



**THE FOUNDATION
FOR SECURE
MARKETS**

#48779

Date: June 01, 2021

Subject: Extended Stay America, Inc. – Anticipated Cash Settlement
Option Symbol: STAY
Date: ???
* * * Update * * *

On **June 11, 2021**, Extended Stay America, Inc and ESH Hospitality, Inc. (STAY) Shareholders will vote on the amended merger agreement with Eagle Parent Holdings L.P., an affiliate of The Blackstone Group Inc. and Starwood Capital Group. Currently, shares of Extended Stay America, Inc. Common Stock and Class B shares of ESH Hospitality, Inc. Common Stock trade together on the Nasdaq Global Select Market as a paired share under the trading symbol “STAY”.

If the merger is approved and consummated, each existing STAY paired share will be converted into the right to receive **\$20.50 (formerly \$19.50)** net cash (“merger consideration”) plus an additional consideration if the merger closes after July 27, 2021, equal to \$0.001 per day from and after that date, not including the closing date (“additional consideration”), as described in the Joint Proxy Statement dated April 26, 2021 (“Proxy”), amended June 1, 2021.

Immediately prior to the effective time of the merger, STAY will pay to its shareholders a special dividend of up to \$1.75 per share. The merger consideration will be reduced by the amount of such special dividend.

Contract Adjustment

Date: Effective the opening of the business day after the merger is consummated.
Contract adjustment is expected to occur in the second quarter of 2021.

New Deliverable
Per Contract: **\$2,050.00 Cash (100 x the total of the merger consideration plus the special dividend), plus 100 x the additional consideration, if any, calculated as described in the Proxy**

Settlement in STAY options will take place through OCC’s cash settlement system. Settlement will be accomplished by payment of the difference between the extended strike amount and the cash deliverable.

Acceleration of Expirations

Pursuant to OCC Rule 807, equity stock option contracts whose deliverables are adjusted to call for cash-only delivery will be subject to an **acceleration of the expiration dates for outstanding option series** (See OCC Information Memo 23988).

Disclaimer

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email investorservices@theocc.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.