

THE FRANCHISE RELATIONSHIP		
PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
q. Non-competition covenants during the term of the franchise	None	Not Applicable
r. Non-competition covenants after the franchise is terminated or expires	None	Not Applicable
s. Modification of the agreement	Section 15.(c)	No modifications unless signed by the party against whom enforcement is sought, but we may unilaterally modify our Brand Standards and you will be bound by such modifications.
t. Integration/merger clause	Section 15.(m)	Only the terms of the Franchise Agreement (together with its schedules and exhibits) are binding (subject to state law). Any representations or promises outside of this disclosure document and the Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v. Choice of forum	Section 15.(g)	Litigation must be brought in the federal court nearest to our or, as applicable, our successor's or assign's then current principal place of business (currently, Newton, Massachusetts), subject to state law. If the federal court lacks jurisdiction, then such litigation must be brought in the state court nearest to our or, as applicable, our successor's or assign's then current principal place of business (currently, Newton, Massachusetts), unless otherwise mutually agreed by the parties. However, we may seek injunctive relief in any jurisdiction that has jurisdiction over you.
w. Choice of law	Section 15.(g)	Massachusetts law generally applies, except for issues under the U.S. Trademark Act (subject to applicable state law).

Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit L.

ITEM 18. PUBLIC FIGURES

We currently do not use any public figure to promote our franchise system, but we may do so in the future.

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 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 this Item 19 may be given only if: (a) a franchisor provides the actual records of an existing outlet you are considering buying; or

(b) 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.

There were 14 franchised Signature Inn Hotels that were open as of December 31, 2025. There was 1 franchised Signature Inn Hotel that was excluded from the performance data below because it opened during the 2025 fiscal year and was therefore not open for the entire year. Additionally, 4 franchised Signature Inn Hotels were open and operating as of December 31, 2025 but were excluded from the performance data below because of insufficient reporting to STR (as defined below). The remaining 9 franchised Signature Inn Hotels are referred to in this Item 19 as “Franchised Signature Inn Hotels.”

In Part A, we provide the ADR, Occupancy, and RevPAR data (each defined below) for the 2025 fiscal year for Franchised Signature Inn Hotels, first for those that were open at least one full year as of December 31, 2025, then for those that were open at least three full years as of December 31, 2025. See Table 1. In Part B, we provide the ADR, Average Occupancy, and Average RevPAR as compared against the Chain Scale Index for the Franchised Signature Inn Hotels, first for those that were open at least one full year as of December 31, 2025, then for those that were open at least three full years as of December 31, 2025. See Table 2.

PART A:

TABLE 1
ADR, OCCUPANCY, AND REVPAR OF
FRANCHISED SIGNATURE INN HOTELS FOR 2025

Franchised Hotels	Average	Median	Range	No. and % of Hotels that Met or Exceeded Average
9 Franchised Signature Inn Hotels – open at least one full year as of December 31, 2025				
ADR	\$105.76	\$114.93	\$69.06 to \$149.58	5 (55.6%)
Occupancy	58.9%	61.2%	23.5% to 90.2%	6 (66.7%)
RevPAR	\$62.31	\$67.50	\$16.25 to \$90.50	5 (55.6%)
5 Franchised Signature Inn Hotels – open at least three full years as of December 31, 2025*				
ADR	\$103.99	\$114.93	\$80.65 to \$149.58	3 (60.0%)
Occupancy	65.9%	61.2%	24.5% to 90.2%	2 (40.0%)
RevPAR	\$68.55	\$70.37	\$36.65 to \$85.95	3 (60.0%)

* 4 Franchised Signature Inn Hotels were excluded because they had not yet operated for three years as of December 31, 2025.

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PART B:

TABLE 2

**PERFORMANCE OF FRANCHISED SIGNATURE INN HOTELS
AGAINST CHAIN SCALE INDEX FOR 2025**

Chain Scale	Average ADR	ADR Index	Average Occupancy	Occupancy Index	Average RevPAR	RevPAR Index
9 Franchised Signature Inn Hotels – open at least one full year as of December 31, 2025						
Midscale	\$105.76	110.1	58.9%	101.6	\$62.31	111.8
5 Franchised Signature Inn Hotels – open at least three full years as of December 31, 2025*						
Midscale	\$103.99	108.2	65.9%	113.6	\$68.55	123.0

* 4 Franchised Signature Inn Hotels were excluded because they had not yet operated for three years as of December 31, 2025.

- “ADR” for the Franchised Signature Inn Hotels, in the aggregate, represents Gross Rooms Revenue in the relevant Franchised Signature Inn Hotels divided by the total number of paid rooms occupied by hotel guests in those Franchised Signature Inn Hotels. To determine the median and the range, the ADR was calculated on a per Franchised Signature Inn Hotel basis instead of aggregated amongst all Franchised Signature Inn Hotels, as is done for the average. We use ADR as a measure of room pricing in our system of hotels.
- “Occupancy” for Franchised Signature Inn Hotels, in the aggregate, represents total paid rooms occupied in the relevant Franchised Signature Inn Hotels divided by total available rooms in those Franchised Signature Inn Hotels. To determine the median and the range, the Occupancy was calculated on a per Franchised Signature Inn Hotel basis instead of aggregated amongst all Franchised Signature Inn Hotels, as is done for the average. We use average occupancy as a measure of the utilization of capacity in our system of hotels.
- “RevPAR” for Franchised Signature Inn Hotels, in the aggregate, represents Gross Rooms Revenue in the relevant Franchised Signature Inn Hotels divided by total available rooms in those Franchised Signature Inn Hotels. To determine the median and the range, the RevPAR was calculated on a per Franchised Signature Inn Hotel basis instead of aggregated amongst all Franchised Signature Inn Hotels, as is done for the average. We use RevPAR as a measure of performance yield in our system of hotels.
- “Chain Scale Index” measures the performance of Franchised Signature Inn Hotels in relation to the performance of the Franchised Signature Inn Hotels’ US Industry Chain Scale segment in the areas of ADR, Occupancy, and RevPAR, as defined and compiled by Smith Travel Research (“STR”), a third-party industry research company. STR determines chain scale segments primarily according to average room rates, with independent hotels grouped separate from chain hotels. To determine the Index figure, the performance data of Franchised Signature Inn Hotels was divided by the performance data of the aggregated grouping and multiplied by 100.
- “Net rooms revenue” refers to Gross Rooms Revenue net of timely cancellations.

- “Gross Rooms Revenue” means all revenue attributable to or payable for rental of Guest Rooms at an Franchised Signature Inn Hotel, whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, whether or not collected, including guaranteed no-show revenue, revenue calculated on reservations cancelled outside of the Franchised Signature Inn Hotel’s cancellation policy or outside of the reservation channel in which it was made, any proceeds actually received from any business interruption or similar insurance applicable to the loss of revenue due to the non-availability of Guest Rooms, and any miscellaneous fees charged to all guests regardless of the accounting treatment of such fees, net of chargebacks from credit card issuers. Excluded from Gross Rooms Revenue are separate charges to guests for food and beverage (including room service); vending machine receipts; actual telephone charges for calls made from a guest room; key forfeitures and entertainment (including internet fees and commissions); allowances for any Guest Room rebates and overcharges; gratuities to employees or service charges levied in lieu of such gratuities, which are payable to employees; and applicable federal, state and local sales, occupancy and use taxes collected from guests.
- “Total available rooms” represents the number of Guest Rooms available multiplied by the number of days in the reported period. We use total available rooms as a measure of capacity throughout all Franchised Signature Inn Hotels and do not adjust total available rooms for Guest Rooms temporarily out of service for remodel or other short-term periods.

We will make available written substantiation of the data used in preparing this Item 19 upon your reasonable request. The Occupancy, ADR, and RevPAR data presented in the tables above are based on information we received from independent franchisees in conjunction with their contractually required reports of gross revenue or that they reported to Smith Travel Research. We are under no obligation to disclose specific information for a particular Franchised Signature Inn Hotel.

Some Signature Inn Hotels have earned this amount. Your individual results may differ. There is no assurance that you’ll earn as much.

Other than the preceding financial performance representation, we do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Bradford Maxwell, 400 Centre Street, Newton, Massachusetts 02458, (617) 421-5400, franchiselegal@sonesta.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

**TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2023 to 2025¹**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	5	7	+2
	2024	7	11	+4
	2025	11	14	+3
Company-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	2023	5	7	+2
	2024	7	11	+4
	2025	11	14	+3

¹ The numbers are as of December 31 of each year.

**TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR)
FOR THE YEARS 2023 to 2025¹**

State	Year	Number of Transfers
California	2023	0
	2024	1 ²
	2025	0
Total Outlets	2023	0
	2024	1
	2025	0

¹ The numbers are as of December 31 of each year.

² This was a transfer of ownership only. The franchisee entity did not change.

**TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2023 to 2025¹**

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
California	2023	3	1	0	0	0	0	4
	2024	4	2	0	0	0	0	6
	2025	6	2	0	0	0	0	8