

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

**THE FRANCHISE RELATIONSHIP**

**This Table Lists Certain Important Provisions of the License and Related Agreements. You Should Read These Provisions In the Agreements Attached to this Disclosure Document.**

| Provision                                   | Section in License Agreement | Summary   |
|---|------------------------------|---|
| (a) Length of the term of the franchise     | Section 10A                  | The term is 10 years from Opening Date, with option to terminate at 2 ½, 5 and 7½ year anniversaries with ninety (90) days written notice. <sup>11</sup>  |
| (b) Renewal or extension of the term        | Section 11                   | 10 year term if conditions are met, with one year option to terminate. <sup>11</sup>  |
| (c) Requirements for you to renew or extend | Section 11                   | Submission of completed application, payment of renewal fee, favorable operating history, passing Quality Assurance Scores for past three years, agreement to meet then-current quality standards and specifications including remodeling and other alterations to the Hotel, no debts to us or our affiliates, sign a general release for our benefit, location of the Hotel is deemed appropriate by us, and you execute our then-current License Agreement. The new License Agreement that you may be asked to sign may contain terms and conditions materially different from those in your previous License Agreement, such as different fees. |
| (d) Termination by you                      | Section 10B                  | You may terminate the License Agreement (and not pay liquidated damages) if certain conditions are met. <sup>11</sup>   |
| (e) Termination by ABI without cause        | None                         | None.   |
| (f) Termination by ABI with cause           | Section 9, 10B               | ABI can terminate only if you default under the license agreement. ABI can terminate for various violations and breaches under the License Agreement.   |
| (g) "Cause" defined-curable defaults        | Section 10C(1)               | Curable defaults: Any default other than those listed in Paragraph 10C(2) including, failure to pay any financial obligation, failure to meet construction deadlines, failure to pay GDS fees and failure to comply with the Manual.  |

| Provision   | Section in License Agreement | Summary   |
|---|------------------------------|---|
| h) "Cause" defined-defaults which can not be cured        | Section 10C(2)               | Insolvency; bankruptcy <sup>2</sup> ; conviction of a felony; transfer without approval; disclosure of trade secrets; false statements or omissions; misuse of Proprietary Marks' goodwill; loss of possession of the property; cease to construct or operate your Hotel; threat or danger to public health and safety; failure to buy insurance or show us evidence of insurance as required by the License Agreement; dissolution of the franchisee entity; false books or records; violation of law; repeated violations of the License Agreement; and others.   |
| (i) Your obligations on termination                       | Section 10D, 10E             | You must: cease to operate as a System Hotel and cease use of the Proprietary Marks; remove all signs; change telephone listing; maintain sign at front desk stating you are no longer associated with the Hotel System; pay all monies due to us; return all Manuals; if applicable, pay liquidated damages <sup>3</sup> ; and others.   |
| (j) Assignment of contract by ABI                         | Section 8A                   | No restrictions on ABI's right to assign  |
| (k) "Transfer" by you-defined                             | Section 8B                   | Selling, assigning, transferring, conveying, or encumbering any interest of the License Agreement or assets   |
| (l) ABI's approval of transfer by you                     | Section 8B                   | We have the right to approve all transfers which change control of you or which change equity interest more than 50%  |
| (m) Conditions for ABI's approval of transfer             | Section 8B                   | Compliance with all terms of the License Agreement; payment of all monies owed; signing of general release; written assignment; transferee has proper qualifications; transferee signs then-current license agreement <sup>4</sup> ; upgrade of the Hotel to meet our specifications unless the Hotel satisfies a certain Quality Assurance score, but at a minimum, address guest security and/or life/safety issues we raise; evidence of your continued liability for all obligations before transfer; training of transferee's employees; transferee, in writing, assumes all obligations and discharges you of them; transfer fee of \$5,000 |
| (n) ABI's right of first refusal to acquire your business | None                         |   |
| (o) ABI's option to purchase your business                | None                         |   |

| Provision  | Section in License Agreement | Summary  |
|--|------------------------------|--|
| (p) Your death or disability   | Section 8C                   | Transfer must be affected within three months to an approved third party. If not transferred within six months, termination may occur, however, you may transfer or assign your interest in the License Agreement without our prior written consent by testamentary devise or intestate succession, provided your personal representative, heir, or legatee makes satisfactory arrangements for the performance of your duties under the License Agreement which may include the signing of a personal guaranty. |
| (q) Non-competition covenants during the term of the license               | Section 3A(9)                | You agree not to use the Hotel or the Hotel System to promote a competing business or other lodging facility during the license term.  |
| (r) Non-competition covenants after the franchise is terminated or expires | None                         | Refer to Paragraph 10D of the License Agreement for de-identification obligations.   |
| (s) Modification of the agreement  | 4E, 13D                      | No modifications unless in writing and signed by us and you, but the confidential operating manual is subject to change. If change will cause substantial investment by licensees, change is subject to vote of certain licensees unless change involves guest security, or life safety issues.  |
| (t) Integration/merger clause  | Section 13D                  | Only the terms of the License Agreement are binding (subject to Federal law). No provision of the License Agreement may disclaim any representations made in the franchise disclosure document. Any other promises may not be enforceable  |
| (u) Dispute resolution by arbitration or mediation                         | None                         | There are no methods of alternative dispute resolution provided for in the License Agreement   |
| (v) Choice of forum  | Section 13M                  | Litigation must be in Fulton County (Georgia) State Court; Fulton County (Georgia) Superior Court; or the United States District Court for the Northern District of Georgia, Atlanta Division (6)'   |
| (w) Choice of law  | Section 13L                  | Georgia law applies (7)'   |
| (x) Others:<br>Attorney's Fees   | Section 13L                  | You may be subject to pay our attorneys' fees and costs in a lawsuit with us or because we get subpoenaed in one of your proceedings involving the hotel   |
| Guaranty   | Guaranty                     | Your principals or owners we select must sign our standard Guaranty  |

Notes:

1/ You may terminate the License Agreement after the 2½, 5<sup>th</sup> and 7½ anniversaries of the date the Hotel was authorized by us to open for business ("Opening Date") and not pay us liquidated

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