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FRANCHISE DISCLOSURE DOCUMENT

Best Western International, Inc.
An Arizona nonprofit corporation
6201 N. 24th Parkway
Phoenix, AZ 85016
Tel: (602) 957-4202
www.bestwestern.com
Corporate@bestwesten.com

This Franchise Disclosure Document offers a membership in Best Western International, Inc. and the right to construct, or convert an existing hotel to, a hotel that utilizes the "Best Western®", "Best Western Plus®", "Best Western Premier®", "@Home by Best Western®", "Vīb®", "GLō®", "Aiden®", or "Sadie®" name, as well as Best Western's proprietary system.

The total investment necessary to begin operation of a 75-room Best Western hotel as one of our members is $5,851,165 - $12,068,645 (for new construction) and $566,165- $2,448,645 (for a conversion), which includes $59,570 - $116,050 that must be paid to us or our affiliate; the total investment necessary to begin operation of a 90-room Best Western Plus hotel as one of our members is $7,441,166 - $15,068,395 (for new construction) and $656,165 - $3,073,395 (for a conversion), which includes $62,570 - $119,800 that must be paid to us or our affiliate; the total investment necessary to begin operation of a 120-room Best Western Premier hotel as one of our members is $16,219,565 - $30,842,295 (for new construction) and $944,565 - $7,127,295 (for a conversion), which includes $68,570 - $127,300 that must be paid to us or our affiliate; the total investment necessary to begin operation of a 100-room @Home by Best Western hotel as one of our members is $9,211,165 - $18,260,895 (for new construction) and $696,165 - $4,955,895 (for a conversion), which includes $64,570 - $122,300 that must be paid to us or our affiliate; the total investment necessary to begin operation of a 100-room dual brand hotel as one of our members (e.g., Best Western Plus and @Home by Best Western) is $8,577,765 - $17,601,245 (for new construction) and $752,765 - $4,196,245 (for a conversion), which includes $99,570 - $166,050 that must be paid to us or our affiliate; the total investment necessary to begin operation of a 100-room Vīb hotel as one of our members is $16,056,365 - $23,950,595 (for new construction) and $1,606,365 - $4,635,595 (for a conversion), which includes $66,570 - $124,800 that must be paid to us or our affiliate; the total investment necessary to begin operation of an 80-room GLō hotel as one of our members is $7,181,365 - $12,879,095 (for new construction) and $1,226,365- $3,414,095 (for a conversion), which includes $60,570 - $117,300 that must be paid to us or our affiliate; the total investment necessary to begin operation of a 90-room Aiden hotel as one of our members is $9,741,365 - $13,108,595 (for new construction) and $741,365- $3,153,595 (for a conversion), which includes $62,570 - $119,800 that must be paid to us or our affiliate; and, the total investment necessary to begin operation of a 120-room Sadie hotel as one of our members is $18,768,365 - $30,146,095 (for new construction) and $1,018,365 - $6,981,095 (for a conversion), which includes $68,570 - $127,300 that must be paid to us or our affiliate.

This disclosure document summarizes certain provisions of your Membership Agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least fourteen (14) calendar days before you sign a binding agreement with, or make any payment to, the licensor 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 Jay Pricher, General

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Counsel and Corporate Secretary of Best Western International, Inc. at 6201 N. 24th Parkway, Phoenix, AZ 85016, and (602) 957-4200.

The terms of your contract will govern your franchise relationship. Do not rely solely on the disclosure document to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex decision. 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: March 11, 2024

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How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit G.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Best Western, Best Western Plus, Best Western Premier, @Home by Best Western, Vīb, GLō, Aiden, or Sadie hotel business in my area?	Item 12 and the "territory" provisions in the membership agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Best Western, Best Western Plus, Best Western Premier, @Home by Best Western, Vīb, GLō, Aiden or Sadie hotel franchisee?	Item 20 or Exhibit G lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

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Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by litigation only in Arizona. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with franchisor in Arizona than in your own state.

2. **Mandatory Minimum Payments.** You must make minimum monthly room fees, dues, and advertising payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

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EXHIBITS

Exhibit A	List of State Administrators
Exhibit B	List of State Agents for Service of Process
Exhibit C	Membership Agreement
Exhibit D	State Addenda to Membership Agreement
Exhibit E	Financial Statements
Exhibit F-1	North America Quality Assurance Manual Table of Contents
Exhibit F-2	Rules & Regulations Table of Contents
Exhibit G	Lists of Current and Former Members
Exhibit H	State Addenda to Disclosure Document
Exhibit I	Application for Membership
Exhibit J-1	2024 Bylaws and Articles
Exhibit J-2	2024 Rules and Regulations
Exhibit J-3	2024 Membership Fees
Exhibit K-1	AutoClerk Cloud PMS Software as a Service Agreement
Exhibit K-2	AutoClerk PMS End User License Agreement
Exhibit L	Receipts

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Licensor

The licensor is Best Western International, Inc. ("we", "us", or "our"). "You" means the individual or entity that signs the Membership Agreement – the "Member". If you are a business entity, "you" means both the business entity and its owners. "System Hotels" refers to hotels operating under the System (as defined below) using the Best Western Identifying Marks (defined below). The "Property" refers to the hotel you will operate under a Membership Agreement. If we have an agent in your state for service of process, we disclose that agent in Exhibit B.

We are an Arizona nonprofit corporation formed on December 13, 1957, with a principal business address located at 6201 N. 24th Parkway, Phoenix, AZ 85016. We operate: (i) as a membership association and licensor under Best Western Identifying Marks (defined below), including, without limitation, the "Best Western®", "Best Western Plus®", "Best Western Premier®", "@Home by Best Western®", "Vīb®", "GLō®", "Aiden®", and "Sadie®" names; and (ii) as a licensor under the "BW Premier Collection®" and "BW Signature Collection®" names (the "Premier Marks" and the "Signature Marks," which are referred to collectively as the "Collection Marks"), and under no other name.

We have never operated a System Hotel (although we do own one System Hotel and have a majority ownership interest in another System Hotel, each of which is operated by a third-party management company), a hotel using any of the Collection Marks or any other type of business. While we began granting membership interests in our nonprofit corporation ("Memberships") and offering licenses for System Hotels under this franchise disclosure document (this "Disclosure Document") for the first time in March, 2019, our Members have operated System Hotels in the United States (to include its territories and possessions) since on or about 1946, and in Canada since 1964. We previously granted Memberships and offered licenses for "Executive Residency by Best Western" hotels under this Disclosure Document from March, 2019 to February, 2023. We have licensed the Best Western Identifying Marks to System Hotels outside North America since 1976. These non-North American System Hotels are not Member hotels.

We began offering licenses for hotels using the Premier Marks and the Signature Marks under a separate franchise disclosure document in April, 2020. Our hotel owners have operated (i) hotels using the BW Premier Collection Mark in the United States and a number of other countries since 2015 and (ii) hotels using the BW Signature Collection Mark in the United States and a number of other countries since 2017. As of November 30, 2023, there were 255 hotels using the Collection Marks operating in the United States and abroad.

Item 3 identifies certain state actions alleging that the Memberships we granted were in fact franchises. We neither admit nor deny these allegations. We do not provide products or services to our Members.

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Our Parent and Affiliates

Our direct subsidiary, SureStay, Inc., has offered hotel franchises using the marks "SureStay Hotel by Best Western®" and "SureStay Plus Hotel by Best Western®" since 2016, and has offered hotel franchises using the mark "SureStay Studio by Best WesternSM" since April, 2020. SureStay, Inc. offered hotel franchises under franchise agreements using the "SureStay Collection by Best Western®" mark from 2016 until March, 2024, since which date it has been offering hotel licenses under distribution agreements using the "SureStay Collection by Best Western" mark. SureStay, Inc. offers franchises and licenses in the United States and Canada. Our indirect subsidiary, SureStay International, Inc., has offered hotel licenses internationally using the marks "SureStay®", "SureStay Plus®", and "SureStay Collection®" since 2016, and has offered hotel licenses using the mark "SureStay StudioSM" since April, 2020. SureStay International, Inc. offers license agreements internationally except for in the countries in which our other indirect subsidiaries (see below) and unaffiliated sublicensees offer licenses. SureStay, Inc. and SureStay International, Inc. each have a principal business address located at 6201 N. 24th Parkway, Phoenix, AZ 85016. As of November 30, 2023, there were 431 SureStay hotels operating in the United States and abroad. Neither SureStay, Inc. nor SureStay International, Inc. provide products or services to our Members.

Our indirect subsidiary, B-W International Licensing Mexico, S.A. de C.V., has offered hotel licenses in the United Mexican States, Belize, Costa Rica, Guatemala, Nicaragua and El Salvador using the marks "Best Western®", "Best Western Plus®", "Best Western Premier®", "@Home by Best Western®", "GLō®", "Vīb®", "Aiden®", "Sadie®", "BW Premier Collection®", "BW Signature Collection®", "SureStay®", "SureStay Plus®" and "SureStay Collection®" since 2018. B-W International Licensing Mexico, S.A. de C.V. has a principal business address located at Av. Xola No. 535 Int. 401, Col. Del Valle, Deleg, Benito Juárez, CDMX, México 03100. B-W International Licensing Mexico, S.A. de C.V. does not provide products or services to our Members.

Our indirect subsidiary, B-W International Licensing Australia Pty Limited, has offered hotel licenses in Australia, New Zealand and Fiji, using the marks "Best Western®", "Best Western Plus®", "Best Western Premier®", "@Home by Best WesternSM", "GLō®", "Aiden®", "Sadie®", "BW Premier Collection®", "BW Signature Collection®", "SureStay®", "SureStay Plus®" and "SureStay Collection®" since 2018. B-W International Licensing Australia Pty Limited has a principal business address located at Level 11, 213 Miller Street, North Sydney, NSW 2060 Australia. B-W International Licensing Australia Pty Limited does not provide products or services to our Members.

Our direct subsidiary, World Hotels GmbH ("WH") licenses independent upscale, upper-upscale and luxury hotels across the world under the WorldHotels™ Collection brand. Although WH does not currently offer franchises for the WorldHotels Collection brand, WorldHotels Collection hotel owners have been operating in the United States and a number of other countries since 2004. Currently, there are 18 WorldHotels operating in the United States (to include its territories and possessions) and 129 WorldHotels operating outside of the United States. WH's principal business address is Unterschweinstiege 2-14, 60549 Frankfurt am Main, Germany. WH does not provide products or services to our Members.

On or about July 31, 2019, we acquired all of the outstanding shares of AutoClerk Inc. ("AutoClerk"). AutoClerk is now the sole approved supplier of the property management system ("PMS") for new System Hotels. AutoClerk has a principal business address of 1981 N. Broadway, Suite 430, Walnut Creek, California 94596.

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We have no parents or other affiliates required to be disclosed in this Item. We have no predecessors.

The License Offered

This Disclosure Document offers Memberships and the right to construct, or convert an existing hotel to, a System Hotel that utilizes a hotel system consisting of the elements, standards, specifications, requirements, criteria, and policies that we periodically designate to identify System Hotels (the "System") and the "Best Western" name and those Best Western trademarks, service marks, domain names, and other identifying marks, words, letters, designs, names, or symbols as set forth from time to time in our confidential North America Quality Assurance Manual and Rules & Regulations (the "Manuals") (collectively, the "Best Western Identifying Marks"). Members operating System Hotels operate according to the Membership Agreement (Exhibit C), our Membership Fees (Exhibit J-3), our Articles of Incorporation, our Bylaws (Exhibit J-1), our Members' Rules and Regulations (Exhibit J-2), the Application for Membership (Exhibit I), guidelines, standards, resolutions and policies adopted by our Board of Directors (the "Board") from time to time (including brand identity, quality assurance, customer care, new construction, refurbishment and design manuals and policies) and other documents defining terms or rights of Memberships (collectively, the "Regulatory Documents").

System Hotels operating under the "Best Western" name appeal to leisure and business travelers and compete in the midscale market. "Best Western" System Hotels provide a welcoming environment, clean and comfortable rooms, a free continental breakfast, free high-speed Internet access and great service for a reasonable value.

System Hotels operating under the "Best Western Plus" name appeal to leisure and business travelers looking for upgraded or "Plus" standards and amenities that provide guests enhanced style and comfort. "Best Western Plus" System Hotels compete in the upper-midscale market. "Best Western Plus" System Hotels and their rooms are stylish and well-appointed and provide upgraded amenities that include a free hot breakfast, free high-speed internet access and exceptional service.

System Hotels operating under the "Best Western Premier" name appeal to leisure and business travelers looking for upgraded or "Premier" standards and amenities. These hotels offer a truly refined atmosphere and style, with deluxe amenities and features, along with superior comfort and service for a truly memorable stay. "Best Western Premier" System Hotels compete in the upscale market. "Best Western Premier" System Hotels and their rooms are stylish and well-appointed and provide upgraded amenities that include a free hot breakfast, free high-speed internet access and exceptional service.

System Hotels operating under the "@Home by Best Western" name offer travelers the perfect combination of hotel and home, with studios and suites thoughtfully designed to provide dedicated spaces for sleeping, dining, work and relaxation. "@Home by Best Western" System Hotels often offer moderate food and beverage services. Typical dual-branded hotels (e.g., "Best Western Plus" and "@Home by Best Western" System Hotels) compete in the upper-midscale market.

System Hotels operating as a dual brand hotel (e.g., "Best Western Plus" and "@Home by Best Western Brands") appeal to leisure and business travelers looking for upgraded or "Plus" standards and amenities that provide guests enhanced style and comfort in either a typical guest room or in an "extended stay" guest room.

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System Hotels operating under the "Vīb" name appeal to leisure and business travelers looking for an upscale brand with a vibrant and stylish boutique concept – a cost-efficient urban design with hyper-connected public spaces intended for urban locations. "Vīb" System Hotels offer social engagement, technology integration and consistent service for guests. Hotel amenities include free Wi-Fi in lobby and guest rooms, grab-n-go stations serving premium food and coffee, bar and cozy fireplace, a Zen Zone, gaming pods, fitness center and more.

System Hotels operating under the "GLō" name appeal to leisure and business travelers looking for a stylish boutique hotel intended for suburban, airport and highway locations. "GLō" System Hotels compete in the upper-midscale market and offer travelers the best in value, design and comfort with a focus on arrival experience, streamlined and contemporary guest rooms.

System Hotels operating under the "Aiden" name appeal to leisure and business travelers looking for an upper-midscale and upscale brand with unique characteristics that reflect the locale in which the hotel is situated. An Aiden System Hotel can be new construction or a conversion hotel or a structure that had a prior life with a different purpose. Aiden System Hotels compete in the upper-midscale and upscale markets in typically urban settings.

System Hotels operating under the "Sadie" name appeal to leisure and business travelers looking for an upscale brand with unique characteristics that reflect the locale in which the hotel is situated. A Sadie System Hotel can be new construction or a conversion structure that had a prior life with a different purpose. Sadie System Hotels compete in upscale markets in typically urban settings.

The Market and Competition

The market for your services will depend on the Best Western Identifying Marks the Property utilizes and the Property's location and size, among other things. The customer of a "Best Western" System Hotel is a leisure or business traveler looking for a midscale segment hotel stay. The customer of a "Best Western Plus" System Hotel is a leisure or business traveler looking for upgraded standards and amenities of an upper-midscale segment hotel. The customer of a "Best Western Premier" System Hotel is a leisure or business traveler looking for an upscale segment hotel. The customer of a dual brand System Hotel (e.g., "Best Western Plus" and "@Home by Best Western") is a leisure or business traveler looking for upgraded standards and amenities of an upper-midscale segment hotel in either a single room or extended-stay room. The customer of a "Vīb" System Hotel is a leisure or business traveler looking for an upscale brand with a vibrant and stylish boutique concept. The customer of a "GLō" System Hotel is a leisure or business traveler looking for a stylish boutique hotel in a suburban, airport or highway location. The customer of an "Aiden" or a "Sadie" System Hotel is a leisure or business traveler looking for a stylish boutique hotel typically in an urban setting.

In general, you will compete with national and international hotel and motel chains and independently operated local hotels offering similar types of hotel rooms and food and beverage services to the same clientele. Your convention and meeting facilities, if any, will also compete with national, international and independent hotels and convention centers in other regions. We, our parents and our affiliates engage in a wide range of business activities in lodging and related services, both directly and through the activities of our and their parents and affiliates. Some of these activities may be competitive with the Property.

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Applicable Laws

You must comply with innkeeper liability laws, laws and regulations regarding food handling and preparation, truth in menu and labeling laws, alcoholic beverage control laws and dram shop acts, license, certificate and permit requirements for hotel and restaurant operation and occupancy, laws regulating the posting of hotel room rates, hotel room occupancy tax laws, and laws applicable to public accommodations and services such as the Americans with Disabilities Act ("ADA"). In addition, the laws, rules and regulations which apply to businesses in general will affect you. Consult your lawyer about them. Discuss with your architect the ADA and its architectural guidelines, and state and local accessible facilities requirements.

ITEM 2

BUSINESS EXPERIENCE

Chairman and District I Director: Phillip Payne

Mr. Payne has served as our Chairman since December, 2023 and our District I Director since December, 2019, in each case in Phoenix, Arizona. He served as our Vice Chairman from December, 2022 to December, 2023 in Phoenix, Arizona. He served as our Secretary-Treasurer from December, 2021 to December, 2022 in Phoenix, Arizona. Mr. Payne has been an owner of the Best Western Plus Rio Grande Inn in Albuquerque, New Mexico since 1995. Mr. Payne has also served as SureStay, Inc.'s Director in Phoenix, Arizona since December, 2019.

Vice-Chairman and District II Director: Stephen Wahrlich

Mr. Wahrlich has served as our Vice-Chairman since December, 2023 and our District II Director since December, 2020, in each case in Phoenix, Arizona. He served as our Secretary-Treasurer from December, 2022 to December, 2023 in Phoenix, Arizona. Mr. Wahrlich has been the owner of the Best Western Plus Clocktower Inn hotel in Billings, Montana since 2005, and the Best Western Plus Hilltop hotel in Redding, California since 1977. Mr. Wahrlich has also served as SureStay, Inc.'s Director in Phoenix, Arizona since December, 2020.

Secretary-Treasurer and District III Director: Viral Patel

Mr. Patel has served as our Secretary-Treasurer since December 2023 and our District III Director since December, 2021, in each case in Phoenix, Arizona. Mr. Patel has been an owner of the Best Western Corbin Inn in Corbin, Kentucky since 2000. Mr. Patel has also served as SureStay, Inc.'s Director in Phoenix, Arizona since December, 2021.

District VI Director: Mahmood Merchant

Mr. Merchant has served as our District VI Director since December, 2021, in Phoenix, Arizona. Mr. Merchant has been the owner of the Best Western Big Country Inn in Coalinga, California since 2000, the Best Western Apricot Inn in Firebaugh, California since 2003, the Best Western Colonial Inn in Selma, California since 2017, and the Best Western Plus Inn in Coalinga, California since 2018. Mr. Merchant has also served as SureStay, Inc.'s Director in Phoenix, Arizona since December, 2021. He has also been the President and Chief Executive Officer of Merchant Valley

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Corporation in Roseville, California since March, 1997.

District IV Director: Rajesh Patel

Mr. Patel has served as our District IV Director since December, 2022, in Phoenix, Arizona. Mr. Patel has been an owner of the Best Western Plus Fairburn in Fairburn, Georgia since June, 2015. Mr. Patel was an owner of the Best Western Plus Atlanta Airport in Hapeville, Georgia from June 1994 to December 2021. Mr. Patel has also served as SureStay, Inc.'s Director in Phoenix, Arizona since December, 2022.

District V Director: Santosh Khanjee

Mr. Khanjee has served as our District V Director since December, 2022, in Phoenix, Arizona. Mr. Khanjee has been an owner of the Aiden by BW @Austin City Hotel in Austin, Texas since June 1993, the Best Western Airpark Hotel-Los Angeles LAX Airport in Inglewood, California since March 1987, the Best Western Airport Plaza Inn – Los Angeles LAX Hotel in Los Angeles, California since October 1986, and the Best Western Courtesy Inn – Anaheim Park Hotel in Anaheim, California since April 1988. Mr. Khanjee has also served as SureStay, Inc.'s Director in Phoenix, Arizona since December, 2022.

District VII Director: John Daniel Lafayette III

Mr. Lafayette has served as our District VII Director since December, 2018, in Phoenix, Arizona. He served as our Chairman from December, 2022 to December, 2023, our Vice-Chairman from December, 2021 to December, 2022 and our Secretary-Treasurer from December, 2020 to December, 2021, in each case in Phoenix, Arizona. Mr. Lafayette has been an owner of the Best Western White House Inn in Bangor, Maine since 1994, and the Best Western Merry Manor Inn in South Portland, Maine, since 1994. Mr. Lafayette has also served as SureStay Inc.'s Director in Phoenix, Arizona and has been in that role since December, 2018.

Managing Director, North American Development: Thomas Giuliano

Mr. Giuliano has served as our Managing/Regional Director, North American Development since 2016, in Phoenix, Arizona. He currently serves in a similar role for SureStay, Inc.

President and Chief Executive Officer: Lawrence M. Cuculic

Mr. Cuculic has served as our President and Chief Executive Officer in Phoenix, Arizona since December, 2021. Mr. Cuculic has also served as SureStay, Inc.'s President in Phoenix, Arizona since December, 2021. Mr. Cuculic served as our Senior Vice President, General Counsel and Corporate Secretary in Phoenix, Arizona from 2009 to December, 2021, and as SureStay, Inc.'s Secretary in Phoenix, Arizona from its formation in August, 2016 to December, 2021.

Senior Vice President and Chief Financial Officer: Mark Straszynski

Mr. Straszynski has served as our Senior Vice President and Chief Financial Officer in Phoenix, Arizona since 2008. Mr. Straszynski has also served as SureStay, Inc.'s Treasurer in Phoenix, Arizona since its formation in August, 2016.

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President of International Operations and WorldHotels: Ron Pohl

Mr. Pohl has served as our President of International Operations and WorldHotels in Phoenix, Arizona since April, 2022. Mr. Pohl served as our Senior Vice President and Chief Operations Officer in Phoenix, Arizona from 2007 to 2022.

Senior Vice President and Chief Digital Officer: Greg Adams

Mr. Adams has been employed by us in various capacities since January, 2013, and has served as our Senior Vice President and Chief Digital Officer in Phoenix, Arizona since 2015.

Senior Vice President and Chief Development Officer: Brad LeBlanc

Mr. LeBlanc has served as our Senior Vice President and Chief Development Officer in Phoenix, Arizona since April, 2019. From June, 2013 to April, 2019, Mr. LeBlanc served as Senior Vice President of Development & Franchising at Serendipity Labs, Inc. in Rye, New York.

Senior Vice President, General Counsel and Corporate Secretary: Jay Pricher

Mr. Pricher has served as our Senior Vice President, General Counsel and Corporate Secretary in Phoenix, Arizona since December, 2021. Mr. Pricher has also served as SureStay, Inc.'s Secretary in Phoenix, Arizona since December, 2021. Mr. Pricher served as our Vice President of Legal in Phoenix, Arizona from 2009 to December, 2021.

Senior Vice President, Chief Marketing Officer: Joelle Park

Ms. Park has served as our Senior Vice President, Chief Marketing Officer in Phoenix, Arizona since July, 2023. From 2018 to March, 2023, Ms. Park served as Vice President and Senior Director at Hilton Worldwide Holdings, Inc. in McLean, Virginia.

ITEM 3

LITIGATION

A. PENDING ACTIONS INVOLVING US

None.

B. CONCLUDED ACTIONS INVOLVING US

Best Western International, Inc. v. 1025 Beach LLC, Joga Sing Hayre, et al., Arizona District Court Case No. 2:22-cv-01696-CDB (Filed October 5, 2022; Counterclaim filed December 28, 2022).

The Membership for the Best Western Far Rockaway ("Former Member") was terminated for failure to pay its large, outstanding account; failure to pay its annual dues; and failure to satisfy the terms of a payment plan. On October 5, 2022, we filed a complaint against the owner of the Former Member, 1025 Beach LLC, and its voting member, for their failure to pay the outstanding account and fees and dues

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owed following the termination. The Former Member filed a counterclaim against us for breach of the implied covenant of good faith and fair dealing. The Former Member is seeking lost revenue proximately caused by us in an amount to be proven at trial. We denied any wrongdoing and disputed the allegations in the counterclaim. On April 19, 2023, the parties settled the case with mutual releases of all claims per a confidential settlement agreement, the disclosure of which is only allowed if required by applicable law or court order. The parties agreed that the Former Member would pay us $160,000 in installment payments over 18 months.

Best Western International, Inc. v. Brookfield Ventures, LLC, et al., Arizona District Court Case No. 2:22-cv-00037-JAT (Filed January 10, 2022; Counterclaim filed August 1, 2022).

The Member for the Best Western Premier Milwaukee-Brookfield Hotel & Suites ("Former Member") terminated its Membership with us by self-termination, effective December 2020. At the time of the self-termination, the Former Member had a large, outstanding balance owed to us. On January 10, 2022, we filed a complaint against the owner of the Former Member, Brookfield Ventures, LLC, and its voting member, for their failure to pay the outstanding account and fees and dues owed following the self-termination. The Former Member filed a counterclaim against us for breach of contract, breach of the implied covenant of good faith and fair dealing, fraud, and negligent misrepresentation. The Former Member sought approximately $15.4 million in lost profits, reliance damages for renovations, punitive damages, attorneys' fees and extracontractual damages. We denied any wrongdoing and disputed the allegations and damages sought in the counterclaim. On December 1, 2023, the parties settled the case with mutual releases of all claims per a confidential settlement agreement, the disclosure of which is only allowed if required by applicable law or court order. The parties agreed that the Former Member would pay us $25,000.

Best Western International, Inc. v. 1Nonly Phi Mar, LLC, Philip Levine, et al., Arizona District Court Case No. 2:22-cv-00440-MTL (Filed March 21, 2022; Counterclaim filed July 8, 2022).

The Member for the Best Western Plus Dallas Hotel & Conference Center ("Former Member") terminated its Membership with us by self-termination, effective September 21, 2021. At the time of the self-termination, the Former Member had a large, outstanding balance owed to us. On March 21, 2022, we filed a complaint against the owner of the Former Member, 1Nonly Phi Mar, LLC, and its voting member, for their failure to pay the outstanding account and fees and dues owed following the self-termination. The Former Member filed a counterclaim against us for breach of contract and breach of the implied covenant of good faith and fair dealing. We denied any wrongdoing and disputed the allegations in the counterclaim. On January 12, 2023, the parties settled the case with mutual releases of all claims per a confidential settlement agreement, the disclosure of which is only allowed if required by applicable law or court order. The parties agreed that the Former Member would pay us $223,000 in installment payments over 13 months.

Best Western International, Inc. v. 764 4th Avenue Associates, LLC, Arizona District Court Case No. 2:20-cv-01760 (Filed September 8, 2020; Counterclaim filed January 29, 2021).

Defendant 764 4th Avenue Associates, LLC ("4th Avenue") owns a hotel in Brooklyn, New York known as the Brooklyn Way (the "Hotel"), which was a BW Signature Collection® hotel. We discovered that the Hotel was operating primarily as a transitional housing/homeless shelter rather than an upper mid-scale hotel, was underreporting its occupancy, and underpaying its monthly fees pursuant to the parties' Distribution Agreement. We were forced to sue 4th Avenue for the outstanding fees owed. 4th Avenue filed a counterclaim on January 8, 2021 asserting claims against us for breach of contract, breach of the duty of good faith and fair dealing, unjust enrichment, and negligent misrepresentation. We disputed the

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allegations and damages in the counterclaim. On April 30, 2021, the parties settled the case with mutual releases of all claims per a confidential settlement agreement, the disclosure of which is only allowed if required by applicable law or court order. The parties agreed that the Hotel would pay us $250,000 in installment payments over 24 months.

Best Western International, Inc. v. Twin City Lodging, LLC, et al., Arizona District Court Case No. 18-cv-03374-SPL (Filed October 19, 2018).

The former Best Western Hotel & Restaurant in Mankato, Minnesota was terminated in June 2018 for failing to satisfy high speed internet and customer care ratio requirements and for having a large outstanding, unpaid account. On October 19, 2018, we filed a complaint against a former Member, Twin City Lodging, LLC ("Former Hotel"), and its voting members for the Former Hotel's failure to pay its outstanding account and fees and dues owed following termination. The Former Hotel filed a counterclaim against us alleging wrongful termination. The counterclaim asserted causes of action for violations of the Minnesota Franchise Act, breach of the implied covenant of good faith and fair dealing, and breach of contract. We denied any wrongdoing and moved to dismiss the claims. On April 25, 2020, the parties settled the case with mutual releases of all claims per a confidential settlement agreement, the disclosure of which is only allowed if required by applicable law or court order. The parties agreed that the Former Hotel would pay us $66,250.

Best Western International, Inc. v. Oakland Park, Inc., et al., Arizona State Court (Maricopa County) Case No. CV 2015-000279 (Filed December 12, 2016, Appellate Ruling December 6, 2018).

The former Best Western Oakland Park Inn in Fort Lauderdale, Florida was terminated in 2014 for refusing to pay its outstanding, unpaid account and breaching its payment plan obligations. In January 2015, we sued the former Member, Oakland Park, Inc. (the "Former Hotel") and its voting member for failure to pay its outstanding account, fees and dues owed following termination, and for trademark infringement. The Former Hotel filed a counterclaim against us in December 2016 alleging wrongful termination, asserting causes of action for breach of contract, breach of the duty of good faith and fair dealing, and breach of the fiduciary duty, among others. We denied any wrongdoing. After a series of motions, the court ruled that the Former Hotel could not assert any wrongful termination claims. Following several hearings that the Former Hotel and its counsel failed to attend, the court granted us default judgment and dismissed all of the Former Hotel's remaining claims. The default judgment was reversed on appeal on December 6, 2018, but the court of appeals found the termination was justified and that there is no counterclaim for breach of fiduciary duty. The case was remanded to the trial court for resolution of any remaining claims, but in the interim the Former Hotel filed for bankruptcy so the action was subject to the bankruptcy court's automatic stay. On July 6, 2020, the parties, with the consent of the bankruptcy trustee and bankruptcy court, settled the case with mutual releases of all claims per a confidential settlement agreement, the disclosure of which is only allowed if required by applicable law or court order. The parties agreed that the Former Hotel would pay us $225,000.

Bright LLC v. Best Western International, Inc., Arizona District Court Case No. 17-cv-00463-PHX-ROS (Filed July 8, 2016).

Bright LLC, a former conditionally-approved applicant for a Membership ("Former Applicant"), sued us for terminating its conditional approval after having already received 18 months of extensions. Former Applicant sought $1.5 million in damages and asserted causes of action for breach of contract, breach of the implied covenant of good faith and fair dealing, promissory estoppel, unjust enrichment, and declaratory judgment. We denied any wrongdoing. We counterclaimed for damages in the amount of

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$110,000 pursuant to the agreed contractual damages provision in the parties' agreements. On March 1, 2019, the court granted summary judgment in our favor and dismissed all of the Former Applicant's claims. On April 19, 2019, the parties settled the case with mutual releases of all claims per a confidential settlement agreement, the disclosure of which is only allowed if required by applicable law or court order. The parties agreed that the Former Applicant would pay us $114,000.

State Bank of Texas, SBT I-10 Service Rd., Ft. Worth Hotel South, LLC v. Best Western International, Inc., Arizona State Court (Maricopa County) Case No. CV 2015-008670 (Filed November 20, 2015).

The former Best Western Plus Fort Worth South Hotel (the "Former Hotel") was terminated in May 2015 for failing to satisfy design requirements and for failing to meet quality assurance standards established in applicable operations manuals after having been granted multiple extensions. The Former Hotel sued us, seeking over $3.5 million in damages for costs spent on renovations, alleging improper termination and asserting claims for fraud, constructive fraud, breach of contract, equitable estoppel, breach of implied covenant of good faith and fair dealing, negligent misrepresentation, unjust enrichment/disgorgement, declaratory relief of unconscionability, declaratory relief of non-infringement, and recoupment. We counterclaimed for our contractual damages. We denied any wrongdoing. We moved for summary judgment and all of the Former Hotel's claims were dismissed. The court ruled, however, that the Former Hotel could assert an affirmative defense for recoupment in response to our counterclaim. On September 25, 2018, the parties settled the case with mutual releases of all claims per a confidential settlement agreement, the disclosure of which is only allowed if required by applicable law or court order. The parties agreed that the Former Hotel would pay us $25,000.

Best Western International, Inc. v. SDV Hospitality and Resources Corporation and Deepak Kant Vyas, Arizona District Court Case No. 2:15-cv-02159 (Filed October 27, 2015).

The former Best Western Plus Timber Creek Inn & Suites in Sandwich, Illinois (the "Former Hotel") was terminated for failing quality assessments established in applicable operations manuals and refusing to allow re-inspection. The contract provided that upon termination, the Former Hotel was required to pay fees and dues for the remainder of the contract term, to timely de-brand, and to pay damages for improper use of our trademarks. Following termination, demands were made to the Former Hotel for an outstanding account balance and for liquidated damages relating to ongoing trademark infringement. We sued the Former Hotel to recover the fees. The Former Hotel filed a counterclaim asserting violations of the computer fraud and abuse act, the wire-tap act, the stored communication act, interference with business expectancy, negligent misrepresentation, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. We denied any wrongdoing. We successfully moved to dismiss the counterclaims for breach of the covenant of good faith and fair dealing and breach of fiduciary duty. On July 26, 2017, the parties settled the case with mutual releases of all claims per a confidential settlement agreement, the disclosure of which is only allowed if required by applicable law or court order. The parties agreed to pay their own attorneys' fees and costs incurred in the action and to refrain from and correct any marketing, social media, or misrepresentations regarding the Former Hotel or its status as a Best Western branded hotel.

Best Western International, Inc. v. Upstate Host, LLC and Tarrunumn Murad, Arizona District Court Case No. 2:16-cv-00885 (PGR) (Filed March 31, 2016).

The former Best Western Plus Carrier Circle in Syracuse, New York (the "Former Hotel") was terminated for failing quality assessments established in applicable operations manuals. The contract provided that upon termination, the Former Hotel was required to pay fees and dues for the remainder of

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the contract term, to timely de-brand, and to pay damages for improper use of our trademarks. Following termination, demands were made to the Former Hotel for an outstanding account balance and for liquidated damages relating to trademark infringement. We were forced to sue the Former Hotel. The Former Hotel filed a counterclaim against us and a third party complaint against various of our employees alleging wrongful termination and asserting claims for violation of the New York Franchise Act, violation of the Arizona Consumer Fraud Act, fraudulent concealment, intentional/negligent misrepresentation, breach of contract, breach of the covenant of good faith and fair dealing, and unjust enrichment. We denied any wrongdoing. On July 13, 2016, the parties settled the case with mutual releases of all claims per a confidential settlement agreement, the disclosure of which is only allowed if required by applicable law or court order. The parties agreed that the Former Hotel would pay us $78,000 in 24 equal monthly payments of $3,250.

Best Western International, Inc. v. American Hospitality Solution, LLC and Deborah Speziale, Arizona District Court Case No. 2:16-cv-03405 (Filed October 6, 2016).

The former Best Western Crossroads (the "Former Hotel") was terminated for failing to meet quality assurance standards established in applicable operations manuals. The contract provided that upon termination, the Former Hotel was required to pay any outstanding account balances, fees and dues for the remainder of the contract term, to timely de-brand, and to pay damages for improper use of our trademarks. Following termination, demands were made to the Former Hotel for an outstanding account balance and fees and dues for the remainder of the contract term. We sued the Former Hotel to recover the fees. The Former Hotel asserted counterclaims for fraud, violation of the Illinois Franchise Act, Violation of the Indiana Franchise Act, breach of contract, and declaratory relief that the liquidated damages provision in the parties' agreement is invalid. We denied any wrongdoing and moved to dismiss all of the counterclaims. On April 24, 2017, the parties settled the case with mutual releases of all claims per a confidential settlement agreement, the disclosure of which is only allowed if required by applicable law or court order. The parties agreed that the Former Hotel would pay us $35,000.

Quist v. Best Western International, Inc., Supreme Court of North Dakota, Civ. Case No. 10571 (Filed July 18, 1984).

On March 3, 1983, the North Dakota Securities Commissioner held that (i) the agreements between us and our Members were "franchises" as defined in the North Dakota Franchise Investment Law ("FIL"); (ii) we had offered or sold franchises in North Dakota in violation of the registration provisions of the FIL; (iii) we did not qualify for the statutory exemptions from registration; (iv) we had not been exempted by rule from registration; and, (v) the North Dakota Securities Commissioner had not applied the FIL in a discriminatory manner, and ordered us to refrain and desist from offering Memberships in our organization until the offers are registered with the North Dakota Securities Commissioner per the provisions of the FIL. The District Court, Burleigh County, South Central Judicial District, affirmed the North Dakota Securities Commissioner's order, and we appealed. On July 19, 1984, the Supreme Court affirmed the District Court's decision, holding that: (i) the FIL contained no exception for cooperative marketing agreements; (ii) we had waived constitutional challenges to the FIL itself; and, (iii) the record did not establish any discriminatory enforcement policy of the North Dakota Securities Commissioner or prove any discrimination against us.

Commissioner of Corporations v. Best Western International, Inc., Superior Court of the State of California for the County of Los Angeles, Case No. 0693928 (Filed July 29, 1988).

In response to a complaint filed by the California Commissioner of Corporations ("Commissioner") asserting that we violated the registration and disclosure provisions of the California Franchise Investment

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Law (the "California Franchise Law"), and without admitting or denying any allegation of the complaint or liabilities arising therefrom, we consented to the entry of a Final Judgment of Permanent Injunction which ordered that: we (i) be permanently enjoined from offering to selling or otherwise in any way dealing or participating in the offer or sale of any franchise which is not exempt from the registration requirements under the California Franchise Law unless and until we are first registered under the California Franchise Law to offer and sell franchises; (ii) be permanently enjoined from selling any franchise without first submitting to the prospective Member at least 10 business days prior to the receipt of any consideration or the execution of any binding franchise or other agreement, whichever occurs first, the prospectus and all agreements; (iii) file a notice of exemption or register our franchise offer per the California Franchise Law and prepare the applicable disclosure document(s) or file a letter that we have not filed a notice of exemption or obtained franchise registration because we have ceased all franchise offers and will not recommence until we have filed a notice of exemption or registered our franchise offer; and, (iv) pay the Commissioner its costs of $3,080 (the "1988 Final Judgment of Permanent Injunction").

In the Matter of Best Western International, Inc. Securities Division of the Office of the Attorney General of Maryland, Case No. 2018-0237 (Effective August 24, 2018).

The Securities Division of the Office of the Attorney General of Maryland ("Securities Division") asserted that we violated the registration and disclosure provisions of the Maryland Franchise Registration and Disclosure Law (the "Maryland Franchise Law") by entering into Membership Agreements. Without admitting or denying any violation of law, we voluntarily entered into a Consent Order with the Maryland Securities Commissioner (the "Securities Commissioner) dated August 24, 2018. In the Consent Order, we agreed to: (i) immediately and permanently cease and desist from the offer and sale of Best Western Membership Agreements in Maryland unless and until we comply with the Maryland Franchise Law; (ii) reimburse the Office of the Attorney General $16,500 in unpaid franchise filing fees; (iii) within 15 days of our receipt of the fully executed Consent Order, send to seven current Best Western Maryland Members a copy of the signed Consent Order and a rescission letter offering, for a period of 30 days, to immediately rescind the Member's Membership Agreement and refund the Best Western entrance fee that Member paid; (iv) within 30 days of our receipt of the fully executed Consent Order, send to three Best Western Maryland Members who canceled their Membership Agreements an unconditional refund of the Best Western entrance fee that Member paid; (v) pay the Office of the Attorney General a civil monetary penalty in the amount of $297,000 for the alleged violations described in the Consent Order, which amount would be reduced to as low as $25,000 to account for rescission payments we offered to make to existing and former Best Western Maryland Members; and, (vi) complete payments to those Best Western Maryland Members who accepted our rescission offer within 30 days of our receipt of that written acceptance.

In the Matter of Best Western International, Inc. Securities Division of Department of Financial Institutions of Washington, Order No. S-18-2510-19-CO01 (Effective February 7, 2019).

The Securities Division of Department of Financial Institutions of Washington ("Washington Securities Division") asserted that we violated the registration and disclosure provisions of the Washington Franchise Registration and Disclosure Law (the "Washington Franchise Law") by entering into Membership Agreements. Without admitting or denying any violation of law, we voluntarily entered into a Consent Order with Washington Chief of Enforcement, dated February 7, 2019. In the Consent Order, we agreed to: (i) cease and desist from the offer and sale of Best Western Membership Agreements in Washington unless and until we comply with the Washington Franchise Law; (ii) pay the Washington Securities Division $3,000 for unpaid franchise filing fees for the period 2012 to 2015; (iii) pay investigative costs of $5,600; and (iv) provide a copy of the Consent Order to all Members who were Washington residents or operated a hotel located in Washington after January 1, 2015 within 60 days of the entry of the Consent Order.

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In the Matter of Best Western International, Inc., Department of Business Oversight of the State of California, FIL ORG ID.: 102063 (Effective April 9, 2019).

The Commissioner of California's Department of Business Oversight (the "Commissioner") claimed that we violated the 1988 Final Judgment of Permanent Injunction described above by selling franchises in California between 1988 and 2018 without being registered or filing for an exemption under the California Franchise Investment Law (Corporations Code section 31000, et. Seq.) ("California Franchise Law"). Without admitting or denying any violation of law, we voluntarily entered into a Consent Order with the Commissioner effective April 9, 2019. In the Consent Order, we agreed to: (i) cease and desist from the offer and sale of Best Western Membership Agreements in California unless and until we comply with the California Franchise Law; (ii) pay California's Department of Business Oversight $500,000 in administrative penalties; and (iii) pay California's Department of Business Oversight $10,000 in investigative costs.

In the Matter of Best Western International, Inc. Virginia Corporation Commission's Division of Securities and Retail Franchising, Case No. SEC-2019-00060 (Effective February 24, 2020).

The State Corporation Commission's Division of Securities and Retail Franchising (the "Commission") asserted that we violated the registration and disclosure provisions of the Virginia Retail Franchising Act (the "Virginia Franchise Law") by entering into Membership Agreements. Without admitting or denying any violation of law, we voluntarily entered into a Settlement Order with the Commission, which was filed on February 24, 2020. In the Settlement Order, we agreed to: (i) pay to the Treasurer of Virginia $12,000 in monetary penalties; (ii) pay to the Treasurer of Virginia $1,000 to defray the costs of investigation; and (iii) not violate Virginia Franchise Law in the future.

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

ITEM 4

BANKRUPTCY

No bankruptcy proceedings are required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Impact Study Fee

New prospective Members may, by paying us an Impact Study Fee of $4,000, contribute funds to our commissioning of an impact study. All new prospective Members must complete an Application for Membership (the current form of which is attached as Exhibit I). Applications for Membership are valid for six months from the Board meeting they are originally intended for (the "Application Deadline"). If a new prospective Member's Application for Membership is presented to the Board by the Application Deadline and the Application for Membership is approved, the Impact Study Fee will be credited toward the Affiliation Fee (see below). If a new prospective Member's Application for Membership is presented to the Board by the Application Deadline and the Application for Membership is not approved, the entire Affiliation Fee (including the $4,000 Impact Study Fee) will be refunded. If a new prospective Member's Application for Membership is not presented to the Board

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