner that could be injurious or prejudicial to the goodwill of the Marks, an unauthorized transfer occurs, guest health or safety is endangered, a receivership occurs.
i. Franchisee's obligations on termination/nonrenewal	12, 13, 15.4	12.7, 12.13 16.5, 19.9, 19.13	18.3, 19.1 16.5, 19.9, 19.13	17.4, 17.5, 20.1 38.7, 8.13	8.7, 8.13	Complete de-identification, return Manual, pay fees and liquidated damages, repay any Development Incentive loan, honor reservations. 4 – You must obtain

Provision	Section in Franchise Agreement	Section in Integrated System Agreement/WynQuest Agreement – Upfront Model	Section in Software and Services/WynQuest Agreement – Subscription Model	Section in Opera Supplemental Services/Master Subscription Agreement – Option 1	Section in Opera Supplemental Services Agreement – Option 2	Summary
						a software license from the primary vendor of your property management system within 30 days after termination to continue using the system. License for PMS Software and Services immediately ceases and you must delete Software and cease using access credentials for Services.
j. Assignment of contract by franchisor	10	12.11	19.12	20.11	8.11	No restriction on assignments and subcontracts by us, no new obligations to you after we notify you of the assignment.
k. “Transfer” by franchisee – defined	9, Appendix A	Not Applicable 1.3	1.34.2	Not Applicable	Not Applicable	Sale or lease of Facility, change in majority equity ownership, new general partner, public tender offer.
l. Franchisor approval of transfer by franchisee	9	Not Applicable	Not Applicable	Not Applicable 9.5	Not Applicable	We have right to approve all Transfers and qualify all transferees in our sole discretion.
m. Conditions for approval of transfer by Franchisor	9.3	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Transferee must submit application, pay Relicense and Application Fee, sign new form Franchise Agreement, improve Facility to meet standards for conversion Facilities entering the Chain including at our discretion.

Provision	Section in Franchise Agreement	Section in Integrated System Agreement WynG Quest Agreement – Upfront Model	Section in Software and Services WynG Quest Agreement – Subscription Model	Section in Opera Supplemental Services Master Subscription Agreement – Option 1	Section in Opera Supplemental Services Agreement – Option 2	Summary
						placing funds in escrow to pay for these improvements; You and your owners sign general releases unless restricted by law. ³⁴
n. Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
p. Death or disability of franchisee	9.4, Appendix A	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Your estate or guardian and their transferees are Permitted Transferees who submit an application and sign a new Franchise Agreement, but pay no Relicense or Application Fees and need not improve the Facility.
q. Non-competition covenants during the term of the franchise	2, 3.11	Not Applicable	Not Applicable	Not Applicable	Not Applicable	See Item 12
r. Non-competition covenants after the franchise terminates or expires	None	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
s. Modification of the Agreement ⁶⁵	4.5, 17.2, Schedule C	<u>19.742-5</u>	<u>19.67-6</u>	<u>20.78.5</u>	8.5	System and Manual may be modified; No modifications unless in writing; System Assessment Fees, including fees set forth in Schedule C, may change upon 30 days' written notice; We may modify certain Schedules of the

Provision	Section in Franchise Agreement	Section in Integrated System Agreement WvnGuest Agreement – Upfront Model	Section in Software and Services WvnGuest Agreement – Subscription Model	Section in Opera Supplemental Services Master Subscription Agreement – Option 1	Section in Opera Supplemental Services Agreement – Option 2	Summary
						Opera Supplemental Services Agreement (Options 1 & 2) and WvnGuest Software and Services Agreement (Upfront & Subscription Model), but not to eliminate software maintenance.
t. Integration/merger clause	17.7.3	<u>19.11</u> 2.9	19.10	<u>20.4</u> 8.9	8.9	Only the Franchise Agreement and representations included in this Franchise Disclosure Document are binding (subject to state law). Any other promises may not be enforceable.
u. Dispute resolution by arbitration or mediation	17.6.2	<u>129</u> .12	19.12	<u>208</u> .12	8.12	Disputes arising under the Franchise Agreement, Integrated System Agreement, Software and Services Agreement, Opera Supplemental Services Agreement (Options 1 & 2) and Master Subscription WvnGuest Agreement (Upfront & Subscription Models) may be submitted to non-binding mediation under the National Franchise Mediation Program administered by the CPR Institute for

Provision	Section in Franchise Agreement	Section in Integrated System Agreement WynG Quest Agreement – Upfront Model	Section in Software and Services WynG Quest Agreement – Subscription Model	Section in Opera Supplemental Services Master Subscription Agreement – Option 1	Section in Opera Supplemental Services Agreement – Option 2	Summary
						Dispute Resolution. ⁷
v. Choice of forum	17.6.3	19.8 12.6	19.87	20.88.6	8.6	Non-exclusive venue and jurisdiction in Morris County, NJ and U.S. District Court for New Jersey (subject to state law). ^{8,9}
w. Choice of law	17.6.1	12.6 19.8	19.719.8	20.88.6	8.6	New Jersey law applies, except New Jersey Franchise Practices Act doesn't apply to Facilities outside New Jersey (subject to state law). ⁹

¹ We may extend the Term to 25 years to satisfy SBA lending standards if ~~required by your lender requires~~. We will retain the right to terminate the franchise after 20 years without cause and grant you the same right in that event.

² We ~~currently and a number of the Wyndham Hotel Group franchisors have adopted a policy, effective September 15, 1998, as amended April 1, 2013, that permits you to terminate your franchise without paying liquidated damages, if you give us at least 60 days and not more than 90 days advance written notice and meet the following conditions:~~ (a) The Facility has operated as a Chain Facility for at least two years and it achieved an occupancy rate that is (i) below 50% and (ii) at least 10 occupancy points below the reported Smith Travel Research scale tract occupancy rate for the 12 month period preceding your request; (b) The Facility achieved an average quality assurance score on routine and post-default inspections over the preceding two year period of 80% or better (or equivalent score under a successor quality assurance scoring system we employ) and achieved a quality assurance score of 80% or better (or equivalent under a successor scoring system) on its most recent quality assurance inspection; (c) You participated in all mandatory national programs, Wyndham Rewards and our regional marketing association, including implementing a local sales and marketing plan, and successfully completed all required manager and owner training programs during the preceding two year period; (d) You paid all fees and charges when due, and did not receive any monetary default notices during the preceding two year period resulting in restriction; and (e) You maintained your Facility's records on a PMS or approved property management system during the prior 12 months and either (i) the Facility delivered each nightly audit report by automatic information upload to the Central

Reservation System or (ii) our audit verified that your occupancy rate was less than 50%. We may perform an audit of your records if you exercise your option under this policy. See ~~Exhibit C-1~~. We may change or discontinue this policy on a Chain-wide basis at any time.

³ If the Facility is taken by the condemning authority before the end of the notice period, you must pay us your average daily Recurring Fees for the number of days remaining in the notice period.

~~⁴ If termination is due to your failure to maintain adequate quality assurance scores, we may, in our sole discretion, offer to reduce or eliminate your liquidated damages and fees if you convert the Facility to operate under a franchise from one of the Lodging Affiliates.~~

~~⁵⁴ You may be obligated to repay a Development Incentive loan or other benefit unless the transferee assumes the repayment obligation. See Item 10.~~

~~⁵⁶ We may modify the WynGuest PMS software under Section 8 of the Software and Services Agreement and the System Standards Manual and Wyndham Rewards Front Desk Guide.~~

~~⁷ We are currently a member of the National Franchise Mediation Program and offer you the opportunity to mediate disputes through the CPR Institute for Dispute Resolution, an alternative dispute resolution agency. We may discontinue our participation in the National Franchise Mediation Program on a Chain-wide basis at any time.~~

~~⁸ Section 17.6.4 of the Franchise Agreement contains a waiver of jury trial that applies to any action between a franchisee and us involving such Agreement or the relationship between the franchisee and us.~~

⁹⁶ You may not be required to litigate in New Jersey or apply New Jersey law. See the State Addenda in Exhibit A.

ITEM 18: PUBLIC FIGURES

We do not use any public figure to promote the sale of franchises.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

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

Lodging facilities report performance for a time period on the basis of average occupancy rate (the percentage of available guest rooms actually occupied by guests), average daily room rate (gross room revenue divided by the number of occupied guest rooms), and "RevPAR" or revenue per available room (average occupancy rate multiplied by average daily rate). Lodging chains also report on central reservation system activity, such as the estimated gross room revenues generated from reservations booked through the central reservation system or via the Internet.

The information contained in this Item 19 is a historic financial performance representation about our Chain's existing Facilities. The Chain Facilities included in the samples in this Item 19 do not differ materially from those of prospective franchisees to whom we may offer franchises under this Disclosure Document.

Average Occupancy Rate, Average Daily Room Rate and RevPAR

THE AVERAGE OCCUPANCY RATE, AVERAGE DAILY ROOM RATE AND REVPAR OF A FACILITY NEW TO THE CHAIN ARE LIKELY TO DIFFER FROM THE RESULTS STATED BELOW. WE DO NOT REPRESENT THAT YOU WILL ACHIEVE THESE RESULTS AT YOUR FACILITY. NO INFERENCE AS TO EXPENSES, COSTS OF SERVICES, OR PROFITS RELATING TO EXISTING OR FUTURE FACILITIES SHOULD BE DRAWN FROM THE FOLLOWING INFORMATION. IF YOU RELY ON OUR FIGURES, YOU MUST ACCEPT THE RISK OF NOT DOING AS WELL.

The following tables set forth average occupancy rates, average daily room rates, and RevPAR for the period from January 1, 2013~~2~~ through December 31, 2013~~2~~ for "mature" Chain Facilities in the United States which passed their last quality assurance inspection. "Mature" Chain Facilities mean those Facilities which opened on or before January 1, 2014~~2~~ and remained in operation throughout 2012~~+~~ and 2013~~3~~. The information is segmented by quality assurance score and by geographic region and presented in the aggregate. The total number of Chain Facilities in the United States as of December 31, 2013~~3~~ was 1,724~~4,773~~.

QA Score	Number	Average Daily Room Rate	Number Exceeding	Percentage Exceeding	Average Occupancy Rate	Number Exceeding	Percentage Exceeding	RevPAR	Number Exceeding	Percentage Exceeding
A	377	64.70	156	41.38%	55.57%	180	47.75%	35.95	173	45.89%
B	608	58.87	287	47.20%	52.18%	287	47.20%	30.72	273	44.90%
Total Sample	1,358	59.66	619	45.58%	51.59%	663	48.82%	30.78	618	45.51%

QA Score	Number	Average Daily Room Rate	Number Exceeding	Percentage Exceeding	Average Occupancy Rate	Number Exceeding	Percentage Exceeding	RevPAR	Number Exceeding	Percentage Exceeding
A	397	63.09	174	43.83%	54.99%	196	49.37%	34.69	179	45.09%
B	654	58.50	281	42.97%	51.51%	301	46.02%	30.13	288	44.04%
Total Sample	1,455	58.39	660	45.36%	51.27%	711	48.87%	29.93	672	46.19%

Region	Number	Average Daily Room Rate	Number Exceeding	Percentage Exceeding	Average Occupancy Rate	Number Exceeding	Percentage Exceeding	RevPAR	Number Exceeding	Percentage Exceeding
East North Central	233	56.76	122	52.36%	50.81%	116	49.79%	28.84	109	46.78%
East South Central	107	54.31	50	46.73%	49.28%	49	45.79%	26.77	47	43.93%
Mid Atlantic	74	67.60	24	32.43%	54.12%	40	54.05%	36.58	32	43.24%
Mountain	152	63.66	65	42.76%	53.99%	75	49.34%	34.37	69	45.39%
New England	27	63.78	17	62.96%	55.10%	11	40.74%	35.14	13	48.15%
Pacific	106	67.42	40	37.74%	54.48%	49	46.23%	36.73	51	48.11%
South Atlantic	202	54.32	97	48.02%	47.62%	106	52.48%	25.87	97	48.02%
West North Central	253	60.31	135	53.36%	51.68%	123	48.62%	31.17	119	47.04%
West South Central	204	58.49	85	41.67%	52.74%	102	50.00%	30.85	88	43.14%
Total Sample	1,358	59.66	619	45.58%	51.59%	663	48.82%	30.78	618	45.51%

Region	Number	Average Daily Room Rate	Number Exceeding	Percentage Exceeding	Average Occupancy Rate	Number Exceeding	Percentage Exceeding	RevPAR	Number Exceeding	Percentage Exceeding
East North Central	252	55.29	132	52.38%	50.12%	123	48.81%	27.71	123	48.81%
East South Central	118	52.49	56	47.46%	49.27%	57	48.31%	25.86	55	46.61%
Mid Atlantic	80	66.12	32	40.00%	55.75%	42	52.50%	36.86	35	43.75%
Mountain	167	61.99	78	46.71%	53.65%	80	47.90%	33.26	75	44.91%
New England	28	62.03	17	60.71%	56.29%	13	46.43%	34.92	12	42.86%
Pacific	123	65.72	47	38.21%	53.21%	59	47.97%	34.97	59	47.97%
South Atlantic	213	52.86	101	47.42%	46.91%	103	48.36%	24.81	103	48.36%
West North Central	264	58.94	137	51.89%	51.46%	128	48.48%	30.33	129	48.86%
West South Central	210	58.23	76	36.19%	52.42%	102	48.57%	30.52	89	42.38%

Total Sample	1,455	58.39	660	45.36%	54.27%	711	48.87%	29.93	672	46.19%
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* Regions are comprised of the following states and jurisdictions: Canada - all provinces; E. N. Central - IL, IN, MI, OH, WI; E. S. Central - AL, KY, MS, TN; Mid Atlantic - NJ, NY, PA; Mountain - AZ, CO, ID, MT, NM, NV, UT, WY; New England - CT, MA, ME, NH, RI, VT; Pacific - AK, CA, HI, OR, WA; South Atlantic - DC, DE, FL, GA, MD, NC, PR, SC, VA, WV; W. N. Central - IA, KS, MN, MO, ND, NE, SD; W. S. Central - AR, LA, OK, TX.

The following table sets forth the average occupancy rate, average daily room rate and RevPAR for new construction Chain Facilities which opened in the United States between January 1, 2006 and December 31, 2010 and passed their last quality assurance inspection.

Number	Average Daily Room Rate	Number Exceeding	Percentage Exceeding	Average Occupancy Rate	Number Exceeding	Percentage Exceeding	RevPAR	Number Exceeding	Percentage Exceeding
53	65.48	14	26.42%	53.05%	27	51%	34.74	15	28%

Number	Average Daily Room Rate	Number Exceeding	Percentage Exceeding	Average Occupancy Rate	Number Exceeding	Percentage Exceeding	RevPAR	Number Exceeding	Percentage Exceeding
149	64.93	12	24.49%	54.22%	23	47%	35.20	19	39%

This information was obtained from the monthly revenue reports of Chain Facilities submitted by franchisees and represents the most reliable information available to us. For any months in which Chain Facilities did not submit revenue reports, occupancy and average daily room rates were computed based upon actual data sent to us each night by the Facility's property management system. If data from the property management system was not available, occupancy and average daily room rates were estimated based upon the Facility's performance during the same month of the prior year, or if not available, based upon the performance of similar Chain Facilities during the same month of the prior year. Occupancy, room rates and RevPAR vary from Chain Facility to Chain Facility and depend on many factors, including competition, general economic conditions, the length and intensity of the hotel trading seasons, management decisions to raise or lower rates to induce changes in occupancy or revenue, geographic location, climate, weather conditions, and cost factors. You set your own room rates.

Central Reservation System, Global Sales Organization and Wyndham Rewards Activity

THE FOLLOWING INFORMATION PROVIDES CHAIN-WIDE TOTALS AND AVERAGES. THE CONTRIBUTIONS THAT THE CENTRAL RESERVATION SYSTEM, GLOBAL SALES ORGANIZATION, AND THE WYNDHAM REWARDS LOYALTY PROGRAM WILL MAKE TO A NEW FACILITY'S REVENUES, RATES OR OCCUPANCY ARE LIKELY TO VARY FROM THE AVERAGES PRESENTED BELOW. IF YOU RELY ON OUR FIGURES, YOU MUST ACCEPT THE RISK OF NOT DOING AS WELL.

The Central Reservation System processes reservations via our call centers, our brand website, ~~our Group and Global Sales Organization~~ and through other electronic channels such as the global distribution systems (“GDS”) and third party Internet websites.

The Central Reservation System booked ~~4,631,701~~~~4,794,060~~ room nights for Chain Facilities in the United States for arrival between January 1, 201~~3~~~~2~~ and December 31, 201~~3~~~~2~~. These room nights yielded estimated net room revenue of ~~\$278,751,373~~~~278,801,399~~ and had an average daily room rate of ~~\$55.82~~~~58.16~~. Of the ~~1,724,773~~ Chain Facilities in the sample, ~~763769~~ or ~~44.26~~~~43.37~~% had an average daily room rate which equaled or surpassed the above average daily rate.

Our Global Sales Organization booked ~~1,364,549~~~~49,093~~ room nights for Chain Facilities in the United States for arrivals between January 1, 201~~3~~~~2~~ and December 31, 201~~3~~~~2~~. These room nights generated net room revenues of ~~\$74,951,826~~~~67,530,879~~. Reservations by our Global Sales Organization were made through our call centers, brand website, other electronic channels and directly with Chain Facilities. Bookings by the Global Sales Organization through all sources except directly with Chain Facilities are included in the Central Reservation System figures presented in the paragraph above.

The Wyndham Rewards loyalty program booked ~~4,913,165~~~~3,386,582~~ qualifying room nights for arrivals at Chain Facilities in the United States between January 1, 201~~3~~~~2~~ and December 31, 201~~3~~~~2~~. These room nights yielded estimated net revenues of ~~\$291,040,261~~~~493,823,876~~ and had an average daily rate of ~~\$59.24~~~~57.23~~. Reservations by Wyndham Rewards members were made through the call centers, our brand website, other electronic channels and directly with Chain Facilities. Bookings by Wyndham Rewards members through all sources except directly with Chain Facilities are included in the Central Reservation System figures presented in the paragraph above.

The following table presents the revenue contribution generated by the Central Reservation System (including contributions from our Global Sales Organization) and Wyndham Rewards for arrivals from January 1, 201~~3~~~~2~~ through December 31, 201~~3~~~~2~~. They are expressed as a percentage of all Chain-wide revenues, as reported to us by all Chain Facilities in the System. To avoid double counting reservations booked by Wyndham Rewards members via the CRS, the row entitled, “Wyndham Rewards (Property Direct)” only includes reservations booked directly with the Facility and not through the CRS or another distribution channel.

Source	Revenue Contribution
Central Reservation System	24.01 24.25 %
Wyndham Rewards (Property Direct)	18.43 16.72 %
Total	42.44 40.97 %

We have written substantiation for the historical performance representations contained in this Item 19 which we will make available to you upon reasonable request. We will not disclose the performance data of a specific Chain Facility and its identity without the franchisee’s prior written consent.

Actual results may vary from Facility to Facility, and we cannot estimate the results of any particular Facility or franchise.

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Lynn Feldman, Executive Vice President, General Counsel and Secretary, Super 8 Worldwide, Inc., 22 Sylvan Way, Parsippany, NJ 07054; (973) 753-6461, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

**Systemwide Facility (“Outlet”) Summary
For Years 2011 to 2013**

<u>Column 1</u> <u>Facility Type</u>	<u>Column 2</u> <u>Year</u>	<u>Column 3</u> <u>Facilities at the</u> <u>Start of the Year</u>	<u>Column 4</u> <u>Facilities at</u> <u>the End of</u> <u>the Year</u>	<u>Column 5</u> <u>Net Change</u>
Franchised	2011	1,855	1,828	-27
	2012	1,828	1,773	-55
	2013	1,773	1,724	-49
Company-Owned	2011	0	0	0
	2012	0	0	0
	2013	0	0	0
Total Facilities	2011	1,855	1,828	-27
	2012	1,828	1,773	-55
	2013	1,773	1,724	-49
Column-1	Column-2	Column-3	Column-4	Column-5
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2010	1,892	1,855	-37
	2011	1,855	1,828	-27
	2012	1,828	1,773	-55
Company-Owned	2010	0	0	0
	2011	0	0	0
	2012	0	0	0
Total-Outlets	2010	1,892	1,855	-37
	2011	1,855	1,828	-27
	2012	1,828	1,773	-55

Table No. 2

**Transfers of ~~Outlets~~ Facilities from Franchisees to New Owners (Other than the
Franchisor)
For Years 2011 to 2013 ***

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
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<u>State</u>	<u>Year</u>	<u>Number of Transfers</u>
Arizona	2011	1
	2012	0
	2013	1
Arkansas	2011	0
	2012	3
	2013	1
California	2011	1
	2012	3
	2013	2
Colorado	2011	0
	2012	2
	2013	3
Connecticut	2011	0
	2012	1
	2013	0
Delaware	2011	1
	2012	0
	2013	1
Florida	2011	1
	2012	1
	2013	0
Georgia	2011	0
	2012	1
	2013	2
Illinois	2011	3
	2012	2
	2013	0
Indiana	2011	0
	2012	1
	2013	0
Iowa	2011	0
	2012	1
	2013	0
Kansas	2011	2
	2012	2
	2013	2

<u>Kentucky</u>	<u>2011</u>	<u>1</u>
	<u>2012</u>	<u>0</u>
	<u>2013</u>	<u>0</u>
<u>Maryland</u>	<u>2011</u>	<u>2</u>
	<u>2012</u>	<u>1</u>
	<u>2013</u>	<u>0</u>
<u>Minnesota</u>	<u>2011</u>	<u>1</u>
	<u>2012</u>	<u>1</u>
	<u>2013</u>	<u>0</u>
<u>Mississippi</u>	<u>2011</u>	<u>0</u>
	<u>2012</u>	<u>3</u>
	<u>2013</u>	<u>0</u>
<u>Missouri</u>	<u>2011</u>	<u>1</u>
	<u>2012</u>	<u>3</u>
	<u>2013</u>	<u>1</u>
<u>Montana</u>	<u>2011</u>	<u>1</u>
	<u>2012</u>	<u>1</u>
	<u>2013</u>	<u>1</u>
<u>Nebraska</u>	<u>2011</u>	<u>2</u>
	<u>2012</u>	<u>0</u>
	<u>2013</u>	<u>3</u>
<u>Nevada</u>	<u>2011</u>	<u>0</u>
	<u>2012</u>	<u>0</u>
	<u>2013</u>	<u>0</u>
<u>New Hampshire</u>	<u>2011</u>	<u>1</u>
	<u>2012</u>	<u>0</u>
	<u>2013</u>	<u>0</u>
<u>New Jersey</u>	<u>2011</u>	<u>0</u>
	<u>2012</u>	<u>0</u>
	<u>2013</u>	<u>1</u>
<u>New Mexico</u>	<u>2011</u>	<u>3</u>
	<u>2012</u>	<u>0</u>
	<u>2013</u>	<u>1</u>
<u>New York</u>	<u>2011</u>	<u>2</u>
	<u>2012</u>	<u>2</u>
	<u>2013</u>	<u>0</u>
<u>Ohio</u>	<u>2011</u>	<u>0</u>
	<u>2012</u>	<u>2</u>

	<u>2013</u>	<u>0</u>
<u>Oklahoma</u>	<u>2011</u>	<u>1</u>
	<u>2012</u>	<u>1</u>
	<u>2013</u>	<u>2</u>
<u>Oregon</u>	<u>2011</u>	<u>0</u>
	<u>2012</u>	<u>0</u>
	<u>2013</u>	<u>3</u>
<u>Pennsylvania</u>	<u>2011</u>	<u>2</u>
	<u>2012</u>	<u>0</u>
	<u>2013</u>	<u>0</u>
<u>South Dakota</u>	<u>2011</u>	<u>1</u>
	<u>2012</u>	<u>2</u>
	<u>2013</u>	<u>0</u>
<u>Tennessee</u>	<u>2011</u>	<u>0</u>
	<u>2012</u>	<u>3</u>
	<u>2013</u>	<u>0</u>
<u>Texas</u>	<u>2011</u>	<u>1</u>
	<u>2012</u>	<u>2</u>
	<u>2013</u>	<u>5</u>
<u>Virginia</u>	<u>2011</u>	<u>5</u>
	<u>2012</u>	<u>7</u>
	<u>2013</u>	<u>2</u>
<u>Washington</u>	<u>2011</u>	<u>2</u>
	<u>2012</u>	<u>0</u>
	<u>2013</u>	<u>2</u>
<u>West Virginia</u>	<u>2011</u>	<u>1</u>
	<u>2012</u>	<u>0</u>
	<u>2013</u>	<u>1</u>
<u>Wisconsin</u>	<u>2011</u>	<u>2</u>
	<u>2012</u>	<u>1</u>
	<u>2013</u>	<u>0</u>
<u>Wyoming</u>	<u>2011</u>	<u>1</u>
	<u>2012</u>	<u>1</u>
	<u>2013</u>	<u>0</u>
<u>Total</u>	<u>2011</u>	<u>39</u>
	<u>2012</u>	<u>47</u>
	<u>2013</u>	<u>34</u>
Column 1	Column 2	Column 3

State	Year	Number of Transfers
Arizona	2010	4
	2011	4
	2012	0
Arkansas	2010	4
	2011	0
	2012	3
California	2010	4
	2011	4
	2012	3
Colorado	2010	4
	2011	0
	2012	2
Connecticut	2010	0
	2011	0
	2012	4
Delaware	2010	0
	2011	4
	2012	0
Florida	2010	4
	2011	4
	2012	4
Georgia	2010	2
	2011	0
	2012	4
Illinois	2010	4
	2011	3
	2012	2
Indiana	2010	4
	2011	0
	2012	4
Iowa	2010	2
	2011	0
	2012	4
Kansas	2010	2
	2011	2
	2012	2

Kentucky	2010	4
	2011	4
	2012	0
Maryland	2010	4
	2011	2
	2012	4
Minnesota	2010	4
	2011	4
	2012	4
Mississippi	2010	0
	2011	0
	2012	3
Missouri	2010	3
	2011	4
	2012	3
Montana	2010	0
	2011	4
	2012	4
Nebraska	2010	4
	2011	2
	2012	0
New Hampshire	2010	0
	2011	4
	2012	0
New Jersey	2010	0
	2011	0
	2012	0
New Mexico	2010	4
	2011	3
	2012	0
New York	2010	0
	2011	2
	2012	2
North Carolina	2010	4
	2011	0
	2012	0
North Dakota	2010	2
	2011	0

	2012	0
Ohio	2010	2
	2011	0
	2012	2
Oklahoma	2010	4
	2011	4
	2012	4
Pennsylvania	2010	0
	2011	2
	2012	0
South Carolina	2010	1
	2011	0
	2012	0
South Dakota	2010	0
	2011	1
	2012	2
Tennessee	2010	0
	2011	0
	2012	3
Texas	2010	2
	2011	1
	2012	2
Virginia	2010	2
	2011	5
	2012	7
Washington	2010	0
	2011	2
	2012	0
West Virginia	2010	1
	2011	1
	2012	0
Wisconsin	2010	1
	2011	2
	2012	1
Wyoming	2010	0
	2011	1
	2012	1
Total	2010	34

	2011	39
	2012	47

* Excluded from this table were any (i) assignments by initial franchisees to affiliated entities using our Assignment and Assumption Agreement form, and (ii) temporary operating agreements with financial institutions and agreements with receivers.

Table No. 3

**Status of Franchised ~~Outlets~~Facilities
For Years 20110 to 20132**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Year	Facilities at Start of Year	Facilities Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Facilities at End of the Year
Alabama	2011	22	1	1	0	0	1	21
	2012	21	0	0	0	0	3	18
	2013	18	2	1	0	0	0	19
Alaska	2011	5	0	0	0	0	0	5
	2012	5	0	0	0	0	0	5
	2013	5	0	0	0	0	0	5
Arizona	2011	37	4	0	0	0	3	38
	2012	38	1	2	0	0	2	35
	2013	35	0	0	0	0	0	35
Arkansas	2011	40	1	1	0	0	2	38
	2012	38	0	0	0	0	0	38
	2013	38	1	1	0	0	1	37
California	2011	100	2	0	0	0	6	96
	2012	96	2	1	0	0	3	94
	2013	94	3	2	0	0	5	90
Colorado	2011	43	0	1	0	0	0	42
	2012	42	2	0	0	0	1	43
	2013	43	4	1	0	0	3	43
Connecticut	2011	11	0	1	0	0	1	9
	2012	9	0	0	0	0	0	9
	2013	9	0	0	0	0	0	9
Delaware	2011	5	0	0	0	0	0	5
	2012	5	0	0	0	0	0	5
	2013	5	0	0	0	0	1	4
Florida	2011	47	2	1	0	0	3	45
	2012	45	0	0	0	0	1	44
	2013	44	1	1	0	0	1	43
Georgia	2011	64	1	0	0	0	2	63

		2012	63	4	3	0	0	3	61
		2013	61	7	2	0	0	2	64
Hawaii		2011	0	0	0	0	0	0	0
		2012	0	0	0	0	0	0	0
		2013	0	0	0	0	0	0	0
Idaho		2011	16	0	0	0	0	2	14
		2012	14	1	0	0	0	1	14
		2013	14	1	0	0	0	0	15
Illinois		2011	105	0	0	0	0	2	103
		2012	103	0	0	0	0	2	101
		2013	101	2	5	0	0	4	94
Indiana		2011	58	2	1	0	0	4	55
		2012	55	2	1	0	0	2	54
		2013	54	0	2	0	0	3	49
Iowa		2011	91	0	0	0	0	2	89
		2012	89	1	2	0	0	3	85
		2013	85	0	1	0	0	3	81
Kansas		2011	40	0	0	0	0	0	40
		2012	40	1	0	0	0	2	39
		2013	39	2	2	0	0	0	39
Kentucky		2011	40	3	2	0	0	1	40
		2012	40	0	1	0	0	0	39
		2013	39	0	1	0	0	1	37
Louisiana		2011	25	3	0	0	0	0	28
		2012	28	0	0	0	0	0	28
		2013	28	0	1	0	0	0	27
Maine		2011	6	1	0	0	0	0	7
		2012	7	0	0	0	0	0	7
		2013	7	0	1	0	0	0	6
Maryland		2011	18	0	0	0	0	0	18
		2012	18	0	0	0	0	0	18
		2013	18	0	1	0	0	0	17
Massachusetts		2011	11	0	0	0	0	0	11
		2012	11	0	0	0	0	0	11
		2013	11	0	0	0	0	2	9
Michigan		2011	47	2	1	0	0	3	45
		2012	45	2	2	0	0	2	43
		2013	43	3	1	0	0	4	41
Minnesota		2011	58	1	1	0	0	2	56
		2012	56	1	1	0	0	3	53
		2013	53	0	2	0	0	0	51
Mississippi		2011	27	1	0	0	0	0	28
		2012	28	0	0	0	0	0	28
		2013	28	1	0	0	0	0	29

Missouri	2011	81	1	1	0	0	1	80
	2012	80	1	1	0	0	4	76
	2013	76	2	0	0	0	2	76
Montana	2011	29	0	0	0	0	0	29
	2012	29	0	0	0	0	0	29
	2013	29	0	1	0	0	3	25
Nebraska	2011	32	0	0	0	0	1	31
	2012	31	2	0	0	0	1	32
	2013	32	1	0	0	0	2	31
Nevada	2011	14	2	1	0	0	1	14
	2012	14	0	0	0	0	0	14
	2013	14	0	0	0	0	0	14
New Hampshire	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
	2013	2	0	0	0	0	0	2
New Jersey	2011	9	0	0	0	0	0	9
	2012	9	1	0	0	0	1	9
	2013	9	1	0	0	0	0	10
New Mexico	2011	29	0	0	0	0	1	28
	2012	28	0	0	0	0	0	28
	2013	28	0	0	0	0	1	27
New York	2011	47	0	0	0	0	0	47
	2012	47	0	0	0	0	0	47
	2013	47	1	1	0	0	0	47
North Carolina	2011	40	2	1	0	0	1	40
	2012	40	4	2	0	0	2	40
	2013	40	1	2	0	0	2	37
North Dakota	2011	15	0	0	0	0	0	15
	2012	15	0	0	0	0	0	15
	2013	15	0	1	0	0	0	14
Ohio	2011	54	4	2	0	0	1	55
	2012	55	0	1	0	0	1	53
	2013	53	0	1	0	0	2	50
Oklahoma	2011	38	0	1	0	0	1	36
	2012	36	1	0	0	0	3	34
	2013	34	1	0	0	0	1	34
Oregon	2011	22	0	0	0	0	1	21
	2012	21	0	0	0	0	0	21
	2013	21	0	0	0	0	0	21
Pennsylvania	2011	46	0	0	0	0	1	45
	2012	45	0	1	0	0	0	44
	2013	44	1	1	0	0	3	41
Rhode Island	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1

		2013	1	0	0	0	0	0	1
South Carolina		2011	27	1	0	0	0	2	26
		2012	26	0	1	0	0	0	25
		2013	25	1	0	0	0	0	26
South Dakota		2011	36	1	1	0	0	1	35
		2012	35	1	1	0	0	0	35
		2013	35	1	2	0	0	0	34
Tennessee		2011	57	3	0	0	0	1	59
		2012	59	2	3	0	0	4	54
		2013	54	4	2	0	0	3	53
Texas		2011	164	8	1	0	0	7	164
		2012	164	9	6	0	0	9	158
		2013	158	4	4	0	0	3	155
Utah		2011	19	0	0	0	0	0	19
		2012	19	1	0	0	0	0	20
		2013	20	0	0	0	0	0	20
Vermont		2011	2	0	0	0	0	0	2
		2012	2	0	0	0	0	0	2
		2013	2	0	0	0	0	0	2
Virginia		2011	60	1	0	0	0	0	61
		2012	61	1	2	0	0	2	58
		2013	58	0	1	0	0	2	55
Washington		2011	17	0	0	0	0	0	17
		2012	17	0	0	0	0	0	17
		2013	17	0	0	0	0	0	17
West Virginia		2011	14	0	0	0	0	1	13
		2012	13	0	0	0	0	0	13
		2013	13	0	0	0	0	0	13
Wisconsin		2011	64	2	1	0	0	2	63
		2012	63	1	1	0	0	8	55
		2013	55	2	1	0	0	0	56
Wyoming		2011	20	0	0	0	0	0	20
		2012	20	0	1	0	0	0	19
		2013	19	0	0	0	0	0	19
Total		2011	1855	49	19	0	0	57	1828
		2012	1828	41	33	0	0	63	1773
		2013	1773	47	42	0	0	54	1724

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Alabama	2010	22	0	0	0	0	0	22
	2011	22	4	1	0	0	1	24
	2012	24	0	0	0	0	3	18

Alaska	2010	5	0	0	0	0	0	5
	2011	5	0	0	0	0	0	5
	2012	5	0	0	0	0	0	5
Arizona	2010	37	0	0	0	0	0	37
	2011	37	4	0	0	0	3	38
	2012	38	1	2	0	0	2	35
Arkansas	2010	41	0	0	0	0	1	40
	2011	40	1	1	0	0	2	38
	2012	38	0	0	0	0	0	38
California	2010	101	3	1	0	0	3	100
	2011	100	2	0	0	0	6	96
	2012	96	2	1	0	0	3	94
Colorado	2010	45	1	0	0	0	3	43
	2011	43	0	1	0	0	0	42
	2012	42	2	0	0	0	1	43
Connecticut	2010	12	0	0	0	0	1	11
	2011	11	0	1	0	0	1	9
	2012	9	0	0	0	0	0	9
Delaware	2010	5	0	0	0	0	0	5
	2011	5	0	0	0	0	0	5
	2012	5	0	0	0	0	0	5
Florida	2010	51	0	2	0	0	2	47
	2011	47	2	1	0	0	3	45
	2012	45	0	0	0	0	1	44
Georgia	2010	66	3	1	0	0	4	64
	2011	64	1	0	0	0	2	63
	2012	63	4	3	0	0	3	61
Idaho	2010	16	0	0	0	0	0	16
	2011	16	0	0	0	0	2	14
	2012	14	1	0	0	0	1	14
Illinois	2010	105	2	0	0	0	2	105
	2011	105	0	0	0	0	1	104
	2012	104	0	0	0	0	2	102
Indiana	2010	59	0	0	0	0	1	58
	2011	58	2	1	0	0	5	54
	2012	54	2	1	0	0	2	53
Iowa	2010	89	2	0	0	0	0	91
	2011	91	0	0	0	0	2	89
	2012	89	1	2	0	0	3	85
Kansas	2010	40	0	0	0	0	0	40
	2011	40	0	0	0	0	0	40
	2012	40	1	0	0	0	2	39
Kentucky	2010	43	1	3	0	0	1	40
	2011	40	3	2	0	0	1	40

		2012	40	0	1	0	0	0	39
Louisiana		2010	25	0	0	0	0	0	25
		2011	25	3	0	0	0	0	28
		2012	28	0	0	0	0	0	28
Maine		2010	6	0	0	0	0	0	6
		2011	6	1	0	0	0	0	7
		2012	7	0	0	0	0	0	7
Maryland		2010	19	0	0	0	0	1	18
		2011	18	0	0	0	0	0	18
		2012	18	0	0	0	0	0	18
Massachusetts		2010	11	0	0	0	0	0	11
		2011	11	0	0	0	0	0	11
		2012	11	0	0	0	0	0	11
Michigan		2010	40	5	0	0	0	7	47
		2011	47	2	1	0	0	3	45
		2012	45	2	2	0	0	2	43
Minnesota		2010	61	1	1	0	0	3	58
		2011	58	1	1	0	0	2	56
		2012	56	1	1	0	0	3	53
Mississippi		2010	28	0	1	0	0	0	27
		2011	27	1	0	0	0	0	28
		2012	28	0	0	0	0	0	28
Missouri		2010	82	0	0	0	0	1	81
		2011	81	1	1	0	0	1	80
		2012	80	0	0	0	0	0	80
Montana		2010	29	0	0	0	0	0	29
		2011	29	0	0	0	0	0	29
		2012	29	1	1	0	0	4	25
Nebraska		2010	33	0	0	0	0	1	32
		2011	32	0	0	0	0	1	31
		2012	31	2	0	0	0	1	32
Nevada		2010	15	0	0	0	0	1	14
		2011	14	2	1	0	0	1	14
		2012	14	0	0	0	0	0	14
New Hampshire		2010	2	0	0	0	0	0	2
		2011	2	0	0	0	0	0	2
		2012	2	0	0	0	0	0	2
New Jersey		2010	8	2	0	0	0	1	9
		2011	9	0	0	0	0	0	9
		2012	9	1	0	0	0	1	9
New Mexico		2010	30	1	0	0	0	2	29
		2011	29	0	0	0	0	1	28
		2012	28	0	0	0	0	0	28
New York		2010	46	1	0	0	0	0	47

		2011	47	0	0	0	0	0	47
		2012	47	0	0	0	0	0	47
North Carolina		2010	40	0	0	0	0	0	40
		2011	40	2	1	0	0	1	40
		2012	40	4	2	0	0	2	40
North Dakota		2010	15	0	0	0	0	0	15
		2011	15	0	0	0	0	0	15
		2012	15	0	0	0	0	0	15
Ohio		2010	56	1	0	0	0	3	54
		2011	54	4	2	0	0	1	55
		2012	55	0	1	0	0	1	53
Oklahoma		2010	38	2	1	0	0	1	38
		2011	38	0	1	0	0	1	36
		2012	36	1	0	0	0	3	34
Oregon		2010	23	0	1	0	0	0	22
		2011	22	0	0	0	0	1	21
		2012	21	0	0	0	0	0	21
Pennsylvania		2010	47	0	0	0	0	1	46
		2011	46	0	0	0	0	1	45
		2012	45	0	1	0	0	0	44
Rhode Island		2010	1	0	0	0	0	0	1
		2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1
South Carolina		2010	27	0	0	0	0	0	27
		2011	27	1	0	0	0	2	26
		2012	26	0	1	0	0	0	25
South Dakota		2010	35	1	0	0	0	0	36
		2011	36	1	1	0	0	1	35
		2012	35	1	1	0	0	0	35
Tennessee		2010	58	1	0	0	0	2	57
		2011	57	3	0	0	0	1	59
		2012	59	2	3	0	0	4	54
Texas		2010	166	3	1	0	0	4	164
		2011	164	8	1	0	0	7	164
		2012	164	0	6	0	0	0	158
Utah		2010	21	0	0	0	0	2	19
		2011	19	0	0	0	0	0	19
		2012	19	1	0	0	0	0	20
Vermont		2010	4	0	0	0	0	2	2
		2011	2	0	0	0	0	0	2
		2012	2	0	0	0	0	0	2
Virginia		2010	63	0	2	0	0	1	60
		2011	60	1	0	0	0	0	61
		2012	61	1	2	0	0	2	58

Washington	2010	17	0	0	0	0	0	17
	2011	17	0	0	0	0	0	17
	2012	17	0	0	0	0	0	17
West Virginia	2010	15	0	0	0	0	1	14
	2011	14	0	0	0	0	1	13
	2012	13	0	0	0	0	0	13
Wisconsin	2010	65	1	1	0	0	1	64
	2011	64	2	1	0	0	2	63
	2012	63	1	1	0	0	8	55
Wyoming	2010	20	0	0	0	0	0	20
	2011	20	0	0	0	0	0	20
	2012	20	0	1	0	0	0	19
Total	2010	1892	31	15	0	0	63	1855
	2011	1856	40	19	0	0	67	1828
	2012	1828	41	33	0	0	63	1773

Table No. 4

Status of Company-Owned ~~Facilities~~ Outlets
For Years ~~2011~~ 2010 to ~~2013~~ 2012

There were no Company-Owned ~~Outlets~~ Facilities from ~~2010~~ 2011 to ~~2012~~ 2013.

Table No. 5

Projected Openings as of December 31, 2013~~2~~

<u>Column 1</u> <u>State</u>	<u>Column 2</u> <u>Franchise</u> <u>Agreements</u> <u>Signed But</u> <u>Facility Not</u> <u>Opened</u>	<u>Column 3</u> <u>Projected New</u> <u>Franchised</u> <u>Facilities in the</u> <u>Next Fiscal Year</u>
Alabama	3	1
Arizona	0	1
Arkansas	1	1
California	3	2
Colorado	1	1
Connecticut	0	1
Delaware	1	1
Florida	3	2
Georgia	3	2
Idaho	0	1
Illinois	0	1
Indiana	3	1
Iowa	0	1
Kansas	0	1
Kentucky	0	1
Louisiana	0	1
Maine	0	1
Maryland	1	1
Massachusetts	0	1
Michigan	1	1
Minnesota	1	1
Mississippi	1	1
Missouri	3	1
Montana	0	1
Nebraska	0	1
Nevada	0	1
New Hampshire	0	1
New Jersey	1	1
New Mexico	0	1

New York	2	1
North Carolina	2	1
North Dakota	1	1
Ohio	1	1
Oklahoma	2	1
Oregon	0	1
Pennsylvania	1	1
Puerto Rico	0	1
Rhode Island	0	1
South Carolina	2	1
South Dakota	0	1
Tennessee	3	1
Texas	20	15
Utah	0	1
Vermont	0	1
Virginia	0	1
Washington	0	1
West Virginia	0	1
Wisconsin	0	1
Wyoming	0	1
District of Columbia	0	1
Total	60	67
Column 1	Column 2	Column 3
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year
Alabama	2	2
Alaska	0	4
Arizona	0	4
Arkansas	0	4
California	4	4
Colorado	2	2
Connecticut	0	4
Delaware	4	4
Florida	3	3
Georgia	2	6

Hawaii	0	1
Idaho	0	1
Illinois	0	2
Indiana	1	1
Iowa	0	1
Kansas	0	1
Kentucky	0	1
Louisiana	0	2
Maine	0	1
Maryland	0	1
Massachusetts	0	1
Michigan	1	3
Minnesota	1	1
Mississippi	1	2
Missouri	2	2
Montana	0	1
Nebraska	0	1
Nevada	0	1
New Hampshire	0	1
New Jersey	1	2
New Mexico	0	1
New York	3	3
North Carolina	0	1
North Dakota	1	1
Ohio	1	2
Oklahoma	2	3
Oregon	0	1
Pennsylvania	1	2
Puerto Rico	0	1
Rhode Island	0	1
South Carolina	2	2
South Dakota	0	1
Tennessee	3	2
Texas	13	14
Utah	0	1
Vermont	0	1
Virginia	0	2
Washington	0	1

West Virginia	0	4
Wisconsin	4	4
Wyoming	0	4
District of Columbia	0	4
Total	45	90

The name, address and telephone number of all franchisees and their Facilities in the United States as of December 31, 2013~~2~~ are shown in Exhibit E-1. Included in Exhibit E-2 are the name, last known address and telephone number of the ~~11295~~ franchisees who had a Facility in the United States terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement from January 1, 2013~~2~~ until December 31, 2013~~2~~. There were no franchisees who did not communicate with us during the ten week period preceding the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Super 8 Chain. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

As a standard practice, when we enter into settlement agreements with a franchisee or former franchisee, we require them to agree to maintain as confidential all information that the franchisee or former franchisee has about us.

As described in greater detail in Item 11, we sponsor a Super 8 franchisee association known as the Super 8 Franchisee Advisory Board. Its address, telephone number and e-mail address are:

Super 8 Franchisee Advisory Board
c/o Super 8 Worldwide, Inc.
22 Sylvan Way
Parsippany, New Jersey 07054
973-753-8300
www.Super8FAB.com

ITEM 21: FINANCIAL STATEMENTS

Exhibit D includes the audited financial statements of our parent, Wyndham Worldwide, and subsidiaries (the “Company”). Such financial statements consist of the consolidated balance sheets of the Company as of December 31, 2013~~2~~ and 2012~~1~~, and the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2013~~2~~.

Wyndham Worldwide guarantees our performance. See Exhibit D for a copy of our guaranty. We file state specific guarantees of performance with the appropriate agencies in the states where our franchises are registered to be offered and sold.

ITEM 22: CONTRACTS

Copies of all proposed agreements regarding the franchise offering are included in the following exhibits to this Disclosure Document:

C-1 Franchise Agreement, including Personal Guaranty, Connectivity Equipment and Services Addendum, ADA Certification Forms for New Construction Facilities (Pre-Construction and Post Construction), Initial Fee Note, Addendum for Electronic Funds Transfers, Assignment and Assumption Agreement, State Addenda and Franchise Application Signature Page

~~C-2(a) Integrated System WynGuest Agreement – Upfront Model WynGuest~~

~~C-2(b) Integrated System WynGuest Agreement – Subscription Model Opera~~

~~C-2(c) Master Subscription Agreement – WynGuest~~

~~C-3(a) Software and Services Agreement – WynGuest~~

~~C-3(ba) Intellectual Property License and Support Agreement – Opera Option 1~~

~~C-3(b) Supplemental Services Agreement – Opera 1~~

~~C-34(ea) Hosting Services Agreement – Opera Option 2~~

~~C-34(db) Supplemental Services Agreement – Opera Option 2~~

~~C-4 SBA and Conventional Loan and Lease Forms~~

C-5 Three Party Agreement; Lender Notification Agreement and Request Forms

C-6 Termination and Release Agreement

C-7 ResCentral application and Terms and Conditions

C-8 Hotel Revenue Management Agreement

ITEM 23: RECEIPT

You will find copies of a detachable receipt in Exhibit G at the very end of this Disclosure Document.