

## FRANCHISE DISCLOSURE DOCUMENT

**HILTON FRANCHISE HOLDING LLC**  
**A Delaware Limited Liability Company**  
**7930 Jones Branch Drive, Suite 1100**  
**McLean, Virginia 22102**  
**703-883-1000**  
**www.hiltonworldwide.com**



You will operate a high-quality Homewood Suites by Hilton hotel featuring suites at moderate prices under a Franchise Agreement with us.

The total investment necessary to begin operation of a newly constructed 131 suite Homewood Suites by Hilton hotel, excluding real property, is \$20,826,065 to \$32,504,195, including up to \$264,955 that must be paid to us or our affiliates.

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 government agency has verified the information contained in this document.**

The terms of your contract will govern your franchise relationship. Don't 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 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, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://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 30, 2024

## 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
<b>How much can I earn?</b>	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 Exhibits A and B.
<b>How much will I need to invest?</b>	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, and Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Homewood Suites hotel business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a Homewood Suites hotel franchisee?</b>	Item 20 or Exhibits A and B lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	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.

## 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 franchise 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 restriction.** 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 franchise 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, access to customers, what you sell, how you market, and your hours of operation.

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

**Renewal.** Your franchise 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 franchise 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 I.

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

## 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 mediation, arbitration and/or litigation only in Virginia, unless the franchisor sues you where the hotel is located. If the court rejects these venue selections, then suit may be brought in New York. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or arbitrate with the franchisor in Virginia or New York than in your own state.
2. **Our Trademark**. We do not have a federal registration for the principal mark "Homewood". Therefore, this principal mark does not have as many legal benefits and rights as a federally registered trademark. If our right to use this principal mark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

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.

THE FOLLOWING APPLIES ONLY TO TRANSACTIONS GOVERNED BY THE  
MICHIGAN FRANCHISE INVESTMENT LAW

**THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.**

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a Franchise Agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of Franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
  - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the Franchise Agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

**THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.**

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:

OFFICE OF THE ATTORNEY GENERAL  
CONSUMER PROTECTION DIVISION, FRANCHISE SECTION  
525 W. OTTAWA ST.  
G. MENNEN WILLIAMS BUILDING, FIRST FLOOR  
LANSING, MICHIGAN 48933  
517-373-7117

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

**About the Franchisor, Its Parents and Its Predecessor**

To simplify the language in this Disclosure Document, “we” or “us” means Hilton Franchise Holding LLC, the Franchisor. “You” means the person(s) who signs the franchise agreement – the Franchisee. If you are a business entity, “you” means both the business entity and its owners. The “Brand” refers to the name or names under which we will license your Hotel. Our agent for service of process in the states whose franchise laws require us to name an agent for service is shown on Exhibit I. Capitalized words not defined in this disclosure document have the meaning set forth in the Franchise Agreement.

We are a Delaware limited liability company, formed in September 2007. For purposes of this franchise offering, we do business under the names “Homewood Suites” and “Homewood Suites by Hilton.” Our principal business address is 7930 Jones Branch Drive, Suite 1100, McLean, Virginia 22102 USA. Our telephone number is 703-883-1000.

We became the franchisor of hotels which will operate under the Homewood Brand in the United States of America, its Territories and Possessions and the District of Columbia (“US”) on March 30, 2015.

Our parent company is Hilton Domestic Operating Company Inc., a Delaware corporation formed on July 12, 2016 (“Hilton”). Hilton’s parent company is Hilton Worldwide Holdings Inc., a Delaware corporation formed on March 18, 2010 (NYSE: HLT) (“Hilton Worldwide”). The principal business address of both companies is 7930 Jones Branch Drive, Suite 1100, McLean, Virginia 22102 USA.

Hilton became our parent company on January 4, 2017, as the successor to our previous parent company, Park Hotels & Resorts, Inc. (“Park”). Together, Hilton and Park have conducted a guest lodging business since 1946. Park was originally called Hilton Hotels Corporation (“HHC”) from May 29, 1946, to December 19, 2009. It changed its name to Hilton Worldwide, Inc. (“HWI”) on December 20, 2009, and to Park Hotels & Resorts Inc. on June 1, 2016. On January 4, 2017, Park became an independent company in a spin-off transaction. As a result of that spin-off, nearly all company-owned hotels were divested with Park. For convenience, all references to “Hilton” in this Disclosure Document include HHC, HWI, and Park during the relevant time frames for each, unless otherwise noted.

Our predecessor in the US is Homewood Suites Franchise LLC, a Delaware limited liability company formed in September 2007 (“HWS”). HWS offered franchises in the US for hotels to operate under the Homewood Brand from October 2007 through March 2015. HWS’ predecessor is Promus Hotels, Inc., a Delaware corporation incorporated in May 1995 (“Promus”). Homewood Brand hotels have been franchised since 1988, first by Promus’s predecessors, then by Promus. HHC acquired Promus’s indirect corporate parent on December 1, 1999, and became the ultimate parent corporation of Promus and all its affiliates.

**Our Other Brands**

Hilton Worldwide, through its subsidiaries, currently owns the following principal marks and their related guest lodging systems: Hilton™, Canopy™, Conrad™, Curio™, DoubleTree™, Embassy™, Hampton™, Hilton Garden Inn™, Home2™, Homewood™, LivSmart Studios by

Hilton™, LXR™, Motto™, Signia by Hilton™, Spark by Hilton™, Tapestry™, Tempo™, Tru™, Waldorf Astoria™ (the “Hilton Worldwide Brands”). The Hilton Worldwide Brands may utilize name variations for suites hotels and may use the taglines “by Hilton” or “Collection by Hilton” in some markets or locations. The Hilton Worldwide Brands may have trademark registrations currently pending in some markets or locations.

Currently, Hilton Worldwide plans to acquire the Graduate® hotel brand including all associated trademarks and intellectual property assets (the “Graduate brand”) from Graduate IP LLC. As of the date of this Disclosure Document there are about 36 Graduate brand hotels open or in development in the US and United Kingdom. When the transaction is completed, Graduate will become a Hilton Worldwide Brand and we and our affiliates may offer franchises for it in the future.

We have been the franchisor in the US for the Canopy and Curio brand hotels since October 15, 2014, the Conrad, DoubleTree, Embassy Suites, Hampton Inn/Hampton Inn & Suites, Hilton, Hilton Garden Inn, Home2 Suites, Homewood Suites, and Waldorf Astoria brand hotels since March 30, 2015, the Tru brand hotels since December 1, 2015, the Tapestry brand hotels since December 1, 2016, and the LXR and the Motto brand hotels since September 14, 2018, the Signia by Hilton brand hotels since March 30, 2019, the Tempo brand hotels since December 17, 2019, the Spark by Hilton brand hotels since November 2022, and the LivSmart Studios by Hilton brand hotels (formerly Project H3 by Hilton) since May 2023. We offer each of these brands under a separate disclosure document (except Conrad, Signia by Hilton, and Waldorf Astoria, for which we do not currently offer standard franchises).

We also offer eforea spa franchises to Tapestry, Curio, DoubleTree, Embassy Suites and Hilton brand hotels, as an addendum to the hotel franchise agreement under the disclosure documents for those brands.

We also offer licenses for the restaurant brand concepts identified on Exhibit J-2 under our StiR Creative Collective program (the “Restaurant Brands”), in the US to franchisees of Canopy by Hilton, Curio Collection by Hilton, Hilton Hotels and Resorts, Hilton Garden Inn, DoubleTree by Hilton, Motto by Hilton, Tapestry Collection by Hilton, and Tempo by Hilton as an addendum to the hotel franchise agreement under the disclosure documents for those brands.

Our predecessors in the offer of these brands in the US include the following entities for the specified brands:

<b>Brand Offered</b>	<b>Predecessor Franchisor Entity</b>	<b>Dates Offered</b>
Canopy	None	N/A
Conrad	Conrad Franchise LLC	October 2007 to March 2015
	Hilton Inns, Inc.	September 2007 to October 2007
Curio	Hilton Worldwide	July 2, 2014 to October 14, 2014
DoubleTree	Doubletree Franchise LLC	October 2007 to March 2015
	Doubletree Hotel Systems, Inc.	February 1989 to October 2007
Eforea Spa	Doubletree Franchise LLC	December 2011 to March 2015
	Embassy Suites Franchise LLC	December 2011 to March 2015
	Hilton Franchise LLC	December 2011 to March 2015
Embassy Suites	Embassy Suites Franchise LLC	October 2007 to March 2015
	Promus Hotels, Inc.	March 1984 to October 2007
Hampton Inn and Hampton Inn & Suites	Hampton Inns Franchise LLC	October 2007 to March 2015
	Promus Hotels, Inc.	March 1983 to October 2007
Hilton	Hilton Franchise LLC	October 2007 to March 2015
	Hilton Inns, Inc.	July 1962 to October 2007
Hilton Garden Inn	Hilton Garden Inns Franchise LLC	October 2007 to March 2015

Brand Offered	Predecessor Franchisor Entity	Dates Offered
	Hilton Inns, Inc.	March 1990 to October 2007
Home2 Suites	HLT ESP Franchise LLC	January 2009 to March 2015
Homewood Suites	Homewood Suites Franchise LLC	October 2007 to March 2015
	Promus Hotels, Inc.	March 1988 to October 2007
LivSmart Studios	None	N/A
LXR	None	N/A
Motto	None	N/A
Restaurant Brands	None	N/A
Signia by Hilton	None	N/A
Spark	None	N/A
Tapestry	None	N/A
Tempo	None	N/A
Tru	None	N/A
Waldorf Astoria	Waldorf Astoria Franchise LLC	October 2007 to March 2015
	Hilton Inns, Inc.	January 2007 to October 2007

### **Our Affiliates and Their Predecessors**

Our affiliates may offer franchises for any of the Hilton Worldwide Brands at any time. We currently have 4 affiliates that offer franchises outside of the US for the brands listed below.

1. Hilton Worldwide Franchising LP, a limited partnership formed on March 12, 2014, under the laws of England and Wales (“HWF”) offered franchises outside the US from July 1, 2014 to December 31, 2017, and currently continues to offer franchises in Canada, Russia, and a limited number of other territories. HWF is the predecessor of HWML, listed below. HWF’s principal business address is Maple Court, Central Park, Reeds Crescent, Watford, Hertfordshire WD24 4QQ UK and telephone number +44 207 856 8000. The brands currently offered by HWF are: Conrad, Curio, DoubleTree, Embassy Suites, Hampton, Hilton, Hilton Garden Inn, Home2 Suites, Homewood Suites by Hilton and Waldorf Astoria, Canopy (since first offered on October 15, 2014), Tru (first offered on June 30, 2016), Tapestry (first offered on December 1, 2016), LXR (first offered on July 1, 2018), Motto (first offered on June 28, 2019), Spark (first offered on April 1, 2023), Tempo (first offered on June 28, 2023), and LivSmart Studios (first offered on August 1, 2023).
2. Hilton Worldwide Manage Limited, a limited company formed on December 7, 2010, under the laws of England and Wales (“HWML”) has offered franchises outside the US since January 1, 2018, except in Brazil, Canada, China, Russia, Thailand, and a limited number of other territories. As noted above, HWF is HWML’s predecessor outside of the US, except in Canada, China, Russia, and a limited number of other territories. HWML’s principal business address is Maple Court, Central Park, Reeds Crescent, Watford, Hertfordshire WD24 4QQ UK and telephone number +44 207 856 8000. The brands currently offered by HWML are the same as those offered by HWF above.
3. Hilton Hotel Management (Shanghai) Co., Ltd., a limited company formed on September 5, 2008 under the laws of the People’s Republic of China (“WFOE”) has offered franchises in China since October 29, 2012. WFOE does not have any predecessors that have offered franchises in China. WFOE has its principal business address at Room 4205, Bund Centre, 222 Yan An Road East, Shanghai, 200002, 021 – 2321 6888. The brands currently offered by WFOE are: DoubleTree (first offered on October 29, 2012), Hilton (first offered on August 1, 2016), and Hilton Garden Inn (first offered in September 2018).
4. Hilton Brazil Operações e Participações Ltda, formed on December 26, 2016 under the laws of Brazil (“HBOP”) has offered franchises in Brazil since August 1, 2020. Both HWF and

HWML are HBOP's predecessors in Brazil. HWF offered franchises in Brazil from July 1, 2014 to December 31, 2017, and HWML offered franchises in Brazil from January 1, 2018 to July 31, 2020. HBOP's principal place of business is Av. Das Nacoes Unidas, No. 12.901. Torre Leste, Andar Intermediario, Sala 01, Brooklin Novo, Sao Paulo, 04578-000 Brazil. The brands currently offered by HBOP are Curio, LXR, Tapestry, Hampton, Home2, Homewood, and Motto.

As noted above, HWF is HWML's predecessor outside of the US, except in Canada, China, Russia, and a limited number of other territories. HWF's predecessors for the offer of franchises outside the US before July 1, 2014, include the following entities at various times for the specified brands:

<b>Brand Offered</b>	<b>Predecessor International Franchisor Entity</b>
Canopy	None
Conrad Conrad International	HLT International Conrad Franchise LLC Hilton International Franchisor Corporation HPP International Corporation (f/k/a Conrad International Corporation)
Curio	None
DoubleTree DoubleTree Suites	Hilton Group plc and designated subsidiaries Hilton International Franchisor Corporation Doubletree Hotel Systems, Inc. Doubletree International Franchise LLC
Embassy Suites	Promus Hotels, Inc. Hilton Group plc and designated subsidiaries Hilton International Franchisor Corporation Embassy Suites International Franchise LLC
Hampton	Hilton International Franchisor Corporation Hampton Inns International Franchise LLC
Hilton	Hilton Group plc and designated subsidiaries Hilton International Franchisor Corporation Hilton International Franchise LLC
Hilton Garden Inn	Hilton Group plc and designated subsidiaries Hilton International Franchisor Corporation Hilton Garden Inns International Franchise LLC
Home2 Suites	HLT ESP International Franchisor Corporation
Homewood Suites	Hilton Group plc and designated subsidiaries Homewood Suites International Franchise LLC
LivSmart Studios	None
LXR	None
Motto	None
Signia by Hilton	None
Spark	None
Tapestry	None
Tempo	None
Tru	None
Waldorf Astoria The Waldorf Astoria Collection	Hilton International Franchisor Corporation HLT International Waldorf=Astoria Franchise LLC

The following wholly owned subsidiaries of Hilton provide products or services to our franchisees:

1. Hilton Reservations Worldwide, L.L.C. d/b/a Hilton Reservations & Customer Care and successor-in-interest to Hilton Service Corporation ("Reservations Worldwide") will provide you with its national and international reservation services and systems ("Reservation Service"). Reservations Worldwide provides the Reservation Service to all System Hotels, U.S. Hilton hotels, Conrad International hotels, and Hilton International hotels (except where prohibited by law). The principal business address of Reservations Worldwide is 15305 North Dallas Parkway, Suite 600, Addison, Texas 75001.
2. Hilton Supply Management LLC ("HSM") seeks to negotiate with manufacturers and suppliers for the distribution of hotel furniture, furnishings, fixtures, equipment and supplies, certain food and beverage supplies, and certain hotel services. You may purchase these items from HSM or such third parties but you are not obligated to do so except as described in this Disclosure Document.
3. Hilton Honors Worldwide LLC ("Hilton Honors Worldwide") owns, operates and administers the Hilton Honors™ guest reward program. You must participate in the programs of Hilton Honors Worldwide.
4. Hilton Systems Solutions, LLC ("HSS") provides computer hardware, software and support services for all Hilton's brands and signs Hilton's Information Technology System Agreement ("HITS Agreement").

Some of our affiliates, also direct and indirect subsidiaries of Hilton Worldwide, own, lease and/or manage Homewood Suites Brand hotels throughout the world. You may be given the opportunity to have one of our affiliates manage your Hotel under a management agreement to be signed at the same time as, or after, you sign your Franchise Agreement.

In this Disclosure Document, we may collectively refer to our former affiliated predecessor franchisor entities as the "former franchising entities." The principal business address for each of our affiliates is 7930 Jones Branch Drive, Suite 1100, McLean, Virginia 22102 unless otherwise noted.

### **Our Licenses**

This Disclosure Document describes our franchise for hotels which will operate in the US under the Homewood Brand. Our affiliates offer franchises for hotels that will operate under the Homewood Brand outside the US, under separate disclosure documents.

We license the Homewood Suites by Hilton system ("System"), which consists of the elements, including know-how, that we periodically designate to identify hotels operating worldwide under the Brand, and is designed to provide distinctive, high-quality hotel service to the public at moderate prices under the "Homewood Suites by Hilton" Brand. Homewood Brand hotels feature amenities targeted to the extended-stay traveler (a guest who stays five or more consecutive nights in the same hotel), including studio rooms and two-room suites; each with a separate kitchen and living room (rooms and suites are collectively referred to in this Disclosure Document as "Suites"); pool, exercise center and other recreational facilities; limited meeting facilities; on-premises convenience store; and business center. All of our amenities are offered in a residential-like setting. Homewood Brand hotels do not offer full restaurant service, but do provide a complimentary breakfast and "Evening Manager's Reception" or cocktail hour (where permitted by law) to all guests.

The System currently includes the Brand and the Marks; access to the Reservation Service; advertising, publicity and other marketing programs and materials; training programs and materials, standards, specifications and policies for construction, furnishing, operation, appearance and service of the hotel, and other elements we refer to in the Franchise Agreement, in the Manual or in other communications to you, and programs for our inspecting your Hotel and consulting with you. We may add elements to the System or modify, alter or delete elements of the System.

We franchise the non-exclusive right to use the System in the operation of your Hotel, under the Brand, at a specified location. You must follow the high standards we have established as the essence of the System. You will be required to make future investments.

The Franchise Agreement you sign will provide for new development, conversion, change of ownership, or re-licensing, depending on your situation. These situations are referred to in this Disclosure Document as "New Development," "Conversion," "Change of Ownership," and "Re-licensing," respectively. New Development refers to new building construction. Conversion refers to the renovation of an existing building to bring it into compliance with our Brand Standards so that it may operate as a Brand hotel. Change of Ownership refers to the transfer of ownership or control of an existing Brand hotel to a new owner. Re-licensing refers to the grant of a new franchise after the expiration of a prior franchise for the same hotel. Adaptive Reuse is also a category shown on the Franchise Application. It is a form of Conversion.

Except for the licenses described above, we, our parents, affiliates and predecessors have not offered licenses or franchises for this or any other type of business.

### **The Market and Competition**

Homewood Suites hotels compete in the upper midscale hotel market segment and cater to business travelers, families, vacationers and groups depending on the market and location. The market for your Hotel's services will depend on its geographic location, specific site location, size, general economic conditions, seasonal factors and the capabilities of your Hotel staff and management team. Our franchisees seek customers and business referrals from the local community as well as from regional and national business and travel planner referrals. While Homewood Brand hotels are designed to appeal to guests seeking extended-stay accommodations, their services may also appeal to transient guests.

In general, you will compete with the following: (1) other hotel and motel chains, independently-operated local hotels, or other types of facilities which offer extended-stay rental units; (2) other hotel and motel chains, independently operated local hotels, or other types of facilities which offer transient guest lodging (including other hotels that we manage or franchise); and (3) corporate or short-term rental apartments. Specifically, you will compete with other national and regional hotel chains and local facilities offering first class, upscale extended-stay accommodations. Since it contains limited meeting facilities, a Homewood Brand hotel does not, in most cases, compete with other hotels for convention trade. Given its limited food and beverage service, a Homewood Brand hotel does not generally compete directly with local establishments for the food and beverage business of the general public.

In addition to competing with lodging facilities that offer services comparable to the System, you may also compete with lodging designed to serve particular segments of the market and to fill particular lodging demands.

We 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 your Hotel and the System. We and/or our affiliates may own, operate, franchise, license, acquire, create or establish, or serve as franchisee or licensee for, competitive guest lodging facilities or networks anywhere, including within any Restricted Area, under any brands or Marks (but not under the Brand or Mark “Homewood Suites by Hilton” within any Restricted Area). We and/or our affiliates may also furnish services, products, advice and support to guest lodging facilities, networks, properties or concepts located anywhere, including within any Restricted Area, in any manner that we, or our affiliates determine. We and/or any of our affiliates may be sold to or otherwise acquired by an existing competitor or newly formed entity which itself has established or may establish competitive guest lodging facilities located anywhere (provided that any Restricted Area protections will be observed). Further, we and/or our affiliates may purchase, merge, acquire, or affiliate in any other way with any franchised or non-franchised network or chain of guest lodging facilities or any other business operating guest lodging facilities regardless of the location of that network, chain or other business’s facilities, including within any Restricted Area, and that we may operate, franchise or license those other facilities under any brands or Marks anywhere regardless of the location of those businesses and/or facilities. There is no mechanism for resolving any conflicts that may arise between your Hotel and other hotels described in this paragraph.

### **Laws, Rules and Regulations**

Your hotel business must conform to innkeeper liability laws, laws and regulations regarding health and safety, food handling and preparation, 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 general business laws, rules and regulations which apply to hotels in your jurisdiction will affect you. This includes any government orders related to emergent conditions, such as natural disasters and public health emergencies. You should your lawyer about each of the laws and regulations that apply in your area.

## **ITEM 2 BUSINESS EXPERIENCE**

Below is a list of the directors, principal officers, and other individuals who have management responsibility for the sale or operation of the franchise offered under this Disclosure Document. The location of employment for each person is McLean, Virginia unless stated otherwise.

### **Chief Executive Officer and President: Christopher J. Nassetta**

Mr. Nassetta has served as Chief Executive Officer and President of Hilton Worldwide since September 2013. He has served as Chief Executive Officer and President of Hilton since December 2007 and was also a Director of Hilton from December 2007 to October 2013. He served as our Chief Executive Officer and President from October 2013 to January 2015. He served as Chief Executive Officer and President of the former franchising entities from October 2013 until April 2015.

### **Chief Financial Officer and Executive Vice President: Kevin J. Jacobs**

Mr. Jacobs is Chief Financial Officer and has served as President, Global Development for Hilton since July 2020. Mr. Jacobs has served as Chief Financial Officer and Executive Vice President of Hilton Worldwide since September 2013 and has also held those positions with us since September 2013. He has served as Chief Financial Officer and Executive Vice President of Hilton since October 2013. Mr. Jacobs served as Chief Financial Officer and Executive Vice President of the former franchising entities from October 2013 to April 2015. Mr. Jacobs also served as a Director of Hilton from December 2007 to July 2015.

**Executive Vice President, General Counsel: Anne-Marie D'Angelo**

Anne-Marie D'Angelo has served as Executive Vice President and General Counsel since September 15, 2023. She previously served as Chief Legal and Government Affairs Officer of Molson Coors Beverage Company in Golden, Colorado, from December 2021 to April 2023; as Executive Vice President, General Counsel and Corporate Secretary for NiSource Inc. in Merrillville, Indiana, from January 2021 to December 2021; and as Senior Vice President, General Counsel and Corporate Secretary from September 2019 through January 2021. Before joining NiSource, she served as General Counsel and Corporate Secretary of Global Brass and Copper Holdings, Inc. in Schaumburg, Illinois, from November 2017 to August 2019. Before that time Anne-Marie served as Assistant U.S. General Counsel of McDonald's Corporation, in Oak Brook, Illinois, from February 2015 to May 2017, following other leadership roles she held between October 2004 and February 2015.

**President, Global Brands and Commercial Services: Christopher Silcock**

Mr. Silcock has served as President, Global Brands and Commercial Services since January 2024. He served as Executive Vice President – Chief Operating Officer, Customer and Commercial Operations from May 2019 to January 2024. He served as Executive Vice President – Chief Commercial Officer of Hilton Worldwide and Hilton from September 2015 through April 2019 and as HWML's Senior Vice President since July 2014. He served as Senior Vice President Sales & Revenue Management of Hilton Worldwide and Hilton from September 2014 to August 2015.

**Senior Vice President and Global Category Leader – Focused Service and All Suites Brands: Bill Duncan**

Mr. Duncan has served as Hilton's Global Category Leader of Focused Service and All Suites brands since August 2017. From September 2015 through July 2017, Mr. Duncan served as Hilton's Senior Vice President - Global Head - All Suites Brands, a position he also held with us and HWML since September 2015.

**Senior Vice President Brand Management Americas: Dianna Vaughan**

Ms. Vaughan has served as Senior Vice President Brand Management, Americas since June 2020. Prior, Ms. Vaughan has served as Hilton's Senior Vice President and Global Head – All Suites Brands since November 2017. She served as Senior Vice President and Global Head – DoubleTree by Hilton & Curio Collection by Hilton from January 2016 to November 2017. Ms. Vaughan served as Hilton's Global Head – Curio from May 2014 to December 2015.

**Vice President and Global Brand Leader – Homewood Suites: Rick Colling**

Mr. Colling has served as Hilton's Vice President and Global Brand Leader of Homewood Suites by Hilton since September 2018. He previously served as Vice President Brand Performance Support All Suites Category Embassy Suites, Homewood Suites and Home2 Suites from September 2013 to September 2018.

**Vice President and Global Head of Residential Programs: Jonathan Wingo**

Mr. Wingo has served as Vice President and Global Head of Residential Programs since September 2016. He previously served as Director, Residential Development & Operations for Europe, Africa & the Middle East at Starwood Hotels & Resorts Worldwide, Inc. from October 2012 to September 2016.

**Senior Vice President – Development - Americas: William Fortier**

Mr. Fortier has served as Hilton's Senior Vice President – Development – Americas since October 2007. Mr. Fortier also served as Senior Vice President of the former franchising entities from October 2007 to April 2015.



**Senior Vice President – Development – US and Canada: Matthew G. Wehling**

Mr. Wehling has served as Hilton’s Senior Vice President – Development – US and Canada since January 2015.

**Senior Vice President – Development and A&C Latin American & Caribbean: Juan Corvinos Solans**

Mr. Juan Corvinos Solans has served as Senior Vice President Development and A&C Latin America & Caribbean (CALA) since September 2021. He previously served as Vice President of Development CALA from September 2017 to September 2021. Before that time, he was Managing Director of Development CALA from September 2014 to September 2017.

**Vice President and Managing Director – Development – Southeast Region: John Koshivos**

Mr. Koshivos has served as Hilton’s Vice President and Managing Director – Development – Southeast Region since April 2014.

**Vice President and Managing Director – Development – Southwest Region: Patrick Speer**

Mr. Speer has served as Hilton’s Vice President & Managing Director Development – Southwest Region since March 2020. He previously served as Vice President Development – Southwest Region since September 2017. Mr. Speer served as Sr. Director Development – Southwest Region since January 2015.

**Vice President and Managing Director – Development – Northeast Region/Canada: Thomas Lorenzo**

Mr. Lorenzo has served as Hilton’s Vice President and Managing Director – Development – Northeast Region/Canada since October 2010.

**Vice President and Managing Director – Development – Northwest Region: Lisa Waldron**

Ms. Waldron has served as Vice President and Managing Director Development – Northwest Region since May 2021. Before that time, Ms. Waldron served as Senior Director Development from January 2004 to April 2021.

**Vice President – Management Contract Services and Owner Relations: Dianne Jaskulske**

Ms. Jaskulske has served as Hilton’s Vice President–Management Contract Services and Owner Relations since February 2000.

**Vice President & Sr. Counsel Development: John Shults**

John has served as Vice President & Sr. Counsel Development since February 2020. John supported the Americas Development and Owner Relations teams at Hilton since February 2016. He previously supported Hilton’s Real Estate & Asset Management team in the Americas from November 2009 until February 2016.

**Director, Chairman: Jonathan D. Gray**

Jonathan D. Gray has served as Chairman of the Board of Directors of Hilton Worldwide since March 2010. He is currently President and Chief Operating Officer for The Blackstone Group in New York, New York, with which he has been associated since 1992.

**Director: Douglas M. Steenland**

Mr. Steenland has served as a Director of Hilton Worldwide since September 2013. He has been a Consultant in Washington, DC and Senior Advisor to Blackstone’s Private Equity Group since 2009.

**Director: Judith A. McHale**

Ms. McHale has served as a Director of Hilton Worldwide since October 2013. She currently serves on the board of directors of Ralph Lauren Corporation and ViacomCBS, Inc. and previously served on the board of directors of Sea World Entertainment, Inc. She has served as President and Chief Executive Officer of Cane Investments LLC in New York, New York since August 2011.

**Director: Elizabeth A. Smith**

Ms. Smith has served as a director of Hilton Worldwide since December 2013. She has been a member of the board of directors of Bloomin' Brands, Inc. since November 2009 and previously served as its Executive Chairman from April 2019 to February 2020, its Chairman from January 2012 to April 2019, and its Chief Executive Officer from November 2009 to April 2019.

**Director: Charlene Begley**

Ms. Begley has served as a Director of Hilton Worldwide since April 2017. She has served as a Director of Nasdaq, Inc. and Red Hat since November 2014, and as a Director of WPP plc since December 2013.

**Director: Melanie L. Healey**

Ms. Healey has served as a Director of Hilton Worldwide since September 2017. She served as Group President of The Procter & Gamble Company from July 2007 to June 2015. She currently serves as a director on the boards of PPG Industries, Verizon Communications and Target Corporation.

**Director: Raymond E. Mabus, Jr.**

Mr. Mabus has served as a Director of Hilton Worldwide since September 2017. He served as Secretary of the Navy from May 2009 to January 2017.

**Director: Chris Carr**

Mr. Carr has been a director since August 2020. He has been the Chief Operating Officer of Sweetgreen, Inc. since May 2020. Previously, Mr. Carr was Executive Vice President and Chief Procurement Officer of Starbucks Corporation from December 2016 to May 2019, and Executive Vice President, Americas, from February 2014 to November 2016.

**ITEM 3  
LITIGATION**

Other than the actions described below, there is no litigation that must be disclosed in this Item.

**A. PENDING ACTIONS**

*Ryan Segal v. Amadeus IT Group, S.A., et. al.* (N.D. Ill.), Civil No. 1:24-civil-01783 (Class Action).

On March 1, 2024, plaintiff filed a class action lawsuit against Amadeus IT Group, S.A., Amadeus Hospitality Americas, Inc., and several hotel companies including Hilton Worldwide. Plaintiff alleges that the defendants violated the Sherman Act by sharing proprietary forward-looking demand data through a software platform operated by the Amadeus defendants, which resulted in higher room rates at luxury hotels in certain markets. Hilton Worldwide intends to vigorously defend its interests in this matter.

*Jeanette Portillo, et. al. v. CoStar Group, Inc., et. al.* (W.D. Wash.), Civil No. 2:24-cv-00229 (Class Action).

On February 20, 2024, plaintiffs filed a class action lawsuit against the CoStar Group, Inc. and its subsidiary STR, Inc., together with several hotel companies including Hilton Worldwide. Plaintiffs

allege that the defendants violated the Sherman Act by exchanging competitive data through Smith Travel Research (STR), owned by the CoStar and STR defendants, which resulted in higher room rates at luxury hotels in certain markets. Hilton Worldwide intends to vigorously defend its interests in this matter.

*State of Texas v. Hilton Domestic Operating Company Inc.* (District Court of Collin County, Texas, CAUSE NO. 296-02595-2023).

On May 23, 2023, the plaintiff filed suit against Hilton alleging the violations of the Texas Deceptive Trade Practices Act in relation to how mandatory guest fees are disclosed to consumers. Mandatory guest fees are amounts that hotels charge guests for certain amenities separate and apart from the daily room rate, which may be called by different names such as resort fees, urban fees, or destination fees. Plaintiff has alleged that Hilton has failed to include mandatory guest fees in advertisements and disclosures made to consumers during the telephone booking process, and improperly disclosed these fees only at the end of the online booking process. Plaintiff has also alleged misrepresentation in instances when hotels have indicated that mandatory guest fees pay for certain amenities when those amenities are routinely provided at no cost or bundled in the room rate, and/or when amenities are advertised as free but are actually covered by the mandatory guest fee. Plaintiff seeks an injunction, restitution for Texas consumers, civil penalties, and attorneys' fees and costs. We intend to vigorously defend our interests in this matter.

*Destin Platinum LLC v. Hampton Inns Franchise LLC* (Circuit Court of Walton County, Florida, Filing No. 165392199).

On January 24, 2023, the plaintiff filed suit against our predecessor alleging breach of contract arising in connection with our termination of plaintiff's franchise for the Hampton Inn & Suites Destin/Sandestin Area hotel. We terminated the franchise for uncurable material breaches of the Franchise Agreement including maintaining false books and records of accounts and making false reports to us. Plaintiff asserts that we failed to give it an opportunity to cure these uncurable breaches. Plaintiff has not served this suit on us or our predecessor. If plaintiff serves this suit, we intend to vigorously defend our interests in this matter.

**B. CONCLUDED ACTIONS – INVOLVING OUR PREDECESSOR.**

None.

**C. CONCLUDED ACTIONS – INVOLVING US OR HILTON (F/K/A HHC, HWI, AND PARK)**

*State of Nebraska v. Hilton Domestic Operating Company Inc.* (District Court of Lancaster County, Nebraska, Case No. D02C1190002366).

On July 23, 2019, the plaintiff filed suit against Hilton alleging the violations of the Nebraska Consumer Protection Act and Uniform Deceptive Trade Practices Act in relation to how mandatory guest fees are disclosed to consumers. Mandatory guest fees are amounts that hotels charge guests for certain amenities separate and apart from the daily room rate, which may be called by different names such as resort fees, urban fees, or destination fees. Plaintiff alleged that Hilton failed to include mandatory guest fees in advertisements and disclosures made to consumers during the telephone booking process, and improperly disclosed these fees only at the end of the online booking process. Plaintiff also alleged misrepresentation in instances when hotels indicated that mandatory guest fees pay for certain amenities when those amenities were routinely provided at no cost or bundled in the room rate, and/or when amenities were advertised as free but actually covered by the mandatory guest fee. Plaintiff sought an injunction, restitution

for consumers, civil penalties, and attorneys' fees and costs. In February 2024, without admitting any fault, Hilton entered into a settlement agreement with Plaintiff and agreed to pay \$300,000 and clearly disclose all mandatory fees and the total price for a booking.

*Hilton Franchise Holding LLC v. Portland Hotel Ownership, et al.* (Fairfax County Circuit Court, Case Number, Case Number 2020-14233).

On September 17, 2020, we filed suit against Portland Hotel Ownership, LLC, a former franchisee of a Curio brand hotel, for breach of contract arising from the early termination of the franchise agreement. We also filed a breach of promissory note action against the franchisee and Jolaine Associates, LLC, as co-makers of a development incentive note issued in connection with the franchise agreement. The defendants counterclaimed on November 10, 2020, for breach of contract, fraudulent inducement, and other ancillary claims. The defendants contended that we made false representations as to exclusivity of the brand market and brand market support and sought \$30,000,000 in damages. After the court dismissed several of the defendant's counterclaims, in June 2021 the defendant filed an amended counterclaim alleging breach of contract, breach of the duty of good faith and fair dealing, fraudulent inducement, fraud, and unlawful practices under New York Franchise Law. On July 28, 2022, the parties settled this case by agreeing to dismiss all claims and exchange general releases.

*San Pedro Inn, LP v. Hilton Franchise Holding LLC* (Superior Court of New Jersey Chancery Division General Equity Part, Union County Docket No. UNN-C- 121 19).

On July 18, 2019, we sent a notice to terminate plaintiff's franchise for a Hampton hotel for failure to cure a material breach of the franchise agreement. On August 28, 2019, plaintiff filed a complaint alleging wrongful termination under the New Jersey Franchise Practices Act. Plaintiff claimed that we imposed unreasonable Quality Assurance standards and that an inspection was hindered by plaintiff's former employee. Plaintiff sought an injunction to stop the termination plus damages, attorneys' fees, costs, and other relief. The Court denied the injunction on December 18, 2019, and plaintiff filed a motion for reconsideration. We filed an answer and counterclaim on January 21, 2020, denying the allegations and asserting claims for liquidated damages, attorneys' fees, and costs. The parties settled the case on September 25, 2020. The parties agreed to dismiss all claims, exchange general releases, and terminate the franchise on April 28, 2021 without the payment of any termination damages or litigation costs by either party.

*Kathleen Soule v. Hilton Worldwide, Inc. and Doe Defendants 1-50* (Circuit Court, First Circuit, State of Hawaii, Civil No. 13-1-2790-10-KKS (Class Action)

On October 17, 2013, Kathleen Soule, individually and on behalf of all persons similarly situated ("Plaintiff"), filed a civil class action complaint against HWI, alleging that failure to disclose at the time a reservation was made that a resort fee was mandatory was a violation of Hawaii's Uniform Deceptive Trade Practices Act. Plaintiff sought restitution, disgorgement of gains, actual, punitive and exemplary damages, statutory treble damages, pre-judgment interest, costs and disbursements, including attorneys' fees and other relief in an unspecified amount. Without admitting any fault or wrongdoing, HWI entered into an agreed settlement with Plaintiff that was submitted to the court for approval in February 2015 and ultimately settled in August 2015. Under the settlement, HWI agreed to pay \$178,000 and issue \$20 vouchers or gift cards to each affected customer for each night of their covered hotel stays.

*U.S. v. Hilton Worldwide, Inc.* (United States District Court, District of Columbia, Case No. 1:10-cv-01924-RWR).

Hilton Worldwide, Inc. (“HWI”) and the United States Department of Justice (“United States”) agreed to a form of Consent Decree (“Consent Decree”) addressing alleged violations of Title III of the ADA. The United States alleged that: 1) HWI failed to design and construct its owned facilities constructed for first occupancy after January 26, 1993 (“Post-1993 Hotels”) in compliance with the ADA; 2) certain Managed and Franchised Post-1993 Hotels operated under HWI’s brands do not comply with the ADA; 3) HWI failed to provide individuals with disabilities the same opportunity to reserve accessible guestrooms using its on-line and telephonic reservations systems that is available for reserving other brand hotel rooms; and 4) such actions or practices constitute a pattern or practice of violating Title III of the ADA. HWI denied that it has violated the ADA at its owned hotels or that it is in any way responsible for any purported non-compliance with the ADA in connection with hotels that it does not own or manage. HWI neither owns nor operates, within the meaning of Title III of the ADA, 42 U.S.C. § 12182(a), the vast majority of brand hotels. HWI specifically denied that it operates, within the meaning of Title III of the ADA, 42 U.S.C. § 12182(a), any Franchised Hotels for purposes of liability under 42 U.S.C. § 12182. HWI further stated that its Reservations System provides individuals with disabilities ample opportunity to identify and reserve accessible rooms that are available at hotels within the Reservations System. HWI also denied that it failed to design and construct its hotels in accordance with the requirements of Title III of the ADA. The United States and HWI agreed to resolve these issues through the entry of a Consent Decree, entered by the Court on November 30, 2010, with an Effective Date of March 30, 2011. The Consent Decree applied to HWI and its subsidiaries, including us. During the 4-year term of the Consent Decree, HWI agreed not to engage in any practice that discriminates against any individual on the basis of disability in violation of Title III of the ADA in the provision of lodging and related services and to: 1) undertake certain specific remedial measures with regard to its owned, joint venture, and managed hotels; 2) engage in certain specific actions with regard to prototype designs and the Reservation Service (including the website) to assure their compliance with Title III of the ADA; 3) revise its Brand Standards Manuals to include certain ADA requirements; and 4) provide additional ADA training to its employees and make such training available to its managed and franchised properties. In addition, before: 1) entering into a new franchise or management agreement to convert an existing Post-1993 Hotel to a Franchised Hotel or Managed Hotel; 2) renewing or extending for more than 6 months an existing franchise or management agreement (other than unilateral renewals or extensions by the other party to the agreement) for a Franchised Hotel or Managed Post-1993 Hotel; or 3) consenting to a change of ownership at a Franchised Hotel or Managed Post-1993 Hotel, HWI required the hotel owner to conduct a survey to determine whether the Managed or Franchised Hotel complies with the certain specific requirements of the ADA related to guest rooms and public parking. If the Hotel does not comply with those requirements, the hotel owner was required to develop a plan to make the Hotel compliant within a set period of time. HWI required certain architects’ certifications related to newly constructed hotels. HWI agreed to pay the United States \$50,000 as part of the resolution of this matter. The term of the Consent Decree was 4 years from the Effective Date, and expired on March 30, 2015.

*U.S. v. Hilton Hotels Corporation, et al.*, United States District Court, District of Oregon, Case No. 70-310.

On or about May 12, 1970, the United States filed a civil complaint against HHC (among other defendants), alleging the violation of Section 1 of the Sherman Act consisting of engaging in a combination and conspiracy in restraint of trade by giving preferential treatment to hotel suppliers paying assessments to the Greater Portland Convention Association and by curtailing or threatening to curtail purchases of hotel supplies from hotel suppliers which did not pay assessments to the Greater Portland Convention Association. On or about November 29, 1971,

pursuant to a stipulation filed October 26, 1971, the court entered a final judgment against HHC enjoining and restraining it from engaging in any agreement, understanding, combination, conspiracy or concert of action to give or promise to give preferential treatment in purchasing hotel supplies to any hotel suppliers, or to curtail or terminate or threaten to curtail or terminate the purchase of hotel supplies from any hotel suppliers. The order and injunction further restrained and enjoined HHC from engaging in activities which were the subject matter of the Complaint in the action. This restraining order and injunction applied to HHC, its subsidiaries and the officers and directors of HHC and its subsidiaries.

**D. COLLECTION SUITS BROUGHT AGAINST FRANCHISEES AND FORMER FRANCHISEES IN 2023**

None.

**ITEM 4  
BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5  
INITIAL FEES**

The following is a list of all initial fees charged by or payable to us or our affiliates. Unless otherwise stated, these are not refundable under any circumstances.

<b>TYPE OF FEE</b>	<b>AMOUNT</b>	<b>DUE DATE</b>	<b>REMARKS</b>
<b>General</b>			
Franchise Application Fee – New Development or Conversion	\$100,000 plus \$400 for each additional guest room or suite over 150.	With Application.	See Note 1.
Franchise Application Fee – Change of Ownership	\$200,000	With Application.	See Note 1.
Franchise Application Fee – Re-licensing	\$100,000	With Application.	See Note 1.
Property Improvement Plan (“PIP”) Fee	\$10,000	Before PIP inspection is scheduled.	Payable to prepare a PIP for a Conversion, Change of Ownership, or Re-licensing of an existing hotel. In some circumstances, we may waive the PIP fee or apply the PIP fee towards the payment of the Franchise Application Fee, but we are not obligated to do so.
Construction or Renovation Work Extension Fee	\$10,000	With written request for extension.	You must start and complete the construction work or renovation work at your Hotel by the dates specified in your Franchise Agreement. See Note 2.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
<b>Computer System Fees</b>			
OnQ Computer System Fees – Hardware, Software & Installation	Currently, between \$28,555 and \$117,055.	As agreed.	See Note 3.
OnQ Computer System Refresh	Currently, between \$28,555 and \$117,055.	As incurred.	See Note 3.
Other Initial Start Up Fees	Currently, 4,400.	As incurred, on or before opening	This includes the initial set up fees for the GRO system and a Digital Floor Plan, which are separate from the OnQ system installation fees listed above. See Note 3.
<b>Training</b>			
Training Program Fees	Currently, \$5,000 to \$17,500.	As agreed.	We provide required training programs and materials that your general manager and other personnel in key functions must complete before opening a new Brand hotel. We may charge you for the training services and materials, including any Pre-Opening Training Resources. You must also bear the cost of wages, travel, lodging, food, and other expenses of your general manager and any other attendees. See Item 11 for details.
<b>Miscellaneous Services and Programs</b>			
Opening Process Services Fee	\$6,000	Before opening.	This fee is to help recoup our costs in providing certain pre-opening services to help you open your Hotel, such as guidance with commercial planning, activation of appropriate programs, and tools and resources available to Brand hotels.
Procurement and Services Fees	Currently, 4% to 10% of project cost.	As agreed.	Payable if we or our affiliates furnish, supply, service or equip your Hotel at your request. These fees are in addition to the cost of the products acquired for you, plus freight, sales tax and other actual costs incurred. See Note 4.
Miscellaneous Services	As agreed.	As agreed.	We or our affiliates may periodically offer you additional services. These could include additional training for you and your employees, assistance in recruiting various types of employees, and other services and programs. Most of these services and programs will be optional, but some, including systems upgrades and changes in System standards, which may require additional mandatory

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			training or participation in additional programs, may be mandatory.

### NOTES

1. All prospective franchisees must complete an Application to operate a System Hotel. The current form Application is attached as Exhibit F. When you submit the Application to us for processing, you must pay an initial fee (“Franchise Application Fee”). Once we approve your Application, the Franchise Application Fee is non-refundable except as described in this Item 5. You must provide all the information we ask for in your Application. If we approve your Application before you supply all of the information, our approval will be conditioned on receiving the rest of the information within the time we specify. If you fail to provide the rest of the information within the specified time, we may terminate our offer. If we approve your Application subject to certain requirements, we may terminate our offer if you fail to meet those requirements. If we terminate our offer, we will not refund the Franchise Application Fee. If you withdraw your Application before we approve it, or if we deny your Application, we will refund the Franchise Application Fee, without interest, less a \$7,500 processing fee, which may be waived or reduced at our discretion. If your Application is for a Change of Ownership and the Change of Ownership does not occur, we will refund your Franchise Application Fee, without interest and less a \$7,500 processing fee. We have occasionally agreed to give full or partial refunds or to credit the non-refundable Franchise Application Fee toward the Franchise Application Fee of another application for the Brand if submitted and approved within 6 months or less, but we are not obligated to do so. If you increase the proposed number of rooms/suites after your Franchise Application is approved and before the opening of your Hotel under the Brand, you must obtain our approval and pay any additional Franchise Application Fee owed as if those additional rooms/suites were part of your original Franchise Application.

While the Franchise Application Fee is usually applied uniformly, we may elect to reduce it after considering criteria which may include: incentives for the development of hotels within the System, a hotel's market position, the property size and the number of hotels in the System operated by a franchisee. In limited and unique circumstances, we may waive part of the Franchise Application Fee or negotiate the Franchise Application Fee for franchisees with whom we have previously dealt but we are not obligated to do so, even for franchisees possessing these characteristics. In 2023, franchisees paid Franchise Application Fees ranging from \$0 to \$100,000 for New Construction or Conversion, and \$0 to \$100,000 for Re-licensing.

In addition to the Franchise Application Fee, if you are applying for a franchise for a hotel that was previously operated as a System Hotel, we may require, as a condition of approving your application, that you pay outstanding royalties and other fees due under the prior franchise agreement relating to the System Hotel.

2. For a New Development, you must start construction within 15 months after the date we approve your Application. For a Conversion, Re-Licensing, Change of Ownership, or room addition project, you must start the renovation work by the date we have agreed to in the Franchise Agreement or PIP, which is set on a project-by-project basis. For all projects (including New Development, Conversion, Re-Licensing, Change of Ownership, or room addition project), you must complete the construction or renovation work by the date we have agreed to in the Franchise Agreement or PIP, which is set on a project-by-project basis. If you wish to request an extension of any start date or completion date for your project, you must submit a written request before that date occurs. If we approve your request, you must pay the extension fee and we will set new project start and completion dates accordingly.



However, in New Development or Conversion projects the start date and completion date will be extended by 30 days on a rolling basis automatically without a fee unless we provide at least 60 days' notice to you that these automatic extensions will end. At that point, if you wish to request any further extension, you must submit a written request before the relevant date occurs. If we approve your request, you must pay the extension fee and we will set new project start and completion dates accordingly. These automatic extensions will not apply to any Relicensing, Change of Ownership, or room addition projects.

3. You must use our required business computer systems, which we may periodically change. Currently, we require you to acquire and install the hardware and software for our required OnQ system, Guest Internet Access system, GRO System, Delphi system, Connected Room system, Digital Floor Plan, and Digital Key system. You must pay our affiliate, HSS, certain initial set up fees for some of these systems but not all of them, as described below.

OnQ System. Currently, we require you to use the "OnQ<sup>®</sup>" system, which connects System Hotels to Hilton's reservation offices and travel planners worldwide. OnQ is comprised of proprietary components for reservations, property management, revenue management, rate & inventory management, forecast management, learning management, and other components for the operation of the Hotel. The complete OnQ package currently includes hardware, software, installation, and support.

You may acquire the hardware from our affiliate, HSS, or its preferred providers, or you may purchase or lease it from other (non-preferred) third-party vendors. You must acquire the OnQ software components from HSS or our designated vendors because certain elements are proprietary. The property management system component within the OnQ system is called the Hilton Property Management System ("HPMS"). HPMS may also be referred to as the Property Engagement Platform ("PEP<sup>®</sup>"). We developed HPMS in collaboration with HotelKey, Inc., a third-party technology company. Certain elements of HPMS are proprietary to Hilton. If you purchase the standard OnQ package from HSS, we estimate that it will cost within the range shown here for our prototype size of hotel shown in Item 7. This includes hardware, software, installation and certain other costs and fees, and is based on the size of the Hotel and number of workstations. We are not able to determine a separate market price for the OnQ system because there is no third-party market for OnQ in its entirety. See Item 11 for details.

You must update and upgrade ("refresh") the OnQ system at least every 3 years, or such longer period as we may specify. We may also require you to refresh the OnQ system in connection with a Change of Ownership or Relicensing, when a new franchise agreement is signed. We anticipate that cost of this to be the same or less than the cost of the original installations (but not including any elements that were needed for the original installation only).

Guest Internet Access System. You must provide internet access for all guest rooms and public spaces at your Hotel in accordance with our Standards ("Guest Internet Access"). Currently, our approved Guest Internet Access program is called "StayConnected." The initial set-up costs of this system are paid to vendors. See Item 11 for details.

GRO System. You must install our required Global Revenue Optimization ("GRO") system. The GRO system is an online application that utilizes third-party software to provide pricing recommendations for your Hotel based on data analytics and forecasting. You are not required to adopt the pricing recommendations provided by GRO. The initial set-up costs of this system that are paid to HSS are shown in this table. See Item 11 for details.

Delphi System. You must install our required "Delphi" system, which is a cloud-based sales and events system from Amadeus Hospitality. See Item 11 for details.

Connected Room System. You must install our “Connected Room” system, which enables streaming media and permits guests to use their smart phones and other personal mobile devices to control their guest room television and other conveniences such as lighting and temperature using the Hilton Honors App. Currently, there are no initial set up costs that are payable to us or our affiliates. The initial set up costs are paid to the vendor, and the ongoing monthly support fees are paid to us. See Items 6 and 11 for details.

Digital Floor Plan. You must pay for the preparation of a Digital Floor Plan for your Hotel. HSS will have the Digital Floor Plan prepared by a local vendor. The floor plan will be used by us and our affiliates, including Hilton Honors Worldwide, to allow Hilton Honors guests to choose their room from a map of the Hotel and enable digital check-in. The initial set-up cost is paid to HSS. See Item 11 for details.

Digital Key System. You must use our Digital Key system, which enables hotel guests to open their guest room doors wirelessly (without a physical door key) with their mobile phones and personal mobile devices through the Hilton Honors App. Currently, there is no separate charge for the Digital Key system because it is part of OnQ.

The costs shown above do not include certain costs payable to third parties in connection with the OnQ system. They also do not include costs payable to third parties in connection with our required Guest Internet Access system, Delphi Sales and Events System, or the costs of optional computer system components that we may recommend (including, for example, other business computer systems outside of OnQ such as financial and accounting systems, timekeeping and payroll, point of sale, telephone, and certain inventory systems). Occasionally we may offer discounts and other benefits to support the adoption of new technology components, programs, or services. All computer system costs are subject to change, and normally are not refundable. See Item 11 for a more detailed description of each of these required and recommended computer systems.

4. If we or our affiliates furnish, supply, service or equip your Hotel at your request before it opens, then you must pay or reimburse us or them for all costs incurred at your request, and related service fees. In particular, HSM seeks to negotiate with manufacturers and suppliers for the distribution of hotel furniture, furnishings, fixtures, equipment and supplies, certain food and beverage equipment supplies, and certain hotel services at a discount. We recommend you purchase these items from HSM or such third parties. You may but are not obligated to purchase specified items from HSM or such third parties, except as described in this Disclosure Document. If you choose to buy from HSM, it will invoice you for the cost of the products plus freight, sales tax and other actual costs, plus a procurement fee that ranges 4% to 10% of the project cost. HSM may offer you a payment plan. These payment plans are agreed with each franchisee individually based on the type of project, and specifically customized to the project’s scope of work and overall timeline. Payment dates are also based on the project’s timeline. The interest rate for late payments is 18.5% per year, compounded daily. Change orders must be paid in full, either in advance or with the next installment due.

## ITEM 6 OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
<b>General</b>			
Monthly Royalty Fee – New Development or Conversion	3.5% of Gross Rooms Revenue during 1st year of operation; 4.5% of Gross Rooms Revenue	Payable monthly by the 15 <sup>th</sup> day of the following month.	See Note 1.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
	during 2nd year of operation; and 5.5% of Gross Rooms Revenue for the remainder of the Term.		
Monthly Royalty Fee – Change of Ownership and Re-licensing	5.5% of Gross Rooms Revenue.	Payable monthly by the 15 <sup>th</sup> day of the following month.	See Note 1.
Monthly Program Fee	3.5% of Gross Rooms Revenue.	Payable monthly by the 15 <sup>th</sup> day of the following month.	We may change the Monthly Program Fee. See Notes 1 and 2.
Room Addition Fee	Currently, \$400 per guest room or suite, multiplied by the number of additional guest rooms or suites.	Payable with Application for approval.	If you add or construct additional guest rooms at any time after you open the hotel under the Brand, you must pay us a Room Addition Fee and sign an amendment to the Franchise Agreement. The fee is non-refundable once we approve your Application.
<b>Computer System Fees</b>			
OnQ Connectivity Fees	Currently, between \$590 and \$1,260 per month.	Billed monthly.	Fee is determined by the number of workstations and other OnQ equipment at your Hotel.
Hardware and Software Maintenance Support Fees	Currently, between \$900 to \$2,050 per month.	Billed monthly by the 15 <sup>th</sup> day of the following month.	This covers the OnQ hardware and software maintenance that is provided by us. This does not cover the maintenance of certain other hardware and software that is provided by vendors. See Item 11 for details.
OnQ Email Fees	Currently, \$7.92 per user per month and \$12.50 per month for delivery to mobile devices.	Billed quarterly.	You must have at least 3 accounts.
Connected Room Maintenance Fees	Currently, \$570 to \$670 per guest room per month.	Billed monthly by the 15 <sup>th</sup> day of the following month.	See Item 11 for details.
Delphi Sales and Events System	Currently, \$858 per user per year.	Billed annually.	These license and maintenance fees are paid to HSS, which are passed-through to the vendor less a mark-up to recover certain costs. See Item 11 for details.
<b>Guest Assistance and Quality Assurance Programs</b>			
Guest Assistance Program: Customer Satisfaction Guarantee	Currently, \$300 per handled transaction for Hilton Honors Diamond members, \$250 per handled transaction for Hilton Honors Gold members, and \$200 per handled transaction for all other guests.	Within 48 hours of receipt of invoice.	Payable to resolve guest complaints. Our Guest Assistance Agent may offer the guest a cash refund (up to the full cost of the customer's stay), Hilton Honors point rebate, Hilton gift cards or complimentary return stay to resolve the complaint to the customer's satisfaction. You are billed the cost of the rebate plus the handling fee. We may change the maximum guest rebate amount or increase the handling fee.
Guest Assistance Program:	Hotels must honor a 25% discount off the lower rate	When the stay is consumed.	The discount applies if a guest finds a lower qualifying rate for a qualified

<b>TYPE OF FEE</b>	<b>AMOUNT</b>	<b>DUE DATE</b>	<b>REMARKS</b>
Price Match Guarantee	on all approved claims.		booking at your Hotel. After the Guest Assistance Department confirms the lower rate is available for booking through a third-party channel, the claim is approved and the rate is adjusted.
Guest Assistance Program: First Contact Resolution	Currently, \$15 administrative fee.	Within 10 days of billing.	Payable if more than 5 files are created in a month by Guest Assistance to resolve guest complaints about products, services or cleanliness. You must pay the cost of any compensation we provide to any guest to resolve the complaint, even if the fee does not apply.
Guest Assistance Program: Online Complaints	\$25 per complaint administrative fee.	As invoiced.	If a hotel does not respond to a guest complaint or negative comment on certain designated websites or social media platforms within 24 hours, Guest Assistance will respond to the guest and this fee will be due. This program and fee are subject to change.
Brand Compliance Consecutive Unacceptable Fee	Currently, up to \$5,500 per consecutive Unacceptable grade.	Within 10 days of billing.	Payable for each subsequent Unacceptable overall grade on a brand compliance evaluation (other than a Special as described below), which currently covers the following components: Quality Assurance Grade, Stay Score Grade, or FRCM grade. You must also provide complimentary lodgings for the Hilton representative during an on-site evaluation. See Note 3.
Brand Compliance Special Audit Fee	Currently, \$5,500 per re-evaluation visit.	Within 10 days of billing.	Payable each time we conduct a special on-site quality assurance evaluation ("Special"). We may conduct a Special: (a) to verify a default has been cured; (b) any time after your Hotel has failed consecutive Brand Compliance evaluations; (c) if your Hotel fails its opening inspection; or (d) if your Hotel fails its previous Special. You must also provide complimentary lodgings for the Hilton representative during the evaluation. See Note 3.
Brand Compliance PIP Consecutive Failure Fee	Currently, up to \$10,000 per consecutive PIP failure.	Within 10 days of billing.	Payable for each consecutive failure on a PIP evaluation to verify that a PIP has been completed properly and in a timely manner. You must also provide complimentary lodgings for the Hilton representative during an on-site evaluation. See Note 3.
Quality Improvement Program for Failure to Meet Minimum Performance	Currently: (1) \$495 per month; and (2) a 1-time fee of \$3,950 to \$4,950.	Within 10 days of billing.	If your Hotel is issued a Brand notice of failure to meet minimum performance standards, your Hotel must participate in the services of the Quality Improvement Program for a period of at least 12 months.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Standards			
<b>Conferences and Training</b>			
Brand Conference	Currently, \$2,500 per attendee.	Before attendance.	Your general manager and director of sales (or equivalent) must attend the Brand conference, usually held annually. Dates, location and duration of the conference vary from year to year.
General Manager, Commercial and Sales Leader Training	Currently, up to \$1,200 per attendee.	Before attendance.	Your general manager and other commercial leaders must complete this combined virtual learning program within 90 days of their start date. It is required for all new general managers and commercial leaders, and those who have been away from the Brand or the role for more than 24 months.
Hilton Core Sales Skills Training	Currently, up to \$600 per attendee.	Before attendance.	Your director of sales and sales managers (or equivalent) must complete this mandatory virtual learning program within 90 days of their start date. We may modify or reduce this training requirement for experienced trainees. See Item 11.
Revenue Management @ Work Level 1	Currently, \$600 per attendee.	Before attendance.	This training is mandatory for one of the following at your Hotel: general manager, assistant general manager, director of sales, sales manager, or revenue manager (or equivalent), within 120 days of their start date (or after your Hotel implements the GRO system, as applicable). See Item 11.
Other Training Programs and Training Materials	Currently, up to \$5,000 per attendee per program.	Before attendance or materials are shipped.	Some training programs are required, and others are optional. We may provide some required training courses without a course fee. In some cases, you must also pay wages, travel, lodging, food, and miscellaneous expenses of your attendees, and/or the expenses of the trainers. See Item 11.
<b>Frequent Customer, Affiliation and Distribution Programs</b>			
Travel Clubs	Currently, \$0.30 per available room plus 10% commission. Amount may vary by program.	Billed annually on DS/TAC invoice by second quarter.  For commissions: if invoiced, within 15 days, or if billed through ACH, by the 12 <sup>th</sup> business day of each month.	Payable for consumed stays booked through our American Automobile Association (AAA), Canada Automobile Association (CAA), and American Association of Retired Persons (AARP) programs. See Note 4.
Hilton Advance Program	Currently, 1.35% of eligible Digital Direct Revenue, not to exceed	If invoiced, within 15 days of billing. If	This program is intended to help drive bookings through Hilton's online direct booking channels using lower-funnel

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
	\$30 per stay.	through ACH, on the 12 <sup>th</sup> business day of the month.	marketing activities, search engine optimization, social media platforms, and other methods. Digital Direct Revenue is all Gross Rooms Revenue from bookings made through our online direct booking channels such as Hilton websites and mobile apps. See Note 1.
Group Preferred Partnership Program	Currently, up to \$1.80 per consumed room night plus applicable commission. If we increase this fee this year, it will not exceed \$2.50 per consumed room night plus commission.	If invoiced, within 15 days of billing. If through ACH, on the 12 <sup>th</sup> business day of each month.	This optional program provides additional access to select top group intermediaries, including participation in marketing and promotions designed to drive incremental business. We may change this flat fee to a percentage-based fee that is approximately equivalent on a systemwide average basis. See Note 4.
Hilton Honors Frequent Traveler/Guest Reward Program	Currently, 2.5% of total eligible guest folio. This fee is waived for stays in which the guest is enrolled on-property in Hilton Honors.	10 days after billing.	You must participate in any brand specific or System-wide guest frequency or reward program. Currently, you must participate in Hilton Honors. These programs are subject to change. See Note 5.
Hilton Honors Event Planner Bonus Program	Currently, \$0.0025 to \$0.0050 per Hilton Honors bonus point awarded.	As incurred.	This is an optional commercial incentive program. It enables hotels to award Hilton Honors bonus points to an event planner for a group booking (or as otherwise specified in the group booking contract) in addition to points earned by individual guests in the group. Event planners can earn up to 5 points per \$1 of booking revenue. Currently, hotels are enrolled automatically and may opt-out. In the future we may make this program mandatory. Bonus point allocations and program terms are subject to change. See Note 4.
Hilton For Business Program	Currently, up to 3% of the Gross Room Revenue per eligible consumed stay.	As incurred.	This is an optional commercial sales program. It enables small and medium size companies to manage their company travel through our platform and receive discounts, Honors points, and other benefits. Currently, hotels are enrolled automatically and may opt out annually. Program benefits and terms are subject to change. See Note 1.
Online Group Event Booking Charges	Currently, up to 2% of GRR and up to \$25 for included meeting space, plus applicable commissions.	On demand.	You only pay this fee if you load inventory for group and event bookings at your Hotel through our designated online platform and the group actualizes. Participation is currently optional but may be required in the future. Optional add-on services may be made available at additional cost. See Notes 1, 4, and 6.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Centralized Payment Programs	<p>Third-Party Reservation Charges: currently, up to \$5.76 per stay.</p> <p>FastPay Program: currently, up to \$1.40 per transaction, plus commission.</p> <p>Travel Planner Centralized Payment Program: currently, \$0.18 per transaction processing charge plus up to a 10% commission.</p> <p>Unlimited Rewards Program: currently, \$0.71 for a weekday stay (Monday -Thursday nights), \$1.42 for a weekend stay with 1 Fri/Sat/Sun night, \$2.13 for a weekend stay with 2 Fri/Sat/Sun nights, and \$2.84 for 5 or more nights. Double Dollars amounts increase to \$1.42, \$2.63, \$3.84 and \$5.05, respectively.</p>	If invoiced, within 15 days of billing. If through ACH, on the 12th business day of each month (or for Third-party Reservation Charges, on the 20 <sup>th</sup> day of each month).	<p>These required programs centralize and automate payments to third parties, including online travel agencies, group and meeting planners, travel planners, and other sales and distribution channels.</p> <p>Third-Party Reservation Charges currently include the costs and fees incurred in connection with third-party reservation systems such as GDS, airline reservation services, internet and other service reservation providers for using their distribution systems. Certain third-party reservation services may not be subject to this fee.</p> <p>The FastPay Program is a centralized payment program for group intermediaries and meeting planners. We may determine the items that are commissionable, the third parties eligible to be paid, and the commission percentages that can be paid through FastPay. All eligible charges must be paid through FastPay. Currently, FastPay will process commissions of up to 7% and customer rebates for designated segments.</p> <p>The Travel Planner Centralized Payment Program (TPCP) consolidates all commissionable consumed travel planner bookings and remits one payment per agency. The commission is payable on the total room rate and other commissionable charges, and a transaction charge is payable on commissionable and non-commissionable reservations, no-shows and cancellations.</p> <p>The Unlimited Rewards Travel Advisor Incentive and Loyalty Program remits funds to Avis Budget. A portion is paid to the travel planner, and Avis Budget retains the remaining amount as a processing charge.</p> <p>See Note 4.</p>
<b>Transfers, Relicensing and Financing</b>			
Change of Ownership Application Fee	Currently, \$200,000.	With Application.	Payable for any proposed transfer that does not qualify as a Permitted Transfer.
Permitted Transfer	Currently, \$5,500.	When you submit a request	Payable for any proposed transfer that qualifies as a Permitted Transfer that

<b>TYPE OF FEE</b>	<b>AMOUNT</b>	<b>DUE DATE</b>	<b>REMARKS</b>
Processing Fee		for our consent.	requires our consent.
Re-licensing Application Fee	Currently, \$100,000.	With Application.	Payable for any Re-licensing to an existing franchisee.
Lender Comfort Letter Processing Fee	Currently, \$3,500 for Lender Comfort Letters and \$1,500 for Lender Comfort Letter Assignments.	Before we issue the document.	We will only issue a Lender Comfort Letter or Assignment if you request it and the request meets our qualifications.
Public Offering or Private Placement Processing Fee	Currently, \$5,000.	When you request our approval.	You must pay any additional costs we may incur in reviewing your documents, including reasonable attorneys' fees.
<b>Management Fees</b>			
Management Fees	Fees will be established by mutual agreement.	As incurred.	Payable if you enter into a management agreement with us or our affiliate. You may hire an outside management company with our approval.
<b>Remedies and Damages</b>			
Actual Damages Under Special Circumstances	Varies.	On demand.	Payable under certain circumstances for the termination of your Franchise Agreement.
Audit	Amount of deficiency plus interest.	On demand.	Payable if audit reveals that you understated or underpaid any payment due us which is not fully offset by overpayments. You must reimburse us for all inspection and audit costs if the underpayment is willful or for 5% or more of the total amount owed for the period being inspected.
Default Remedies	Reimbursement of all of our expenses.	Case by case basis as incurred.	Our expenses may include attorneys' fees, court costs, and other expenses reasonably incurred to protect us and our affiliates or to remedy your default.
Indemnification	Reimbursement for all payments by us or our affiliates due to any claim, demand, tax, penalty, or judicial or administrative investigation or proceeding arising from any claimed occurrence at your Hotel.	Case by case basis as incurred.	You must reimburse us for all expenses including attorneys' fees and court costs we reasonably incur to protect us, our subsidiaries or affiliates or to remedy your defaults under the Franchise Agreement. You must also defend us, Hilton Worldwide, and each of such entities' current and/or future subsidiaries, and affiliates and any of their officers, directors, employees, agents, successors and assigns.
Insurance	Actual amounts.	On demand.	Payable if you do not obtain or maintain the required insurance or policy limits described in the Manual and we obtain and maintain the insurance for you.
Liquidated Damages for Unauthorized Opening	\$5,000 per day that your Hotel is open without authorization.	On demand.	Payable if you open before we give you written authorization to open, plus our costs, including attorneys' fees.
Liquidated Damages for Pre-Opening Termination	The System's Average Monthly Royalty Fees multiplied by 60.	On demand.	Payable if we terminate the Franchise Agreement: (1) before you begin Hotel Work and you or a Guarantor enter into an agreement for or begin construction



TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			of a Competitor Brand within 1 year after termination, or (2) after you begin Hotel Work but before you open (unless excused by Force Majeure). See Note 7.
Liquidated Damages for Post-Opening Termination	The greater of: (a) the Hotel's Average Monthly Royalty Fees multiplied by 60; or (b) the System's Average Monthly Royalty Fees multiplied by 60.	On demand.	Payable if we terminate the Franchise Agreement on or after the Opening Date but before the 2nd anniversary of the Opening Date. See Note 7.
	The Hotel's Average Monthly Royalty Fees multiplied by 60.	On demand.	Payable if we terminate after the 2nd anniversary of the Opening Date but before the final 60 calendar months of the Term. See Note 7.
	The Hotel's Average Monthly Royalty Fees multiplied by the number of months remaining in the Term.	On demand.	Payable if we terminate the Franchise Agreement within the last 60 months of the Term. See Note 7.
Service Charges for Overdue Payments	1.5% per month or highest percentage permissible by law, whichever is less.	On demand.	Payable if you do not make any payment to us or our affiliates when due.
Taxes	Actual amount.	On demand.	Payable if any sales, use, gross receipts or similar tax is imposed on us for the receipt of any payments you are required to make to us under the Franchise Agreement.
Identity, Sales, and Distribution Non-Compliance Fee	Currently, \$500 per instance.	On demand.	This cost-recovery fee is payable if your Hotel uses a third party intermediary for reservations or sales that is not accredited by Hilton, or fails to comply with any of the other Identity, Sales and Distribution Standards. In addition, failure to comply with the Identity, Sales and Distribution Standards may result in the loss of access to certain sales and distribution channels.
Franchise Agreement Non-Compliance Fee	1% of Gross Rooms Revenue.	On demand.	This charge will apply each month in which you fail to comply with the Franchise Agreement. See Notes 1 and 8.
FastPay Non-compliance Fee	Varies and escalates based on the number of violations. Currently, up to the greater of \$3,000 or 10% of gross group room revenue (not to exceed \$7,500) per violation.	On demand	Fees will apply for non-compliance with the FastPay program policies, rules or terms. See Note 4.
<b>Miscellaneous Services and Programs</b>			
Consultation and Service Fees	Set by us on a project-by-project basis.	When we request.	Payable if we may make consultation and/or other voluntary services available to you on request.
Consortia Program	Currently, up to \$3.00 for each consumed room night booked under the	If invoiced, within 15 days. If ACH, the 12 <sup>th</sup>	You must participate in BOTH the Consortia Program and the TMC Pay-On-All-Pay-For Performance Program

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
	Consortia “parity” rate, plus applicable commission.	business day of each month.	or NEITHER program. We may change this flat fee to a percentage-based fee of up to 1.45% of consumed room revenue. The list of participating travel agencies may change over time. See Note 4.
TMC Pay-On-All-Pay-For Performance Program	Currently, up to \$1.85 for each consumed room night booked by a TMC travel agency, plus up to 10% commission or fee where applicable.	If invoiced, within 15 days. If ACH, the 12 <sup>th</sup> business day of each month.	You must participate in BOTH the Consortia Program and the TMC Pay-On-All-Pay-For Performance Program or NEITHER program. We may change this flat fee to a percentage-based fee of up to 1.06% of consumed room revenue. The list of participating agencies may change over time. See Note 4.
US Government Travel Agency Programs	Currently, up to \$2.30 per consumed room night or up to 1.45% of consumed room revenue.  For the FedRooms/ StateRates and DOD Preferred programs, we may increase this fee up to 5.0% of consumed room revenue this year.	Billed on TACS invoice. If invoiced, due within 15 days. If ACH, due on the 15 <sup>th</sup> of the month.	We may enter into various government and military travel programs, which currently include FedRooms/ StatesRates, CWTSato, DOD Preferred, Omega World Travel and ADTRAV Government. For any program that has a flat fee, we may change it to a percentage-based fee as shown here. You are not required to participate, but if you participate in the DOD Preferred Program you must also participate in the FedRooms Program at the same rate. See Note 4.
ResMax Program	Currently, 5.4% to 5.9% of consumed revenue from a ResMax booking with a 3 night maximum. If we change the pricing model this year, it will not exceed \$5.00 per call. This fee may vary due to hotel booking volume and other factors.	As required by us or our affiliate.	ResMax with Auto Attendant provides additional reservation call handling services by automatically transferring new reservation inquiries to an HRCC Guest Engagement Specialist. If your Hotel is not enrolled in ResMax and accepts a referral, we may charge you the applicable fee on the booking. If your Hotel transfers reservation calls to HRCC outside of the ResMax service, you may be billed up to \$5.00 per call. ResMax is an optional service but may be required in certain circumstances. Program terms, eligibility, and fees are subject to change. See Note 9.
Revenue Management Consolidated Center (RMCC)	Category 1 – One Time Service Models, currently \$1,769.  Category 2 – Monthly Full Support Models, currently \$1,319 to \$15,399.  Category 3 – Monthly Reports Only Models, currently \$599 to \$1,819.	Within 10 days of billing.	RMCC provides various types of support services for revenue management analysis, strategy, lead management, and coaching. Specific services or groups of services are called “service models,” and are grouped into the categories shown here. RMCC programs and services are subject to change. Your participation in RMCC is optional. However, RMCC may be required in certain circumstances. See Note 10.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
	Category 4 – Monthly Lead Management Service Models, currently \$999 to \$5,599.  Category 5 – Monthly Group Rooms Coordinator Models, currently \$810 to \$5,400.		
Procurement and Services Fees	Currently, 4% to 10% of project cost.	As agreed.	Payable if you buy from HSM, in addition to the product cost, freight, taxes and other actual costs incurred by HSM.

Unless otherwise indicated, all fees described in this Item 6 are payable to, and imposed by, us or our affiliates and are non-refundable. Other than the Monthly Royalty Fees and liquidated damages, all fees are subject to change.

### NOTES

1. The Monthly Fees are calculated in accordance with the then-current Uniform System of Accounts for the Lodging Industry or as specified by us in the Manual. "Gross Rooms Revenue" means all revenues derived from the sale or rental of guest rooms (both transient and permanent) of the hotel, including revenue derived from the redemption of points or rewards under the loyalty programs in which the hotel participates, amounts attributable to breakfast (where the guest room rate includes breakfast), Mandatory Guest Fees, late cancellation fees, and guaranteed no-show revenue and credit transactions, whether or not collected, at the actual rates charged, less allowances for any Guest Room rebates and overcharges, and will not include taxes collected directly from patrons or guests. Group booking rebates, if any, paid by you or on your behalf to third-party groups for group stays must be included, and not deducted from, the calculation of Gross Rooms Revenue.

"Mandatory Guest Fee" means any separate fee that a patron or guest is charged for in addition to the base room rate for a guest room, including but not limited to resort fees, facility fees, destination fees, amenity fees, urban destination fees, or any other similar fee. Mandatory Guest Fees do not include employee gratuities, state or local mandatory taxes, and other tax-like fees and assessments that are levied on a stay, as determined by us, that are passed through to a third party (such as tourism public improvement district fees, tourism or improvement assessments, and convention center fees).

If there is a fire or other insured casualty at your Hotel that results in a reduction of Gross Rooms Revenue, the Monthly Program and Monthly Royalty Fees will be equal to the Monthly Program and Monthly Royalty Fees forecasted on the basis of the Gross Rooms Revenue amount you agree on with your insurer(s). However, we have the right to participate with you in negotiating the value of your Gross Rooms Revenue claim with your insurer(s).

We can require you to transmit all payments required under the Franchise Agreement by wire transfer or other form of electronic funds transfer. You must bear all costs of wire transfer or other form of electronic funds transfer. We may reduce the amount of any payment or credit to you by any amount that you owe us, and this includes your and our affiliates. We occasionally reduce the Monthly Royalty Fee for multi-unit or more experienced franchisees, for franchisees with whom we have previously dealt, for Conversions, or for franchisees in other unique circumstances. However, we do not always do so and may choose not to reduce your Monthly

Royalty Fee even if you possess some or all of these characteristics. We agreed to modify the Monthly Royalty Fee in 21 instances during 2023.

2. We may change the Monthly Program Fee rate at any time. The Monthly Program Fee rate will not exceed the current rate plus 1% of Gross Rooms Revenue over the term of the Franchise Agreement. The Monthly Program Fee pays for various programs to benefit the System, including (i) advertising, promotion, publicity, public relations, market research, and other marketing programs, (ii) developing and maintaining directories and Internet sites for System Hotels; (iii) developing and maintaining the Reservation Service systems and support; (iv) quality assurance programs; and (v) administrative costs and overhead related to the administration or direction of these projects and programs. We may create any programs and allocate monies derived from Monthly Program Fees to any regions or localities. The Monthly Program Fee does not cover your costs of participating in any optional marketing programs and promotions periodically offered by us or Hilton Worldwide in which you voluntarily choose to participate. These fees also do not cover the cost of operating the hotel in accordance with the Standards or the Manual.

3. As of the date of this Disclosure Document we are considering making adjustments to our existing quality assurance program (as described in Item 11), which may be implemented this year. Such adjustments may include fee increases and/or new or additional charges, which may be applied on a per-room basis or other basis, of up to \$50,000 in total over a 6-month period based on the nature, frequency, and circumstances of the Hotel's deficiencies (in addition to any applicable PIP Consecutive Failure Fee). We may also make other changes to our quality assurance program. See Item 11 for details.

4. We may add, remove, or modify our sales and distribution programs at any time. These programs may have individual criteria for participation, as well as policies, terms, or rules that must be met for continued participation. We may require your Hotel to participate in certain programs or combinations of programs. We may also offer optional programs at an additional cost. Some programs may utilize automatic enrollment and if your Hotel does not wish to participate it may be required to opt-out as provided in the programs' policies, terms, or rules. Failure to pay fees or commissions when due, or failure to comply with the applicable program policies, terms, and rules may result in the loss of access to certain programs or individual sales and distribution channels.

5. You must participate in, and pay all charges related to, our marketing programs not covered by Monthly Program Fees, and all guest frequency programs we require, including the Hilton Honors Worldwide guest reward programs or any successor programs. You must also honor the terms of any discount or promotional programs (including any frequent guest program) that we or Hilton offer to the public on your behalf, any room rate quoted to any guest when the guest makes an advance reservation, and any award guest certificates issued to hotel guests participating in these programs. We and our affiliates' other hotel brands may also participate in these programs. These programs are subject to change. You pay your share of the costs of the programs.

Currently, these programs include the Hilton Honors™ guest reward program operated by Hilton Honors Worldwide, and airline and rental car company frequent user programs in which Hilton participates.

Hilton Honors members may accumulate Hilton Honors points with most stays for all eligible dollars spent at participating Hilton Honors hotels. Hilton Honors members may also earn points in connection with our special promotions, marketing partnerships, and other activities, programs, and initiatives, including for example arrangements we have in place with certain travel programs,

credit card companies, dining organizations, ride-share companies, and others. The only room rates that are not eligible for Hilton Honors points are wholesale/tour operator packages, contracted airline crew rates, complimentary or barter rooms, stays on NET Group/Series Group/IT Group rates, contracted Entertainment or Encore rates, stays using airline percent-off award certificates, stays that are booked via third-party websites other than the websites of Hilton Honors airline partners. Hilton Honors members may redeem their accumulated points for discounted and free hotel room nights and other rewards. Terms of the Hilton Honors program are subject to change. Pricing is subject to change and is reviewed annually.

These basic program fees are assessed on any stay for which a guest earns Hilton Honors points. Additional Hilton Honors bonus points that members earn as a result of promotional activities, programs, and initiatives that your Hotel participates in will result in an additional fee payable by your Hotel based on a set cost per point or a percentage of the eligible guest folio, depending on the type of promotional activity, program, or initiative. All program costs are subject to change.

In addition to the basic program fees outlined above, hotels are also responsible for the cost of certain guest amenities provided to Hilton Honors members. Hotels must allocate a certain percentage of rooms inventory for free night reward redemption by Hilton Honors members as specified by the Hilton Honors program. Hotels will be reimbursed for these reward redemptions on the same basis as other similarly situated participating hotels as specified by the Hilton Honors program. If your Hotel is re-licensed and had paid a lower fee in the past, it will be assessed the then-current standard fee when your new franchise term begins.

6. We currently provide an online booking platform for group events that allows guests to check rates and availability and book guestrooms and event space (within certain limits on the number of rooms, room nights, and meeting space size). Guests may search for a hotel and rate and complete the booking contract online. We may pass-through all or a portion of this fee to third party vendors that help to provide or maintain the platform. This fee may be refunded or adjusted for certain cancellations or modifications. Terms and conditions of this program are subject to change.

7. The term “Hotel’s Average Monthly Royalty Fees” means: (a) if the Hotel has been operating for at least 24 months, the amount of all Monthly Royalty Fees due under the Franchise Agreement for the 24 month period before the month of termination (the “Measurement Period”) divided by 24; and (b) if the Hotel has not been operating for at least 24 months, the amount of all Monthly Royalty Fees due under the Franchise Agreement for the period between the Opening Date and the termination date divided by the number of months between the Opening Date and the termination date.

The term “System’s Average Monthly Royalty Fees” means the average Monthly Royalty Fees per Guest Room owed to us by all System Hotels in operation in the United States over the 12 full calendar month period immediately preceding the month of termination (the “System’s Average Measurement Period”), multiplied by the number of approved Guest Rooms at the Hotel. For the avoidance of doubt, any System Hotel that has not been in operation for at least 12 full calendar months immediately preceding the month of termination is not included in determining the System’s Average Monthly Royalty Fees.

In calculating these averages, any temporary financial accommodations and periods of Business Interruption are excluded. Temporary financial accommodations include any fee discounts, ramps, or waivers. Business Interruptions are periods of time in which a majority of the Guest Rooms were removed from service or regular Hotel operations were suspended for more than 90

days. In the case of Business Interruptions, the applicable measurement period will be adjusted earlier in time to account for the months in which the Business Interruption occurred.

8. If your Hotel is not in compliance with the Franchise Agreement, including failing to meet our quality assurance Standards or failing to complete a PIP by the required date, we may charge a Non-Compliance Fee for each month in which the non-compliance occurred or continued for one or more days, to compensate us for damage to the Brand’s reputation and for the additional work caused by your non-compliance. This fee is in addition to any other applicable fees.

9. ResMax is optional unless you are opening a new hotel or undergoing a Change of Ownership, and: (a) you are a first-time franchise owner; (b) this will be your first franchise under the Brand; or (c) if your management company is new to the Brand. ResMax also may be required in certain circumstances based on hotel performance. The program terms, eligibility, and fees are subject to change.

10. RMCC is optional except in the following circumstances. **Category 1:** If your Hotel is open and has an active PIP, it must participate in our one-time “Foundation Audit.” **Category 2:** If you are a first-time franchise owner, the Hotel is your first Brand Hotel, the Hotel is a new construction Hotel, or you change your General Manager, your Hotel must participate in our monthly service “Standard Model.” If your Hotel is projected to generate or does generate over \$6 million in annual Gross Room Revenue, it must participate in our monthly full service “Intermediate Model.” If your Hotel is projected to generate or does generate over \$10 million in annual Gross Room Revenue or is located in a dynamic market with a complex mix of business and a need for forecasting support, it must participate in our monthly full service “Premier Model.” **Brand Performance Guidelines:** In addition, if your Hotel fails to achieve minimum performance guidelines (“Brand Performance Guidelines”) at any time during the term, a one-time Audit will be conducted including a consultation with you on the results. If your Hotel still does not meet the Brand Performance Guidelines 6 months after that Audit, it will be required to participate in the applicable Category 2 service model for at least 12 months. RMCC programs and fees are subject to change.

**ITEM 7  
ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT  
HOMEWOOD SUITES (131 SUITES)**

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to Be Made
Franchise Application Fee (Note 1)	\$100,000	Lump sum	With Application	Us
Property Improvement Plan (Note 2)	\$0 to \$10,000	Lump sum	Before we prepare PIP	Us
Market Study (Note 3)	Varies	As agreed	As incurred	Supplier
Environmental Assessment (Note 4)	Varies	As agreed	As incurred	Supplier

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment Is to Be Made</b>
Real Property (Note 5)	Varies	As agreed	As agreed	Supplier
Construction and Leasehold Improvements (Note 6)	\$14,500,000 to \$22,000,000	As agreed	As agreed	Suppliers
Design and Engineering Fees	\$580,000 to \$880,000	As agreed	As incurred	Suppliers
Furniture, Fixtures and Equipment (Note 7)	\$2,500,000 to \$4,226,000	As required	As incurred	Suppliers
Inventory and Operating Equipment (Note 8)	\$231,000 to \$577,500	As required	As incurred	Suppliers
Signage (Note 9)	\$19,800 to \$82,500	As required	As incurred	Supplier
Computer Hardware and Software Systems (Note 10)	\$32,955 to \$121,455	Lump sum or as required	45 days before opening	Us or Supplier
Guest Internet Access System (Note 10)	\$64,250 to \$77,500	Lump sum or as required	45 days before opening	Supplier
Connected Room System (Note 10)	\$31,160 to \$37,240	Lump sum or as required	45 days before opening	Supplier
Delphi Sales and Events System (Note 10)	\$900 to \$18,600	As required	As incurred	Supplier
Required Pre-Opening Training (Note 11)	\$5,000 to \$17,500	As required	As incurred	Us and Suppliers
ADA Consultant (Note 12)	\$2,500 to \$15,000	Lump sum	On request	Supplier
Construction/ Renovation Extension Fees (Note 13)	\$0 to \$10,000	Lump sum	On request	Us
Insurance (Note 14)	Varies	As required	As arranged	Agent/Insurer
Organizational Expense (Note 15)	\$50,000 to \$134,900	As agreed	As agreed	Accountant/ Attorney
Permits, Licenses and Governmental Fees (Note 16)	\$217,500 to \$330,000	As required	As required	Government Agencies

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to Be Made
Miscellaneous Pre-Opening and Project Management Expenses (Note 17)	\$435,000 to \$660,000	As agreed	As incurred	Suppliers
Contingencies (Note 18)	\$1,450,000 to \$2,200,000	As agreed	As incurred	Suppliers
Additional Funds (Note 19)	\$600,000 to \$1,000,000	As agreed	As incurred	Suppliers
Other Required Pre-Opening Services Fees (Note 20)	\$6,000	Lump sum	Before opening	Us
<b>TOTAL</b> (Note 21)	<b>\$20,826,065 to \$32,504,195</b>			
	THESE FIGURES DO NOT INCLUDE REAL ESTATE COSTS, MARKET STUDIES, INSURANCE, INTEREST OR SEPARATELY IDENTIFY THE COST OF IMPROVEMENTS UNDER A CONVERSION, RE-LICENSING OR CHANGE OF OWNERSHIP LICENSE.			

### NOTES

- See Item 5 for more information about the Franchise Application Fee. The Franchise Application Fee in the table is calculated based on the room count shown in this table.
- If you apply to convert an existing hotel to a Brand hotel or apply for a Change of Ownership or Re-licensing, we charge a PIP fee to determine the upgrading requirements for the hotel.
- For all new Brand hotels, we recommend and may require a market study from a nationally recognized independent firm which discusses the competition for your proposed hotel, together with a minimum 5-year operating pro forma from you, based on the market study, showing your anticipated operating results. While we do not require prospective franchisees who are converting existing hotels to obtain a market study, occasionally we may encourage a prospective franchisee to commission a market study to evaluate the economic consequences of Conversion. Our acceptance of the market study with a pro forma is not a financial performance representation on our part or a ratification of the projections performed by the consultant.
- Before you purchase the land, you should, at a minimum, consider obtaining an environmental assessment to determine the environmental condition of the land. Based on this report, additional investigations and tests may be necessary before you make your purchase decision. Many lenders will require an environmental assessment report before lending purchase money.
- These estimates do not include the cost of the real property due to wide variations in costs among geographic areas and at different sites. The cost of land for a hotel varies depending on location, size, market prices in the area, accessibility, and special assessments, among other factors. If you are converting an existing hotel that you already own or lease, you may have no additional real property costs.



6. These estimates relate to a hotel with the elements we require (food and beverage, recreational, and other facilities as applicable). These estimates do not take into account local requirements such as earthquake requirements or impact fees. Your actual expenditures will depend on many variables, such as the size and location of the real property, the quantity and quality of the items being purchased, the terms on which the purchases are made, and fluctuations in material and labor costs. You may also elect to lease certain items such as the real property. In New Development, building construction costs vary greatly from region to region depending on material and labor costs and other variables. In Conversions, the renovation costs will vary depending on the age of the facility (including code compliance), performance-based requirements (including fire & life safety systems and strategy); the use of the existing facility (an existing hotel or an Adaptive Reuse), the condition of the facility (including the physical integrity of the structure and envelope), and the state of all accoutrements (including the furniture, fixtures, equipment, and finishes) in relationship to conformance with our Brand Standards. You are encouraged to independently investigate, before executing the Franchise Agreement, the cost of all such items as they will specifically affect your investment.

7. This is an estimate for the total cost of furnishing a Brand hotel in the size shown. The cost of furniture, fixtures and equipment will depend on the number and type of guest rooms (for example, double rooms versus king rooms), the extent of the food and beverage service offered, restaurants, lounges and supporting facilities. Estimates for new hotels include the cost of furniture, fixtures and equipment for guest rooms, corridors, all public areas, kitchen equipment, laundry equipment, and telephone systems. If you are converting an existing hotel, your costs will most likely be lower, but you must conform guest rooms, public areas, the exterior, and all other areas to our Brand Standards.

8. Inventory includes food and beverages and other immediately consumable items such as fuel, soap, cleansing material, office supplies and similar items. "Operating equipment" includes such items as chinaware, glassware, linens, silverware and uniforms.

9. Signs include freestanding signs and primary identification for the building. The amount includes installation, freight, foundation and wiring. You must install, display, and maintain signage displaying or containing the Brand and other distinguishing characteristics in accordance with plans, specifications and standards we establish for System Hotels. You must purchase exterior signage from a vendor currently licensed by us. You may contact us for a current list.

10. You must acquire and install the hardware and software for the required computer systems, including the OnQ system, Guest Internet Access system, the GRO system, Delphi Sales and Events system, Connected Room system, a Digital Floor Plan, and the Digital Key system. The estimated costs to acquire and install each of these systems are shown totaled here together, other than the Guest Internet Access system, the Connected Room system, and the Delphi Sales and Events system, which are listed separately. The amounts shown here may be different than the amounts shown in Item 5 because the amounts shown here also include costs that are payable to third parties. The operating costs during the initial period are included in the Additional Funds line in this table. See Items 5, 6, and 11 for details.

This estimate also includes the installation cost of Opening Roadmap, which is a pre-opening guide for System Hotels. Opening Roadmap costs about \$200 for the necessary vendor software licenses, which is paid to us.

11. We will provide the required training programs required under the terms set forth described in Items 5 and 11 of this Disclosure Document. You are responsible for the costs of training materials, and travel and living expenses while training. We may charge additional training costs based on the number of personnel that require training.

12. If you want to engage in a Permitted Transfer, Conversion, Relicensing or Change of Ownership Transfer for the hotel, we may require you to complete an independent survey conducted by an ADA consultant to determine the hotel's compliance with the ADA.
13. Your Franchise Agreement contains a deadline by which construction or renovation work must begin. After the expiration of any automatic extensions without a fee, you may request a further extension of this deadline, and must pay the applicable fee if we approve your request.
14. You must maintain the minimum levels and types of insurance specified in the Manual at your expense. This insurance must be with insurers having minimum ratings we specify; name as additional insureds the parties we specify in the Manual; and carry the endorsements and notice requirements we specify in the Manual. Insurance premiums vary widely by reason of location, size of hotel and type of coverage purchased and cannot be estimated.
15. Actual cost depends on work done by an accountant and attorney, and standard regional rates.
16. The licenses and permits you must obtain to operate your Hotel vary depending on the state, county or other political subdivision in which the hotel is located.
17. You may incur pre-opening expenses for additional personnel training; sales; administrative and general expenses; project management; technical services; advertising; security deposits, utility deposits, and opening festivities. Because there are so many variables for an existing hotel, we cannot estimate these pre-conversion expenses for a franchisee converting an existing hotel.
18. "Contingencies" means unanticipated construction cost overruns and other unanticipated expenses. Because there are so many variables for an existing hotel, we cannot estimate these pre-conversion contingencies for a franchisee converting an existing hotel. You should assume it will be at least 10% of construction costs.
19. This estimates your initial operating expenses for 3 months after opening, including payroll costs. These figures are estimates only and you may have additional expenses starting the business. Your costs will depend on such factors as your management decisions, local economic conditions, competition, and how quickly occupancy rates increase after opening.
20. See Item 5 for more information on required pre-opening services fees.
21. In compiling these estimates we relied on Hilton's 60+ years of experience in operating or franchising hotels. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. The expenses shown in these charts are for typical New Development and Conversion hotels of the type and size shown. In a Conversion, your costs will depend on the type and condition of your existing hotel, its age, physical structure, and quality of furnishing. Because there are so many variables involving any particular existing hotel, we are unable to provide an estimate of costs.

## **ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

This Item describes your obligations to buy or lease products or services from us or our designees, from suppliers we permit you to use, or in accordance with our specifications.

## **General Requirements**

All franchisees must build, design, furnish, equip and supply their hotels in accordance with the Standards (as defined in the Franchise Agreement). The Standards are compiled in our standards manual ("Manual"). We regularly review, modify, and implement product and service Standards. We may periodically modify and update Standards to reflect operational requirements, advances in technology, improved methods of manufacture, new materials structures and decor, new products, improved prices and other factors. We currently issue, modify and update specifications in the form of updates to the Manual. We may periodically require you to maintain, replace, modernize, rehabilitate, and/or upgrade your Hotel's fixtures, furnishings, equipment, fittings, signs, computer hardware and software and related equipment, supplies, and other items to meet our then-current Standards. We may utilize specific schedules for this purpose as part of the Standards ("Renovation Schedules"), which we may modify at any time. These Renovation Schedules may be provided to you under our Fixed Renovation Cycle Management ("FRCM") program or any other program in accordance the Standards in the future. You are required to comply with any Renovation Schedule that applies to your Hotel. You are responsible for the costs of complying with any such Renovation Schedule, as well as any other changes that are necessary for your Hotel to remain in compliance with the Standards.

You must comply with our Standards regarding the purchase of products and services for use at and for your Hotel, including furniture, fixtures, equipment, amenities, food and beverages, operating supplies, consumable inventories, merchandise to be used at and/or sold from the Hotel, signs and graphics, uniforms, materials with logos, advertising materials, on-property guest materials, together with our required systems, programs, services, and related computer and technology platforms for property management, inventory management, revenue management, affiliation and distribution programs, frequent customer and loyalty programs, guest assistance, customer satisfaction measurement, online check-in, digital room keys, in-room entertainment and conveniences, internet access, telecommunications and telephone systems, long distance services, and any and all other systems, programs, products and services used for the operation of the Hotel, including our specifications for all supplies. You must also maintain acceptable product quality ratings at your Hotel and maintain the Hotel in accordance with the Standards. In some cases, we may require you to purchase a particular brand or type of product, fixture, furniture, equipment, or service, but you may purchase it from any authorized source of distribution.

## **Purchases through Hilton Worldwide and its Affiliates**

No officer of ours owns a material interest in any approved supplier.

You must purchase Hilton's proprietary computer software, currently OnQ, from HSS. OnQ is explained in more detail in Items 5 and 11. You must purchase items bearing our logo, trademark or service mark from a supplier approved by us. We may derive profit from such sales.

We did not sell any goods, services or supplies to our franchisees in 2023. Hilton collects money for the Hilton Honors program for all of our brands, but transmits this money to Hilton Honors Worldwide and we do not record it as revenue. For the fiscal year ended December 31, 2023, Hilton and its other affiliates (including Hilton Honors Worldwide) had revenues from sales of goods, services, computer systems and/or supplies to franchisees of Hilton's subsidiaries of \$1,022,902,170 (for clarity this excludes royalty and program fees, pass-through commissions, and the HSM amounts described below).

You may purchase the furniture, fixtures, and equipment ("FF&E") and other supplies for your Hotel from any source as long as the Standards are met. In the future, we may require you to

purchase FF&E and supplies from a supplier approved by us, or we may require you to purchase a particular brand or model of supplies or equipment that is available only from one source, and we may derive profit as a result of those purchases.

HSM, a wholly-owned subsidiary of Hilton, negotiates with third-party manufacturers and suppliers for the distribution of hotel furniture, furnishings, fixtures, equipment and supplies, certain food and beverage supplies, and certain hotel services. You may but are not obligated to purchase specified items from HSM or such third parties, except as described in this Disclosure Document. HSM seeks to negotiate lower prices and preferred terms with manufacturers and suppliers, and then passes these benefits on to franchisees. HSM cannot guarantee that every item sourced under its program will provide a lower cost or better terms than are otherwise available in the market. HSM may negotiate purchase arrangements with manufacturers and suppliers for the benefit of our franchisees, all System Hotels, all Network Hotels, or any subset of each. Occasionally, HSM may negotiate special purchase arrangements with manufacturers and suppliers for franchisees or their management companies that operate multiple hotels. HSM may also permit competitor hotels or their management companies to participate in its purchase arrangements. This is done to help increase HSM's overall purchasing volume and bargaining power.

HSM has various discount agreements with manufacturers and suppliers, under which it receives rebates and allowances based on the total volume or sales purchased from the manufacturer. These fees include sales to franchisees by the manufacturers and in some cases, through suppliers. HSM also receives certain volume and national account marketing allowances from manufacturers in connection with the sale to franchisees of certain items, such as coffee, soft drinks, cleaning compounds, and paper products.

In addition, for 1 of our brands, Tru by Hilton, HSM is an optional approved procurement agency and may receive fees for providing procurement services. For 2 of our other brands, LivSmart Studios by Hilton and Spark by Hilton, HSM is the required procurement service provider.

For the fiscal year ended December 31, 2023, HSM had revenues of \$13,851,033 in rebates and allowances on purchases made by franchisees of all of our brands.

For the fiscal year ended December 31, 2023, HSM had revenues from sales of goods, services and/or supplies to franchisees of all of our brands of \$2,410,325. In addition, HSM receives cash discounts for early payment on orders it places with manufacturers and suppliers to fill purchase orders placed with it by franchisees of all of our brands.

HSM negotiates pricing and purchasing terms with manufacturers and suppliers for the benefit of our System. HSM may receive an administrative fee from manufacturers and suppliers that is between 0.5% and 7% of the purchases made by our franchisees (depending on the specific item). For the fiscal year ended December 31, 2023, HSM had revenues of \$27,328,149 in administrative fees on purchases made by franchisees of all of our brands.

If you want to use a product, or a particular brand or model, that has not been specified as having met our standards, or if you want to purchase from an unapproved supplier an item that must be purchased from an approved supplier, then you can submit a written request for us to approve the product or supplier. We may require certain information or samples which you must provide at your expense. We will review all of the pertinent information. While we have no obligation to respond within a certain timeframe, our review typically takes 60 days to complete. We do not provide any material benefit (such as license renewal or the grant of additional licenses) to a franchisee based on a franchisee's use of designated or pre-approved suppliers (the Franchise Agreement is non-renewable).

We evaluate suppliers based on many factors, including: (i) the quality and cost of the products and/or services; (ii) the supplier's established history in serving the System with products that consistently meet or exceed the standards and specifications as set forth in the Manual; (iii) the level of support and recognition of the supplier by us and our franchisees, as well as the System's demand for those products/services; and (iv) the supplier's ability to service the needs of the System. A portion of the revenues collected from rebates, administration fees and purchasing fees is used to offset the cost of establishing the purchasing programs and supporting the operating expenses of HSM.

Our affiliate, Hilton JV Acquisition LLC, currently holds a non-controlling equity interest in Groups360 LLC ("Groups360"), which is a third-party vendor that provides lead generation, advisory, and marketing services to the hotel industry (including us, our System hotels, and competitors) for group and event business. Groups360 receives fees and commissions for the services it provides. As an equity owner, our affiliate may receive pro-rata share of distributions from Groups360. Neither we nor any of our affiliates receive any other direct or indirect fees, rebates, discounts or other benefits from Groups360 in connection with purchases made by our franchisees.

### **Signage**

You must install, display, and maintain signage displaying or containing the Brand and other distinguishing characteristics in accordance with plans, specifications and standards we establish for System Hotels. You must purchase exterior signage from a vendor currently licensed by us. You may contact us for a current list in your area.

### **Reservation Service**

You must use the Reservation Service for reservation referrals. You must also purchase computer terminal equipment and software compatible for use with the Reservation Service. The computer equipment and software you purchase for OnQ satisfies the requirement that you purchase computer equipment and software compatible with the Reservation Service. Although you must use the Reservation Service, you may also use other reservation services to refer reservations to (but not by or from) your Hotel.

### **Business Computer Systems**

You must use our required business computer systems, which we may periodically change. Currently, we require you to use OnQ, which connects System Hotels to Hilton's reservation offices and travel planners worldwide. For OnQ you must have certain hardware, software, installation, and support. We also require you to use our required Guest Internet Access System. For Guest Internet Access you must have certain hardware, software, an internet access circuit, and internet service. In addition, you must have our designated GRO system, Delphi system, Connected Room system, a Digital Floor Plan, and Digital Key system-that meet our Standards and specifications. All of these components must be acquired from either HSS or preferred providers or may be acquired from other (non-preferred) vendors, depending on the specific product or service and the individual circumstances of your Hotel. We will provide you with our Standards and specifications as appropriate. At certain times there might be only one approved software vendor for certain applications, such as the GRO system and the Delphi system. See Items 5, 6, and 11 for details. In the future, any of the products or services may be manufactured or provided by an approved supplier who is also our client or supplier. See Item 8 above regarding HSS and other affiliate revenues related to the required business computer systems.

## **Promotional Programs**

We may develop promotional programs with third-party companies that feature those companies' branded products or services being offered or used by our System Hotels. By way of example, we have collaborated with Tesla Inc., in connection with our electric vehicle (EV) charging program, and with Mars Petcare and its family of pet care brands in connection with our pet-friendly hotel programs. We may launch, modify, and end any such promotional programs at any time. We may require or permit your Hotel to participate in these promotional programs, which can involve: (1) offering specified promotional program products or services to guests; (2) participating in related marketing efforts; (3) following related operating Standards; (4) purchasing and using certain related equipment and supplies; and (5) paying any fees or costs associated with the promotional programs (if any). We may designate approved suppliers for any such promotional programs or related products and services, and we and our affiliates may receive fees, rebates, and other revenues from your purchases related to these promotional programs as described in this Item 8.

## **Other General**

Before we permit you to proceed with your plans for construction or remodeling of the hotel, and any time you make changes that affect usability or access to your Hotel, your architect or other applicable certified professional must certify to us that the hotel's plans and specifications comply with all Laws related to accessibility/accommodations/facilities for those with disabilities, as further described in the Manual. You may be required to complete an ADA Survey, in conjunction with an approved ADA consultant and in the form required by us, to determine if the hotel is in compliance with the ADA, within 30 days of our request. The process for completing the survey, and other requirements related to it, are set forth in the Manual. If requested, you must arrange for us and/or our affiliates to participate in all progress meetings during the development and construction of the hotel, to have access to all contract and construction documents for the hotel and to have access to the hotel during reasonable business hours to inspect the hotel and its construction, completion, furnishing and equipment for conformity to the finally-approved construction documents. However, we and our affiliates have no obligation to participate in progress meetings or to inspect the hotel. Our approval is not a representation of the adequacy of the plans and specifications, the structural integrity, or the sufficiency of the mechanical and electrical systems for the hotel. When you begin construction or conversion of the hotel and before your Hotel opens for business, both you and your architect or general contractor must provide us with a certificate stating that the plans and as-built premises comply with all applicable legal requirements relating to accessibility/accommodations/ facilities for those with disabilities, as described in the Manual. If the hotel does not comply with the ADA, you must submit a plan to the ADA consultant detailing the plan to bring the hotel into compliance in accordance with the process in the Manual. We may choose not to approve your opening if your Hotel is not compliant with the ADA.

We currently estimate that the required purchases described above represent about 15% to 20% of the cost to establish a new System Hotel and about 2% to 5% of operating expenses.

During the term of the Franchise Agreement and any term extensions, we may periodically require you to make additional expenditures and investments to maintain your Hotel in accordance with the System Standards, to comply with any applicable Renovation Schedule, and to remove any deficiencies in your Hotel's operations.

Except as stated above, we do not negotiate purchase arrangements with suppliers for the benefit of franchisees. There are no purchasing or distribution cooperatives. We provide you with no material benefits (such as license renewal or the grant of additional licenses) based on your use

of designated or permitted sources. Except as described above, we presently receive no payments, discounts, rebates, credits or commissions from any supplier based on your purchases from that supplier.

## ITEM 9 FRANCHISEE'S OBLIGATIONS

**This table lists your principal obligations under the Franchise Agreement and other agreements for a Homewood Brand hotel. It will help you find more detailed information about your obligations in these agreements and in other Items of this Disclosure Document.**

Obligation	Section in Franchise Agreement	Section in HITS Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	1, 5.1.15 and 5.1.16; Addendum	Not applicable	7 and 11
b. Pre-opening purchases / leases	1, 6.1.2, 6.2, 6.3; Addendum	1.1 and 2.1; Order Doc 1.1 to 1.11 and 4 to 10; Schedule B-1	5, 6, 7, 8 and 11
c. Site development and other pre-opening requirements	1, 5.1.17, 6.2, 6.3 and 6.5; Addendum	1.1	5, 6, 7, 8, and 11
d. Initial and ongoing training	4.1, 5.1.5	Order Doc 1.3	5, 6, 11 and 15
e. Opening	1 and 6.4	1.1	7 and 11
f. Fees	1, 4.1, 4.3, 4.5, 5.1.20, 6.3.3, 6.4.2, 6.6.3, 8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 12.2.1.2, 12.2.2.1, 12.2.2.3, and 12.3.2	1.1, 2.2, 4.3; Order Doc 1.4, 1.10, 2.3, 3.1, 4.1 and 4.2; Schedule B-2	5, 6 and 7
g. Compliance with Standards / Manual	1, 4.5, 4.8, 5, 6.1.4, 6.2, 6.6.1, and 7.0	1.1, 2.1; Order Doc 7	8, 11, 13, 14, 15 and 16
h. Trademarks and Proprietary Information	1, 5.1.14 and 9; Addendum	1.1, 2.1, 2.3; Order Doc 7; Schedule A, B-2	13 and 14
i. Restrictions on products/ services offered	5.1.17, 5.1.18, 5.1.22, 5.1.23 and 5.1.25	1.1	8 and 16
j. Warranty and customer service requirements	5.1.8, 5.1.20 and 5.1.27	1.1	6, 8 and 16
k. Territorial development and sales quotas	Not applicable	Not applicable	12
l. Ongoing product/service purchases	1, 5.1.3 and 5.1.6	2.1	6 and 8
m. Maintenance, appearance and remodeling requirements	5.1.4 and 6.6	2.1; Order Doc 2, 4.2; Schedule A, B-2, L	8 and 11
n. Insurance	5.1.21	1.1; Schedule B-1	6 and 7
o. Advertising	5.1.7, 5.1.13, 5.1.19 and 5.1.20; Addendum	1.1	6 and 11
p. Indemnification	1 and 14; Guaranty	1.1, 5.4	6
q. Owner's participation / management / staffing	1, 4.3, 5.1.24, 5.1.26, 7.1 and 15.1; Addendum	Not applicable	15
r. Records and reports	10.1 and 10.2; Addendum; Guaranty	1.1; Article 3	Not applicable

Obligation	Section in Franchise Agreement	Section in HITS Agreement	Disclosure Document Item
s. Inspections and audits	4.5 and 10.3; Addendum	1.1; Article 3	6 and 8
t. Transfer	1 and 12	2.1	17
u. Renewal	Not applicable	Not applicable	17
v. Post-termination obligations	13.6	1.1, 4.2; Schedule B-2	17
w. Non-competition covenants	5.1.28, 7.2 and 7.3	1.1	17
x. Dispute resolution	16.2.1, 16.2.2	1.1; Schedule C-1	17
y. Other: Guaranty of franchisee's obligations	1, 5.1.15, 8.6 and Guaranty	1.1	15
z. Other: Liquidated Damages	6.4.4.1 and 13.4	1.1	17

## ITEM 10 FINANCING

Other than the development incentive program described in this Item, we generally do not offer direct or indirect financing for franchisees. We may negotiate these incentives when business circumstances warrant. The incentive program may be modified, limited, extended or terminated at any time without advance notice or amendment of this Disclosure Document.

We generally require payment of the Franchise Application Fee in a lump sum when you submit your Application, but we may occasionally allow payment of the Franchise Application Fee in installments over a limited time period before the start of construction work on your Hotel. If we do so, we will not charge interest, or require a security interest over the installment period, or have you sign a note. You may prepay the unpaid amount of the Franchise Application Fee at any time. If there is a default under the Franchise Agreement, the outstanding payments are accelerated and become your immediate obligation, along with any court costs and attorney's fees we incur for collection.

We may, in our sole discretion, offer incentives for new hotels ("Incentives"). An Incentive is a financial contribution that we make to assist with the development or conversion of your Hotel. To receive an Incentive, you and your principals must sign a development incentive note ("Note") in the form attached as Exhibit D-2 when you sign the Franchise Agreement. An Incentive does not have to be repaid, unless the franchise terminates before the end of the Term or a transfer occurs as described below. The Incentive will be disbursed to you within 30 days after the Hotel opens with our consent, as long as: (a) there have been no material adverse changes in the business, legal, litigation, bankruptcy status or finances of you, any guarantors, or the project since we granted approval; (b) you have completed any required PIP; and (c) you have paid the Franchise Application Fee.

An Incentive is not a loan, it is a contingent liability. If your franchise terminates before the end of the Term you must pay us the then-current repayable amount of the Incentive. If you transfer your Hotel you must also pay us the then-current repayable amount of the Incentive, unless we permit the transferee to assume your obligations under the Note. In that case we may require the transferee to provide us with such additional security as we deem appropriate. The repayable amount of the Incentive decreases over time. For each year that the Hotel is open, the repayable amount is reduced by an equal annual percentage of the Term. For example, if the franchise has



a 10 year Term, the repayable amount is reduced by 1/10<sup>th</sup> of the original amount annually. If the franchise has a 20 year term, the repayable amount is reduced by 1/20<sup>th</sup> of the original amount annually. An Incentive bears no interest. However, if an Incentive becomes repayable and payment is not made in full when due, the outstanding amount is subject to interest at 1.5% per month or the highest rate allowed by law. We may reduce the amount of the Incentive that we disburse to you by any amount that you or your affiliates owe to us or our affiliates, and this will not affect the calculation of the amount repayable to us. We may grant renewals, extensions, modifications, compositions, compromises, releases or discharges of other parties without notice to any guarantor or co-maker. You may not use any portion of the Incentive to make, offer, or authorize any Improper Payment or engage in any act violating any Anti-Corruption Law. If we reasonably believe that you have used the Incentive in violation of any Anti-Corruption Law, you must cooperate with our reasonable requests for information and permit us to inspect all books and records pertaining to your Hotel.

We generally do not offer any other financing or guarantee any note, lease, or other obligations. However, in unique or rare circumstances we may choose to offer other types of financing such as, for example, a mezzanine loan or a guaranty of your note, lease, or other obligations. In that event, the arrangements we offer would be based on the unique circumstances and financial situation of your Hotel. As a result, we cannot determine in advance the key terms such as, for example, the amount, term, repayment obligations, interest, fees, costs, penalties, security interests, default provisions, and other conditions or requirements. We also cannot determine in advance the type of documentation that would be required such as, for example, notes, guarantees, security agreements, mortgages, deeds, assignments, equity pledges, credit letters, intercreditor agreements, or other instruments. We do not have sample forms of these types of documents. These documents and each of their terms would be agreed at the time of origination.

## ITEM 11

### FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

We may provide any of these services through our employees and representatives, through our affiliates or through any third-party provider we designate.

Hilton will, at all times acting on our behalf, discharge all of our duties and obligations under Brand franchise agreements governing hotels situated in the US, including: discharging all of our obligations to franchisees; managing the Brand and the System; marketing, offering and negotiating new franchise agreements (including New Development, Relicensing, and Change of Ownership franchise agreements) as our franchise broker; furnishing assistance to Brand franchisees in the US; implementing our quality assurance programs; and, otherwise on our behalf, discharging all duties we owe under franchise agreements governing Brand hotels in the US.

Hilton or its affiliates employ all the persons who will provide services to you on our behalf under the terms of your Franchise Agreement. If Hilton fails to perform its obligations, then Hilton may be replaced as the franchise service provider. However, as the Franchisor, we will always be responsible for fulfilling all our duties and obligations under your Franchise Agreements.

#### **Pre-Opening Phase Obligations**

After we approve your Application and/or you sign the Franchise Agreement, but before you open your business:

1. We will loan to you a copy of our Manual and/or provide you with electronic access to the Manual on the Hilton Intranet resources library. The Manual is confidential and is the property of our affiliate, Hilton International Holding LLC, a Delaware limited liability company (“HIH”) (Franchise Agreement, Section 4.6). References to the Manual include the Standards, which include all standards, specifications, requirements, criteria, and policies that have been and are in the future developed and compiled by us for use by you in connection with the design, construction, renovation, refurbishment, appearance, equipping, furnishing, supplying, opening, operating, maintaining, marketing, services, service levels, quality, and quality assurance of System Hotels, including the hotel, and for hotel advertising and accounting, whether in the Manual or the Franchise Agreement or other written communication (Franchise Agreement, Sections 1.0 and 4.6). The Standards do not include any personnel policies or procedures that we may, at our option, make available to you in the Manual or other written communication. You may, in your sole judgment, determine to what extent, if any, any such personnel policies or procedures might apply to the Hotel or Hotel site. The table of contents of the Manual is attached as Exhibit H.
2. Before you retain or engage an architect, interior designer, general contractor and major subcontractors, we will review your selection, and you must obtain our prior written consent (Franchise Agreement, Section 6.1.1).
3. We will review the plans, layouts and specifications, drawings and designs for constructing and furnishing your Hotel, including guest Suite areas, and grant or deny approval, which may be conditioned on your architect or other certified professional certifying to us that the Plans comply with all laws related to accessibility/accommodations/facilities for those with disabilities. You may not start construction until you receive our approval. Once you receive our approval, you may not make any changes to the plans without our advance consent (Franchise Agreement, Sections 6.1.2, 6.1.3 and 6.1.4).
4. We will review and approve or disapprove your proposed management of the hotel. (Franchise Agreement, Section 7.0). In evaluating the proposed management, we look at the proposed management organizational structure, prior experience and performance in managing similar first-class, focused-service hotels, as well as other relevant factors. If we do not approve your proposed management, then we will require you to hire a professional hotel management company satisfactory to us to manage the hotel for at least the first year of operations. At the end of the year, if you request it, we will reevaluate this requirement.
5. We will provide you with the HITS Agreement (which will be countersigned by HSS) before you open your Hotel. The HITS Agreement governs your access to and use of OnQ, Hilton Worldwide’s proprietary computerized business system which is an integral part of the System we license to you (see Computer System below.) The HITS Agreement also governs the installation and on-going support and maintenance of your Guest Internet Access service (HITS Agreement, Exhibit G).
6. We will make available to you for use in your Hotel various purchase, lease, or other arrangements with respect to exterior signs, operating equipment, operating supplies and furnishings, which we or Hilton may have and which we make available to other Homewood Brand franchisees (Franchise Agreement, Section 4.7).
7. We will specify required and optional training programs (Franchise Agreement, Section 4.1). You must pay a fee for these programs and the training materials. You must

also pay for travel, lodging and other expenses associated with training (see [Training](#) below).

We are not obligated to assist you with locating, purchasing, or leasing a site for your Hotel.

### **Computer System**

You must use our required business computer system, which we may periodically change (Franchise Agreement, Sections 5.1.3 and 5.1.6). Currently, we require you to use the “OnQ<sup>®</sup>” system, which connects System Hotels to Hilton’s reservation offices and travel planners worldwide. The OnQ system is comprised of proprietary components for reservations, property management, revenue management, rate & inventory management, forecast management, learning management, and other components we consider necessary to support the following activities: reservations, distribution, sales, customer relationship management, hotel operations, and business intelligence gathering and analysis. The complete OnQ package currently includes hardware, software, installation, and support. We also require you to use our required Guest Internet Access System, which we may periodically change. The components of each are described below, and the cost estimates are based on a standard prototype Brand hotel.

### **The OnQ System**

**OnQ Hardware and Software.** You must use authorized hardware and the required software for the OnQ system. You may acquire the authorized hardware from HSS or its preferred providers, or you may purchase or lease it through other third-party providers. If you acquire the hardware from another (non-preferred) third party, you must also pay HSS for its reasonable expenses in determining that it conforms to our specifications. You must also pay for all necessary communications vehicles for OnQ (wide area network connections, electronic mail, and Internet connections), along with the installation and configuration costs, and travel and other expenses of the employees and vendors who perform the installation and configuration services.

The property management system component within the OnQ system is called the Hilton Property Management System (“HPMS”). HPMS may also be referred to as the Property Engagement Platform (“PEP”). You are required to license the HPMS software from our affiliate, HSS. HSS is the only supplier of the HPMS software because of its proprietary nature. We are not able to determine a separate market price because there is no third-party market for this product in its entirety. You must pay for the reasonable travel and other expenses of HSS employees and vendors who install and maintain the software. If you purchase the standard hardware and software from HSS, we estimate it will cost between \$28,555 and \$117,055. This includes hardware, software, installation and certain other costs and fees, and is based on the size of the hotel and number of workstations. These fees are not refundable.

About 90 to 120 days before your Hotel opens, you must sign the agreement for OnQ (HITS Agreement) and/or other related agreements we require, which will govern your access to and use of the OnQ system. The current HITS Agreement is attached as Exhibit G. You must also purchase certain software licenses such as Windows Server operating systems and related client access licenses, database applications, and virus detection and removal tools. Where applicable, these licenses must be purchased through existing enterprise agreements HSS has in place with vendors such as Microsoft. HSS will invoice the Hotel for such purchases. You may purchase other software not covered by enterprise agreements from other third-party suppliers. Costs of these licenses may vary based on the number of users or computers at your Hotel and other factors.

OnQ Connectivity. The cost for OnQ connectivity is billed to you by HSS, and costs between \$590 and \$1,260 per month. Billing will begin when your Hotel's internet access circuit is installed, about 45 days before opening. These fees are not refundable (see HITS Agreement, Order Document Section 1.7).

OnQ Start Up. You must have one or more Systems Implementation Consultants ("SICs") on site for your Hotel's opening. HSS determines the number of SICs and the number of days they will be on site based on size and type of hotel. Any delays in opening will cost \$700 per SIC per day for each additional day, plus the SICs' travel expenses. If the delay results in the departure and re-scheduling of the SICs' on-site service period, a \$2,000 re-scheduling fee would be charged plus the SICs' additional travel expenses. These fees are not refundable (see HITS Agreement, Order Document Sections 1.6 and 1.11).

Hardware and Software Maintenance and Support. HSS provides maintenance upgrades on HPMS software. In addition, you must sign a hardware maintenance contract for OnQ hardware and you must pay the first month's fee within 30 days after shipment of the hardware. The cost varies based on the size of the hotel and number of workstations. In 2023, these fees ranged from \$900 to \$2,050 per month (\$10,800 to \$24,600 per year). These fees are not refundable (see HITS Agreement, Schedule B-2).

OnQ System Refresh. You must update and upgrade ("refresh") the OnQ system at least every 3 years or such longer period as we may designate. We may also require the OnQ system to be refreshed in connection with a Change of Ownership or Relicensing, when a new franchise agreement is signed. We anticipate that cost of this to be the same or less than the cost of the original installation (but not including any elements that were needed for the original installation only).

We will have independent access to the information that will be generated by or stored in the OnQ system. There are no contractual limitations on our rights to access this information. We may change the way in which data is delivered to System Hotels in our sole judgment as changes are made to the architecture of the OnQ system or other business computer systems that we may require (Franchise Agreement, Sections 5.1.3 and 5.1.6).

### **Guest Internet Access System**

You must provide internet access for all guest rooms, meeting rooms, and public spaces at your Hotel in accordance with our Standards ("Guest Internet Access") (Franchise Agreement, Sections 5.1.3 and 5.1.6). Currently, our approved Guest Internet Access program is called "StayConnected." You must install certain hardware and software, an internet access circuit, and subscribe to an internet access service to meet this requirement.

Guest Internet Access Hardware and Software. The hardware and software for Guest Internet Access will be provided by, installed by, and maintained by our preferred providers. In addition to the hardware and software costs, you must pay for all necessary communication vehicles (phone lines, network connections), installation and configuration costs, and travel and other expenses of the vendors who perform the installation and configuration services. We estimate that it will cost between \$64,250 and \$77,500 for Guest Internet Access hardware, software, installation, and certain other costs and fees, excluding taxes or structured cable and cabling installation.

Guest Internet Access Circuit. You must install a Guest Internet Access circuit that meets our specifications and pay for the ongoing cost of using the circuit from a preferred provider. You must arrange for procurement of the monthly service for the required connection locally. The cost will depend on the circuit size, type, and the physical location of your Hotel. Currently, we estimate

that these together will cost between \$921 and \$1,665 per month (\$11,052 to \$19,980). These fees are normally not refundable.

Guest Internet Access Service. You must also arrange and pay for the ongoing Guest Internet Access service. You must purchase this service from a preferred provider. The cost will depend on your Hotel's size and number of meeting rooms. Currently, we estimate that it will cost between \$363 and \$1,089 per month (\$4,356 to \$13,068 per year). This estimate includes the monthly service for the 24x7 call center support and equipment break-fix maintenance. Your costs will depend on your Hotel's size and number of meeting rooms. These fees are normally not refundable.

Guest Internet Access Refresh. You must refresh the Guest Internet Access system at least every 4 years. We may also require the Guest Internet Access system to be refreshed in connection with a Change of Ownership or Relicensing, when a new franchise agreement is signed. We anticipate that cost of this to be the same or less than the cost of the original installation (but not including any elements that were needed for the original installation only).

### **Connected Room System**

We may require you to install our "Connected Room" system, which enables streaming media and permits guests to use their smart phones and other personal mobile devices to control their guest room television and other conveniences such as lighting and temperature using the Hilton Honors App. This system requires a control module that is connected to each in-room television along with certain electrical fixtures such as light switches and thermostats, which you must purchase from us or our approved vendors. The cost of this system is currently between \$31,160 and \$37,240, and the cost of the electrical fixtures is competitive with equivalent standard fixtures. The initial installation costs are paid to the vendor before opening. You must also have maintenance and support from us or an approved vendor, which is paid to us and currently costs between \$570 and \$670 per month (\$6,840 to \$8,040 per year). These costs are normally not refundable.

### **GRO System**

You must install our required Global Revenue Optimization ("GRO") system. The GRO system is an online application that utilizes third-party software to provide pricing recommendations for your Hotel based on robust data analytics and forecasting. The GRO system integrates with the OnQ system for ease of operation. You are not required to adopt the pricing recommendations provided by GRO. Currently, the GRO system is based on a solution provided by Integrated Decisions and Systems, Inc. ("IDeaS"), which provides maintenance and customer support services for the application. We may provide additional support. There are no other approved vendors at this time. We are not obligated to provide any maintenance or updates for the GRO system. The system is updated and maintained centrally by IDeaS. We will have independent access to your Hotel's information stored in this system. There are no contractual limitations on our right to access this information. You must pay for a portion of the installation costs of the GRO system at your Hotel, which is currently about \$3,400. Currently, you are not required to pay an ongoing fee to use this system.

### **Delphi System**

You must use Delphi.fdc, a cloud-based sales and events system powered by Amadeus Hospitality, in a configuration we approve. The set-up costs of this system are between \$900 and \$18,600. Additional set-up costs may apply, depending on the implementation approach you choose and the specific needs of your Hotel. You will pay the set-up costs to the vendor directly.

You must also pay annual license fees and maintenance costs of \$858 per user per year. You will pay all Delphi system fees to HSS, which are passed through to the vendor. The optional on-property license fee includes a 10% mark-up, which we keep to help cover our costs in developing and maintaining the Delphi system for Network Hotels. Depending on your Hotel's technology configuration, you may be required to utilize the MeetingBroker lead distribution platform, which integrates with Delphi.fdc and other group booking systems. MeetingBroker is also powered by Amadeus Hospitality. There are no separate fees for the MeetingBroker lead distribution platform, although you may be required to sign a separate license agreement with Amadeus Hospitality to use it. We are not obligated to provide any maintenance or updates for either of these systems. You must maintain and update them at your cost to remain in compliance with the Standards. There are no limits on the frequency or cost of this obligation. We will have independent access to your Hotel's event sales information stored in these systems (including accounts, inventory, bookings and other data). There are no contractual limitations on our right to access this information.

### **Digital Floor Plan**

You must pay \$1,000 for the preparation of a Digital Floor Plan for your Hotel. HSS will have the Digital Floor Plan prepared by a local vendor. The floor plan will be used by us and our affiliates, including Hilton Honors Worldwide, to allow Hilton Honors guests to choose their room from a map of the hotel and enable digital check-in. This fee is paid to HSS before opening, and is not refundable.

### **Digital Key**

You must use our Digital Key system, which enables hotel guests to open their guest room doors wirelessly (without a physical door key) through the Hilton Honors App. This effectively allows guests to use their mobile phone as their room key. There is no separate charge for the Digital Key system. The software for the system is within the OnQ system described above, and the hardware consists of electronic door locksets and a programming device which are included in the construction cost estimates in Item 7 above.

### **Other Business Systems**

For the operation of any other business computer systems you may choose to use outside of OnQ, including but not limited to financial and accounting systems, point of sale, telephone, timekeeping and payroll, certain inventory systems, and spa and health club memberships (if applicable), you are able to contract with the supplier of your choice for both the hardware and software, subject to meeting our Standards on features and functionality. The only restriction would be where such hardware and software need to interface to OnQ. In those instances, your choice of supplier would be restricted to those that have a working interface to OnQ. The hardware, software, and interfaces must be installed by, and fees must be paid to, the respective vendors you choose.

### **Training**

We offer required training courses to those affiliated with the System for orientation and as part of the certification process. Our training is designed for and based on the specific business and operational functions of Brand Hotels. The personnel you designate to fulfill these business and operational functions must complete the required training to our satisfaction. If you hire replacement personnel for any of these roles or functions, the replacements must successfully complete the appropriate training programs.

When we provide training, we provide the training content that we deem necessary and appropriate for the business and operational functions of the Hotel so that it may operate in accordance with our Standards. At all times under the Franchise Agreement you are an independent contractor and an independent employer, and we will not direct or supervise your personnel, or have, retain, reserve, or exercise any control over your (or your Management Company's) personnel or personnel policies or procedures in any manner.

The following table describes our training program as of the Issuance Date of this Disclosure Document. We may modify our training requirements over time. The subject matter, time required, locations, and costs are subject to change. In this table the term "virtual" means an internet-based class with a live instructor, and "online" means an internet-based class that does not have a live instructor. Both virtual and online training courses are considered equivalent to classroom training. These courses may be provided by us or our designated third-party vendors.

We will provide you with our current Brand training requirements document upon request and/or you may access it through our intranet, The Lobby.

### TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Brand Conference (Note 1)	Varies	0	Varies
General Manager, Commercial and Sales Leader Training (Note 2)	Up to 18	0	Virtual
Hilton Property Management System (HPMS) Training (Note 3)	1-5	0	Online
OnQ Rate & Inventory and GRO Training (Note 4)	5	0	Online
Hilton Honors Training (Note 5)	1	1	Online or On-site
Hilton Core Sales Skills (Note 6)	24	0	Virtual
ADA Training (Note 7)	Varies	0	Online
Annual Compliance Training (Note 8)	2-3	1	Online or On-site
Pre-Opening Training Resources (Note 9)	Varies	0	On-site
Owner Orientation (Note 10)	16	0	Virtual
New to Hospitality Owner Education (Note 11)	20	0	Virtual
Homewood Suites Brand Hospitality Orientation (Note 12)	8	0	On-site
Revenue Management @ Work (Note 13)	16	0	Dallas, TX, or Virtual

## NOTES

1. **Brand Conference.** We require participation by your general manager and director of sales (or equivalent) in an annual Brand or regional conference. Conference program fees and expenses are not refundable. The conference may be held at various hotel locations. Currently, the cost is \$2,500 per attendee.
2. **General Manager, Commercial and Sales Leader Training.** Your general manager and other commercial leaders must complete this virtual learning program within 90 days of their start date. This training is required for all new general managers and commercial leaders, and those who have been away from the Brand or the role for more than 24 months. When a qualified general manager or commercial leader leaves the role, you must have a replacement person (even if temporary) complete the training so that your Hotel does not have more than 90 days without a qualified person overseeing the function. The specific curriculum of this training and the attendant cost may vary based on the trainee's experience in the role. Currently, the cost is up to \$1,200.
3. **Hilton Property Management System (HPMS) Training.** Before the opening of your Hotel, all Hotel staff that will be utilizing HPMS must first complete their respective training based on their role. This training is mandatory for all personnel working in the designated subject areas. We will verify that all front desk staff and management have successfully completed training. If your staff have not completed the required training, the opening of your Hotel may be delayed. Currently, there is no separate fee for this training.
4. **OnQ Rate & Inventory and GRO Training.** Before your Hotel opens, all staff that will be utilizing the OnQ Rate and Inventory Management component must complete their respective self-paced web-based training and obtain a certificate of completion. We will verify that all reservations and revenue management staff have successfully completed training and have passed a certification test by at least a minimum score of 90%. Up to 3 of your management staff must be certified, based on the number of rooms. If your staff does not attain the minimum score, the opening of your Hotel may be delayed. Currently there is no separate fee for this training.
5. **Hilton Honors Training.** The Hilton Honors Training is online through Hilton University. This training program is mandatory for all management personnel in key functions and applicable front office personnel and must be completed before the Hotel opens, or is converted, or within 14 to 45 days of their start date, depending on job position. Currently, there is no separate fee for this training.
6. **Hilton Core Sales Skills.** All designated commercial leaders and sales staff must successfully complete this certification program within 90 days of their start date. This program teaches Hilton's sales process and reinforces critical consultative selling skills. Attendees must complete the applicable track to complete the certification: The "Foundations" track is for attendees with less than 2 years of experience. It consists of a 6-week blended learning program. The "Accelerated" track is for attendees with 2 or more years of experience. It consists of a 2-week blended learning program. Currently, the cost is up to \$600 per attendee.
7. **ADA Training.** If you engage in a Permitted Transfer, Conversion, Relicensing or Change of Ownership Transfer for the Hotel, we may require you or personnel you designate to attend an online training in order to complete an independent survey conducted by an ADA consultant to determine the Hotel's compliance with the ADA. Currently, there is no separate fee for this training.
8. **Annual Compliance Training.** Your Hotel must meet annual compliance training requirements. Topics may include diversity and inclusion, unconscious bias, harassment



prevention, human trafficking prevention, disability awareness, cyber security, and health and safety. For cyber security, disability awareness, human trafficking prevention, diversity and inclusion, and unconscious bias, we offer training at no cost. Alternatively, you may choose to obtain this training from a vendor of your choice, in which case the cost would be agreed between you and the vendor. For the compliance topics of harassment prevention and health and safety, we do not offer training, but will provide vendor recommendations upon request. We estimate vendor fees would typically cost \$25 to \$50 per person, per topic, for this training.

9. **Pre-Opening Training Resources.** Your Hotel is provided unlimited access to brand hospitality tools and resources including intro webinars and team member workshops. Currently there is no separate fee for this training.

10. **Owner Orientation.** Owner orientation is required for all franchisees or management company representatives who are new to the Hilton Worldwide Brands 12-18 months before the opening of your Hotel. Either you or the person you designate to supervise your general manager must attend. If a Change of Ownership takes place and the transferee is a first-time Brand franchisee, they must attend this program within 180 days of the date of the transfer. Currently, there is no separate fee for this program.

11. **New to Hospitality Owner Education.** This portfolio of classes is a virtual learning program for franchisees that do not have prior hospitality or comparable brand experience. This training must be taken before opening or within 90 days after a Change of Ownership. We encourage you to complete this training before Owner Orientation. This program will provide baseline industry knowledge, best practices, and help build competencies in hospitality foundations including revenue management, asset management, sales generation, and talent management. This training is provided by a vendor we select. Currently, all fees are paid directly to the vendor. At least 1 person in your organization must successfully complete this training. Currently, the cost for this program is up to \$2,500 per participant.

12. **Homewood Suites Brand Hospitality Orientation.** This training is mandatory for all new personnel within 7 days of their start date. It includes topics such as: Homewood Suites Be At Home Personality, the Suite Assurance Guarantee®, the Extended Stay Touch, OPOG and HEART. Currently, there is no separate fee for this training.

13. **Revenue Management @ Work: An Interactive Workshop.** This training is mandatory for one of the following managerial roles at your Hotel: your general manager, assistant general manager, director of sales, sales manager, or revenue manager (or equivalent). It must be completed within 120 days of their start date. This training is designed to strengthen the Hotel's revenue management function, building on a pre-requisite eLearning course. This training may be taken either virtually or in person. Currently, the cost is \$600 per attendee.

Online and web-based programming is self-paced training that trainees can access at any time. For other training, unless otherwise noted, we will provide the training on an as needed basis.

Our instructors and presenters generally have a minimum of 2 to 5 years' experience in the subject taught. We use a variety of instructional materials in connection with our training programs, including our Manual, digital media clips, DVDs, HU Connect social learning site, self-paced eLearning programs, other media, and print and virtual handbooks. We may modify these materials or use other materials for the training programs.

We and our affiliates offer many additional optional learning programs and may develop additional learning programs at any time. You must pay any fees associated with required and optional training courses. We may also charge for training materials. You pay for any travel, lodging and

miscellaneous expenses of your attendees. For programs that include travel by our (or our affiliate's) trainers to your Hotel site, you may also be required to pay travel, lodging, tax and meals of the trainers.

### **Operational Phase Services**

During the operation of the franchised business, we will:

1. Periodically publish (either in hard copy or electronic form or both) and make available to the traveling public a directory that includes System Hotels, including your Hotel. Additionally, we will include the Hotel, or cause the Hotel to be included, where applicable, in advertising of System Hotels and in international, national and regional marketing programs offered by us, subject to and in accordance with our general practice for System Hotels (Franchise Agreement, Section 4.4).
2. Afford you access to the Reservation Service on the same basis as other System Hotels, as long as you are in full compliance with the obligations set forth in the Franchise Agreement, including all Standards set forth in the Manual. Our Reservation Service currently connects System Hotels to our global reservations database and global distribution systems. (Franchise Agreement, Section 4.2). However, if your Hotel is in default we may suspend our obligations to you under the Franchise Agreement, including removing the listing of your Hotel from any directories we publish and from any advertising we publish, assessing any applicable non-compliance fee, and/or suspending or removing your Hotel from the Reservations Service. (Franchise Agreement, Section 13.3).
3. Administer a quality assurance program for the System that may include conducting periodic inspections of the hotel and guest satisfaction surveys and audits to ensure compliance with System Standards (Franchise Agreement, Section 4.5).

As of the date of this Disclosure Document we are considering making adjustments to our existing quality assurance program, which we may implement this year. Such adjustments may include fee increases and/or new or additional charges as described in Item 6. Our quality assurance program fees and charges are intended to recoup our costs as well as losses incurred in connection with damage done to the Brand's reputation and goodwill as a result of quality and service failures at Brand hotels. Accordingly, any amounts collected in excess of our costs will be used to supplement the Monthly Program Fee for the benefit of the System as described below.

In furnishing these benefits, facilities or services to you, neither we nor any of our affiliates will exercise control or supervision over you or your personnel. Management and operation of the Hotel is your sole responsibility and obligation.

### **Advertising**

We are not required to engage in or maintain any particular advertising program apart from our general obligations to periodically publish and make available to the traveling public a directory of all System Hotels (including your Hotel), to include your Hotel in national or regional group advertising of System Hotels, and to include your Hotel in international, national and regional market programs. (Franchise Agreement, Section 4.4). Most advertising is placed on the internet, as well as in traditional media (such as TV, radio, newspaper, magazine, and direct email), generally with national coverage. The source of our advertising is our in-house marketing department, advertising agencies, and other external vendors.

You must advertise and promote the hotel and related facilities and services on a local and regional basis as we specify in the Manual, in a first-class, dignified manner, using our identity and graphics standards for all System Hotels, at your cost and expense. You must submit to us samples of all advertising and promotional materials that we have not previously approved (including any materials in digital, electronic, or computerized form, or in any form of media that exists now or is developed in the future) before you produce or distribute them. You may not begin using the materials until we approve them. You must immediately discontinue your use of any advertising or promotional material that we reasonably believe is not in the best interest of your Hotel or the System, even if we previously approved the materials. Any advertising or promotional materials, or sales or marketing concepts, you develop for your Hotel that we approve may be used by other hotels in the System without any compensation to you. (Franchise Agreement, Section 5.1.7).

You may not engage, directly or indirectly, in any cross-marketing or cross-promotion of your Hotel with any other hotel, motel or related business without our prior written consent, except for System Hotels and Network Hotels. The “Network” means the hotels, inns, conference centers, timeshare properties and other operations that Hilton Worldwide and its subsidiaries own, license, lease, operate or manage now or in the future. “Network Hotel” means any hotel, inn, conference center, timeshare property or other similar facility within the Network. During the term of your franchise you may not utilize a list of customers (whether acquired before or during the term of your franchise) without our prior approval.

You must refer guests and customers, wherever reasonably possible, only to System Hotels and (if and as we direct) Network Hotels. However, we can require you to participate in programs designed to refer prospective customers to other hotels, whether in the System or otherwise. You must also display all material, including brochures and promotional material we provide to System Hotels and Network Hotels; and allow advertising and promotion only of System Hotels and Network Hotels on your Hotel premises (Franchise Agreement, Paragraph 5.1.13).

We may suggest room rates and pricing policies to the extent allowed by law. You will determine the room rates and the prices of the services and amenities that you offer to guests, except that we may establish maximum rates and prices for marketing and promotions if permitted by law. For the efficiency and consistency of our distribution programs, and to enable us to operate certain marketing and promotions (such as our Price Match Guarantee), we may also require that the rates and prices you advertise through certain distribution channels be the same as or better than the rates and prices you advertise through other distribution channels as permitted by law.

We may occasionally convene an advisory council to consult with us on advertising policies and marketing programs. Currently we have no such council. If we convene a council, it may consist of franchisees together with representatives of our company-managed hotels and company employees. We may select franchisees for the council by their hotel type, geographic location, being in good standing and demonstrating leadership in the System, or other considerations we deem relevant. The council would serve only in an advisory capacity and would not have operational or decision-making power. We may change or dissolve any advisory council in our discretion.

We may enter into certain types of distribution, marketing, and/or loyalty relationships (“Strategic Partnerships”) with third-party companies or vendors (“Strategic Partners”) under which guests can make reservations and purchases through our Reservation Service and distribution system, and Hilton Honors members may receive benefits at such businesses. We currently have Strategic Partnerships in place with Small Luxury Hotels of the World LTD (SLH) and Prospect Hotel Management, LLC (Autocamp.com). We may enter into additional Strategic Partnerships in the future. See Item 12 for details.

We may occasionally create marketing programs for specific promotional purposes that include only certain hotels. These programs may focus on a geographic location, particular types of hotels, or other criteria. For example, we may develop a marketing campaign that promotes hotels in a specific tourist destination. For these programs, we decide which hotels to include and the nature and method of the marketing under our general marketing policies and practices for System Hotels. If your Hotel is selected for such a program, your participation may be required but there would be no fee for participating. As described in Item 8, we may also occasionally develop promotional programs with other companies that feature those companies' branded products or services used or offered by our System Hotels. We may require or permit your Hotel to participate in those promotional programs in accordance with the Standards.

We may also occasionally provide marketing programs in which your participation is voluntary. Participating hotels normally bear their proportionate costs of participation. We have periodically matched or supplemented the amounts paid by participating franchisees, when, in our opinion, the marketing effort supports our broader (national or global) marketing objectives for the System or Network.

You are not required to participate in any marketing cooperative. We may occasionally develop local marketing programs that operate like cooperatives in that they may consist of a group of franchisees that pool their resources and actively work together on local marketing efforts. However, these cooperatives are not legal entities and do not operate from written governing documents. These cooperatives need not prepare annual or periodic financial statements. We may help form this type of cooperative whenever a group of franchisees wish to get together. Participation is voluntary. The contributions to these cooperatives vary depending on the voluntary contributions of members. These cooperatives may be administered by us, by franchisees, or by an advertising agency. If we participate in a cooperative, we can require it to be formed, changed, dissolved, or merged with another cooperative. We cannot guarantee that we will offer any cooperative marketing programs to franchisees in the future. Any plan that we offer in the future may differ from the plans we offered to franchisees in past years.

We will use your Monthly Program Fee to pay for various programs to benefit the System, including advertising, promotion, publicity, public relations, market research, and other marketing programs; developing and maintaining Brand directories and internet sites; developing and maintaining the Reservation Service systems and support; quality assurance program; and administrative costs and overhead related to the administration or direction of these projects and programs. We have the sole right to determine how and when we spend these funds, including sole control over the creative concepts, materials and media used in the programs, the placement and allocation of advertising and the selection of promotional programs. We may enter into arrangements for development, marketing, operations, administrative, technical and support functions, facilities, programs, services and/or personnel with any other entity, including any affiliates. Monthly Program Fees are intended for the benefit of the System, and will not be used to promote or benefit any one property or market. Occasionally, however, Monthly Program Fees may be used for a property or market-specific initiative if we determine it has a strategic value to the System overall. We will have no obligation in administering any activities paid by the Monthly Program Fee to make expenditures for you that are equivalent or proportionate to your payments, or to ensure that the hotel benefits directly or proportionately from such expenditures. We may create any programs, and allocate monies derived from Monthly Program Fees to any regions or localities as we consider appropriate in our sole judgment. The aggregate of Monthly Program Fees paid to us by franchisees does not constitute a trust or "advertising fund" and we are not a fiduciary with respect to the Monthly Program Fees paid by you and other franchisees. We are not obligated to expend funds in excess of the amounts received from franchisees using the System. If any interest is earned on unused Monthly Program Fees, we will use the interest before

using the principal. The Monthly Program Fee does not cover your costs of participating in any optional marketing programs and promotions periodically offered by us or our affiliates in which you voluntarily choose to participate. These fees also do not cover the cost of operating the hotel in accordance with the standards in the Manual. (Franchise Agreement, Section 4.4).

### **Web Sites**

You may not register, own, or maintain any internet domain names, World Wide Web or other electronic communications sites, including mobile applications (each, a "Site" and collectively, "Sites"), relating to the Network, the System, or your Hotel, or that include the Marks. The only Sites, or Site contractors, that you may use for your Hotel are those assigned or approved by us. You must obtain our prior written approval of any third-party Site in which your Hotel will be listed, any proposed links between the Site and any other Sites ("Linked Sites"), and any proposed modifications to all Sites and Linked Sites. All Sites containing any of the Marks and any Linked Sites must advertise, promote, and reflect on your Hotel and the System in a first-class, dignified manner. Our right to approve all materials is necessitated by the fact that those materials will include and be inextricably linked with the Marks. Any use of the Marks on the internet and any other computer network or electronic distribution system, including mobile applications, must conform to our requirements, including the content, identity, and graphics standards for all System Hotels. Given the changing nature of computer and communications technology, we have the right to withhold our approval, withdraw any prior approval, and to modify our requirements at any time.

You may not (without a legal license or other legal right) post on your Sites or disseminate in any form any material in which any third party has any direct or indirect ownership interest, including video clips, photographs, sound bites, copyrighted text, trademarks or service marks, or any other text or image in which any third party may claim intellectual property ownership interests. You must incorporate on your Sites any other information we require in the manner we consider necessary to protect our Marks.

When your Franchise Agreement expires or terminates, you must irrevocably assign and transfer to us or our designee all of your right, title and interest in any domain name listings and registrations that contain any references to our Marks, System or Brand, notify the applicable domain name registrars of the termination of your right to use any domain name or Sites associated with the Marks or the Brand, and authorize and instruct the cancellation or transfer of the domain name to us or our designee, as directed by us. You must also delete all references to our Marks or brands from any other Sites you own, maintain or operate after the expiration or termination of the Franchise Agreement. (Franchise Agreement, Section 9.5).

### **Advance Purchase Program**

Hilton's Advance Purchase Program provides guests with the ability to pay for hotel reservations in advance in exchange for receiving a discounted room rate. You may but are not required to participate in this optional program. Currently, we charge a fee of 3.5% of the advance payments received. Guests typically make advance payments using their credit or debit cards. In 2024, we will begin rolling out an enhancement to this program that will permit guests to make payments with certain third-party digital payment apps and online services such as Google Pay and Apple Pay. The third-party apps/payment providers may change over time. If you choose to participate in the Advance Purchase Program you will be required to offer digital payments as an option to your guests. You must also open a merchant account and sign a Licensee Merchant Agreement with a third-party vendor called Adyen N.V. ("Adyen") and a Refund Authorization with us. Adyen provides electronic payment processing services for this program. You do not have to pay any additional fees to us or to Adyen to enroll in the digital payments option. However, Adyen may

charge certain transaction, processing, or service fees that apply to your account. If you wish to participate in the Advance Purchase Program, we will provide complete details on request. We may make this program or some of its components mandatory in the future.

### **Time Frame for Opening the Hotel**

You must begin construction of a New Development hotel within 15 months from the date we approve your Application. You must complete construction of a New Development hotel, receive our authorization for opening and open your Hotel within 30 months from the date we approve your Application.

In Conversion, Re-licensing or Change of Ownership, you may be required to upgrade the property to meet our standards. We establish a deadline by which you must begin the work on a project-by-project basis. You must complete the requisite upgrades for Change of Ownership situations within the timeframes we establish in the PIP. In Conversion and Re-licensing situations, we determine the commencement and completion deadlines according to the PIP. We determine the deadlines for beginning and completing work for Suite additions on a project-by-project basis.

## **ITEM 12 TERRITORY**

We grant you a non-exclusive license to use the System during the term of the Franchise Agreement to operate a franchised hotel at a specified location. There are no provisions in the standard Franchise Agreement granting a protected area or territory. You will not receive an exclusive territory. You may face competition from other franchisees, from hotels that our affiliates own, or from other channels of distribution or competitive brands that we control. The standard Franchise Agreement permits us to own, license or operate any Other Business of any nature, whether in the lodging or hospitality industry or not, and whether under the Brand, a competitive brand, or otherwise. We and our affiliates have the right to engage in any Other Businesses, even if they compete with the Hotel, the System, or the Brand, and whether we or our affiliates start those businesses, or purchase, merge with, acquire, are acquired by, come under common ownership with, or associate with, such Other Businesses. We may also: (a) modify the System by adding, altering, or deleting elements of the System; (b) use or license to others all or part of the System; (c) use the facilities, programs, services and/or personnel used in connection with the System in Other Businesses; and (d) use the System, the Brand and the Marks in the Other Businesses. You acknowledge and agree that you have no rights to, and will not make any claims or demands for, damages or other relief arising from or related to any of the foregoing activities, and you acknowledge and agree that such activities will not give rise to any liability on our part, including, but not limited to, liability for claims for unfair competition, breach of contract, breach of any applicable implied covenant of good faith and fair dealing, or divided loyalty. "Other Businesses" means any business activity we or our affiliates engage in, other than the licensing of your Hotel.

We may, however, agree to give franchisees certain specific territorial restrictions ("Restricted Area Provision") for an area surrounding the franchised hotel and encompassing the immediate competitive market for the hotel as may be agreed on by the parties ("Restricted Area"). If we agree to give you a Restricted Area Provision for your New Development or Conversion, it will normally be for an agreed-on time period, which is shorter than the term of the Franchise Agreement ("Restrictive Period"). We will not normally grant a Restricted Area Provision for a Change of Ownership or Re-licensing, although we will occasionally do so under certain unique circumstances. The following discussion applies where we agree to give you a Restricted Area Provision in your Franchise Agreement:

1. **Restricted Area**. The boundaries of the Restricted Area will normally depend on the relevant market in the immediate area and competitive circumstances in the relevant market when you sign the Franchise Agreement. The boundaries will vary in size and shape from hotel to hotel. Boundaries are not delineated according to any standard formula, but may be delineated in various ways, including references to cities, metropolitan areas, counties or other political subdivisions, references to streets or highways, or references to an area encompassed within a radius of specified distance from the front door of the hotel.
2. **Restricted Area Provision**. The Restricted Area Provision will typically restrict us and our affiliates from operating, or authorizing someone else to operate, another Brand hotel during the Restrictive Period and within the Restricted Area (except as described in Paragraph 3 below). In the Restricted Area Provision, the term 'Brand' means the name used to identify the chain of hotels operated under the same Chain Code and Standards. It excludes any other brands or product lines containing "Homewood" in the name. It also excludes Hilton Worldwide Holdings Inc., its affiliates, and other chains of hotels that include the word "Hilton" as part of their brand name (such as "Hilton Garden Inn" or "DoubleTree by Hilton").
3. **Exclusions from the Restricted Area Provision**: The Restricted Area Provision will generally not apply to: (a) any hotel or motel that is currently open or under construction or has been approved for development or opening as a Brand hotel as of the Effective Date, or any hotel located or to be located within the Restricted Area that replaces such hotel under the Brand; (b) hotels or motels under brands other than the Brand; (c) hotels or motels that will not begin operating under the Brand until after the expiration of the Restrictive Period; (d) gaming-oriented hotels or facilities using the Brand; (e) shared ownership properties (commonly known as "vacation ownership" or "time share ownership" or similar real estate properties) under the Brand; and (f) any hotels, motels, or inns that are part of a chain or group of four (4) or more hotels, motels, or inns that we or our Affiliates, as a result of a single transaction or group of related transactions, own, operate, acquire, lease, manage, franchise, license, or join through a merger, acquisition or marketing agreement (or otherwise), whether under their existing name or the Brand name or any other name.
4. **Restrictive Period**. The Restrictive Period will normally be for an agreed-on time period. Generally, this period will be shorter than the term of the Franchise Agreement, usually tied to a specified number of years from the date your Franchise Application was approved. In some cases, the Restrictive Period may reduce in geographic scope after an agreed-on time period. The continuation of the Restrictive Period will not depend on your achieving any particular sales volume or market penetration. An increase in population in the Restricted Area will not affect it and there are no other circumstances when your Restricted Area may be altered. Historically, we have extended the Restrictive Period for the full term of the Franchise Agreement; however we do not intend to do so in the future. Those restrictions as to entities other than us may lapse if the Brand is no longer affiliated with Hilton Worldwide.

**IMPORTANT NOTES:** A Restricted Area Provision will not give you protection from previously existing hotels which are managed or licensed by us or an affiliate or our or their predecessors, or any hotel site for which we or an affiliate or its predecessor have approved an application and/or signed a franchise agreement, management agreement, lease or license agreement for a System Hotel to be developed. In addition, a Restricted Area Provision will not give you protection from any replacement hotel that replaces or will replace another such existing hotel or hotel site. SOME

STATE AND/OR OTHER LAWS PROVIDE THAT TERRITORIAL AND/OR AREA RESTRICTIONS ARE VOID, VOIDABLE AND/OR SUPERSEDED BY LAW.

There may currently be franchised or company-owned Network Hotels situated in or near your area. We, Hilton and our affiliates or subsidiaries may establish new franchised, company-owned, or company-managed Network Hotels in or near your area.

You may compete with any Network Hotels in and near your area. There is no mechanism for resolving any conflicts that may arise between your Hotel and Network Hotels. Any resolution of conflicts regarding location, customers, support or services will be entirely within the business judgment of Hilton Worldwide and us.

We may enter into certain types of distribution, marketing, and/or loyalty relationships (“Strategic Partnerships”) with third-party companies or vendors (“Strategic Partners”) under which guests can make reservations and purchases through our Reservation Service and distribution system, and Hilton Honors members may receive benefits at such businesses. These Strategic Partnerships are “Other Businesses” under the Franchise Agreement. Strategic Partners are not Hilton Worldwide Brands. Strategic Partners are not our corporate affiliates, and do not offer franchises or management agreements for any of the Hilton Worldwide Brands. We may enter into, terminate, or modify any Strategic Partnership anywhere, at any time, in our discretion. Strategic Partners’ businesses may be located in and near your area, including within your Restricted Area (if any). Your Hotel may compete with any hotels, motels, inns, campsites, other lodging facilities or accommodations, as well as any tours, excursions, or other customer experiences, products, or services offered by our Strategic Partners or through any of our Strategic Partnerships anywhere, at any time, other than as provided in your Restricted Area Provision (if any).

See Item 1 for a description of the hotel brands licensed, operated and managed by, or otherwise affiliated with Hilton Worldwide. You may compete with these guest lodging properties.

We 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 your Hotel and the System. We and/or our affiliates may own, operate, manage, franchise, license, lease, acquire, create or establish, or serve as franchisee or licensee for, competitive guest lodging facilities or networks anywhere, including within any Restricted Area, under any brands or marks (but not a System Hotel, within your Restricted Area, in any). We and/or our affiliates may also furnish services, products, advice and support to guest lodging facilities, networks, properties or concepts located anywhere, including in your Restricted Area, if any, in any manner we or our affiliates determine. We and/or any of our affiliates may be sold to or otherwise acquired by an existing competitor or newly formed entity which itself has established or may establish competitive guest lodging facilities located anywhere (provided that any Restricted Area protections will be observed). Further, we and/or our affiliates may purchase, merge, acquire, or affiliate in any other way with any franchised or non-franchised network or chain of guest lodging facilities or any other business operating guest lodging facilities regardless of the location of that network, chain or other business’s facilities, including within your Restricted Area, if any, and that we may operate, franchise or license those other facilities under any brands or marks anywhere regardless of the location of those businesses and/or facilities (but not a System Hotel, within your Restricted Area, if any). There is no mechanism for resolving any conflicts that may arise between your Hotel and other hotels described in this paragraph.

You may not register, own or maintain any Sites relating to the Network or your Hotel or that include the Marks. The only domain names, Sites, or Site contractors that you may use relating to your Hotel or the Franchise Agreement are those we assign or otherwise approve in writing. You must obtain our advance written approval for any third-party Site in which your Hotel will be



listed, and any proposed links between the third-party Site and any Linked Sites and any proposed modifications to all Sites and Linked Sites. See Item 11 for further information concerning our Web Site requirements and limitations. The Franchise Agreement does not otherwise limit the channels through which you may solicit customers for your Hotel.

We do not permit the relocation of franchised hotels. You have no options, rights of first refusal or similar rights to acquire additional franchises.

## **ITEM 13 TRADEMARKS**

### **Trademark Use: Your Rights**

We grant you a limited, nonexclusive right to use our System in the operation of a hotel at a specified location under the licensed trademark "Homewood" ("Principal Mark"). As used in the Franchise Agreement and this Disclosure Document, the System includes the Marks. The Marks include the Principal Mark and all other service marks, copyrights, trademarks, logos, insignia, emblems, symbols, and designs (whether registered or unregistered), slogans, distinguishing characteristics, trade names, domain names, and all other marks or characteristics associated or used with or in connection with the System, and similar intellectual property rights, that we designate to be used in the System.

Our affiliate, HIH, holds the rights to the Marks, including the following trademarks and service marks, which are registered on the United States Patent and Trademark Office Principal Register:

<b>Mark</b>	<b>Registration Number</b>	<b>Registration Date</b>
Homewood Suites (words)	1513176	November 15, 1988
Homewood Suites by Hilton (words)	2639865	October 22, 2002

We do not have federal registration for the principal trademark "Homewood". Therefore, it does not have as many legal benefits and rights as a federally registered trademark. If our right to use this Mark is challenged, you may have to change to alternative trademark, which may increase your expenses.

We entered into a license agreement with HIH which grants us the right to use the Marks in connection with the System in the US. The term of the license agreement between us and HIH continues indefinitely so long as each party continues to be an affiliate of Hilton Worldwide. HIH has certain enforcement rights if we default under the license agreement, including the right to terminate the license agreement if we fail to cure a default within the time period specified in the license agreement. These enforcement rights or any other rights of HIH to terminate the license agreement will not affect your right to use the Marks licensed to you under the Franchise Agreement as long as you are in good standing under the Franchise Agreement.

In the future, HIH may transfer the Marks or licenses related to the Marks to other affiliates in connection with changes to Hilton Worldwide's subsidiaries or for administrative purposes periodically. If that occurs, we will continue to have a license to use the Marks in connection with the System in our franchise business, and your license to use the Marks will not be disturbed. The Franchise Agreement does not grant you the right to use any other marks owned by our affiliates HIH.

You may use the Marks only in connection with the System and only in the manner we designate, as set out in the Franchise Agreement and the Standards. We may designate additional Marks,

change the way Marks are depicted, or withdraw Marks from use at any time. We will not withdraw the Principal Mark. We may limit what Marks each brand of hotel may use.

Your Hotel will be initially known by the trade name set forth in the Addendum (“Trade Name”). We may change the Trade Name at any time, but we will not change the Principal Mark. You may not change the Trade Name without our specific written consent.

Under the Franchise Agreement, you acknowledge and agree that you are not acquiring the right to use any service marks, copyrights, trademarks, logos, designs, insignia, emblems, symbols, designs, slogans, distinguishing characteristics, trade names, domain names or other marks or characteristics owned by us or licensed to us that we do not specifically designate to be used in the System.

### **Use of the Marks: Your Duties**

We have the right to control any administrative proceedings or litigation involving a Mark licensed by us to you. We will have the sole right and responsibility to handle disputes with third parties concerning use of the Marks or the System. The protection of the Marks and their distinguishing characteristics as standing for the System is important to all of us. For this reason, you must immediately notify us of any infringement of or challenge to your use of any of the Marks. You may not communicate with any other person regarding any such infringement, challenge or claim. We will take the action we consider appropriate with respect to such challenges and claims and only we will have the right to handle disputes concerning the Marks or the System. You must fully cooperate with us in these matters. Under the terms of the Franchise Agreement, you appoint us as your exclusive attorney-in-fact, to defend and/or settle all disputes of this type. You must sign any documents we believe are necessary to obtain protection for the Marks and the System and assign to us any claims you may have related to these matters. Our decision as to the prosecution, defense and settlement of the dispute will be final. All recoveries made as a result of disputes with third parties regarding the System or the Marks will be for our account.

You must operate under and prominently display the Marks in your Hotel. You may not adopt any other brands in operating your Hotel that we do not approve. You also may not use any of the Marks, or the words “Homewood Suites,” “Hilton,” or any similar word(s) or acronyms: (a) in your corporate, partnership, business or trade name; (b) any Internet-related name (including a domain name); or (c) any business operated separate from your Hotel, including the name or identity of developments adjacent to or associated with your Hotel, without our prior written consent or as provided in the Franchise Agreement or the Manual. Any unauthorized use of the Marks will be an infringement of our rights and a material breach of the Franchise Agreement.

### **Agreements, Proceedings, Litigation and Infringing Uses**

There are no agreements currently in effect which significantly limit our rights to use or license the use of these Marks in any material manner. There are no infringements actually known to us that could materially affect your use of the Marks. There are no effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board or the trademark administrator of any state or any court in the United States involving our Marks. There is no pending material litigation or pending infringement, opposition or cancellation proceedings in the United States that could materially affect the use of our Principal Mark. All required affidavits and renewals have been filed.

**ITEM 14**  
**PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

Our license from our affiliate HIH includes a license to all the intellectual property rights relating to the Homewood Brand in the US. You may use this intellectual property only in connection with the System and only in the manner we designate, as set out in the Franchise Agreement and the Standards. The Franchise Agreement does not grant you the right to use any other intellectual property owned by any of our affiliates.

Neither we nor our affiliate HIH own any rights in or licenses to any patents or registered copyrights nor have any pending patent applications which are material to our franchise business. HIH's proprietary information, which has been licensed to us, consists of the Manual and all other information or materials concerning the methods, techniques, plans, specifications, procedures, information, systems and knowledge of and experience in the development, operation, marketing and licensing of the System ("Proprietary Information"). You must treat the Proprietary Information as confidential. You must adopt and implement all reasonable procedures we may periodically establish to prevent unauthorized use or disclosure of the Proprietary Information, including restrictions on disclosure to your employees and the use of non-disclosure and non-competition clauses in agreements with your employees, agents and independent contractors who have access to the Proprietary Information.

The Standards, as compiled in the Manual or set out in the Franchise Agreement or otherwise, set forth our requirements and recommended practices and procedures regarding the specifications, requirements, criteria, and policies for design, construction, renovation, refurbishment, appearance, equipping, furnishing, supplying, opening, operating, maintaining, marketing, services, service levels, quality and quality assurance of System Hotel operations and for hotel identification, advertising and accounting. Although neither we, nor HIH, nor any predecessor of either of us, have filed an application for a copyright registration for the Manual, we and HIH claim copyrights and the information is proprietary. You must comply with our requirements concerning confidentiality of the Manual. You may not copy or distribute any part of the Manual to anyone who is not affiliated with the System. You must promptly notify us, in writing, when you learn of any unauthorized use of our Proprietary Information. We will respond as we think appropriate. We are not, however, obligated to participate in your defense or indemnify you for damages or expenses if you are a party to a proceeding involving the copyright on the Manual. Items 11 and 15 of this Disclosure Document further describe the limitations on the use of the Manual by you and your employees.

Although neither HIH nor any predecessor has filed an application for copyright registration for the Hilton OnQ software, which includes OnQ (formerly System 21) and other Hilton systems (namely the Revenue and Customer Relationship Management Systems), HIH claims copyrights and the information is Proprietary Information. You may not copy or distribute any of the OnQ software, and you must notify us of any unauthorized use of the OnQ software or any other Hilton system.

There are no agreements currently in effect which significantly limit your right to use any of HIH's claimed copyrighted materials. Also, there are no currently effective determinations of the U.S. Patent and Trademark Office, Copyright Office (Library of Congress) or any court pertaining to or affecting any of HIH's claimed copyrights discussed above. Finally, as of the issuance date of this Disclosure Document, neither we nor HIH are aware of any infringing uses of or superior prior rights to any of HIH's claimed copyrights which could materially affect your use of them.

If it becomes advisable at any time in our sole discretion to modify or discontinue the use of any current or future copyright and/or the use of one or more additional or substitute copyrights, you

must comply with our instructions. We are not obligated to reimburse you for any costs, expenses or damages.

Although the copyrights described above are claimed by HIH, the copyrights may be transferred to another affiliate for administrative purposes periodically, and we will continue to have a license to use them in connection with the System in our franchise business.

Your and our obligations to protect your rights to use our copyrights are the same as the obligations for the Marks described in Item 13 of this Disclosure Document.

All information that we provide to you, including but not limited to Personal Information, for your use in connection with operating the Hotel during the Term is our property. You may not use any such information after the Term, except as expressly permitted by us in writing in the Standards or otherwise. All information we obtain from you or about your Hotel or its guests or prospective guests under the Franchise Agreement or any related agreement (including agreements relating to the computerized reservation, revenue management, property management, and other system(s) we provide or require), or otherwise related to your Hotel ("Information"), and all revenues we derive from the Information will also be our property (except for Information you provide with respect to yourself and any affiliates, including your or your affiliates' respective officers, directors, shareholders, partners or members), which we may use for any reason as we consider necessary or appropriate, in our judgment, including making financial performance representations in our Franchise Disclosure Documents. At your own risk you may use Information that you acquire from third parties in operating your Hotel, such as customer data (but not including any such information obtained in connection with guest reservations or any loyalty or frequent guest program operated by us or our Affiliates), at any time during or after the Term to the extent lawful and, but only in connection with operating your Hotel.

You must abide by all applicable laws pertaining to the privacy and security of personal information, including, without limitation, local, regional and national requirements applicable to your Hotel ("Privacy Laws"). In addition, you must comply with our standards and policies pertaining to the privacy and security of personal information, customer relationships and Privacy Laws.

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

You must provide qualified and experienced management for the operation of your Hotel. To fulfill this responsibility, your Hotel must be operated either by you or a third-party management company ("Management Company") that we have approved. No other person or entity may operate the Hotel.

We will only grant approval when we consider you or your proposed Management Company to be qualified to manage the Hotel. We may refuse to approve you or any proposed Management Company that, in our reasonable business judgment, is inexperienced or unqualified in managerial skills or operating capacity or capability, or is unable to adhere fully to the obligations and requirements of the Franchise Agreement.

If you wish to manage your Hotel directly, you must have our prior written approval and successfully complete our training program, unless we waive this requirement. If we determine that you are not qualified to operate the Hotel, at any time, we may require you to retain a Management Company that is acceptable to us to manage the Hotel.

If you wish to hire or are required to hire a Management Company to manage your Hotel, you must obtain our prior written approval. Your Management Company must have the authority to perform all of your obligations under the Franchise Agreement, including all indemnity and insurance obligations. After we approve the Management Company, we can require the general manager and other personnel, such as the director of sales, to attend training programs that pertain to the operational functions of the Hotel related to those roles as are necessary to meet our Brand Standards. If your Management Company resigns or is terminated by you, or otherwise becomes unsuitable or unqualified to operate the Hotel as determined by us, in our sole judgment, you must retain a new Management Company that is acceptable to us within 90 days.

You are solely responsible for the management and operation of your Hotel at all times, regardless of whether you are an individual, corporation, limited liability company, partnership or other entity. Your engagement of a Management Company does not reduce your obligations under the Franchise Agreement. We may communicate directly with your managers and Management Company, and we have the right to rely on their communications to us as being on made your behalf.

We will not require you or your Management Company to sign an agreement not to compete with us after the Franchise Agreement terminates or expires. However, you may not engage, directly or indirectly, in any cross-marketing or cross-promotion of your Hotel with any other hotel, motel or related business without our prior written consent, except for System Hotels or Network Hotels. You and your Management Company must not copy or disclose any confidential or proprietary materials without our prior written consent.

In addition, you may not be a Competitor (defined below) and we reserve the right to not approve a Competitor, or any entity that is the exclusive manager for a Competitor through itself or an affiliate, to manage your Hotel. If your Management Company becomes a Competitor, you will have 90 days to retain a qualified substitute Management Company that we approve.

A "Competitor" means any individual or entity that at any time during the Term, whether directly or through an affiliate, owns in whole or in part, or is the licensor or franchisor of, a Competing Brand, irrespective of the number of hotels owned, licensed or franchised by the Competitor under such Competing Brand. A Competitor does not include an individual or entity that: (i) is a franchisee of a Competing Brand; (ii) manages a Competing Brand hotel, so long as the individual or entity is not the exclusive manager of the Competing Brand; or (iii) owns a minority interest in a Competing Brand, so long as neither that individual or entity nor any of its affiliates is an officer, director, or employee of the Competing Brand, or exercises, or has the right to exercise, control over the business decisions of the Competing Brand. A "Competing Brand" means a hotel brand or trade name that, in our sole business judgment, competes with the System or any Network Hotel.

After a review of the financial information submitted with your Application and the proposed ownership of the Hotel and real property, we determine guaranty requirements. Each required guarantor, who may include the spouse of an owner of the Hotel or the franchisee, must sign a Guaranty, by which the guarantor assumes and agrees to discharge certain of the Franchisee's obligations under the Franchise Agreement. In addition, we may require you to provide a Guaranty from a third party acceptable to us as a condition to our issuing a lender comfort letter for a loan related to the Hotel or as a condition to our consent to certain kinds of loans you or your principals may obtain. Such loans may include those in which the Hotel loan will be cross-collateralized and/or cross-defaulted with loans to other hotels or loans secured by the Hotel that are not for the direct benefit of the Hotel. If we send you a written notice of default, we may also require you to provide a Guaranty from a third party acceptable to us covering all of your obligations under the Franchise Agreement. A copy of the Guaranty is attached as Exhibit E.

**ITEM 16**  
**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL OR OFFER**

We do not impose any restrictions as to the customers to whom you may sell goods or services. In general, you must comply with our requirements as to the types and levels of services, amenities and products that must or may be used, promoted or offered at or in connection with the hotel. You must comply with our requirements regarding supplies, including our specifications for all supplies and our policies regarding suppliers from whom you purchase supplies. High standards are the essence of the System we license to you.

You must operate your Hotel 24 hours a day every day, except as we may otherwise permit based on special circumstances. You must operate, furnish, maintain and equip your Hotel in a clean, safe and orderly manner and in first-class condition under the provisions of the Franchise Agreement and the Standards, and in compliance with all applicable local, state, and federal laws, customs and regulations, including maintaining and conducting your business using sound business and financial practices. You must adopt, use and comply with the Standards, and keep your Manual current at all times. You must also provide efficient, courteous and high-quality service to the public.

You may not make any change in the number of approved guest Suites set forth in the Addendum to your Franchise Agreement or any other significant change (including major changes in structure, design or decor) in the hotel without our prior written approval. You may not offer products or services unless and until they have been approved by us. Minor redecoration and minor structural changes that comply with our standards and specifications will not be considered significant.

We may require your Hotel to offer products, services, and amenities such as restaurants, lounges, recreational facilities (swimming pool, whirlpool, exercise room, sauna, etc.), meeting and function space, gift shops and other concessions, parking facilities, guest laundry, and housekeeping services. As described in Item 8, we may develop promotional programs with third-party companies that feature those companies' branded products or services, and we may require or permit your Hotel to participate in those promotional programs. We may also require or permit your Hotel to accept guests with pets, and provide amenities, products, or services related to those pets. The types and quality of the products, services, and amenities that your Hotel offers, and any related charges that you assess guests, must comply with our Standards.

We may periodically require you to modernize, rehabilitate and/or upgrade your Hotel's fixtures, equipment, furnishings, furniture, signs, computer hardware and software and related equipment, supplies and other items to meet the then current standards and specifications specified in the Manual. These standards will benefit the System as a whole. You must make these changes at your sole cost and expense. You must also maintain acceptable product quality ratings at your Hotel and maintain the hotel in accordance with the Standards. We may make limited exceptions from some of those standards based on local conditions or special circumstances, but we are not required to do so.

There is no limit on our right to make changes to the System. We make changes to the System based on our assessment of the long-term best interests of System Hotels, considering the interest of the System overall. You must comply with all changes we adopt. We may require that you purchase particular models or brands of merchandise for resale to be sold from the hotel from us or from a source we designate.

You must participate in and use the required Reservation Service, including any additions, enhancements, supplements or variants which we or our affiliates develop or adopt. You must

honor and give first priority on available rooms to all confirmed reservations referred to your Hotel through the Reservation Service. The Reservation Service is the only reservation service or system you may use for outgoing reservations referred by or from your Hotel to other hotels or other reservation services we or our affiliates designate.

You must participate in, and pay all charges related to, all guest frequency programs we or Hilton require, including the Hilton Honors Worldwide guest reward programs or any successor programs. You must also honor the terms of any discount or promotional programs (including any frequent guest program) that we or Hilton offer to the public on your behalf, any room rate quoted to any guest when the guest makes an advance reservation, and any award guest certificates issued to hotel guests participating in these programs. You may not charge any Mandatory Guest Fee without our consent, in accordance with the Standards and subject to our requirements for granting such consent.

We periodically adopt programs whereby our Systems and the systems of our affiliates, promote each other. Currently, under a program we refer to as “cross-selling,” if a customer calls our Reservations Service and we are unable to find suitable accommodations in any hotel in the System (and the customer would otherwise terminate the phone call), we will try to find suitable accommodations with System Hotels (or that of our affiliate). We may implement a common platform for the reservation programs of our various hotel systems, so that we can cross-sell the hotels of all our systems (and those of our affiliates).

You may not conduct or permit gaming or casino operations in the hotel or on the hotel premises without our express written prior permission, which we may withhold at our sole discretion.

Except as described in the following sentence, you may not conduct or permit the sale of timeshares, vacation ownership, fractional ownership, condominiums or like schemes at or adjacent to your Hotel without our written permission, you may do so only as we permit and we may withhold permission at our sole discretion. You may conduct timeshare or condominium sales or marketing at any property that you own or lease which is located adjacent to the hotel so long as you do not use any of the Marks in these sales efforts and you do not use the hotel or its facilities in these timeshare or condominium sales, marketing efforts or business operations.

You may not share the business operations and your Hotel facilities with any other hotel, inn, conference center, lodging facility or similar business without our express permission, which we may withhold for any reason. If we permit your Hotel to share facilities with another hotel in our Network (which is also franchised or managed by us or any of our Affiliates), then you must sign the Shared Facilities Addendum to the Franchise Agreement, shown in Exhibit D to this Disclosure Document. You are not allowed to engage in any tenant-in-common syndication or transfer of any tenant-in-common interest in the hotel or the hotel site, other than a Transfer that is otherwise a Permitted Transfer, without our express permission, which we may withhold for any reason. If we permit you to share your business operation or engage in a tenant-in-common syndication or transfer, you must comply with any terms that we require as a condition to our approval.

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

**This table lists certain important provisions of the Franchise Agreement and related agreements pertaining to renewal, termination, transfer, and dispute resolution. You should read these provisions in the agreements attached to this Disclosure Document.**

## THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement ("FA") and HITS Agreement	Summary
a. Length of the franchise term	FA §3, Addendum	<p>New Construction: Generally, at midnight on the last day of the month 22 years after the Effective Date.</p> <p>Conversion: Generally, at midnight on the last day of the month 10 to 20 years after the Opening Date.</p> <p>Change of Ownership: Generally, either the remaining Term under the existing franchise agreement, or such other term as we may approve.</p>
	HITS Agreement 1.1	The HITS Agreement will run concurrently with the Franchise Agreement and will automatically terminate on the termination or expiration of the Franchise Agreement.
b. Renewal or Extension of the term	FA §3	You do not have the right to renew or extend the Franchise Agreement.
	HITS Agreement Not applicable	The HITS Agreement will run concurrently with the Franchise Agreement. You do not have the right to renew or extend the HITS Agreement.
c. Requirements for you to renew or extend	FA – Not applicable	You do not have the right to renew or extend, but if we agree, in our sole discretion, to re-license, you may be asked to sign a contract with materially different terms and conditions from the original Franchise Agreement, and you must comply with any PIP performance conditions that we specify.
	HITS Agreement Not applicable	The HITS Agreement will run concurrently with the Franchise Agreement. You do not have the right to renew or extend, but if we agree, in our sole discretion, to re-license, you may be asked to sign a new HITS Agreement with materially different terms and conditions from the original HITS Agreement.
d. Termination by you	FA §13.4 and 13.5	You are not authorized to terminate the Franchise Agreement before expiration of the Term. If you unilaterally terminate the Franchise Agreement without cause, it is a material breach of the Franchise Agreement, and you must pay to us, on demand, Liquidated Damages, or we may seek to recover actual damages in certain circumstances.
	HITS Agreement – Not applicable	You must operate under the HITS Agreement as long as the Franchise Agreement is in effect.
e. Termination by us without cause	FA §11.1	Condemnation: you must immediately inform us of any proposed taking of any portion of the hotel by eminent domain, and we may terminate the Franchise Agreement on notice to you and will release you from the obligation to pay Liquidated Damages.
	FA §11.2	Casualty: You must immediately inform us if the Hotel is damaged by fire or other casualty, or Event of Force Majeure. If the casualty requires closing of the Hotel, you may choose to repair or rebuild according to the Standards provided that the hotel reopens no later than 18 months after the closing. If you elect not to repair or rebuild the hotel after a condemnation or casualty to the hotel, we may terminate the franchise agreement on notice to you. We will release you from the obligation to pay Liquidated Damages as long as you



Provision	Section in Franchise Agreement ("FA") and HITS Agreement	Summary
		and your Affiliates do not own or operate a hotel at the site under a lease, license or franchise with a Competitor within 3 years after the termination.
	HITS Agreement 4.1	If we terminate the Franchise Agreement or any other agreement that allows you to operate the hotel, we can terminate the HITS Agreement.
f. Termination by us with cause	FA §13	Except as described above, we can terminate only if you fail to satisfy any obligations under the Franchise Agreement or any attachment to it.
	HITS Agreement 4.1	Except as described above, we can terminate only if you fail to satisfy any obligations under the HITS Agreement. Termination of the Franchise Agreement also terminates the HITS Agreement.
g. "Cause" defined – defaults which can be cured	FA §§8.6 and 13.1	We may terminate the Franchise Agreement by written notice to you at any time before its expiration on any of the following grounds: (1) you fail to pay us any sums due and owing to us or our Affiliates or to pay or fund any amounts due under any of Your Hotel Agreements within the cure period in the notice (at least 10 days); (2) you fail to commence or complete the Hotel Work by the applicable deadline, including any extensions, or fail to open the Hotel on the Opening Date, and do not cure that default within the cure period in the notice (at least 10 days); (3) you do not purchase or maintain required insurance or do not reimburse us for our purchase of insurance on your behalf within the cure period in the notice (at least 10 days); or (4) you fail to comply with any provision of the Franchise Agreement, the Manual, or any Standard that can be cured (see subsection h. below) and do not cure that default within the cure period in the notice (at least 30 days). If we send you a written notice that you are in default for failing to pay or fund amounts due, we may require an acceptable third-party guaranty as a condition of curing the default.
	FA §13.3	If we send you a written notice that you are in default, we may elect to impose an Interim Remedy, including the suspension of our obligations under this Agreement and/or our or our Affiliates' obligations under Your Hotel Agreements. We may: (1) suspend the Hotel from the Reservation Service and any reservation and/or website services provided through or by us; (2) remove the listing of the Hotel from any directories or advertising we publish; (3) divert reservations previously made for the Hotel to other System Hotels or Network Hotels; (4) disable all or any part of the software provided to you under Your Hotel Agreements and/or may suspend any one or more of the information technology and/or network services that we provide or support under Your Hotel Agreements; (5) charge you for costs related to suspending or disabling your right to use any software systems or technology we provided to you, together with intervention or administration fees as set forth in the Standards; (6) revoke any financial accommodations (including but not limited to any Monthly Fee discounts, fee ramps or fee waivers that we have granted and charge you

Provision	Section in Franchise Agreement ("FA") and HITS Agreement	Summary
		the then-current standard fee or charge that would have otherwise applied absent the temporary financial accommodation.
	HITS Agreement 4.1	If you fail to pay us or breach any other material provision of the HITS Agreement.
h. "Cause" defined – non-curable defaults	FA §13.2	We may terminate the Franchise Agreement immediately on notice to you, without giving you any opportunity to cure the default if:
	FA §13.2 (1)	after curing any material breach, you engage in the same non-compliance within any consecutive 24-month period, whether or not the non-compliance is corrected after notice, which pattern of non-compliance in and of itself will be deemed material;
	FA §13.2 (2)	we send you 3 notices of material default in any 12-month period, regardless of whether the defaults have been cured;
	FA §13.2 (3)	you fail to pay debts as they become due or admit in writing your inability to pay your debts or you make a general assignment for the benefit of your creditors;
	FA §13.2 (4)	you file a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, or dissolution under any law, or you admit or fail to contest the material allegations of any such pleading filed against you or the hotel, and the action results in the entry of an order for relief against you under the Bankruptcy Code, the adjudication of you as insolvent, or the abatement of the claims of creditors of you or the hotel under any law; or you have an order entered against you appointing a receiver for the hotel or a substantial part of your or the hotel's assets;
	FA §13.2 (5)	you or your Guarantor lose possession or the right to possession of all or a significant part of the Hotel or Hotel Site for any reason other than those described in Section 11;
	FA §13.2 (6)	you fail to operate the Hotel for 5 consecutive days, unless the failure to operate is due to an event of Force Majeure, provided that you have taken reasonable steps to minimize the impact of such events;
	FA §13.2 (7)	you contest in any court or proceeding our ownership of the System or any part of the System or the validity of any of the Marks;
	FA §13.2 (8)	you or any Equity Owner with a controlling Equity Interest, or any of your Affiliates, employees, or Management Company, engage in conduct that we reasonably determine is likely to adversely reflect upon or affect in any manner the reputation, goodwill, or business of the Hotel, the System, us and/or our Affiliates;
FA §13.2 (9)	you conceal revenues, maintain false books and records of accounts, submit false reports or information to us or otherwise attempt to defraud us;	

Provision	Section in Franchise Agreement ("FA") and HITS Agreement	Summary
	FA §13.2 (10)	you Transfer any interest that is not in compliance with the Franchise Agreement;
	FA §13.2 (11)	you, your Affiliate or any Guarantor become a Sanctioned Person or are owned or controlled by a Sanctioned Person or otherwise breach the representations in the Franchise Agreement;
	FA §13.2 (12)	information involving you or your Affiliates, whether provided by you or obtained through our own investigation, discloses facts concerning you or your Affiliates and/or the Hotel, or title to the property over which the Hotel is constructed or any other property used by the Hotel, including leased commercial space, which, in our business judgment, is likely to adversely reflect on or affect in any manner, any gaming licenses or permits held by us or our Affiliates or the then-current stature of us or any of our Affiliates with any gaming commission, board, or similar governmental or regulatory agency;
	FA §13.2 (13)	any Guarantor breaches its guaranty to us;
	FA §13.2 (14)	a threat or danger to public health or safety results from the construction, maintenance, or operation of the hotel;
	FA §13.2 (15)	you, your Affiliate or a Guarantor become a Competitor except as otherwise permitted by Subsection 5.1.28;
	FA §13.2 (16)	any of Your Hotel Agreements is terminated based on a breach or default by you or your Affiliates; or
	FA Shared Facilities Addendum	if we withdraw our consent to your Hotel's use of Shared Facilities and you fail to construct comparable facilities or amenities in order for the Hotel to meet the Standards.
	HITS Agreement 4.1	You have no right to cure once your Franchise Agreement terminates.
i. Your obligations on termination, expiration or non-renewal	FA §13.6	On termination or expiration of the Agreement you must immediately:
	FA §13.6 (1)	pay all sums due and owing to us or any of our Affiliates, including liquidated damages and any expenses incurred by us in obtaining injunctive relief for the enforcement of this Agreement;
	FA §13.6 (2)	cease operating the Hotel as a System Hotel and cease using the System;
	FA §13.6 (3)	cease using the Marks, the Trade Name, and any confusingly similar names, marks, trade dress systems, insignia, symbols, or other rights, procedures, and methods; deliver all goods and materials containing the Marks to us; make any specified changes to the location as we may reasonably require for this purpose, which will include removal of the signs, custom decorations, and promotional materials.
	FA §13.6 (4)	cease representing yourself as then or formerly a System Hotel or affiliated with the Licensed Brand or the Network;
	FA §13.6 (5)	return all copies of the Manual and any other Proprietary Information to us;

Provision	Section in Franchise Agreement ("FA") and HITS Agreement	Summary
	FA §13.6 (6)	cancel all assumed name or equivalent registrations relating to your use of any Mark, notify the telephone company and all listing agencies and directory publishers including Internet domain name granting authorities, Internet service providers, global distribution systems, and web search engines of the termination or expiration of your right to use the Marks, the Trade Name, and any telephone number, any classified or other telephone directory listings, Internet domain names, uniform resource locators, website names, electronic mail addresses and search engine metatags and keywords associated with the hotel, and authorize their transfer to us; and
	FA §13.6 (7)	irrevocably assign and transfer to us (or to our designee) all of your right, title and interest in any domain name listings and registrations that contain any reference to our Marks, System, Network or Licensed Brand; notify the applicable domain name registrars of the termination of your right to use any domain name or Sites associated with the Marks or the Licensed Brand; and authorize and instruct the cancellation of the domain name, or transfer of the domain name to us (or our designee), as we specify; delete all references to our Marks, System, Network or Licensed Brand from any Sites you own, maintain or operate beyond the expiration or termination of the Franchise Agreement.
	HITS Agreement 4.2	You must stop using our software and related documents, return all copies to us, and certify to us that you have done so.
j. Assignment of contract by us	FA §12.1	We may assign or transfer the Franchise Agreement and any of our rights, duties or assets to any person or entity without your consent so long as the assignee assumes all of our obligations to permit you to operate the Hotel.
	HITS Agreement 2.1	HSS may delegate its operational responsibilities under the HITS Agreement to third parties but remains responsible.
k. "Transfer" by you – definition	FA §§1 and 12.2	Any sale, lease, assignment, spin-off, transfer, or other conveyance of a direct or indirect legal or beneficial interest, including a transfer of an interest the hotel, the Franchise Agreement, the site on which the hotel is located or any direct or indirect Equity Interest as defined in the Franchise Agreement. You may not transfer to a Sanctioned Person or a Competitor.
	HITS Agreement – Not applicable	Any attempt on your part to transfer or assign any of your rights or obligations under the HITS Agreement is a "transfer" by you.
l. Our approval of transfer by you	FA §12.2	A Transfer of any interest in you, the Hotel, the Hotel Site, or the Franchise Agreement (or any rights or obligations under it) are prohibited unless expressly allowed in the Franchise Agreement. The Franchise Agreement allows 2 types of Transfers if certain conditions are satisfied: (a) Permitted Transfers; and (b) Change of Ownership Transfers. In any Transfer, the proposed Transferee may not be a Sanctioned Person or a Competitor.

Provision	Section in Franchise Agreement ("FA") and HITS Agreement	Summary
	HITS Agreement 2.1	You have no right to assign the HITS Agreement. If there is a Change of Ownership transfer of the Franchise Agreement, we may permit the HITS Agreement to be assigned.
m. Conditions for our approval of transfer.	FA §12.2.1	Permitted Transfers are Transfers that will not result in a change of Control of you, the Hotel, or the Hotel Site.
	FA §12.2.1.1	You may complete the following types of Permitted Transfers without giving us notice or obtaining our consent: Transfers of (a) Publicly Traded Equity Interests; (b) privately held Equity Interests when the transferee will hold less than 50% after the Transfer, and there is no resulting change of Control; and (c) interests within and to designated institutional investment funds if the named asset manager does not change.
	FA §12.2.1.2	For the following types of Permitted Transfers, unless the Transfer otherwise qualifies under §12.2.1.1, you must give us 60 days' written notice, obtain our consent, follow our then-current procedure for processing Permitted Transfers, sign documents required by us, and pay a processing fee: Transfers (a) to Affiliates; (b) to a family member or trust; (c) on death; and (d) of privately-held Equity Interests if more than 50% will have changed hands since the Effective Date of the Franchise Agreement.
	FA §12.2.2	Any Transfer that is not a Permitted Transfer under §12.2.1 is a Change of Ownership Transfer. You must give 60 days' written notice and provide any information we may require to consent to this type of transfer, not be in default; pay all amounts due to us and our Affiliates through closing; conclude any suit, action or proceeding that is pending or threatened against you, us or any of our Affiliates with respect to the Hotel, or provide adequate security. Proposed transferee must meet our then-current business requirements for new franchisees, including credit, background investigation, operations experience, prior business dealings, and other relevant factors. Proposed transferee must submit a completed and signed Change of Ownership Application, pay our Franchise Application Fee, sign our then-current form of franchise agreement, agree to our request for upgrades to the hotel (which may include payment of a PIP fee); agree to indemnify, hold harmless and defend us and our affiliates against any action by a Government Entity arising in connection with any fees or costs you charged to customers; and, if applicable, the Proposed transferee's guarantors must sign our then-current form of guaranty of franchise agreement. Proposed transferee must not be a Sanctioned Person or a Competitor. If the transferee has SBA financing, you and the transferee must agree to escrow and disburse our estimated fees to us at closing. We will refund any excess about 30 days after closing.
	FA §12.3	You must give 60 days' advance notice of a public offering or private placement; follow our instructions about the use of the Marks and disclosure; and indemnify us from any claims

Provision	Section in Franchise Agreement ("FA") and HITS Agreement	Summary
		related to the offer or sale of your securities; pay a processing fee when you submit the request and pay any additional costs we may incur.
	FA §12.4	You or an Equity Owner may mortgage or pledge the hotel or an Equity Interest to a lender that finances the acquisition, development or operation of the hotel, without notifying us or obtaining our consent, if (i) you or the applicable Equity Owner are the sole borrower, and (ii) the loan is not secured by any other hotels or other collateral. You must notify us of any other proposed mortgage or pledge, including any collateral assignment of this Agreement, and obtain our consent, which we may withhold in our business judgment. We will evaluate the proposed mortgage or pledge according to our then-current procedure and standards for processing such requests. We may issue our consent in the form of a "lender comfort letter" agreement in a form satisfactory to us, and may include an estoppel and general release of claims. We charge a fee for the processing of a lender comfort letter.
	FA §5.1.23	You may lease or sublease commercial space in the hotel, or enter into concession arrangements for operations in connection with the hotel, in the ordinary course of business, subject to our right to review and approve the nature of the proposed business and the proposed brand and concept, all in keeping with our then current Standards for System Hotels.
	HITS Agreement 2.1	You have no right to assign the HITS Agreement. If there is a Change of Ownership transfer of the Franchise Agreement, we may permit the HITS Agreement to be assigned.
n. Our right of first refusal to acquire your business	FA §19	None, but you must notify us if you want to market any equity interests, other than a Transfer under §§ 12.2.1 or 12.2.2.
	HITS Agreement – Not applicable	None.
o. Our option to purchase your business	FA – Not applicable	None.
	HITS Agreement – Not applicable	None.
p. Your death or disability	FA §12.2.1.2.3	On the death of a Franchisee or Equity Owner who is a natural person, this Agreement or the Equity Interest of the deceased Equity Owner may Transfer in accordance with such person's will or, if such person dies intestate, in accordance with laws of intestacy governing the distribution of such person's estate without our consent, provided that: (a) the Transfer Upon Death is to an immediate family member or to a legal entity formed by such family member(s); and (b) within 1 year after the death, such family member(s) or entity meet all of our then current requirements for an approved applicant and the transfer otherwise satisfies our conditions.
	HITS Agreement – Not applicable	None.

Provision	Section in Franchise Agreement ("FA") and HITS Agreement	Summary
q. Non-competition covenants during the term of this franchise	FA §§1 and 5.1.28	You and your Affiliates may not, indirectly or directly, own or be a licensor or franchisor of a hotel brand that competes with the System, a System Hotel or Network Hotel in our sole judgment, but you may own a minority interest in a Competitor under certain circumstances, and you may be a franchisee of a Competitor, or manage a property of a Competitor.
	HITS Agreement – Not applicable	None.
r. Non-competition covenants after the franchise is terminated or expires	FA – Not applicable	None.
	HITS Agreement – Not applicable	None.
s. Modification of the agreement	FA §16.5.1	All changes to the Franchise Agreement must be in writing and signed by an authorized person on behalf of you and us, but we can change the Standards, the Manual and other materials.
	HITS Agreement 1.1	No additions or modifications to the Agreement unless in writing and signed by all parties.
t. Integration/ merger clause	FA §16.4	Only the terms of the Franchise Agreement, the Application, the Guaranty and any other related agreements signed by the parties are enforceable (subject to state law). Any other promises may not be enforceable. However, nothing in this section disclaims the statements made in our franchise disclosure document.
	HITS Agreement 1.1	Only the terms of the Agreement (and any representations in the franchise disclosure document) are binding (subject to state law). Any other promises may not be enforceable.
u. Dispute resolution by arbitration or mediation	FA – Not applicable, except in Puerto Rico, Puerto Rico Addendum §16.2.2.	None, except in Puerto Rico. In Puerto Rico, except as noted below, all claims and disputes will be settled by arbitration conducted by the American Arbitration Association, JAMS, or similar arbitral body chosen at our election, in accordance with the Federal Rules of Civil Procedure, by 1 or more arbitrators chosen in accordance with those rules. To the extent the Federal Rules of Civil Procedure do not govern certain procedures or requirements relating to the arbitration, the rules of the applicable arbitral body will apply. The proceedings will be conducted in English. As an alternative to arbitration, we may elect to initiate or maintain any action for temporary remedies, or injunctive or other equitable relief, in any court, governmental agency, or other authority with jurisdiction over the matter. Issues relating to the conduct of any arbitration proceeding, and the enforcement of any arbitration award, will be governed by the Federal Arbitration Act.
	HITS Agreement 1.1	Same as Franchise Agreement.

Provision	Section in Franchise Agreement ("FA") and HITS Agreement	Summary
v. Choice of forum	FA §16.2.2, Puerto Rico Addendum §16.2.2.	Court actions must be brought in the U.S. District Court for the Eastern District of Virginia, in Alexandria, Virginia, or, if there is no subject matter jurisdiction in federal court, in a state court of competent jurisdiction in either Fairfax County, Virginia, or New York, New York, but we may elect to bring an action against you where the hotel is located.  For Puerto Rico arbitration actions, the venue will be Fairfax County, Virginia, and the seat of the arbitration will be New York, New York. An arbitration award may be confirmed in any court of competent jurisdiction.
	HITS Agreement 1.1	Same as Franchise Agreement.
w. Choice of law	FA §16.2.1	New York law applies, without recourse to New York choice of law on conflicts of law principles, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 USC § 1050) (subject to state law).
	HITS Agreement 1.1	Same as Franchise Agreement.

**ITEM 18  
PUBLIC FIGURES**

We do not use any public figure to promote our licenses.

**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.

The charts below set forth certain historic performance information for Homewood Suites by Hilton hotels operating in the US (but not its Territories or Possessions).

In this Item 19, the term "Company-Managed" refers to hotels owned and/or managed by Hilton Worldwide or its affiliates, including franchised hotels. "Franchisee-Managed" refers to hotels that are franchised and are managed by the franchisee or a non-Hilton Worldwide management company retained by the franchisee. "Comparable Hotels" means those that: (i) were active and operating in our system for at least one full calendar year as of the end of the current period, and open January 1st of the previous year; (ii) have not undergone a change in brand or ownership type during the current or comparable periods reported; (iii) have not sustained substantial property damage or undergone large-scale capital projects impacting common areas and/or



available guest rooms; (iii) have not removed or added a substantial number of guest rooms; or (iv) for which comparable results are not available.

As of December 31, 2023, there were a total of 511 Homewood Suites branded hotels operating in the US. Of these, 439 were classified as Comparable Hotels. Of the Comparable Hotels, 8 were Company-Managed and 431 were Franchisee-Managed. The financial performance results detailed in this section for 2022 and 2023 are for the 2023 Comparable Hotels, defined above to provide a year-over-year comparison.

The following charts show Average Room Rate and Average Occupancy for Comparable Hotels and the number and percentage of Company-Managed and Franchisee-Managed Comparable Hotels that met or exceeded the average. Average Room Rate and Average Occupancy are calculated based on information routinely reported to Hilton Worldwide by individual System Hotels.

<b>Room Rate</b>	<b>2022</b>	<b>2023</b>
Average Room Rate of all Comparable Hotels	\$150.39	\$158.68
Median Room Rate of all Comparable Hotels	\$141.71	\$149.52
Number & Percentage of Comparable Company-Managed Hotels which met or exceeded Average Room Rate	2/25.0%	3/37.5%
Number & Percentage of Comparable Company-Managed Hotels which met or exceeded Median Room Rate	3/37.5%	4/50.0%
Number & Percentage of Comparable Franchisee-Managed Hotels which met or exceeded Average Room Rate	164/37.1%	161/37.4%
Number & Percentage of Comparable Franchisee-Managed Hotels which met or exceeded Median Room Rate	222/50.2%	216/50.1%

Source: Hilton

<b>Occupancy</b>	<b>2022</b>	<b>2023</b>
Average Occupancy of all Comparable Hotels	78.8%	79.3%
Median Occupancy of all Comparable Hotels	79.0%	79.5%
Number & Percentage of Comparable Company-Managed Hotels which met or exceeded Average Occupancy	2/25.0%	2/25.0%
Number & Percentage of Comparable Company-Managed Hotels which met or exceeded Median Occupancy	2/25.0%	2/25.0%
Number & Percentage of Comparable Franchisee-Managed Hotels which met or exceeded Average Occupancy	226/51.1%	223/51.7%
Number & Percentage of Comparable Franchisee-Managed Hotels which met or exceeded Median Occupancy	223/50.5%	218/50.6%

Source: Hilton

The following charts show the Occupancy Index and RevPAR Index for Comparable Hotels, open as of January 31, 2023, and the number and percentage of Company-Managed and Franchisee-Managed Comparable Hotels that met or exceeded the average. Occupancy Index and RevPAR Index calculations are based on competitive set data provided by STR, LLC and its affiliates (collectively "STR"), an independent research firm that provides information to the hotel industry. STR receives information directly from hotel chains or individual hotel properties. We have not audited or independently verified the information provided by STR. The indices presented are relative to a competitive set that has been identified for STR by each Comparable Company-

Managed or Franchisee-Managed hotel. They do not represent every hotel or lodging facility in a geographic area. Generally, each of Company-Managed or Franchisee-Managed hotels must identify at least three competitive hotels.

The charts for Occupancy Index and RevPAR Index utilize a weighting that involves adjusting the competitive set’s rooms available (supply) to equal the room count of the subject property. After each competitive set is weighted, the brand performance aggregates are calculated. STR refers to this process as “portfolio weighting.”

Occupancy Index - The Occupancy Index measures a hotel’s occupancy performance relative to an aggregated grouping of hotels (competitive set, market, tract, etc.). Occupancy Index is designed to measure a hotel's share of the segment's demand (demand = rooms sold). An index of 100 represents a fair share compared to the aggregated group of hotels. An index greater than 100 represents more than fair share of the aggregated group’s performance.

The Occupancy Index is calculated as follows:

$$(\text{Hotel Occupancy} / \text{Comp Set Occupancy}) \times 100 = \text{Occupancy Index.}$$

<b>Occupancy Index</b>	<b>2022*</b>	<b>2023</b>
Average Occupancy Index of all Comparable Hotels	114.3	113.2
Median Occupancy Index of all Comparable Hotels	113.8	112.8
Number & Percentage of Comparable Company-Managed Hotels which met or exceeded Average Occupancy Index	3/37.5%	4/50.0%
Number & Percentage of Comparable Company-Managed Hotels which met or exceeded Median Occupancy Index	3/37.5%	4/50.0%
Number & Percentage of Comparable Franchisee-Managed Hotels which met or exceeded Average Occupancy Index	214/48.5%	212/49.2%
Number & Percentage of Comparable Franchisee-Managed Hotels which met or exceeded Median Occupancy Index	222/50.3%	216/50.1%

\* This table does not include 1 Comparable Franchisee-Managed Homewood Suites for 2022 because data for this hotel was insufficient.

Source: STR and Hilton

RevPAR Index - The RevPAR Index measures a hotel’s RevPAR (revenue per available room) relative to an aggregated grouping of hotels (competitive set, market, tract, etc.). An index of 100 represents a fair share compared to the aggregated group of hotels. An index greater than 100 represents more than fair share of the aggregated group’s performance.

RevPAR Index is calculated as follows:

$$(\text{Hotel RevPAR} / \text{Comp Set RevPAR}) \times 100 = \text{RevPAR Index.}$$

<b>RevPAR Index</b>	<b>2022*</b>	<b>2023</b>
Average RevPAR Index of all Comparable Hotels	124.8	124.0
Median RevPAR Index of all Comparable Hotels	126.2	125.4

<b>RevPAR Index</b>	<b>2022*</b>	<b>2023</b>
Number & Percentage of Comparable Company-Managed Hotels which met or exceeded Average RevPAR Index	5/62.5%	4/50.0%
Number & Percentage of Comparable Company-Managed Hotels which met or exceeded Median RevPAR Index	5/62.5%	3/37.5%
Number & Percentage of Comparable Franchisee-Managed Hotels which met or exceeded Average RevPAR Index	225/51.0%	224/52.0%
Number & Percentage of Comparable Franchisee-Managed Hotels which met or exceeded Median RevPAR Index	220/49.9%	217/50.3%

\* This table does not include 1 Comparable Franchisee-Managed Homewood Suites for 2022 because data for this hotel was insufficient.

Source: STR and Hilton

Some of our franchisees have achieved the results in this analysis. Your individual results may differ. There is no assurance that you will achieve room rates, occupancy rates, or index performance at the levels reflected in this analysis.

We recommend that you consult your attorney, accountant, and other professional advisors before entering into any agreement with us, and conduct an assessment of the occupancy rates, room rates, and index performance that you may achieve in your specific location to construct your own business plan and financial projections regarding sales, revenues, costs, customer base, and business development for your Hotel. There are independent firms that have experience in preparing market studies for hotels and appraising and evaluating hotel operations. You may wish to obtain a market study from such a firm to help you project your potential sales, costs, income and profits.

A hotel's financial performance will be affected by a variety of factors including the following: the nature and extent of your competition; whether competitive hotels in your market are affiliated with any chains or other centralized reservation systems; the age and established customer base of competitive hotels; the in-room and common area facilities and amenities of your Hotel versus competitive hotels; whether your geographic area has a greater or lesser demand for hotel accommodations, which can turn on a number of factors; the frequency of business travel to/from your geographic area; whether your Hotel is situated at or near an airport; whether your Hotel is situated close to or remote from a central business district; whether your Hotel is situated in a geographic area that attracts vacation travelers; the type of Hotel you operate – resort, full-service, limited service, all suites or rooms only; whether your Hotel offers food, beverage and/or convention and meeting services; whether your Hotel is situated near a college, resort attraction, theme park or other institution that generates lodging demand; the length of time your Hotel has been open to the public; and the length of time your Hotel has been affiliated with us.

Other than the preceding financial performance representation, we do not make any financial performance representations. 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 William Fortier, 7930 Jones Branch Drive, Suite 1100, McLean, Virginia 22102, 703-883-1000, the Federal Trade Commission, and the appropriate state regulatory agencies.

We will make available to you on reasonable request written substantiation for the above financial performance representations, but we are under no obligation to disclose to you specific information about a particular hotel.

**ITEM 20  
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1  
Systemwide Hotel Summary  
For Years 2021 to 2023**

<b>Hotel Type</b>	<b>Year</b>	<b>Hotels at the Start of the Year</b>	<b>Hotels at the End of the Year</b>	<b>Net Change</b>
Franchised	2021	486	499	+13
	2022	499	508	+9
	2023	508	511	+3
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Hotels	2021	486	499	+13
	2022	499	508	+9
	2023	508	511	+3

**Table No. 2  
Transfers of Franchised Hotels to New Owners (Other than the Franchisor)  
For Years 2021 to 2023**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
Alabama	2021	1
	2022	0
	2023	0
Arizona	2021	2
	2022	0
	2023	1
Arkansas	2021	0
	2022	1
	2023	0
California	2021	3
	2022	1
	2023	2
Colorado	2021	1
	2022	0
	2023	1
Connecticut	2021	2
	2022	0
	2023	0
Delaware	2021	0
	2022	0
	2023	1
Florida	2021	4
	2022	1
	2023	1
Georgia	2021	3
	2022	2
	2023	0
Illinois	2021	1
	2022	0
	2023	0
Kansas	2021	0
	2022	1
	2023	0
Kentucky	2021	1
	2022	1
	2023	0

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
Louisiana	2021	1
	2022	0
	2023	0
Massachusetts	2021	1
	2022	0
	2023	0
Michigan	2021	0
	2022	0
	2023	1
New Hampshire	2021	2
	2022	0
	2023	0
New Jersey	2021	1
	2022	0
	2023	2
New Mexico	2021	1
	2022	0
	2023	0
New York	2021	1
	2022	4
	2023	2
North Carolina	2021	2
	2022	0
	2023	0
Ohio	2021	3
	2022	0
	2023	3
Oklahoma	2021	0
	2022	1
	2023	0
Oregon	2021	1
	2022	0
	2023	1
Pennsylvania	2021	3
	2022	2
	2023	3
Rhode Island	2021	1
	2022	0
	2023	1
South Carolina	2021	1
	2022	0
	2023	0
Tennessee	2021	1
	2022	1
	2023	1
Texas	2021	8
	2022	9
	2023	7
Utah	2021	2
	2022	0
	2023	0
Virginia	2021	1
	2022	1
	2023	0
Washington	2021	2
	2022	1
	2023	1
Wisconsin	2021	0
	2022	1
	2023	0
Wyoming	2021	0

State	Year	Number of Transfers
Total	2022	1
	2023	0
	2021	50
	2022	28
	2023	28

**Table No. 3  
Status of Franchised Hotels  
For Years 2021 to 2023**

State	Year	Hotels at Start of Year	Hotels Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Hotels at End of the Year
Alabama	2021	10	1	0	0	0	0	11
	2022	11	0	0	0	0	0	11
	2023	11	0	0	0	0	0	11
Alaska	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Arizona	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	0	10
Arkansas	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
California	2021	39	2	0	0	0	0	41
	2022	41	1	0	0	0	0	42
	2023	42	0	0	0	0	0	42
Colorado	2021	12	1	0	0	0	0	13
	2022	13	1	0	0	0	0	14
	2023	14	0	0	0	0	0	14
Connecticut	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
Delaware	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Florida	2021	34	2	0	0	0	0	36
	2022	36	2	0	0	0	0	38
	2023	38	0	0	0	0	0	38
Georgia	2021	17	0	1	0	0	0	16
	2022	16	1	1	0	0	0	16
	2023	16	1	0	0	0	0	17
Idaho	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Illinois	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	0	10
Indiana	2021	9	1	0	0	0	0	10
	2022	10	1	0	0	0	0	11
	2023	11	0	0	0	0	0	11
Iowa	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Kansas	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Kentucky	2021	6	0	0	0	0	0	6
	2022	6	1	0	0	0	0	7

State	Year	Hotels at Start of Year	Hotels Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Hotels at End of the Year
	2023	7	0	0	0	0	0	7
Louisiana	2021	11	0	0	0	0	0	11
	2022	11	0	1	0	0	0	10
	2023	10	0	0	0	0	0	10
Maine	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Maryland	2021	12	0	1	0	0	0	11
	2022	11	0	0	0	0	0	11
	2023	11	0	0	0	0	0	11
Massachusetts	2021	13	1	0	0	0	0	14
	2022	14	0	0	0	0	0	14
	2023	14	0	0	0	0	0	14
Michigan	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	1	0	0	0	0	9
Minnesota	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Mississippi	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Missouri	2021	6	0	0	0	0	0	6
	2022	6	1	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Montana	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Nebraska	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nevada	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
New Hampshire	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
New Jersey	2021	13	1	0	0	0	0	14
	2022	14	0	0	0	0	0	14
	2023	14	0	0	0	0	0	14
New Mexico	2021	4	1	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
New York	2021	21	0	0	0	0	0	21
	2022	21	0	0	0	0	0	21
	2023	21	0	0	0	0	0	21
North Carolina	2021	19	0	1	0	0	0	18
	2022	18	0	1	0	0	0	17
	2023	17	2	0	0	0	0	19
North Dakota	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Ohio	2021	17	1	0	0	0	0	18
	2022	18	1	0	0	0	0	19
	2023	19	0	0	0	0	0	19
Oklahoma	2021	5	0	0	0	0	0	5
	2022	5	1	0	0	0	0	6
	2023	6	0	0	0	0	0	6

State	Year	Hotels at Start of Year	Hotels Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Hotels at End of the Year
Oregon	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Pennsylvania	2021	22	0	0	0	0	0	22
	2022	22	1	0	0	0	0	23
	2023	23	0	0	0	0	0	23
Rhode Island	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
South Carolina	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	+1	11
	2023	11	0	0	0	0	0	11
South Dakota	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Tennessee	2021	10	0	0	0	0	0	10
	2022	10	0	0	1	0	0	9
	2023	9	0	0	0	0	0	9
Texas	2021	66	3	0	0	0	0	69
	2022	69	0	0	0	0	0	69
	2023	69	0	0	0	0	0	69
Utah	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Vermont	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Virginia	2021	20	1	0	0	0	0	21
	2022	21	0	0	0	0	0	21
	2023	21	0	0	0	0	0	21
Washington	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	1	0	0	0	6
Wisconsin	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Wyoming	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
District of Columbia	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Total	2021	486	16	3	0	0	0	499
	2022	499	12	3	1	0	1	508
	2023	508	4	1	0	0	0	511

**Table No. 4  
Status of Company-Owned Hotels  
For Years 2021 to 2023**

State	Year	Hotels at Start of Year	Hotels Opened	Hotels Reacquired from Franchisees	Hotels Closed	Hotels Sold to Franchisees	Hotels at End of the Year
All States	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Total	2021	0	0	0	0	0	0



2022	0	0	0	0	0	0
2023	0	0	0	0	0	0

**Table No. 5  
Projected Openings as of December 31, 2023**

<b>State</b>	<b>Franchise Agreements Signed but Hotels Not Opened</b>	<b>Projected New Franchised Hotels in Next Fiscal Year</b>	<b>Projected New Company-Owned Hotels in Next Fiscal Year</b>
Alabama	3	0	0
Arizona	6	0	0
Arkansas	2	0	0
California	19	2	0
Colorado	5	2	0
Connecticut	2	0	0
Delaware	0	0	0
Florida	14	1	0
Georgia	7	1	0
Hawaii	1	0	0
Idaho	2	0	0
Illinois	2	1	0
Indiana	1	0	0
Iowa	1	0	0
Kansas	1	0	0
Kentucky	1	1	0
Louisiana	4	0	0
Maryland	0	0	0
Massachusetts	1	0	0
Michigan	5	1	0
Mississippi	1	0	0
Missouri	1	0	0
Montana	1	1	0
Nevada	1	1	0
New Hampshire	1	0	0
New Jersey	0	0	0
New Mexico	0	0	0
New York	2	0	0
North Carolina	7	2	0
Ohio	5	0	0
Oklahoma	1	0	0
Oregon	0	0	0
Pennsylvania	0	0	0
Rhode Island	0	0	0
South Carolina	3	1	0
South Dakota	1	0	0
Tennessee	5	1	0
Texas	19	1	0
Utah	2	0	0
Virginia	4	0	0
Washington	3	0	0
West Virginia	0	0	0
Wisconsin	2	0	0
Wyoming	1	0	0
Puerto Rico	1	0	0
<b>Total</b>	<b>138</b>	<b>16</b>	<b>0</b>

In these tables, all fiscal year numbers are as of December 31 of each year. Any hotel that had temporarily modified or reduced operations or was temporarily closed in connection with the COVID-19 pandemic is not considered to have 'closed' or 'ceased operations.'

Exhibit A lists all Brand franchisees and the addresses and telephone numbers of all of their outlets as of December 31, 2023.

Exhibit B lists all Brand franchisees who had an outlet terminated, cancelled or not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during 2023, or who has not communicated with us within 10 weeks of the issuance 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.

During the last 3 fiscal years, some current and former franchisees have signed provisions restricting their ability to speak about their experience with us. 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.

We have not created, endorsed, or sponsored any trademark-specific franchisee organizations associated with the System. There are no trademark-specific franchisee organizations associated with the franchise system which are incorporated or otherwise organized under state law and have asked us to be included in our disclosure document during the next fiscal year.

## **ITEM 21 FINANCIAL STATEMENTS**

Attached as Exhibit C are our audited consolidated financial statements including balance sheets as of December 31, 2023 and 2022, the related statements of operations and member's capital, and cash flows for the years ended December 31, 2023, 2022, and 2021, and the related notes to the consolidated financial statements.

## **ITEM 22 CONTRACTS**

The following contracts are attached and made a part of this Disclosure Document:

- Exhibit D Franchise Agreement with Addendum
- Exhibit D-2 Development Incentive Promissory Note
- Exhibit E Guaranty of the Franchise Agreement
- Exhibit F Franchise Application
- Exhibit G Information Technology System Agreement (HITS Agreement)
- Exhibit K Lender Comfort Letter Forms

These exhibits are SAMPLES ONLY and are not for signature. These documents are not exhaustive and may vary significantly from state to state and from transaction to transaction.

## **ITEM 23 RECEIPTS**

Exhibit M contains 2 copies of a detachable receipt.

# **EXHIBIT A**

## EXHIBIT A

### HOMEWOOD SUITES

#### OPEN

#### ALABAMA

AUM Birmingham, LLC Birmingham Downtown Near UAB, AL 1016 20th Street South, Birmingham, AL 35205 205-703-9920  
Apple Eight Services Birmingham, Inc. Birmingham South-Inverness, AL 215 Inverness Center Drive, Birmingham, AL 35242 205-995-9823  
Valleydale Hospitality, LLC Birmingham-SW/Riverchase-Galleria, AL 121 Riverchase Parkway East, Hoover, AL 35244 205-637-2900  
Apple Seven Services Southeast, L.P. Huntsville/Village of Providence, AL 15 Town Center Drive, Huntsville, AL 35806 256-895-9511  
Yedla Management Company, Inc. Huntsville-Downtown, AL 714 Gallatin Street SW, Huntsville, AL 35801 256-539-1445  
Providence Mobile Properties LLC Mobile Airport-University Area, AL 530 Providence Park Drive East, Mobile, AL 36695 251-634-8664  
Mobile Hotel Partners, LLC Mobile I-65/Airport Blvd, AL 1388 West I-65 Service Road S., Mobile, AL 36609 251-304-1142  
Daphne 474 I LLC/Daphne 474 II LLC Mobile-East Bay/Daphne, AL 29474 N. Main Street, Daphne, AL 36526 251-621-0100  
EC Lane Hotel, LLC Montgomery EastChase, AL 7800 EastChase Parkway, Montgomery, AL 36117 334-277-9383  
FP Montgomery II LLC Montgomery, AL 1800 Interstate Park Drive, Montgomery, AL 36109 334-272-3010  
Tuscaloosa Investments, LLC Tuscaloosa Downtown, AL 2451 Jack Warner Parkway West, Tuscaloosa, AL 35401 205-349-2727

#### ALASKA

CP Anchorage 5, LLC Anchorage, AK 101 West 48th Avenue, Anchorage, AK 99503 907-762-7000

#### ARIZONA

Cotton Center Hospitality, LC Phoenix Airport South, AZ 4750 East Cotton Center Boulevard, Phoenix, AZ 85040 602-470-2100  
OCI Chandler of Delaware I, LLC Phoenix Chandler Fashion Center, AZ 1221 S. Spectrum Blvd., Chandler, AZ 85286 480-963-5700  
Apple Ten Hospitality Management, Inc. Phoenix North/ Happy Valley, AZ 2470 West Charlotte Drive, Phoenix, AZ 85085 623-580-1800  
Heritage Suites of Tempe, LLC Phoenix Tempe ASU Area, AZ 66 S. Rockford Dr., Tempe, AZ 85281 480-966-2780  
MCRT2 Avondale 2 Tenant LLC Phoenix/Avondale, AZ 11450 West Hilton Way, Avondale, AZ 85323 623-882-3315  
CNI THL OPS, LLC Phoenix/Chandler, AZ 7373 West Detroit Street, Chandler, AZ 85226 480-753-6200  
HIT Portfolio I HIL TRS, LLC Phoenix-Biltmore, AZ 2001 E. Highland Avenue, Phoenix, AZ 85016 602-508-0937  
2536 W Beryl Phoenix, LLC Phoenix-Metro Center, AZ 2536 West Beryl Avenue, Phoenix, AZ 85021 602-674-8900  
Summit Hotel TRS 142, LLC Tucson/St. Philip's Plaza University, AZ 4250 North Campbell Avenue, Tucson, AZ 85718 520-577-0007  
MCRT Yuma Tenant LLC Yuma, AZ 1955 East 16th Street, Yuma, AZ 85365 928-782-4100

## EXHIBIT A

### ARKANSAS

Apple Nine Hospitality Management, Inc. Bentonville/Rogers, AR 4302 West Walnut Street, Rogers, AR 72756 479-636-5656  
Liberty, LLC Fayetteville, AR 1305 N. Palak Drive, Fayetteville, AR 72704 479-442-3000  
Heritage Hotel Group, LLC Fort Smith, AR 7300 Phoenix Avenue, Fort Smith, AR 72903 479-452-7100  
M2 Little Rock HW Tenant LLC Little Rock Downtown, AR 400 River Market Avenue, Little Rock, AR 72201 501-375-4663

### CALIFORNIA

Apple Seven Hospitality Management, Inc. Agoura Hills, CA 28901 Canwood St., Agoura Hills, CA 91301 818-865-1000  
Summit Hotel TRS 129, LLC Aliso Viejo - Laguna Beach, CA 110 Vantis Drive, Aliso Viejo, CA 92656 949-425-9500  
NPL Anaheim Investments, LLC Anaheim Resort - Convention Center, CA 2010 S. Harbor Blvd., Anaheim, CA 92802 714-750-2010  
West Coast Lodging, L.P. Anaheim-Main Gate Area, CA 12005 Harbor Boulevard, Garden Grove, CA 92840 714-740-1800  
J. G. Bailey Company Millrock Way-2, LLC Bakersfield, CA 1505 Mill Rock Way, Bakersfield, CA 93311 661-664-0400  
BPR Properties Belmont, LLC Belmont, CA 1201 Shoreway Rd, Belmont, CA 94002 650-597-2000  
JSG Hospitality Management LLC Carlsbad-North San Diego County, CA 2223 Palomar Airport Road, Carlsbad, CA 92011 760-431-2266  
MHH Cathedral City Operating, LLC Cathedral City Palm Springs, CA 67711 30th Avenue, Cathedral City, CA 92234 760-9807070  
Eastlake Lodging Inc. Chula Vista Eastlake, CA 2424 Fenton St, Chula Vista, CA 91914 619-591-4832  
Suites L.P. Del Mar, CA 11025 Vista Sorrento Parkway, San Diego, CA 92130 858-523-0500  
DRE REIT Opco LLC Fairfield-Napa Valley Area, CA 4755 Business Center Drive, Fairfield, CA 94534 707-863-0300  
Apple Nine Hospitality Management, Inc. Fresno Airport/Clovis, CA 835 Gettysburg Ave, Clovis, CA 93612 559-292-4004  
BRE SSP Property Owner LLC Fresno, CA 6820 North Fresno Street, Fresno, CA 93710 559-440-0801  
BP Resort, LLC Irvine John Wayne Airport, CA 17370 Red Hill Avenue, Irvine, CA 92614 949-577-9200  
Deep Sea Hospitality, LLC Irvine Spectrum Lake Forest, CA 23021 Lake Center Drive A, Lake Forest, CA 92630 949-382-7900  
Fortuna La Quinta, LLC and RI La Quinta, LLC and VHF II La Q La Quinta, CA 45-200 Washington Street, La Quinta, CA 92253 760-391-4600  
Lancaster Wood, LLC Lancaster, CA 2320 Double Play Way, Lancaster, CA 93536 661-723-8040  
Heritage Inn of Livermore, LLC Livermore, CA 5400 Wolf House Drive, Livermore, CA 94551 925-606-1984  
MCP HH HOTEL TRS LB, LLC Long Beach Airport, CA 3771 N Lakewood Blvd., Long Beach, CA 90808 562-425-0010  
SVI Airport, LLC Los Angeles International Airport, CA 6151 W. Century Blvd, Los Angeles, CA 90045 310-215-3300  
TRCF Redondo TOD, LLC Los Angeles Redondo Beach, CA 2430 Marine Avenue, Redondo Beach, CA 90278 310-536-1209  
Newark Hotel Development Venture, L.P. Newark, CA 39270 Cedar Boulevard, Newark, CA 94560 510-791-7700  
Oakland Hospitality, LLC Oakland-Waterfront, CA 1103 Embarcadero, Oakland, CA 94606 510-663-2700  
H.W. Heritage Inn of Rancho Cucamonga, Inc. Ontario/Rancho Cucamonga, CA 11433 Mission Vista Drive, Rancho Cucamonga, CA 91730 909-481-6480

## EXHIBIT A

Mian Extended Stay, Inc., Oxnard/Camarillo, CA 1950 Solar Drive, Oxnard, CA 93036 805-288-3600  
Palm Desert Hospitality, L.L.C. Palm Desert, CA 36999 Cook Street, Palm Desert, CA 92211 760-568-1600  
Palo Alto Bowl, LLC Palo Alto, CA 4329 El Camino Real, Palo Alto, CA 94306 650-559-8700  
Peninsular Realty, LLC Pleasant Hill Concord, CA 650 Ellinwood Way, Pleasant Hill, CA 94523 925-483-9850  
Heritage Inn of Rancho Cordova, LLC Rancho Cordova, CA 10700 White Rock Road, Rancho Cordova, CA 95670 916-589-1332  
Geweke Natomas 10, L.P., Sacramento Airport-Natomas, CA 3001 Advantage Way, Sacramento, CA 95834 916-263-9510  
CNI THL OPS, LLC Sacramento/Roseville, CA 401 Creekside Ridge Court, Roseville, CA 95678 916-783-7455  
DRE REIT Opco LLC San Bernardino, CA 885 East Hospitality Lane, San Bernardino, CA 92408 909-799-6500  
Liberty Station HHG Hotel, LP San Diego Arpt/Liberty Station, CA 2576 Laning Road, San Diego, CA 92106 619-222-0500  
Two Pack Hotel, LP San Diego Central 9880 Mira Mesa Blvd, San Diego, CA 92131 858-530-2000  
DC Bayside 1 Operations, LLC San Diego Downtown/Bayside, CA 2137 Pacific Highway Suite B, San Diego, CA 92101 619-696-7000  
SD Hotel Circle, LLC San Diego Hotel Circle/SeaWorld Area, CA 2201 Hotel Circle South, San Diego, CA 92108 619-881-6800  
M7 Dev, LLC San Diego Mission Valley/Zoo, CA 445 Camino Del Rio South, San Diego, CA 92108 619-260-0600  
BRE SH Brisbane Owner LLC San Francisco Airport-North, CA 2000 Shoreline Court, Brisbane, CA 94005 650-589-1600  
San Jose Hotels, LLC San Jose North, CA 4315 N. First Street, San Jose, CA 95134 408-262-1065  
Apple Eight Hospitality Management, Inc. San Jose-Airport, CA 10 West Trimble Road, San Jose, CA 95131 408-428-9900  
Prince Hospitality, LLC Santa Clarita-Valencia, CA 28700 Newhall Ranch Road, Santa Clarita, CA 91355 661-257-1033  
Sunnyvale HHG Hotel Development, LP Sunnyvale-Silicon Valley, CA 830 E. El Camino Real, Sunnyvale, CA 94087 669-7329600

## COLORADO

4950 Baseline Road, LLC Boulder, CO 4950 Baseline Rd., Boulder, CO 80303 303-499-9922  
Pacific Heritage Inn of Broomfield, LLC Broomfield Boulder, CO 570 Flatiron Blvd., Broomfield, CO 80021 303-466-9722  
Stone Hospitality LLC Colorado Springs-North, CO 9130 Explorer Drive, Colorado Springs, CO 80920 719-265-6600  
DIA Yampa Street Development, LLC Denver Airport Tower Road, CO 6951 Yampa St.. Suite A, Denver, CO 80249 303-307-8000  
NF IV-I Denver CC Op Co, LLC Denver Downtown-Convention Center, CO 550 15th Street, Denver, CO 80202 303-534-7800  
Silverwest-I Inverness HW LLC Denver Tech Center, CO 199 Inverness Drive West, Englewood, CO 80112 303-706-0102  
LWP, LLC Denver West/Lakewood, CO 139 Union Blvd., Lakewood, CO 80228 303-716-5737  
Gopalco, Inc. Denver-International Airport, CO 4210 Airport Way, Denver, CO 80239 303-371-4555  
DRE REIT Opco LLC Denver-Littleton, CO 7630 Shaffer Parkway, Littleton, CO 80127 720-981-4763  
Dillon Hotel Associates, LLC Dillon, CO 122 Lake Dillon Drive, Dillon, CO 80435 970-455-1600  
F2DL, LLC Durango, CO 15 Girard Street, Durango, CO 81303 970-259-2996  
Harmony Hotels, L.L.C. Fort Collins, CO 1521 Oakridge Drive, Fort Collins, CO 80525 970-225-2400

## EXHIBIT A

Shan I, LLC Greeley, CO 2510 46th Ave, Greeley, CO 80634 970-330-1706

Gray Stone LLC Steamboat Springs, CO 3600 S Lincoln Avenue, Steamboat Springs, CO 80487 970-439-2800

### CONNECTICUT

Chatham Leaseco I, LLC Farmington, CT 2 Farm Glen Boulevard, Farmington, CT 06032 860-321-0000

Manchester Two CT Hotel LLC Hartford Manchester, CT 109 Pavilions Drive, Manchester, CT 06042 860-644-2244

Claremont Glastonbury Suites LLC Hartford South-Glastonbury, CT 65 Glastonbury Boulevard, Glastonbury, CT 06033 860-652-8111

Hartford Lodging Partners LLC Orange New Haven, CT 99 Marsh Hill Road, Orange, CT 06477 203-553-9148

Briad Lodging Group Southington, LLC Southington, CT 1096 West Street, Southington, CT 06489 860-276-3366

HIT TRS Stratford, LLC Stratford, CT 6905 Main Street, Stratford, CT 06614 203-377-3322

NE Wallingford Opco LLC Wallingford/Meriden, CT 90 Miles Dr., Wallingford, CT 06492-2555 203-284-2600

HIT Portfolio I HIL TRS, LLC Windsor Locks Bradley Airport, CT 65 Ella Grasso Turnpike, Windsor Locks, CT 06096 860-627-8463

### DELAWARE

BPG Hotel Partners X, LLC Newark-Wilmington South Area, DE 640 South College Avenue, Newark, DE 19713 302-453-9700

SAK Wilmington LLC Wilmington Downtown, DE 820 Justison Street, Wilmington, DE 19801 302-565-2100

Concord Towers Lodging I, LLC Wilmington-Brandywine Valley, DE 350 Rocky Run Pkwy, Wilmington, DE 19803 302-479-2000

### DISTRICT OF COLUMBIA

SKCG 50 M LLC Washington DC Capitol-Navy Yard 50 M St SE, Washington, DC 20003 202-8992800

Alduwaliya Hospitality WDC 1, Inc. Washington DC Convention Center, DC 465 New York Avenue NW, Washington, DC 20001 202-628-4663

NOMA Hospitality, LLC Washington DC NoMa Union Station 501 New York Avenue NE, Suite B, Washington, DC 20002 202-393-8001

RLJ III - HS Washington DC Lessee, LLC Washington, D.C. Downtown 1475 Massachusetts Avenue NW, Washington, DC 20005 202-265-8000

### FLORIDA

SG984 Owner 2 LLC and SG Group Owner 2 LLC Bonita Springs, FL 8901 Highland Woods Boulevard, Bonita Springs, FL 34135 239-949-5913

Apple Ten Florida Services, Inc. Cape Canaveral-Cocoa Beach, FL 9000 Astronaut Blvd, Cape Canaveral, FL 32920 321-868-1841

PHVIF II Daytona Beach, LLC Daytona Beach Speedway-Airport, FL 165 Bill France Blvd., Daytona Beach, FL 32114 386-258-2828

GPIF Destin Hotel Owner LLC Destin, FL 14051 Emerald Coast Parkway, Destin, FL 32541 850-269-8100

FMA Hospitality LP II Fort Myers Airport/FGCU, FL 16450 Corporate Commerce Way, Fort Myers, FL 33913 239-210-7300

FM Hotel/Office Venture, L.P. Fort Myers, FL 5255 Big Pine Way, Fort Myers, FL 33907 239-275-6000

Griffin Road Two, LLC Ft. Lauderdale Airport and Cruise Port, 2061 Griffin Road, Dania Beach, FL 33312 954-967-9063

## EXHIBIT A

Apple Ten Services Gainesville, Inc. Gainesville, FL 3333 SW 42nd Street, Gainesville, FL 32608 352-335-3133  
TWC Jacksonville LLC Jacksonville Deerwood Park, FL 8511 Touchton Road, Jacksonville, FL 32216 904-253-7120  
EH22, LLC Jacksonville-Downtown/Southbank, FL 1201 Kings Avenue, Jacksonville, FL 32207 904-396-6888  
Apple Eight Services Jacksonville, Inc. Jacksonville-South/St. Johns Ctr, FL 10434 Midtown Parkway, Jacksonville, FL 32246 904-641-7988  
OSSA-LBV Owner LLC Lake Buena Vista-Orlando, FL 11428 Marbella Palm Court, Orlando, FL 32836 407-239-4540  
TWC Lake Mary H LLC Lake Mary, FL 755 Currency Circle, Lake Mary, FL 32746 407-805-9111  
Procacci Dolphin, LLC Miami Dolphin Mall, FL 1695 NW 111th Avenue, Suite B, Sweetwater, FL 33172 305-500-9019  
Brickell Lodging LLC Miami Downtown/Brickell, FL 1750 Southwest 1st Avenue, Miami, FL 33129 305-285-7112  
Apple Seven Services Miami, Inc. Miami-Airport/Blue Lagoon, FL 5500 Blue Lagoon Drive, Miami, FL 33126 305-261-3335  
36th Street One, LLC Miami-Airport/West, FL 3590 NW 74th Avenue, Miami, FL 33122 305-629-7831  
Ocala Inn & Suites, LLC Ocala at Heath Brook, FL 4610 SW 49th Road, Ocala, FL 34474 352-369-4610  
Seneca Hospitality LLC Orlando Airport, FL 5425 Gateway Village Circle, Orlando, FL 32812 407-857-5791  
Orlando Hotel Group, LLC Orlando at FLAMINGO CROSSINGS Town Cente 411 Flagler Ave, Winter Garden, FL 34787 407-993-3011  
OSSA-OTP Owner LLC Orlando Theme Parks, FL 6940 Westwood Blvd, Orlando, FL 32821 407-778-5888  
HIT Portfolio II TRS, LLC Orlando/Intl Dr.-Conv Center, FL 8745 International Drive, Orlando, FL 32819 407-248-2232  
Chatham Leaseco I, LLC Orlando-Maitland, FL 290 Southhall Lane, Maitland, FL 32751 407-875-8777  
Buffalo-Orlando II, LLC Orlando-Nearest Universal Studios, FL 5893 American Way, Orlando, FL 32819 407-226-0669  
Buffalo-Alafaya Associates, LLC Orlando-UCF Area, FL 3028 N. Alafaya Trail, Orlando, FL 32826 407-282-0067  
DRV Hotel Partners, LLLP Palm Beach Gardens, FL 4700 Donald Ross Road, Palm Beach Gardens, FL 33418 561-622-7799  
St. Joe Resort Operations, LLC Panama City Beach, FL 47 Chip Seal Pkwy, Panama City Beach, FL 32407 850-343-4200  
PNS Hotel Group, Ltd. Pensacola-Arpt (Cordova Mall Area), FL 5049 Corporate Woods Drive, Pensacola, FL 32504 850-474-3777  
BBL Equinox at Tradition, LLC Port St. Lucie-Tradition, FL 10301 SW Innovation Way, Port Saint Lucie, FL 34987 772-345-5300  
Denocat Lodging, LLC Sarasota Lakewood Ranch, FL 305 North Cattlemen Road, Sarasota, FL 34235 941-309-3904  
CFOC Sarasota FL LLC Sarasota, FL 3470 Fruitville Road, Sarasota, FL 34237 941-365-7300  
Sebastian Lodging, LLLP St. Augustine San Sebastian, FL 10 Prawn Street, Saint Augustine, FL 32084 904-575-2500  
2233 Ulmerton LLC St. Petersburg Clearwater, FL 2233 Ulmerton Road, Clearwater, FL 33762 727-573-1500  
Kelco/FB Tallahassee, LLC Tallahassee, FL 2987 Apalachee Parkway, Tallahassee, FL 32301 850-402-9400  
MHG Tampa Avion Park HWS, LP Tampa-Airport/Westshore, FL 5325 Avion Park Drive, Tampa, FL 33607 813-282-1950  
CS17 Florida Hotels, LLC Tampa-Brandon, FL 10240 Palm River Road, Tampa, FL 33619 813-685-7099  
H.S. Port Richey (Del) LLC Tampa-Port Richey, FL 11115 US Highway 19 North, Port Richey, FL 34668 727-819-1000  
TWC West Palm H LLC West Palm Beach, FL 2455 Metrocentre Boulevard, West Palm Beach, FL 33407 561-682-9188



## EXHIBIT A

### GEORGIA

PR MIG Athens OpCo, LLC Athens Downtown University Area, GA 750 East Broad Street, Athens, GA 30601 706-548-3500  
3405 BB Parkway, LP Atlanta Airport North, GA 3405 Bobby Brown Parkway, Atlanta, GA 30344 404-554-9300  
Buckhead Hospitality, LLC Atlanta Buckhead Pharr Road, GA 540 Pharr Road, Atlanta, GA 30305 404-8420800  
BCORE 97 10th St NW TRS LLC Atlanta Midtown, GA 97 10th Street NW, Atlanta, GA 30309 404-524-4076  
P Squared Hospitality, LLC Atlanta/Alpharetta, GA 10775 Davis Drive, Alpharetta, GA 30004 770-9981622  
PHVIF II Buckhead LLC Atlanta/Buckhead, GA 3566 Piedmont Road, Atlanta, GA 30305 404-365-0001  
Perimeter Hotel Owner I, LLC Atlanta/Perimeter Center, GA 915 Crestline Parkway, Atlanta, GA 30328 770-415-3200  
BRE Newton Hotels Property Owner LLC Atlanta-Galleria/Cumberland, GA 3200 Cobb Parkway, Atlanta, GA 30339 770-988-9449  
Vision Cobb Place, LLC Atlanta-NW/Kennesaw Town Center, GA 905 Cobb Place Boulevard, Kennesaw, GA 30144 678-354-2800  
Dr. Harinderjit Singh Augusta Gordon Highway, GA 312 Timbercreek Lane, Augusta, GA 30909 706-828-1260  
HIT Portfolio II HIL TRS, LLC Augusta, GA 1049 Stevens Creek Road, Augusta, GA 30907 706-738-3131  
Columbus GA Hotel Partners II, LP Columbus, GA 6614 Whittlesey Blvd, Columbus, GA 31909 706-568-3545  
Quality Oil Company, LLC Lawrenceville Duluth, GA 1775 North Brown Road, Lawrenceville, GA 30043 770-277-1243  
BPR Macon, LLC Macon-North, GA 1514 Bass Rd., Macon, GA 31210 478-477-9776  
McDonough Hospitality Group, LLC McDonough, GA 231 Avalon Court, McDonough, GA 30253 770-692-3407  
MotManCo, Inc. Savannah Airport 149 W. Mulberry Blvd, Savannah, GA 31407 912-450-5555  
River Street 1, LLC Savannah Historic District/Riverfront, G 611 East River Street, Savannah, GA 31401 912-355-0025

### IDAHO

Boise ATH2017, LLC Boise, ID 7957 West Spectrum Way, Boise, ID 83709 208-375-8500  
Eagle River Hotel II, LLC Eagle Boise, ID 710 E. Riverside Drive, Eagle, ID 83616 208-938-2838

### ILLINOIS

Meridian Lodging Associates, LLP Aurora Naperville, IL 4320 Meridian Parkway, Aurora, IL 60504 630-978-2222  
MCR Champaign 2 Tenant LLC Champaign/Urbana Campus, IL 1417 South Neil Street, Champaign, IL 61820 217-352-9960  
Wabash 11th, LLC Chicago Downtown South Loop, IL 59 E. 11th Street, Chicago, IL 60605 312-753-3100  
U.S. REIF Jupiter N. Jefferson Fee, LLC Chicago Downtown West Loop, IL 118 N Jefferson, Chicago, IL 60661 312-930-0000  
MPAL HURON, LLC Chicago Downtown/Magnificent Mile, IL 152 E Huron St., Chicago, IL 60611 312-585-9333  
HIT Portfolio I TRS, LLC Chicago-Downtown, IL 40 East Grand Avenue, Chicago, IL 60611 312-644-2222  
AAA Hospitality, LLC Chicago-Schaumburg, IL 815 East American Lane, Schaumburg, IL 60173 847-605-0400  
Forsyth Hospitality, LLC Decatur/Forsyth, IL 333 West Marion Avenue, Forsyth, IL 62535 217-877-0887

## EXHIBIT A

CSM Lincolnshire, LLC Lincolnshire, IL 10 Westminster Way, Lincolnshire, IL 60069 847-945-9300  
RBC Capital HSOP, LLC Orland Park, IL 16245 South LaGrange Road, Orland Park, IL 60467 708-364-9411

### INDIANA

80Bloom, LLC Bloomington, IN 1399 South Liberty Dr., Bloomington, IN 47403 812-323-0500  
APIP-C Ft. Wayne Suites Master Tenant, LLC Fort Wayne, IN 8621 US Hwy 24 West, Fort Wayne, IN 46804 260-432-5100  
MHI-Carmel HS OpCo, LLC Indianapolis Carmel, IN 11355 North Meridian Street, Carmel, IN 46032-4540 317-844-7994  
Indy Canal Lodging Associates, LLC Indianapolis Downtown IUPUI, IN 414 West Vermont Street, Indianapolis, IN 46202 317-677-7001  
I-465, LLC Indianapolis Northwest, IN 4140 West 94th Street, Indianapolis, IN 46268 317-870-7660  
82Plainfield, LLC Indianapolis-Airport/Plainfield, IN 2264 East Perry Road, Plainfield, IN 46168 317-839-1900  
Downtown Indy, LLC Indianapolis-Downtown, IN 211 South Meridian Street, Indianapolis, IN 46225 317-636-7992  
Keystone Suites Developers, L.P. Indianapolis-Keystone Crossing, IN 2501 East 86th Street, Indianapolis, IN 46240 317-253-1919  
HWLA Lafayette LLC Lafayette-Rossville Exit, IN 3939 South Street, Lafayette, IN 47905 765-448-9700  
37 Hotel Munster/MD, LLC Munster, IN 9120 Calumet Ave., Munster, IN 46321 219-836-5320  
ND Hospitality, L.L.C. South Bend Notre Dame Area, IN 52860 SR 933, South Bend, IN 46637 574-9687440

### IOWA

Southeast Creekview Hotel Associates, LLC Ankeny, IA 2455 Southeast Creekview Drive, Ankeny, IA 50021 515-963-0006  
Apple Ten Hospitality Management, Inc. Cedar Rapids/North, IA 1140 Park Place NE, Cedar Rapids, IA 52402 319-378-1140  
Cantilever Hotels, LLC Coralville - Iowa River Landing, IA 921 E. 2nd Avenue, Coralville, IA 52241 319-338-3410  
Davenport Lodging Group, LLC Davenport, IA 4750 Progress Drive, Davenport, IA 52807 563-344-4750  
DSM Fleur Hospitality, LLC Des Moines Airport, IA 7201 SW 22nd Street, Des Moines, IA 50321 515-285-7201  
Stagecoach Hotel Associates, LLC West Des Moines/SW-Mall Area, IA 6220 Stagecoach Drive, West Des Moines, IA 50266 515-218-7500

### KANSAS

M2 Kansas City Tenant, LLC Kansas City Speedway, KS 10922 Parallel Parkway, Kansas City, KS 66109 913-288-9999  
OP Hotel Partners LLC Kansas City/Overland Park, KS 10556 Marty Street, Overland Park, KS 66212 913-341-5576  
Lighthouse Properties III, Inc. Salina Downtown, KS 115 E Mulberry St, Salina, KS 67401 785-515-2600  
Kansas Hospitality Inc. Topeka, KS 1519 SW Arrowhead Rd., Topeka, KS 66604 785-861-7840  
Lighthouse Properties, LLC Wichita @ The Waterfront, KS 1550 North Waterfront Parkway, Wichita, KS 67206 316-260-8844

## EXHIBIT A

### KENTUCKY

Rolling Hills Crossings, LLC Cincinnati-Airport South (Florence), KY 1090 Vandercar Way, Florence, KY 41042 859-283-2111  
VP4 Charleston LLC Lexington, KY 249 Ruccio Way, Lexington, KY 40503 859-223-0880  
SAT, LLC Lexington/Hamburg, KY 2033 Bryant Road, Lexington, KY 40509 859-543-0464  
PHOTA Louisville, LLC Louisville Airport, KY 130 Central Avenue, Louisville, KY 40209 502-3801990  
Louhome LLC Louisville Downtown, KY 635 West Market Street, Louisville, KY 40202 502-589-2000  
Hurstbourne Hotel Associates, LLC Louisville-East, KY 9401 Hurstbourne Trace, Louisville, KY 40222 502-429-9070  
Paducah Hospitality Partners II, LLC Paducah, KY 3925 Coleman Crossing Circle, Paducah, KY 42001 270-443-0009

### LOUISIANA

KRE HIP Wood Baton Rouge Owner LLC Baton Rouge, LA 5860 Corporate Boulevard, Baton Rouge, LA 70808 225-927-1700  
Ashi Houma Hotels LLC Houma, LA 142 Citiplace Drive, Houma, LA 70360 985-262-0145  
KS Hotel Associates, LLC Lafayette-Airport, LA 201 Kaliste Saloom Road, Lafayette, LA 70508 337-264-6044  
Metairie Hotel Ventures LLC Metairie New Orleans, LA 2730 Severn Ave., Metairie, LA 70002 504-509-7410  
Rampart Mixed-Use Complex, LLC New Orleans French Quarter, LA 317 N Rampart, New Orleans, LA 70112 504-930-4494  
Gretna Hotel No. 2, LLC New Orleans West Bank Gretna, LA 3 Westbank Expressway, Gretna, LA 70053 504-619-9800  
Apple Seven Services New Orleans, L.P. New Orleans, LA 901 Poydras Street, New Orleans, LA 70112 504-581-5599  
RT Bossier Hotel Partners LLC Shreveport / Bossier City, LA 2015 Old Minden Road, Bossier City, LA 71111 318-759-1940  
Airport Suites, L.L.C Shreveport, LA 5485 Financial Plaza, Shreveport, LA 71129 318-549-2000  
Travel Choice, Inc. Slidell, LA 175 Holiday Blvd, Slidell, LA 70460 985-726-7291

### MAINE

AugustRes LLC Augusta, ME 377 Western Avenue, Augusta, ME 04330 207-480-2050  
SWHS LLC Portland, ME 200 Southborough Drive, Scarborough, ME 04074 207-775-2700

### MARYLAND

Harbor East Parcel B-Hotel, LLC Baltimore, MD 625 South President Street, Baltimore, MD 21202 410-234-0999  
MCR BWI Airport Tenant LLC Baltimore-BWI Airport, MD 1181 Winterson Road, Linthicum, MD 21090 410-684-6100  
SHRI SUDHA, LLC Bel Air, MD 4170 Philadelphia Road, Bel Air, MD 21015 410-297-8585  
Columbia HH Associates LLC Columbia, MD 8320 Benson Drive, Columbia, MD 21045-3116 410-872-9200  
Hopkins Hospitality Investors LLC Columbia/Laurel, MD 7531 Montpelier Road, Laurel, MD 20723 240-360-2725  
Executive Way Hospitality I, LLC Frederick, MD 4950 Westview Drive, Frederick, MD 21703 301-663-9600

## EXHIBIT A

Rockville Hospitality, LLC Gaithersburg/ Washington, DC North, MD 805 Russell Avenue, Gaithersburg, MD 20879 301-670-0008  
Bowman 2000, LLC Hagerstown, MD 1650 Pullman Lane, Hagerstown, MD 21740 301-665-3816  
Heritage Inn & Suites of Hanover, LLC Hanover Arundel Mills BWI Airport, MD 7491 New Ridge Road, Hanover, MD 21076 410-684-6880  
9103 Basil Court Partners LLC Largo Washington D.C. 9103 Basil Court, Largo, MD 20774 301-322-2220  
Fallsgrove Hotel Associates, LLC Rockville- Gaithersburg, MD 14975 Shady Grove Road, Rockville, MD 20850 240-507-1900

### MASSACHUSETTS

Claremont Brookline Suites LLC Boston Brookline-Longwood Medical, MA 111 Boylston Street, Brookline, MA 02445 617-232-1487  
Lawrenceville, LLC Boston Logan Airport Chelsea, MA 145 Beech Street, Chelsea, MA 02150 617-660-9110  
Riverbridge Hotel Group, LLC Boston Marlborough, MA 60 River Road West, Berlin, MA 01503 978-838-9940  
Parcel A Development Lessee, LLC Boston Seaport District, MA 670 Summer Street, Boston, MA 02210 857-356-3033  
Concord Madison Woburn LLC Boston Woburn, MA 371 Washington Street, Woburn, MA 01801 781-933-1990  
Bayshore, LLC Boston/Andover, MA 4 Riverside Drive, Andover, MA 01810 978-475-6000  
Chatham Billerica HS Leaseco LLC Boston/Billerica, MA 35 Middlesex Turnpike, Billerica, MA 01821-3936 978-670-7111  
Claremont Arlington Suites, LLC Boston/Cambridge-Arlington, MA 1 Massachusetts Avenue, Arlington, MA 02474 781-643-7258  
Canton Lodging, LLC Boston/Canton, MA 50 Royall Street, Canton, MA 02021 781-828-4700  
HIT Portfolio I MISC TRS, LLC Boston-Peabody, MA 57 Newbury Street, Peabody, MA 01960 978-536-5050  
Russell Street Hospitality, LLC Hadley Amherst, MA 340 Russell Street, Hadley, MA 01035 413-387-0583  
Claremont Needham Suites LLC Needham Boston, MA 200 First Avenue, Needham, MA 02494 781-455-9987  
Holyoke Lodging Associates, LLC Springfield-North/Holyoke, MA 375 Whitney Avenue, Holyoke, MA 01040 413-532-3100  
Summer St. Hotel LLC Worcester, MA 1 Washington Square, Worcester, MA 01604 508-755-1234

### MICHIGAN

Stellar Hospitality A2 LLC Ann Arbor, MI 2457 S State St., Ann Arbor, MI 48104 734-214-3955  
Brighton Hotel Suites, Inc. Brighton, MI 8060 Challis, Brighton, MI 48116 810-225-0200  
Glacier Investment, LLC Detroit/Troy, MI 1495 Equity Drive, Troy, MI 48084 248-816-6500  
GR HS, LLC Grand Rapids Downtown, MI 161 Ottawa Avenue N.W., Grand Rapids, MI 49503 616-451-2300  
H.S. Heritage Inn of Grand Rapids Opco, L.L.C. Grand Rapids, MI 3920 Stahl Drive SE, Grand Rapids, MI 49546 616-285-7100  
AHIP MI Portage Enterprises LLC Kalamazoo/Portage, MI 500 Trade Centre Way, Portage, MI 49002 269-382-5817  
Eastwood Hospitality Group LLC Lansing Eastwood, MI 2201 Showtime Drive, Lansing, MI 48912 517-882-2000  
Stellar Hospitality Novi LLC Novi Detroit, MI 26150 Town Center Drive, Novi, MI 48375 248-347-6100  
Woodheaven Enterprises Inc. Warren Detroit, MI 31993 Van Dyke Avenue, Warren, MI 48093 586-9797600

## EXHIBIT A

### MINNESOTA

NF III/S Edina OP CO LLC Edina Minneapolis, MN 6600 York Avenue, Edina, MN 55435 952-926-0224  
Chatham Leaseco I, LLC Minneapolis-Mall of America, MN 2261 Killebrew Drive, Bloomington, MN 55425 952-854-0900  
HSNB, LLC Minneapolis-New Brighton, MN 1815 Old Highway 8 NW, New Brighton, MN 55112 651-631-8002  
HSSLP, LLC Minneapolis-St. Louis Park at West End, 5305 Wayzata Boulevard, Saint Louis Park, MN 55416 952-544-0495  
Carpenter and Torgerson II, LLC Rochester Mayo Clinic Area/ Saint Marys, 165 13th Avenue SW, Rochester, MN 55902 507-218-3320  
St. Cloud Lodging Group, LLC St. Cloud, MN 115 37th Avenue North, Saint Cloud, MN 56303 320-252-5900

### MISSISSIPPI

Hiren Patel Jackson Fondren Medical District, MS 2815 North State Street, Jackson, MS 39216 601-398-9500  
HARIHAR 5TH LLC Jackson-Ridgeland, MS 853 Centre Street, Ridgeland, MS 39157 601-899-8611  
LF3 Southaven TRS, LLC Southaven, MS 135 Homewood Drive, Southaven, MS 38671 662-349-0501

### MISSOURI

Joplin Hospitality Partners II, LLC Joplin, MO 2642 E 32nd Street, Joplin, MO 64804 417-623-1900  
Atrium TRS III, LP Kansas City-Airport, MO 7312 NW Polo Drive, Kansas City, MO 64153 816-880-9880  
Reliance Hotels LLC Springfield Medical District, MO 4340 S. National Avenue, Springfield, MO 65810 417-501-1525  
Hotel Maryland Heights Opco, L.L.C. St. Louis Riverport - Airport West, MO 13639 Riverport Dr., Maryland Heights, MO 63043 314-739-3900  
BWWP, L.L.C. St. Louis Westport, MO 2434 Old Dorsett Road, Maryland Heights, MO 63043 314-733-9800  
Chesterfield Hospitality, Inc. St. Louis-Chesterfield, MO 840 Chesterfield Parkway West, Chesterfield, MO 63017 636-530-0305  
RBM Hotel Richmond Heights LLC St. Louis-Galleria, MO 8040 Clayton Road, Richmond Heights, MO 63117 314-863-7700

### MONTANA

Ember Lane Lodging Investors, LLC Billings, MT 3420 Ember Lane, Billings, MT 59102 406-656-0525  
Buffalo Ventures, LLC Bozeman, MT 1023 Baxter Lane, Bozeman, MT 59715 406-587-8180  
Buffalo Ventures II, LLC Kalispell, MT 195 Hutton Ranch Road, Kalispell, MT 59901 406-755-8080

### NEBRASKA

Apple Ten Hospitality Management, Inc. Omaha/Downtown, NE 1314 Cuming Street, Omaha, NE 68102 402-345-5100

### NEVADA

South Pointe Hospitality, L.C. Henderson/South Las Vegas, NV 10450 South Eastern Avenue, Henderson, NV 89052 702-450-1045

## EXHIBIT A

Jobsite Hospitality LLC Las Vegas Airport, NV 230 Hidden Well Rd, Las Vegas, NV 89119 702-407-0075

Heritage Inn & Suites of Las Vegas, LLC Las Vegas City Center, NV 4625 Dean Martin Drive, Las Vegas, NV 89103 702-598-0101

Reno Hospitality, LLC Reno, NV 5450 Kietzke Lane, Reno, NV 89511 775-853-7100

### NEW HAMPSHIRE

Lafrance Bowden Hospitality II, LLC Dover, NH 21 Members Way, Dover, NH 03820 603-516-0929

Tara Suites Management LLC Gateway Hills Nashua, NH 15 Tara Boulevard, Nashua, NH 03062 603-546-7470

NEP OPS-T, LLC Manchester/Airport, NH 1000 Perimeter Road, Manchester, NH 03103 603-668-2200

NEP OPS-T, LLC Portsmouth, NH 100 Portsmouth Boulevard, Portsmouth, NH 03801 603-427-5400

### NEW JERSEY

AHIP NJ Egg Harbor 3008 Enterprises LLC Atlantic City/Egg Harbor Township, NJ 3008 English Creek Avenue, Egg Harbor Township, NJ 08234 609-272-7771

Briad Lodging Group Branchburg II, LLC Bridgewater/Branchburg, NJ 968 Route 202 South, Branchburg, NJ 08876 908-253-9400

AHIP NJ Dover Enterprises LLC Dover (Rockaway), NJ 2 Commerce Center Drive, Dover, NJ 07801 973-989-8899

East Rutherford Hotel LLC East Rutherford/Meadowlands, NJ 125 Route 17 South, East Rutherford, NJ 07073 201-460-9030

HOSP EATNJ RT35, LLC Eatontown, NJ 4 Industrial Way East, Eatontown, NJ 07724 732-380-9300

Rockaway Hotel, L.L.C. Edgewater (NYC Area), NJ 10 The Promenade, Edgewater, NJ 07020 201-941-4700

BLG Edison, LLC Edison Woodbridge, NJ 100 Parsonage Road, Edison, NJ 08837 732-744-1011

Kuser & 130 Associates, LLC Hamilton, NJ 960 US Highway 130, Hamilton, NJ 08690 609-6891260

Apple Seven Hospitality Management, Inc. Mahwah, NJ 375 Corporate Drive, Mahwah, NJ 07430 201-760-9994

Apple Seven Hospitality Management, Inc. Newark/Cranford, NJ 2 Jackson Drive, Cranford, NJ 07016 908-709-1980

Apple Nine Hospitality Management, Inc. Philadelphia/Mt. Laurel, NJ 1422 Nixon Drive, Mount Laurel, NJ 08054 856-222-9001

WSCDEL 102, LLC Princeton, NJ 3819 U.S. 1 South, Princeton, NJ 08540 609-720-0550

NE Somerset Opco LLC Somerset, NJ 101 Pierce St., Somerset, NJ 08873-4173 732-868-9155

Glenpointe Associates IV Limited Liability Company Teaneck Glenpointe, NJ One Glenwood Avenue, Teaneck, NJ 07666 201-883-1777

### NEW MEXICO

Sundowner Hospitality, LLC Albuquerque Downtown, NM 222 Central Ave SE, Albuquerque, NM 87102 505-808-1042

KRE HIP Wood Albuquerque Owner LLC Albuquerque Uptown, NM 7101 Arvada Avenue NE, Albuquerque, NM 87110 505-881-7300

Waramaug Albuquerque W LLC Albuquerque-Airport, NM 1520 Sunport Place SE, Albuquerque, NM 87106 505-944-4663

Mountain West Lodging LLC Albuquerque-Journal Center, NM 5400 San Antonio Drive NE, Albuquerque, NM 87109 505-998-4663

## EXHIBIT A

Pueblo of Pojoaque Enterprise Corporation Santa Fe-North, NM 10 Buffalo Thunder Trail, Santa Fe, NM 87506 505-455-9100

### NEW YORK

Albany H&S Hospitality LLC Albany Crossgates Mall, NY 1651 Western Avenue, Albany, NY 12203 518-704-4040

Turf Suites Albany, LLC Albany, NY 216 Wolf Road, Albany, NY 12205 518-438-4300

TJ, LLC Binghamton/Vestal, NY 3603 Vestal Parkway East, Vestal, NY 13850 607-296-4800

Amherst Lodging Associates, LLC Buffalo/Amherst, NY 1138 Millersport Highway, Buffalo, NY 14226 716-833-2277

Sweet Home-Blend-All Associates, LLC Buffalo-Airport, NY 760 Dick Road, Cheektowaga, NY 14225 716-685-0700

AVR Carle Place Hotel 1 LLC Carle Place - Garden City, NY 40 Westbury Ave., Carle Place, NY 11514 516-747-0230

CP HS Hotel LLC Clifton Park, NY 42 Clifton Country Road, Clifton Park, NY 12065 518-371-2000

Ithaca Suites, LLC Ithaca, NY 36 Cinema Drive, Ithaca, NY 14850 607-266-0000

Melville Hospitality, LLC Long Island-Melville, NY 1585 Round Swamp Road, Plainview, NY 11803 516-293-4663

Woods Park Lodging Ventures LLC New Hartford Utica, NY 185 Woods Park Drive, Clinton, NY 13323 315-801-7200

Al Duwaliya Hospitality Company, Inc. New York/Midtown Manhattan Times Square- 312 West 37th Street, New York, NY 10018 212-244-0644

Airport Properties II, LLC Newburgh/Stewart Airport, NY 180 Breunig Rd., New Windsor, NY 12553 845-567-2700

Briad Lodging Group Poughkeepsie, LLC Poughkeepsie, NY 900 Thomas Watson Dr, Poughkeepsie, NY 12601 845-462-0030

Global Hospitality of Greece LLC Rochester/Greece, NY 400 Center Place Drive, Rochester, NY 14615 585-865-8534

CNI THL OPS, LLC Rochester/Henrietta, NY 2095 Hylan Drive, Rochester, NY 14623 585-334-9150

Indus FSD LLC Rochester/Victor, NY 575 Fishers Station Drive, Victor, NY 14564 585-869-7500

Excel Holdings 6 LLC Ronkonkoma, NY 65 Union Avenue, Ronkonkoma, NY 11779 631-585-0080

3368 S Broadway Hotel LLC Saratoga Springs, NY 3368 South Broadway, Saratoga Springs, NY 12866 518-580-1500

Waters Edge Lodging LLC Schenectady, NY 2A Freemans Bridge Road, Schenectady, NY 12302 518-579-6727

Emmi Commerce Park Development Co. Syracuse/Liverpool, NY 275 Elwood Davis Rd., Liverpool, NY 13088 315-451-3800

6006 Fair Lakes Mystic, LLC Syracuse-Carrier Circle, NY 6006 Fair Lakes Road, East Syracuse, NY 13057 315-433-1009

### NORTH CAROLINA

South Asheville Hotel Associates, LLC Asheville-Tunnel Road, NC 88 Tunnel Road, Asheville, NC 28805 828-252-5400

Tara of Ballantyne LLC Charlotte Ballantyne, NC 12030 Copper Way, Charlotte, NC 28277 704-544-7902

CONCORD CHARLOTTE UPTOWN, LLC Charlotte Uptown First Ward, NC 508 N. College St., Charlotte, NC 28202 704-335-3338

Ayrsley Hotel Associates II, LLC Charlotte/Ayrsley, NC 1921 Ayrsley Town Blvd, Charlotte, NC 28273 704-970-5500

CHCT Charlotte Hotel Partners, LLC Charlotte/SouthPark, NC 4808 Sharon Road, Charlotte, NC 28210 704-442-4050

Naman Speedway II, LLC Concord Charlotte, NC 7300 Scott Padgett Parkway, Concord, NC 28027 980-313-3100

## EXHIBIT A

Riverside Hotel, LLC Davidson, NC 125 Harbour Place Drive, Davidson, NC 28036 704-987-1818  
Narsi Development Durham LLC Durham-Chapel Hill/I-40, NC 3600 Mt. Moriah Road, Durham, NC 27707 919-401-0610  
Legend Hospitality One, LLC Fayetteville, NC 4028 Legend Avenue, Fayetteville, NC 28303 910-672-7800  
BPR Wendover, LLC Greensboro Wendover, NC 6011 Landmark Center Boulevard, Greensboro, NC 27407 336-560-5312  
Atrium TRS II, LP Greensboro, NC 201 Centreport Dr., Greensboro, NC 27409 336-393-0088  
BPR Moye Blvd, LLC Greenville, NC 420 Moye Blvd, Greenville, NC 27834 252-751-6150  
PHHS LLC Olmsted Village (Near Pinehurst), 250 Central Park Avenue, Pinehurst, NC 28374 910-255-0300  
PHG Crossroads, LLC Raleigh Cary I-40, NC 555 Crossroads Blvd, Cary, NC 27518 919-745-8589  
KRE HIP Wood Cary Owner LLC Raleigh/Cary, NC 100 MacAlyson Court, Cary, NC 27511 919-467-4444  
5400 Raleigh Crabtree, LLC Raleigh-Crabtree Valley, NC 5400 Homewood Banks Drive, Raleigh, NC 27612 919-785-1131  
Apple Nine Hospitality Management, Inc. Raleigh-Durham AP/Research Triangle, NC 4603 Central Park Drive, Durham, NC 27703 919-474-9900  
Unique Hotels, LLC Rocky Mount, NC 231 Gateway Blvd, Rocky Mount, NC 27804 252-451-4004  
TWC Wilmington Mayfaire LLC Wilmington/ Mayfaire, NC 6732 Swan Mill Road, Wilmington, NC 28405 910-791-7272

### **NORTH DAKOTA**

Hospitality Concepts, L.L.C. Fargo, ND 2021 16th Street North, Fargo, ND 58102 701-235-3150  
West Fargo Hospitality, LLC West Fargo/Sanford Medical Center Area, 805 E Beaton Dr., West Fargo, ND 58078 701-551-5800

### **OHIO**

TMI-LA JV of Akron HS, LLC Akron Fairlawn, OH 210 Springside Drive, Akron, OH 44333 330-664-6000  
Vine Street Hotel Partners, LLC Cincinnati - Downtown, OH 617 Vine Street, Suite B, Cincinnati, OH 45202 513-354-2440  
Deerfield Hospitality, LLC Cincinnati Mason, OH 5325 Natorp Boulevard, Mason, OH 45040 513-701-9300  
Oakley Hotel Enterprises LTD Cincinnati Midtown, OH 4605 Factory Colony Lane, Cincinnati, OH 45209 513-9751800  
MCRT3 Cincinnati Tenant LLC Cincinnati/Milford, OH 600 Chamber Drive, Milford, OH 45150 513-248-4663  
Shihasi Union Centre, LLP Cincinnati/West Chester, OH 9226 Schulze Drive, West Chester, OH 45069 513-805-4400  
Buffalo-Beachwood, LLC Cleveland/Beachwood, OH 25725 Central Parkway, Beachwood, OH 44122 216-464-9600  
Sunrise Hospitality, Inc. Cleveland/Sheffield, OH 4930 Transportation Drive, Sheffield Village, OH 44054 440-695-0735  
WSCDEL 103, LLC Cleveland-Solon, OH 6085 Enterprise Parkway, Solon, OH 44139 440-519-9500  
Easton Innkeepers, LLC Columbus Easton, OH 3600 Morse Road, Columbus, OH 43230 614-968-5200  
CNI THL OPS, LLC Columbus/Dublin, OH 5300 Parkcenter Avenue, Dublin, OH 43017 614-791-8675  
H.S. Heritage Inn of Columbus OPCO, L.L.C. Columbus/Hilliard, OH 3841 Park Mill Run Drive, Hilliard, OH 43026 614-529-4100  
Lane Avenue Hotel Holdings II, LLC Columbus/OSU, OH 1576 West Lane Avenue, Columbus, OH 43221 614-488-1500



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Janaki, Inc. Columbus/Polaris, OH 2045 Polaris Parkway, Columbus, OH 43240 614-396-5100  
Columbus HS, LLC Columbus-Airport, OH 2880 Airport Drive, Columbus, OH 43219 614-428-8800  
TWC Dayton LLC Dayton- South, OH 3100 Contemporary Lane, Miamisburg, OH 45342 937-432-0000  
PH Fairborn Hotel Owner 2750, LLC Dayton-Fairborn Wright Patterson, OH 2750 Presidential Dr., Fairborn, OH 45324 937-429-0600  
Toledo PI Acquisitions, LLC Toledo Downtown, OH 101 N Summit St, Toledo, OH 43604 419-464-9220  
H.S. Heritage Inn of Toledo OPCO, L.L.C. Toledo/Maumee, OH 1410 Arrowhead Road, Maumee, OH 43537 419-897-0980

### OKLAHOMA

Interstate Investment, LLC Lawton, OK 415 SE Interstate Drive, Lawton, OK 73501 580-357-9800  
Apple Ten Oklahoma Services Inc. Oklahoma City - Bricktown, OK 328 East Sheridan Avenue, Oklahoma City, OK 73104 405-232-3200  
HWQS, LLC Oklahoma City Quail Springs, OK 6000 West Memorial Road, Oklahoma City, OK 73142 405-470-0333  
Apple Ten Hospitality Management, Inc. Oklahoma City-West, OK 6920 West Reno Avenue, Oklahoma City, OK 73127 405-789-3600  
Green Country Motel Investment, LLC Tulsa Catoosa, OK 201 Elliott Lane, Catoosa, OK 74015 918-739-4644  
4900 Madisson LLC Tulsa-South, OK 4900 West Madison Place, Broken Arrow, OK 74012 918-392-7700

### OREGON

BHGAH Beaverton, LLC Hillsboro/Beaverton, OR 15525 NW Gateway Court, Beaverton, OR 97006 503-614-0900  
MHHS, LLC Medford, OR 2010 Hospitality Way, Medford, OR 97504 541-779-9800  
Param PDX Airport, LLC Portland Airport, OR 11936 NE Glenn Widing Dr, Portland, OR 97220 503-262-8888

### PENNSYLVANIA

Hotel Saucon, LLC Allentown Bethlehem Center Valley, PA 3350 Center Valley Parkway, Center Valley, PA 18034 610-351-6400  
AHIP PA Bethlehem Enterprises LLC Allentown/Bethlehem-Airport, PA 2031 Avenue C, Bethlehem, PA 18017 610-264-7500  
AHIP PA Allentown Enterprises LLC Allentown-West/Fogelsville, PA 7686 Industrial Blvd Route 100, Allentown, PA 18106 610-336-4860  
Aryas Hospitality LLC Carlisle, PA 50 Carlisle Springs Road, Carlisle, PA 17013 717-323-4800  
Bhavi Hotel L.L.C. Doylestown, PA 2650 Kelly Road, Warrington, PA 18976 215-343-1300  
Rama Tika Developers, LLC DuBois, PA 15 Industrial Drive, Du Bois, PA 15801 814-503-8944  
CNI THL OPS, LLC Erie, PA 2084 Interchange Road, Erie, PA 16565 814-866-8292  
Willow Valley Associates, Inc. Harrisburg-East, PA 3990 TecPort Drive, Harrisburg, PA 17111 717-909-4663  
High Hotels, Ltd. Harrisburg-West, PA 5001 Ritter Road, Mechanicsburg, PA 17055 717-697-4900  
Horsham Hotel LP Horsham Willow Grove, PA 720 Blair Mill Road, Horsham, PA 19044 215-830-9400  
Horst Hotels Granite, LP Lancaster, PA 200 Granite Run Drive, Lancaster, PA 17601 717-381-4400

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EH 20, LLC Lansdale, PA 1200 Pennbrook Parkway, Lansdale, PA 19446 215-362-6400  
HH HS1 Newtown, LLC Newtown - Langhorne, PA 110 Pheasant Run, Newtown, PA 18940 215-860-5080  
SMG Plymouth Meeting, LLC Philadelphia Plymouth Meeting, PA 200 Lee Drive, Plymouth Meeting, PA 19462 610-8289600  
S & K Hotel Management LLC Philadelphia/Great Valley, PA 12 East Swedesford Road, Malvern, PA 19355 610-296-3500  
Campus Realty Properties - V, L.P. Philadelphia/University City, PA 4109 Walnut Street, Philadelphia, PA 19104 215-382-1111  
Audubon Hotels, LLC Philadelphia/Valley Forge, PA 681 Shannondell Blvd., Audubon, PA 19403 610-539-7300  
Stout Road Associates, Inc. Philadelphia-City Avenue, PA 4200 City Avenue, Philadelphia, PA 19131 215-966-3000  
Concord Moon Associates, LP Pittsburgh Airport/ Robinson Mall Area, 2000 GSK Drive, Moon Township, PA 15108 412-490-0440  
NF IV-VA SSCI Pittsburgh Op Co, LLC Pittsburgh-Downtown, PA 1410 Smallman Street, Pittsburgh, PA 15222 412-232-0200  
ASMO Pittsburgh Southpointe LP Pittsburgh-Southpointe, PA 3000 Horizon Vue Drive, Canonsburg, PA 15317 724-745-4663  
BP Reading Management, LLC Reading, PA 2801 Papermill Road, Reading, PA 19610 610-736-3100  
Springwood Hospitality IV LP York, PA 200 Masonic Drive, York, PA 17406 717-434-1800

### RHODE ISLAND

Main Hotel LLC Newport Middletown, RI 348 West Main Road, Middletown, RI 02842 401-848-2700  
Exchange St. Hotel LLC Providence Downtown, RI 5 Exchange Street, Providence, RI 02903 401-942-2001  
CNI THL OPS, LLC Warwick, RI 33 International Way, Warwick, RI 02886 401-738-0008

### SOUTH CAROLINA

Rupa, L.L.C. Charleston - Mt. Pleasant, SC 1998 Riviera Drive, Mount Pleasant, SC 29464 843-881-6950  
International Boulevard Ventures II, LLC Charleston Airport, SC 5048 International Blvd., North Charleston, SC 29418 843-735-5000  
Historic Charleston, LLC Charleston Historic District, SC 415 Meeting Street, Charleston, SC 29403 843-724-8800  
TWC Columbia LLC Columbia, SC 230 Greystone Boulevard, Columbia, SC 29210 803-239-4663  
Florence Hotel Developers, LLC Florence, SC 3450 W Radio Drive, Florence, SC 29501 843-407-1600  
PHG Greenville, LLC Greenville Downtown, SC 950 South Main Street, Greenville, SC 29601 864-900-2380  
Millennium Hotel Group, LLC Greenville, SC 102 Carolina Point Parkway, Greenville, SC 29607 864-297-9140  
Pawley Island HP LLC Myrtle Beach Coastal Grand Mall, SC 302 Seaboard Street, Myrtle Beach, SC 29577 843-353-4554  
Grand Strand Hotels, LLC Myrtle Beach Oceanfront, SC 520 N. Ocean Blvd, Myrtle Beach, SC 29577 843-848-4700  
Homecourt Hospitality North Charleston II, LLC North Charleston, SC 7399 Northwoods Blvd., North Charleston, SC 29406 843-990-5300  
Lowcountry Hotels IV, LLC Summerville, SC 406 Sigma Drive, Summerville, SC 29486 843-832-1304

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### SOUTH DAKOTA

SF Lodging Group, LLC Sioux Falls, SD 3620 West Avera Drive, Sioux Falls, SD 57108 605-338-8585

### TENNESSEE

Apple Eight Hospitality Management, Inc. Chattanooga-Hamilton Place, TN 2250 Center Street, Chattanooga, TN 37421 423-510-8020

Apple Ten Hospitality Management, Inc. Knoxville-West at Turkey Creek, TN 10935 Turkey Drive, Knoxville, TN 37934 865-777-0375

Hallmark Investments LLC, Ganesh Parvati VII LLC and AMY Inv Memphis/Germantown, TN 7855 Wolf River Boulevard, Germantown, TN 38138 901-751-2500

DBG Hotels LLC Memphis-Hacks Cross, TN 3583 Hacks Cross Road, Memphis, TN 38125 901-758-5018

Rakesh J. Govindji and Raman G. Dayal Nashville Franklin Cool Springs, TN 2225 E McEwen Dr, Franklin, TN 37067 615-465-0400

PSOF Nashville Opco, LLC Nashville Vanderbilt, TN 2400 West End Avenue, Nashville, TN 37203 615-340-8000

BNA Hotel Management, LLC Nashville-Airport, TN 2640 Elm Hill Pike, Nashville, TN 37214 615-884-8111

Chatham Leaseco I, LLC Nashville-Brentwood, TN 5107 Peter Taylor Park, Brentwood, TN 37027 615-377-3332

AVR Nashville Hotel LLC Nashville-Downtown, TN 706 Church Street, Nashville, TN 37203 615-742-5550

### TEXAS

R K Hotels, Ltd. Amarillo, TX 8800 I-40 West, Amarillo, TX 79124 806-355-2222

Pecan Park Hospitality, LLC Austin Cedar Park-Lakeline, TX 10809 Pecan Park Blvd, Austin, TX 78750 512-772-1770

Moody Rainey DWTN Austin MT, LLC Austin Downtown, TX 78 East Avenue, Austin, TX 78701 512-320-5454

Moody National Governors-Austin MT, LLC Austin/Airport Area South, TX 4143 Governor's Row, Austin, TX 78744 512-445-5050

Apple Ten Hospitality Texas Services, Inc. Austin/Round Rock, TX 2201 South Mays, Round Rock, TX 78664 512-341-9200

Apple Ten Hospitality Texas Services, Inc. Austin-Arboretum/NW 10925 Stonelake Boulevard, Austin, TX 78759 512-349-9966

Pinnacle Hospitality Group, LLC Beaumont, TX 3745 Interstate 10 S Access Rd., Beaumont, TX 77705 409-842-9990

Livermore Hotel Group, LLC Brownsville, TX 3759 N. Expressway, Brownsville, TX 78520 956-574-6900

Brazos Hotel Partners, Ltd. College Station, TX 950 University Drive East, College Station, TX 77840 979-846-0400

Kripalu LLC Conroe, TX 3000 Interstate 45 North, Conroe, TX 77303 936-703-6000

CNI THL OPS, LLC Corpus Christi, TX 5201 Crosstown SH 286, Corpus Christi, TX 78417 361-854-1331

Apple Ten Hospitality Texas Services III, Inc. Dallas Downtown, TX 1025 Elm Street, Dallas, TX 75202 214-748-4000

Atlantic Colony Venture II, LLC Dallas The Colony, TX 3750 Bargain Way, The Colony, TX 75056 469-388-1120

HCRE Addison TRS, LLC Dallas/Addison, TX 4451 Beltline Rd., Addison, TX 75001 972-788-1342

MCR Allen Tenant LLC Dallas/Allen, TX 455 Central Expressway North, Allen, TX 75013 214-383-6673

Northwest Airport Management, L.P., d/b/a Gill Hospitality Dallas/Arlington South, TX 4550 Waxwing Drive, Arlington, TX 76018 817-465-4663

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CNI THL OPS, LLC Dallas/Arlington, TX 2401 Road to Six Flags Street East, Arlington, TX 76011 817-633-1594  
CNI THL OPS, LLC Dallas/DFW Arpt N/Grapevine, TX 2214 Grapevine Mills Circle West, Grapevine, TX 76051 972-691-2427  
HCRE Las Colinas, LLC Dallas/Irving/Las Colinas, TX 4300 Wingren Dr., Irving, TX 75039 972-556-0665  
Supreme Bright of Texas VII-NEW, LLC Dallas/Park Central Area, TX 9169 Markville Drive, Dallas, TX 75243 972-437-6966  
Shinn Frisco Hospitality, Ltd. Dallas-Frisco, TX 3240 Parkwood Boulevard, Frisco, TX 75034 214-618-0111  
Brandy Lodging LLC Dallas-Lewisville, TX 700 Hebron Parkway, Lewisville, TX 75057 972-315-6123  
ACO II Dallas Design, LLC Dallas-Market Center, TX 2747 North Stemmons Freeway, Dallas, TX 75207 214-819-9700  
Apple Ten Hospitality Texas Services IV, Inc. Denton, TX 2907 Shoreline Drive, Denton, TX 76210 940-382-0420  
Airport South Hotels II, LP DFW Airport South, TX 4600 Highway 360, Fort Worth, TX 76155 817-283-7777  
Apple Seven Services, LLC El Paso-Airport, TX 6656 Gateway Blvd. East, El Paso, TX 79915 915-778-9400  
Platinum Hotels, Ltd Fort Worth West at Cityview, TX 6350 Overton Ridge Blvd, Fort Worth, TX 76132 817-585-1160  
Apple Nine Hospitality Texas Services V, Inc. Fort Worth-Medical Center, TX 2200 Charlie Lane, Fort Worth, TX 76104 817-921-0202  
Tanacross Hotels, LLC Fort Worth-North at Fossil Creek, TX 3701 Tanacross Drive, Fort Worth, TX 76137 817-834-7400  
Ganesha Bedford Enterprises, LLC Ft. Worth-Bedford, TX 2401 Airport Freeway, Bedford, TX 76021 682-503-6021  
SRI Galveston Hospitality LLC Galveston, TX 110 Seawall Boulevard, Galveston, TX 77550 409-497-2831  
Harlingen Investors Ltd. Harlingen, TX 603 Sesame Drive E, Harlingen, TX 78550 956-230-2939  
401 Bay Area Clear Lake, LLC Houston Clear Lake NASA, TX 401 Bay Area Blvd., Houston, TX 77058 281-486-7677  
ALH Properties No. Twenty One, L.P. Houston Downtown, TX 710 Crawford Street, Houston, TX 77002 713-224-0710  
Madhav, Inc. Houston IAH Airport Beltway 8, TX 1340 North Sam Houston Pkwy. East, Houston, TX 77032 281-219-9100  
Devan Lodging Group, LLC Houston Memorial, TX 9450 Katy Freeway, Houston, TX 77055 713-325-0101  
Fallbrook Partners, LP Houston NW at Beltway 8, TX 8950 Fallbrook Drive, Houston, TX 77064 832-648-4700  
Apple Seven Services, LP Houston Stafford Sugar Land, TX 4520 Techniplex Drive, Stafford, TX 77477 281-265-2760  
J&B Lodge, LLC Houston West/Energy Corridor, TX 14450 Park Row Blvd, Houston, TX 77084 281-558-3800  
SCA Katy Mills Hotel, LP Houston/Katy Mills Mall, TX 25495 Katy Mills Parkway, Katy, TX 77494 281-391-5500  
Apex 2020 Hospitality, Inc. Houston-Kingwood Parc, TX 23320 Hwy. 59 North, Kingwood, TX 77339 281-358-5566  
MHF Houston Operating V LLC Houston-Near the Galleria, TX 2950 Sage Road, Houston, TX 77056 713-439-1305  
Houston Wortham, LLC Houston-Northwest/CY-FAIR, TX 13110 Wortham Center Drive, Houston, TX 77065 832-237-2000  
Heritage Inn Number XL OPCO, L.L.C. Houston-Westchase, TX 2424 Rogerdale Road, Houston, TX 77042 713-334-2424  
Heritage Inn of Willowbrook Opco, L.L.C. Houston-Willowbrook Mall, TX 7655 West FM 1960, Houston, TX 77070 281-955-5200  
Moody National Wood-Hou MT, LLC Houston-Woodlands, TX 29813 I-45 North, The Woodlands, TX 77381 281-681-9199  
FP Burlison LLC Irving/DFW Airport, TX 7800 Dulles Drive, Irving, TX 75063 972-929-2202  
Good Days Properties, LLC Lackland AFB/Sea World, TX 215 Richland Hills Drive, San Antonio, TX 78245 210-509-7770

## EXHIBIT A

Laredo Hotels LLC Laredo at the Mall del Norte, TX 98 Calle del Norte, Laredo, TX 78041 956-753-9200  
Longview Hotel Group LLC Longview, TX 205 North Spur 63, Longview, TX 75601 903-234-0214  
AVR Lubbock Hotel, LLC Lubbock, TX 5320 West Loop 289, Lubbock, TX 79424 806-785-7600  
Silverstein Hospitality LLC McAllen, TX 3801 Expressway 83, McAllen, TX 78503 956-630-0500  
Summit Hotel TRS 175, LLC Midland, TX 1401 Tradewinds Blvd, Midland, TX 79706 432-695-6905  
New Braunfels 620, LLC New Braunfels, TX 620 Oxford Drive, New Braunfels, TX 78130 830-627-4424  
Sonorous Five, L.L.C. North Houston/Spring, TX 23800 I-45 N, Spring, TX 77373 832-823-7500  
MCRT Odessa 3 Tenant, LLC Odessa, TX 7221 Tres Hermanas Boulevard, Odessa, TX 79765 432-563-2323  
HCRE Plano, LLC Plano, TX 4705 Old Shepard Place, Plano, TX 75093 972-758-8800  
Shinn Hospitality, Ltd. Plano-Richardson, TX 2601 E. Pres. George Bush Highway, Plano, TX 75074 972-881-3339  
TMP Bell Drive, LLC San Antonio Airport, TX 8531 Broadway Street, San Antonio, TX 78217 210-804-0100  
HHG Stone Oak Hotel, LLC San Antonio North, TX 125 N. Loop 1604 W, San Antonio, TX 78232 210-497-8200  
Chatham San Antonio Leaseco LLC San Antonio-Downtown/Riverwalk, TX 432 West Market St., San Antonio, TX 78205 210-222-1515  
HIT Portfolio I NTC HIL TRS, LP San Antonio-Northwest, TX 4323 Spectrum One, San Antonio, TX 78230 210-696-5400  
San Marcos Hospitality LLC San Marcos, TX 451 Barnes Drive, San Marcos, TX 78666 512-667-7011  
VHTR Austin, Ltd. TechRidge Parmer @ I-35, TX 13001 Center Lake Drive, Austin, TX 78753 512-989-1100  
Trophy Lodging, Ltd. Trophy Club Southlake, TX 2900 East Hwy 114, Trophy Club, TX 76262 682-237-2300  
LOF2 Tyler Golden TRS, LLC Tyler, TX 3104 Golden Road, Tyler, TX 75701 903-593-7880  
Victoria Affiliates, Ltd Victoria, TX 6705 N.E. Zac Lentz Parkway, Victoria, TX 77904 361-578-1900  
Lalani Waco Suites, LLC Waco, TX 5620 Legend Lake Parkway, Waco, TX 76712 254-644-4663  
Lalani WF Suites, LLC Wichita Falls, TX 2675 Plaza Parkway, Wichita Falls, TX 76308 940-691-4663

## UTAH

East VH Moab, LLC Moab, UT 132 N. Main Street, Moab, UT 84532 435-259-7000  
Param SLC Airport, LLC Salt Lake City Airport, UT 4923 W Douglas Corrigan Way, Salt Lake City, UT 84116 801-433-4943  
Draper Hotel Holdings, LLC Salt Lake City Draper, UT 473 W. 13490 S, Draper, UT 84020 801-509-7000  
NF IV VA SSCI Salt Lake OP CO, LLC Salt Lake City-Downtown, UT 423 West 300 South, Salt Lake City, UT 84101 801-363-6700  
Teri Meher, Inc. Salt Lake City-Midvale/Sandy, UT 844 E. North Union Ave., Midvale, UT 84047 801-561-5999

## VERMONT

Larkin Family Partnership Burlington, VT 5 Dorset Street, South Burlington, VT 05403 802-652-4400

## EXHIBIT A

### VIRGINIA

Alexandria Hospitality LLC Alexandria/Pentagon South, VA 4850 Leesburg Pike, Alexandria, VA 22302 703-671-6500  
1700 Lee Highway LLC Arlington Rosslyn Key Bridge, VA 1900 North Quinn Street, Arlington, VA 22209 703-348-2828  
Albemarle Suites, LLC Charlottesville, VA 2036 India Road, Charlottesville, VA 22901 434-244-6200  
Crossways Properties LLC Chesapeake/Greenbrier, VA 1569 Crossways Blvd., Chesapeake, VA 23320 757-213-0808  
Milestone Development, LLC Christiansburg, VA 2657 Roanoke Street, Christiansburg, VA 24073 540-381-1394  
Herndon Operators LLC Dulles Int'l. Airport, VA 13460 Sunrise Valley Drive, Herndon, VA 20171 703-793-1700  
EH19 LLC Dulles-North/Loudoun, VA 44620 Waxpool Road, Ashburn, VA 20147 703-723-7500  
Porter Suites, LLC Falls Church - I-495 @ Rt. 50, VA 8130 Porter Road, Falls Church, VA 22042 703-560-6644  
Celebrate 1040, LLC Fredericksburg, VA 1040 Hospitality Lane, Fredericksburg, VA 22401 540-786-9700  
Leesburg Extended Suites, LLC Leesburg, VA 115 Fort Evans Road N.E., Leesburg, VA 20176 571-258-1068  
AMD Hotel Group, LLC Lynchburg, VA 4021 Wards Road, Lynchburg, VA 24502 434-333-6828  
TH Holding Company LLC Reston, VA 1735 Business Center Drive, Reston, VA 20190 703-682-8333  
Shamin RIC Hospitality, LC Richmond-Airport, VA 5996 Audubon Drive, Sandston, VA 23150 804-737-1600  
Shamin Chester HMWD, LLC Richmond-Chester, VA 12810 Old Stage Road, Chester, VA 23836 804-751-0010  
700 Main Master Tenant, LLC Richmond-Downtown, VA 700 East Main Street Suite B, Richmond, VA 23219 804-643-2900  
COX, LLC Richmond-West End, VA 4100 Innslake Drive, Glen Allen, VA 23060 804-217-8000  
Concord Aztec Springfield LLC Springfield, VA 7010 Old Keene Mill Road, Springfield, VA 22150 703-866-6045  
LOF2 Virginia Beach TRS, LLC Virginia Beach/Norfolk Airport, VA 5733 Cleveland Street, Virginia Beach, VA 23462 757-552-0080  
Ducks Pond, L.L.C. Williamsburg, VA 601 Bypass Road, Williamsburg, VA 23185 757-259-1199  
Neabsco Suites, LLC Woodbridge, VA 2650 Neabsco Common Place, Woodbridge, VA 22191 703-590-0100  
Yorktown Holdings LLC Yorktown Newport News, VA 401 Commonwealth Drive, Yorktown, VA 23693 757-251-6644

### WASHINGTON

RLJ HS Seattle Lynnwood Lessee, LLC Lynnwood Seattle Everett, WA 18123 Alderwood Mall Parkway, Lynnwood, WA 98037 425-670-8943  
Hotel Investors Richland, L.L.C. Richland, WA 1060 George Washington Way, Richland, WA 99352 509-371-1550  
Apple Eight Hospitality Management, Inc. Seattle/Tukwila, WA 6955 Fort Dent Way, Tukwila, WA 98188 206-433-8000  
HIT Portfolio II HIL TRS, LLC Seattle-Downtown, WA 206 Western Avenue West, Seattle, WA 98119 206-281-9393  
Hyla Hotel Partners LLC Seattle-Issaquah, WA 1484 Hyla Avenue NW, Issaquah, WA 98027 425-391-4000  
BHGAH HS Van, LLC Vancouver/Portland, WA 701 S.E. Columbia Shores Blvd., Vancouver, WA 98661 360-750-1100

## **EXHIBIT A**

### **WISCONSIN**

MSNW SPE Hotel I, LLC Madison West, WI 479 Commerce Drive, Madison, WI 53719 608-271-0600

Button Block Holdings LLC Milwaukee Downtown, WI 500 N. Water Street, Milwaukee, WI 53202 414-563-1090

Oak Creek Hotel Ventures, LLC Oak Creek Milwaukee, WI 1900 W. Creekside Crossing Circle, Oak Creek, WI 53154 414-375-4640

Heritage Inn of Sacramento, LLC Wauwatosa Milwaukee, WI 11320 West Burleigh Street, Wauwatosa, WI 53222 414-444-2844

### **WYOMING**

Jackson Millward 2022, LLC Jackson, WY 260 N Millward, Jackson, WY 83001 307-739-0808

The Bed Company of Rock Springs, LLC Rock Springs, WY 60 Winston Drive, Rock Springs, WY 82901 307-382-0764

### **Signed but not yet Opened**

### **ALABAMA**

Ram Auburn Hospitality Five, LLC Auburn, AL SWQ of West Creek Pkwy and West Pace Blvd., Auburn, AL 36830

Shriji Hoover AL, LLC Hoover Birmingham, AL I 459 and Hwy 150, Stadium Trace Village mixed-use dev, Hoover, AL 35244

Madison Hotels III, LLC Madison Huntsville, AL Intersection of Town Madison Boulevard and I-565, Madison, AL 35758

### **ARIZONA**

FMH Enterprises, LLC Flagstaff Downtown, AZ 90 N Humphreys, Flagstaff, AZ 86001

B&T Arizona Hotels III, LLC Gilbert, AZ SEQ of Mercy Rd and S Val Vista Dr, Gilbert, AZ 85297

VIVO Development Partners, LLC Phoenix Mesa Airport, AZ NEQ of S Power Rd and E Ray Rd, Mesa, AZ 85212

Matticus Hospitality Group PVAZ Inc. Prescott Valley, AZ 2900 N Glassford Hill Rd, Prescott Valley, AZ 86314

Chelsea United Group, LLC Queen Creek, AZ SWQ of Rittenhouse Rd and S Ellsworth Rd, Queen Creek, AZ 85142

Junaid Chaudhry Scottsdale Salt River, AZ NEQ of E Del Camino Dr and E Pima Center Pkwy, Scottsdale, AZ 85258

### **ARKANSAS**

2023 Sunset Investors, LLC Springdale, AR 5301 W Sunset Ave, Springdale, AR 72762

Keshav J Investments Inc. West Little Rock Chenal Parkway, AR NWQ of Kanis Rd and Shackleford Rd, Little Rock, AR 72211

### **CALIFORNIA**

Rosedale Hospitality LLC Bakersfield Central, CA 3905 Marriott Dr, Bakersfield, CA 93308

Heritage Inn of Cypress, LLC Cypress, CA 5095-5275 Katella Avenue, Cypress, CA 90720

## EXHIBIT A

Kellen Fremont LLC Fremont, CA 43151 Christy Street, Fremont, CA 94538 510-4582511  
160 Arata Lane Parent LLC Hotel Arata Windsor Sonoma County, CA 160 Arata Ln, Windsor, CA 95492  
Lathrop Development, LLC Lathrop, CA 17100 Golden Valley Parkway, Lathrop, CA 95330  
Venice Hope Group LLC Los Angeles Convention Center, CA 426 West Venice Boulevard, Los Angeles, CA 90015  
HSM LLC Murrieta Temecula, CA SEQ of Antelope Rd and Baxter Rd, Murrieta, CA 92562  
Shriji Hospitality, Inc. Oakland Airport Alameda, CA 1074 Harbor Bay Pkwy, Alameda, CA 94502  
The Inns at Buena Vista Creek, LP Oceanside, CA SEQ S.R. 78 Jefferson Way, Oceanside, CA 92054  
Gaurav Sethi Palmdale, CA NWQ of W Park Drive and Corporate C, Palmdale, CA 93551  
Vinod Patel Richmond North, CA 3101 Garrity Way, Richmond, CA 94806  
Van Buren Hotel LLC Riverside March Air Reserve Base, CA NEQ Van Buren & Opportunity Way, Riverside, CA 92618  
Core Hotels, LLC Roseville Sacramento, CA SEQ of Washington Blvd and Freedom Wy, Roseville, CA 95678  
Amit "Al" Patel Sacramento South Natomas, CA 2359 Gateway Oaks Dr, Sacramento, CA 95833  
Reef Point Hospitality LLC San Diego Gaslamp District, CA 801 Broadway, San Diego, CA 92101  
BHGAA Santa Maria, LLC Santa Maria, CA 2100 North Broadway, Santa Maria, CA 93454  
Redding Rancheria Economic Development Corporation Shasta Lake Redding, CA SEQ of Shasta Way and Grand Ave, Shasta Lake, CA 96019  
Verdant Thousand Oaks LLC Thousand Oaks, CA NWQ of N Moorpark Rd and E Hillcrest Dr, Thousand Oaks, CA 91360  
Premier Hospitality Group LLC Victorville, CA NEQ of Cottonwood Ave and Monarch Blvd., Victorville, CA 92395

### COLORADO

Kudos LLC Colorado Springs Airport, CO SWQ of Zeppelin Road Resnik Drive, Colorado Springs, CO 80921  
Amit "Al" Patel Denver Airport South, CO NEQ of E 64th Ave & Jackson Gap St, Aurora, CO 80019  
HS Estes Park, LLC Estes Park, CO 600 Elkhorn Avenue, Estes Park, CO 80517  
Thornco Hospitality, LLC Thornton Denver, CO 12150 Grant Street, Thornton, CO 80241 720-833-4138  
Hotel Winter Park FBI LLC Winter Park, CO SEQ of Rosie's Way & Main St, Winter Park, CO 80482

### CONNECTICUT

Brad Honigfeld Cheshire Meriden, CT NW Quadrant of I-691 and Route 10, Cheshire, CT 06410  
Babu Moore Mystic, CT Coogan Boulevard, Mystic, CT 06355

### FLORIDA

PHG Mainstreet Boca Raton, LLC Boca Raton, FL 900 Broken Sound Pkwy, Boca Raton, FL 33487  
Heritage Hospitality Celebration, LLC Celebration Orlando, FL Directly SW of 1180 Celebration Blvd., Celebration, FL 34747



## **EXHIBIT A**

Le Jeune Hospitality, LLC Coral Gables Miami Airport, FL 42nd Avenue (Le Jeune) and SW 3rd Street, Miami, FL 33134  
3001 Ocean Hospitality, LLC Ft. Lauderdale Beach North, FL 3001 North Ocean Boulevard, Fort Lauderdale, FL 33308  
VPE HOMESTEAD SUITES, LLC Homestead Miami South, FL 2855 NE 9th Street, Homestead, FL 33033  
PDG Jacksonville, LLC Jacksonville Airport, FL 1771 Airport Road, Jacksonville, FL 32218  
SIDDIQI INVESTMENTS LLC Navarre Beach, FL 8469 Gulf Boulevard, Navarre, FL 32566  
Sarai Lake Nona HW, LLC Orlando Lake Nona, FL NWQ of Boggy Creek Road and Simpson Road, Lake Nona, FL 32824  
Inlet Beach Lodging, LLC Panama City Beach Inlet Beach, FL Front Beach Road and Jamaican Lake Drive, Panama City Beach, FL 32416  
PFLKH, LLC Pensacola Downtown, FL 801 E. Gregory St., Pensacola, FL 32503  
Shree Indra Hospitality, LLC Pensacola I-10 Pine Forest Road, FL NWQ of I 10 and Pine Forrest Road, Pensacola, FL 32534  
Hotels of Pompano Beach, LLC Pompano Beach, FL 599 N Federal Hwy, Pompano Beach, FL 33062  
Amit "Al" Patel Tallahassee Capitol University, FL 1021 Railroad Avenue, Tallahassee, FL 32310  
Borrows West Suites Developers, LLC Viera Melbourne, FL 5487 Onate Lane, Melbourne, FL 32955

### **GEORGIA**

McFarland Management Development, LLC Alpharetta McFarland Parkway, GA NEQ of Bluegrass Valley Pkwy and McFarland Pkwy, Alpharetta, GA 30005  
Hare Krishna Downtown Hotel1 LLC Atlanta Downtown, GA NWQ of Irv Allen Jr. Blvd. NE and W Peachtree St. N, Atlanta, GA 30308  
BPR Summit Drive LLC Brunswick, GA 101 Summit Drive, Brunswick, GA 31525  
HSNT Buford Lodging, LLC Buford Mall of GA, GA 2925 Buford Drive, Building 200, Buford, GA 30519 678-2881010  
Vision Hospitality Group, Inc. Decatur Downtown, GA 205 Swanton Way, Decatur, GA 30030  
H Hotel LS, LLC Lithia Springs Atlanta West, GA Corner of Bob Arnold Blvd. and Preston Blvd, Douglasville, GA 30134  
Hemlata K. Patel Savannah Midtown, GA 6207 and 6203 Abercorn Street, Savannah, GA 31405

### **HAWAII**

Airport Hospitality, LLC Oahu Honolulu Airport, HI 530 Paiea Street, Honolulu, HI 96819

### **IDAHO**

B&T Hotels II, LLC Idaho Falls, ID SWQ of Whitewater Dr & Snake River Pkwy (west of Snake River Landing, Idaho Falls, ID 83401  
B&T Hotels II, LLC Meridian Boise, ID SWQ of E Flatiron Ln and South Silverstone Way, Meridian, ID 83642

### **ILLINOIS**

DG Hotel Group LLC Downers Grove Chicago, IL 1500 Opus Place, Downers Grove, IL 60515 630-852-1500

## **EXHIBIT A**

E&M Skokie, LLC Skokie Downtown Chicago, IL NEQ of Oakton St and Niles Ave, Skokie, IL 60077

### **INDIANA**

Kinship Duo LLC Newburgh Evansville, IN 3800 block of Venetian Drive, Newburgh, IN 47630

### **IOWA**

BMP Hotel Management, Inc. Urbandale Des Moines, IA 8800 Plum Drive, Urbandale, IA 50322

### **KANSAS**

Airport Hotel LLC Wichita Airport, KS 1523 S. Ridge Rd, Wichita, KS 67209

### **KENTUCKY**

Ovation Music Hotel, LLC Newport Cincinnati, KY 201 West 4th Street, Newport, KY 41071 859-491-4620

### **LOUISIANA**

Shakti of Gonzales LLC Gonzales, LA NWQ of Cabela's Pkwy and Outfitter's Dr, Gonzales, LA 70737

Next Level Hospitality, L.L.C. Lake Charles, LA 1101 W Prien Lake Rd, Lake Charles, LA 70601

SHV Hospitality LLC Shreveport South, LA NEQ of E 70th St and Fern Ave, Shreveport, LA 71105

Jiten Patel West Monroe, LA NWQ of I-20 and Thomas Rd, West Monroe, LA 71291

### **MASSACHUSETTS**

JHM Beaver Street LLC Milford Boston, MA 11 Beaver Street, Milford, MA 01757

### **MICHIGAN**

Dearborn Hotel Group, LLC Dearborn Detroit, MI 23400 Michigan Avenue, Dearborn, MI 48124

Midtown Hospitality, LLC Detroit Midtown, MI 4 E Alexandrine St, Unit 2, Detroit, MI 48201

South Point Real Estate, L.L.C. Holland, MI 621 South Point Ridge, Holland, MI 49423

Lakeshore Hotel Group LLC Traverse City, MI Intersection: 940 US 31 North, Traverse City, MI 48302

Grand Michigan Lodging, L.L.C. Walker Grand Rapids North, MI NEQ of Northridge Dr NW & Walker Ave NW, Walker, MI 49544

### **MISSISSIPPI**

Desoto Premiere Lodging, LLC Olive Branch, MS Adjacent to 6830 Crumpler Blvd., Olive Branch, MS 38654

## **EXHIBIT A**

### **MISSOURI**

The Hampton Avenue Investment Group, L.L.C. St. Louis Forest Park, MO 5915 Wilson Avenue, St. Louis, MO 63110

### **MONTANA**

Erck Hotels Corporation Missoula, MT 4825 N. Reserve Street, Missoula, MT 59808 406-7210990

### **NEVADA**

Craig H8 LLC North Las Vegas Speedway, NV NWQ of E Craig Rd and N Lawrence St, N Las Vegas, NV 89081

### **NEW HAMPSHIRE**

Deer Street Hospitality LLC Portsmouth Downtown, NH 165 Deer Street, Portsmouth, NH 03801

### **NEW YORK**

SAPA Hospitality LLC Middletown, NY 12 Ben Gillman Way, Middletown, NY 10941

Bilal Ahmad Oneonta, NY TBD Courtyard Drive, Oneonta, NY 13820

### **NORTH CAROLINA**

PHG Alston, LLC Cary Raleigh Alston Town Center, NC Intersection of Mahal Avenue and Highcroft Drive, Cary, NC 27519

NAMAN YORKMONT, LLC Charlotte Airport, NC SWQ of Oak Lake Blvd. and Water Ridge Pkwy, Charlotte, NC 28208

City Center Hotel, Inc. Charlotte University Area, NC Collins-Aikman Dr., Charlotte, NC 28262

BPR Goldsboro, LLC Goldsboro, NC SWQ of West New Hope Road and Wayne Memorial Drive, Goldsboro, NC 27534

Raleigh Property, Inc. Raleigh Downtown, NC 200 West Davie Street, Raleigh, NC 27601 919-645-2570

RAL-LOT 3, LLC Raleigh Durham Airport/Brier Creek, NC 10100 Lumley Road, Raleigh, NC

3934 Winston Salem, LLC Winston-Salem, NC 4612 Hanes Mall Blvd, Winston Salem, NC 27103

### **OHIO**

UC Hotel Partners LLC Cincinnati Uptown University, OH SEQ of Martin Luther King and Reading Rd, Cincinnati, OH 45229

Indus Development, LLC Columbus Dublin Northwest, OH 4500 John Shields Pkwy, Dublin, OH 43017

Ark Hospitality I, LLC Mentor Cleveland, OH 9969 Diamond Centre Drive, Painesville, OH 44077

LHG Development, LLC New Albany Columbus, OH SWQ of US 161 and Hamilton Road, Columbus, OH 43081

Vibranium Hospitality, LLC Vandalia Dayton North, OH SWQ of Maxton Rd & York Center Dr, Vandalia, OH 45414

## EXHIBIT A

### OKLAHOMA

The American Motel Investors, LLC Tulsa Downtown, OK NWQ of 6th St & Cheyenne St, Tulsa, OK 74103

### SOUTH CAROLINA

Naman Gervais, LLC Columbia Downtown, SC 410 Gervais Street, Columbia, SC 29201

Fort Mill Hospitality, LLC Fort Mill, SC 120 Crisanto Avenue, Fort Mill, SC 29715

RHH LLC Rock Hill, SC NEQ of Marburg Lane and Faith Blvd., Rock Hill, SC 29730

### SOUTH DAKOTA

Atlantis, LLC Rapid City Box Elder, SD NEQ of S Interstate 90 Service Rd & Watiki Rd, Box Elder, SD 57719

### TENNESSEE

PHG Jackson II, LLC Jackson, TN NEQ of Hollywood Drive at I-40, Exit 79, Jackson, TN 38305

Optima Partnership Memphis Wolfchase Galleria, TN 7955 IKEA Way, Memphis, TN 38016

Raj Patel Mount Juliet, TN 80 Belinda Parkway, Mount Juliet, TN 37122

Alpesh Patel Murfreesboro, TN 1412 Gateway Blvd, Murfreesboro, TN 37129

Tara of the Gulch, LLC Nashville Downtown The Gulch, TN 610 Overton Street, Nashville, TN 37203 615-358-8509

### TEXAS

Route 66 Amarillo, LLC Amarillo East, TX NEQ of I-40 and Big Texan Rd, Amarillo, TX 79118

AUS Ben White Blvd., LLC Austin Airport, TX SWQ E Ben White Blvd and Caseybridge Court, Austin, TX 78744

Binary Hospitality, LLC Austin Central I-35, TX NEQ of I-35 and Clayton Ln, Austin, TX 78723

Dividend Hospitality, Ltd Coppell Dallas, TX NWQ of I-635 and N Belt Line Rd, Coppell, TX 75019

Elevate QOF, LLC Corpus Christi Downtown, TX NWQ of Chaparral St and Lomax St, Corpus Christi, TX 78410

Sea District Hotel Group, LP Corpus Christi Downtown, TX SWQ of Hwy 181 and N Port Ave, Corpus Christi, TX 78401

Sheridan Properties, LLC Dallas Medical Center Deep Ellum, TX NEQ of Cantegral St and Swiss Ave, Dallas, TX 75204

A & M Developers LLC Fort Worth Alliance, TX NWQ of I-35 and Heritage Trace Pkwy, Fort Worth, TX 76177

Grand Prairie Hotel Development Corporation Grand Prairie, TX 2945 State Highway 161, Grand Prairie, TX 75052 682-882-6744

Kendrick Real Estate, LLC Houston Bush Intercontinental Arpt, TX SWQ of Intercontinental Plaza Dr and Kendrick Dr, Houston, TX 77032

Vision Hospitality LP Houston Medical Center, TX 7755 Main Street, Houston, TX 77030

Orange Hospitality LLC Hutto, TX NWQ of Hwy 79 and Ed Schmidt Blvd, Hutto, TX 78634

Diamond Royal Hospitality, LLC Lancaster Desoto, TX NEQ of I-35E and W Belt Line Rd, Lancaster, TX 75241

## **EXHIBIT A**

MM3 Hospitality LLC North Richland Hills, TX SEQ of Boulevard 26 and Rodger Line Dr, North Richland Hills, TX 76180  
V Lala Enterprise LLC Orange, TX SWQ of I-10 and TX-62 South, Orange, TX 77630  
Sea Rim Hotel LLC Port Arthur, TX SEQ of Hwy 69 and Jimmy Johnson Boulevard, Port Arthur, TX 77642  
Peach Tree Group of Investment Inc Prosper, TX NEQ of HWY 380 & Mahard Pkwy, Prosper, TX 75078  
Stay in Round Rock LLC Round Rock North, TX SWQ of Bass Pro Dr and N Mays St, Round Rock, TX 78665  
Birju Patel San Antonio at The Rim, TX NWQ of Vance Jackson Rd & N Loop 1604 W, San Antonio, TX 78257

### **UTAH**

HS Bryce Canyon, LLC Bryce Canyon, UT NEQ of Hwy 87 & Hwy 12, Bryce Canyon, UT 84764  
R&R Development and Investment, Inc Washington, UT I-15 / S Green Springs Dr, Washington, UT 84780

### **VIRGINIA**

ISP Tysons, LLC McLean Tysons Central, VA 8346 Leesburg Pike, McLean, VA 22182  
Downtown Roanoke Hotels, LLC Roanoke Downtown, VA 30 and 36 Church Avenue SW, Roanoke, VA 24011  
3108 Atlantic Avenue, LLC Virginia Beach North, VA 3108 Atlantic Avenue, Virginia Beach, VA 23451  
Pembroke Hospitality, LLC Virginia Beach Town Center, VA 4550 Virginia Beach Blvd, Virginia Beach, VA 23462

### **WASHINGTON**

111 Gateway Enterprises LLC Lacey, WA NWQ of Marvin Rd NE and Hogum Bay Rd NE, Lacey, WA 98513  
Heritage Suites of Puyallup, LLC Puyallup Tacoma, WA South Hill Mall SEQ Hwy 512, 94th Ave E, Puyallup, WA 98373  
GL8 Mirabeau Point, LLC Spokane Valley, WA NE Corner of Mirabeau Parkway & Carlisle Avenue, Spokane Valley, WA 99206

### **WISCONSIN**

929 Hospitality LLC Madison Downtown East, WI 929 E. Washington Ave, Madison, WI 53703  
Madison Yards Hotel, LLC West Madison University, WI NWQ of Sheboygan Ave & N Segoe Rd, Madison, WI 53750

### **WYOMING**

Erick Hotels Corporation Casper, WY SW Corner of N Poplar Street and Events Drive, Casper, WY 82601

### **PUERTO RICO**

Parcel F Hotel LLC San Juan City Center, Puerto Rico Parcel F of the Puerto Rico Convention Center District, San Juan, Puerto Rico 00907

# **EXHIBIT B**

## EXHIBIT B

### HOMEWOOD SUITES

#### ARIZONA

Flagstaff Hotels LLC, Flagstaff, AZ, 203 Venice Ct Allen, ARIZONA 75013 601-299-3722

CNI THL OPS, LLC, Phoenix Chandler, AZ, 545 E. Carpenter Freeway, Suite 1400 Irving, 75062 612-388-6271

#### CALIFORNIA

CNI THL OPS, LLC, Sacramento Roseville, CA, 545 E. Carpenter Freeway, Suite 1400 Irving, CALIFORNIA 75062 612-388-6271

Castleblack Lancaster Operator II, LLC, Lancaster, CA, 545 E. Carpenter Freeway, Suite 1400 Irving, 65062 612-388-6271

#### COLORADO

KRE HIP Wood Co Springs Owner LLC, Colorado Springs North, CO, 555 California Street, 50th FL San Francisco, COLORADO 94104 212-750-8300

#### DELAWARE

Wilmington Riverfront Hotel XXXIV Owner LLC, Wilmington Delaware Downtown, DE, 5425 Wisconsin Avenue, Suite 700 Chevy Chase, DELAWARE 20815 202-787-3300

#### FLORIDA

PHG Destin, LLC, Destin, FL, 3500 Lenox Road, Suite 625 Atlanta, FLORIDA 30326 404-497-4111

#### MICHIGAN

Preyde II, LLC, Lansing Eastwood, MI, 3303 W. Saginaw, Suite C-3 Lansing, MICHIGAN 48917 517-333-1600

#### NEW YORK

570 DAB 12, LLC, Buffalo Downtown, NY, 8441 Cooper Creek Boulevard University Park, NEW YORK 34201 941-359-8303

#### NEW JERSEY

Jersey Shore Hotel Partners LLC, Eatontown, NJ, 32 Arosa Hill Lakewood, NEW JERSEY 07724 732-600-6888

KRE HIP Wood Princetown Owner LLC, Princeton, NJ, 555 California Street, 50th FL San Francisco, 94104 212-750-8300

#### NEW YORK

CNI THL OPS, LLC, Rochester Henrietta, NY, 545 E. Carpenter Freeway, Suite 1400 Irving, NEW YORK 75062 612-388-6271

6006 Fair Lakes Hotel, LLC, Syracuse Carrier Circle, NY, 2001 Crocker Road, Suite 300 Westlake, 44145 440-239-9848

#### OHIO

CNI THL OPS, LLC, Columbus Dublin, OH, 545 E. Carpenter Freeway, Suite 1400 Irving, OHIO 75062 612-388-6271

KRE HIP Wood Cleveland Owner LLC, Cleveland Solon, OH, 555 California Street, 50th FL San Francisco, 94104 212-750-8300

Columbus OSU Hotel, LLC, Columbus OSU, OH, 841 Bishop Street, Suite 1700 Honolulu, 96813 808-544-1283

#### OKLAHOMA

Paramount Hospitality LLC, Oklahoma City Airport, OK, 3030 S. I-36 Service Road Oklahoma City, OKLAHOMA 73129 580-747-4163

#### OREGON

KRE HIP Wood Portland Owner LLC, Portland Airport, OR, 555 California Street, 50th FL San Francisco, OREGON 94104 212-750-8300

## EXHIBIT B

### PENNSYLVANIA

CNI THL OPS, LLC, Erie, PA, 545 E. Carpenter Freeway, Suite 1400 Irving, PENNSYLVANIA 75062 612-388-6271  
Pheasant Run Hotel, L.L.C., Newtown Langhorne, PA, 34 T3eal Drive Langhorne, 19047 267-210-6622  
ASMO Pittsburgh Southpointe LP, Pittsburgh Southpointe, PA, 5404 Wisconsin Avenue Chevy Chase, 20815 202-370-7450

### RHODE ISLAND

CNI THL OPS, LLC, Providence Warwick, RI, 545 E. Carpenter Freeway, Suite 1400 Irving, RHODE ISLAND 75062 612-388-6271

### TENNESSEE

2400 TNWESTEND Avenue, LLC, Nashville Vanderbilt, TN, 10370 Richmond Avenue, Suite 150 Houston, TENNESSEE 77042 949-466-4604

### TEXAS

Shree Gayatri, Inc., Beaumont, TX, 823 W. Pasadena Freeway Pasadena, TEXAS 77506 713-805-5167  
CNI THL OPS, LLC, Corpus Christi, TX, 545 E. Carpenter Freeway, Suite 1400 Irving, 75062 612-388-6271  
CNI THL OPS, LLC, Dallas Arlington, TX, 545 E. Carpenter Freeway, Suite 1400 Irving, 75062 612-388-6271  
Supreme Bright of Texas VII-NEW, LLC, Dallas-Park Central Area, TX, 591 West Putnam Avenue Greenwich, 06830 203-485-5115  
CNI THL OPS, LLC, DFW Airport North Grapevine, TX, 545 E. Carpenter Freeway, Suite 1400 Irving, 75062 612-388-6271  
BMS Bedford LLC, Ft. Worth-Bedford, TX, 2201 W. Royal Lane Suite 225 Irving, 15063 972-807-2560  
S Marcos Hospitality, LLC, San Marcos, TX, 405 tX-121 Suite C-140 Lewisville, 75067 469-208-1872

### WASHINGTON

AVIA SEA Pike, LLC, Seattle Convention Center Pike Street, WA, 180 N University Ave #200 Provo, WASHINGTON 84601 480-433-5536  
KRE HIP Wood Vancouver Owner LLC, Vancouver Portland, WA, 555 California Street, 50th FL San Francisco, 94104 212-750-8300

### WEST VIRGINIA

QUARRIER ST LLC, Charleston Downtown, WV, 5400 Glenside Drive, Suite A Richmond, WEST VIRGINIA 23228 804-318-3403



# EXHIBIT C



Hilton Franchise Holding LLC

Financial Statements

*For the years ended December 31, 2023, 2022 and 2021*



**Hilton Franchise Holding LLC**  
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## Report of Independent Auditor

To the Member  
Hilton Franchise Holding LLC  
McLean, Virginia

### Opinion

We have audited the accompanying financial statements of Hilton Franchise Holding LLC (the “Company”) which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of comprehensive income and member’s equity and cash flows for the years ended December 31, 2023, 2022, and 2021, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years ended December 31, 2023, 2022, and 2021, in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern within one year after the date the financial statements are available to be issued.

### Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

*Cherry Bekaert LLP*

Tysons Corner, Virginia  
March 22, 2024

**Hilton Franchise Holding LLC**  
**Balance Sheets**  
(in thousands)

	December 31,	
	2023	2022
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 5,348	\$ 99
Accounts receivable, net	127,999	121,757
Due from Hilton affiliates related to franchise deposits	18,885	18,812
Financing receivables, net	19,683	14,644
Other receivables due from Hilton affiliates	768,478	798,861
Other	77	23
Total current assets	<u>940,470</u>	<u>954,196</u>
<b>Non-current Assets:</b>		
Franchise contracts, net	238,533	200,464
Financing receivables, net	4,140	9,159
Other	4	89
Total non-current assets	<u>242,677</u>	<u>209,712</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,183,147</u></u>	<u><u>\$ 1,163,908</u></u>
<b>LIABILITIES AND MEMBER'S EQUITY</b>		
<b>Current Liabilities:</b>		
Franchise deposits	\$ 18,885	\$ 18,812
Current portion of deferred revenues	37,811	33,833
Current franchise contract acquisition costs payable	9,041	3,541
Other	395	385
Total current liabilities	<u>66,132</u>	<u>56,571</u>
Deferred revenues	486,418	444,266
Franchise contract acquisition costs payable	8,575	845
Other	5,568	163
Total liabilities	<u>566,693</u>	<u>501,845</u>
Commitments and contingencies - see Note 6		
<b>Member's Equity:</b>		
Contributed capital	310,000	310,000
Retained earnings	541,365	569,084
Due from Hilton affiliates	(234,911)	(217,020)
Accumulated other comprehensive loss	—	(1)
Total member's equity	<u>616,454</u>	<u>662,063</u>
<b>TOTAL LIABILITIES AND MEMBER'S EQUITY</b>	<u><u>\$ 1,183,147</u></u>	<u><u>\$ 1,163,908</u></u>

See notes to financial statements.

**Hilton Franchise Holding LLC**  
**Statements of Comprehensive Income and Member's Equity**  
(in thousands)

	Year Ended December 31,		
	2023	2022	2021
<b>Revenues</b>			
Franchise royalty fees	\$ 1,331,169	\$ 1,184,827	\$ 841,434
Franchise sales and change of ownership fees	43,294	39,881	33,930
Franchise termination fees and other	2,434	4,757	7,920
<b>Total revenues</b>	<b>1,376,897</b>	<b>1,229,465</b>	<b>883,284</b>
<b>Expenses</b>			
Operating expenses	861	529	379
Provision for (recovery of) credit losses	4,430	(2,483)	(433)
Amortization expense	414	410	69
<b>Total expenses</b>	<b>5,705</b>	<b>(1,544)</b>	<b>15</b>
<b>Operating income</b>	<b>1,371,192</b>	<b>1,231,009</b>	<b>883,269</b>
Non-operating income, net	1,217	2,503	2,034
<b>Income before taxes</b>	<b>1,372,409</b>	<b>1,233,512</b>	<b>885,303</b>
Foreign tax expense	(128)	(70)	(134)
<b>Net income</b>	<b>1,372,281</b>	<b>1,233,442</b>	<b>885,169</b>
Other comprehensive income (loss):			
Currency translation adjustment	1	6	(13)
<b>Total other comprehensive income (loss)</b>	<b>1</b>	<b>6</b>	<b>(13)</b>
<b>Comprehensive income</b>	<b>\$ 1,372,282</b>	<b>\$ 1,233,448</b>	<b>\$ 885,156</b>
<b>Member's equity, beginning of year<sup>(1)</sup></b>	<b>\$ 662,063</b>	<b>\$ 998,579</b>	<b>\$ 95,979</b>
Comprehensive income	1,372,282	1,233,448	885,156
Distribution of retained earnings to Hilton affiliates	(1,400,000)	(1,550,000)	(5,300,000)
Decrease (increase) in due from Hilton affiliates	(17,891)	(19,964)	5,317,444
<b>Member's equity, end of year</b>	<b>\$ 616,454</b>	<b>\$ 662,063</b>	<b>\$ 998,579</b>

<sup>(1)</sup> For additional information on the components of member's equity, including the activity during the years ended December 31, 2023, 2022 and 2021, see Note 7: Related Party Transactions.

See notes to financial statements.

**Hilton Franchise Holding LLC**  
**Statements of Cash Flows**  
(in thousands)

	<b>Year Ended December 31,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Operating Activities:</b>			
Net income	\$ 1,372,281	\$ 1,233,442	\$ 885,169
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of contract acquisition costs	12,897	11,972	9,031
Amortization expense	414	410	69
Franchise contract acquisition costs, net of refunds	(37,185)	(41,991)	(59,592)
Changes in operating assets and liabilities:			
Accounts receivable, net	(5,787)	(8,139)	(32,795)
Other receivables due from Hilton affiliates	30,383	335,087	4,223,383
Other current assets	(54)	(23)	—
Other current liabilities	10	(1,542)	1,470
Change in other non-current assets	85	(3)	(4,362)
Change in deferred revenues	46,130	42,148	30,955
Change in other long-term liabilities	5,405	(62)	225
Other	(1,470)	(1,412)	(10,256)
Net cash provided by operating activities	<u>1,423,109</u>	<u>1,569,887</u>	<u>5,043,297</u>
<b>Investing Activities:</b>			
Issuance of financing receivables	—	—	(3,234)
Net cash used in investing activities	<u>—</u>	<u>—</u>	<u>(3,234)</u>
<b>Financing Activities:</b>			
Settlement of capital contribution due from Hilton affiliates	—	—	300,000
Distribution of retained earnings to Hilton affiliates	(1,400,000)	(1,550,000)	(5,300,000)
Increase in due from Hilton affiliates	(17,891)	(19,964)	(39,887)
Net cash used in financing activities	<u>(1,417,891)</u>	<u>(1,569,964)</u>	<u>(5,039,887)</u>
Effect of exchange rate changes on cash	31	(3)	(20)
<b>Net increase (decrease) in cash</b>	<u>5,249</u>	<u>(80)</u>	<u>156</u>
<b>Cash, beginning of year</b>	<u>99</u>	<u>179</u>	<u>23</u>
<b>Cash, end of year</b>	<u>\$ 5,348</u>	<u>\$ 99</u>	<u>\$ 179</u>
<b>Supplemental Disclosures:</b>			
Non-cash operating activities:			
Decrease (increase) in due from Hilton affiliates related to franchise deposits	\$ (73)	\$ 2,707	\$ (10,212)
Increase (decrease) in franchise deposits	73	(2,707)	10,212
Reclassification of receivables previously not expected to be repaid	—	—	(5,357,331)
Non-cash financing activities:			
Reclassification of receivables previously not expected to be repaid	—	—	5,357,331

See notes to financial statements.



## NOTES TO FINANCIAL STATEMENTS

### **Note 1: Organization**

Hilton Franchise Holding LLC ("we," "us," "our" or the "Company") is a Delaware limited liability corporation that was formed on September 12, 2007 and began operations on October 11, 2007. The Company is a franchisor of the Hilton family of brands within the United States ("U.S."), territories of the U.S. and Thailand for franchise contracts executed or amended subsequent to October 24, 2007. We are a wholly owned subsidiary of Hilton Domestic Operating Company Inc. (the "Parent"), whose equity is indirectly held by Hilton Worldwide Holdings Inc. ("Hilton").

We license intellectual property ("IP"), including brand names, trademarks and service marks, from a wholly owned affiliate of Hilton on a royalty free basis and then license the use of this IP to third-party hotel owners under long-term franchise contracts.

### **Note 2: Basis of Presentation and Summary of Significant Accounting Policies**

#### ***Basis of Presentation***

##### ***Use of Estimates***

Our financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported and, accordingly, ultimate results could differ from those estimates.

##### ***Reclassifications***

Certain prior period balances were reclassified to conform to current year presentation, including franchise contract acquisition costs payable, which was previously presented in other long-term liabilities. Additionally, provision for (recovery of) credit losses, was previously presented separately from other expense categories, but has been reclassified to be included within total expenses, to conform to current year presentation. This reclassification had no impact on operating income or net income.

##### ***COVID-19 Pandemic***

Although our results for the year ended December 31, 2022 included a strong recovery from the COVID-19 pandemic when compared to the same period in 2021, the Omicron variant of COVID-19 limited the recovery of our business during the beginning of that period. As such, the results for the year ended December 31, 2023 reflect improvement in comparison to the year ended December 31, 2022, when considering the pandemic. However, our growth when comparing 2023 to 2022 is more normalized than it was during the height of the pandemic and our subsequent recovery. Additionally, given the impacts of the pandemic on prior periods, the improvement in our results during the year ended December 31, 2023 is not necessarily indicative of future performance or future growth patterns.

## Summary of Significant Accounting Policies

### Revenue Recognition

Revenues are primarily derived from franchise contracts with third-party hotel owners. Our primary performance obligation in connection with these franchise contracts is related to IP licenses, which grant the right to access our IP, including brand IP, reservations systems and property management systems. This performance obligation is considered to be a series of distinct services transferred over time, for which we receive variable consideration through our franchise royalty fees. While the underlying activities may vary from day to day, the nature of the commitments are the same each day, and the hotel owner can independently benefit from each day's services. We may also receive fixed consideration in connection with other types of fees. We allocate the variable fees to the distinct services to which they relate by applying the prescribed variable consideration allocation guidance, and we allocate fixed consideration to the related performance obligations based on their estimated standalone selling prices. The terms of the fees earned under the contract relate to a specific outcome of providing the services (e.g., hotel room sales) to satisfy the performance obligations. Using time as a measure of progress, we recognize fee revenue in the period earned per the terms of the contract. We do not typically include extended payment terms in our contracts with customers.

Our revenues consist of the following:

- *Franchise royalty fees* are generally based on a percentage of the hotel's monthly gross room revenue and, in some cases, may also include a percentage of gross food and beverage revenues and other revenues, as applicable. These fees are typically billed and collected monthly, and revenue is generally recognized as services are provided. Consideration paid or anticipated to be paid to incentivize hotel owners to enter into franchise contracts with us is amortized over the life of the applicable contract as a reduction to franchise royalty fees.
- *Franchise sales and change of ownership fees* include application, initiation and other fees that are charged when: (i) new hotels enter our system; (ii) there is a change of ownership of a hotel; or (iii) contracts with hotels already in our system are extended. These fees are typically fixed and collected upfront and are recognized as revenue over the term of the franchise contract. We do not consider this advance consideration to include a significant financing component, since it is used to protect us from the hotel owner failing to adequately complete some or all of its obligations under the contract, including establishing and maintaining the hotel in accordance with our standards.
- *Franchise termination fees* are charged in connection with the termination of a franchise contract by the hotel owner. We recognize termination fees in the period in which the payment is received if there is no further service to be provided due to the uncertainty of collection associated with the termination of the relationship with the hotel owner.

### Accounts Receivable and Financing Receivables

Our accounts receivable primarily consist of amounts due from the hotel owners with whom we have franchise contracts. Our financing receivables consist of loans made to certain owners of franchised hotels. An allowance for credit losses is provided on these financial instruments. Our expected credit losses are based on historical collection activity, the nature of the financial instrument and current and forecasted business conditions.

The allowances for credit losses on our primary financial instruments were as follows:

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(in thousands)</b>	
Accounts receivable, current	\$ 7,339	\$ 3,572
Financing receivables, current	383	282
Financing receivables, non-current	367	129

### Franchise Contracts

We capitalize consideration paid to incentivize hotel owners to enter into franchise contracts with us as contract acquisition costs and, together with other incremental costs to obtain franchise contracts, as franchise contracts, net in our balance sheets. Franchise contracts are amortized using the straight-line method over their respective estimated useful lives, which is the contract term, generally including any extension periods that are at our sole option, and are generally 10 to 20 years.

Amortization begins on the opening date of the hotel to which the franchise contract relates or the contract execution date, whichever is later. Amortization of franchise contract acquisition costs is recognized as a reduction to franchise royalty fees and amortization of costs to obtain franchise contracts is recognized as amortization expense in our statements of comprehensive income and member's equity. Cash flows for both contract acquisition costs and costs to obtain a contract are included as operating activities in our statements of cash flows. We evaluate the carrying value of our franchise contracts for indicators of impairment, and, if such indicators exist, we perform an analysis to determine the recoverability of the asset carrying value by comparing the expected undiscounted future cash flows to the net carrying value of the asset. If the carrying value of the asset is not recoverable and it exceeds the estimated fair value of the asset, we recognize an impairment loss in our statement of comprehensive income and member's equity for the amount by which the carrying value exceeds the estimated fair value.

### ***Franchise Deposits***

Franchise deposits represent application, initiation and other fees that are collected at the time a hotel owner applies for a franchise license. These amounts are recorded as a current liability until the fees become non-refundable, at which time they are reclassified to deferred revenues. If the franchise application is not approved, the fee is recorded as an other current liability in our balance sheet until it is refunded to the applicant, less processing fees, if applicable.

### ***Contract Liabilities***

Contract liabilities relate to non-refundable advance consideration received from hotel owners for application, initiation and other fees reclassified from franchise deposits. This consideration received from hotel owners is recognized over the term of the related contract. Our contract liabilities are presented as deferred revenues in our balance sheets.

### ***Fair Value Measurements - Valuation Hierarchy***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date (i.e., an exit price). We use the three-level valuation hierarchy for classification of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs are inputs that reflect our own assumptions about the data market participants would use in pricing the asset or liability developed based on the best information available to us in the specific circumstances. The three-tier hierarchy of inputs is summarized below:

- Level 1 - Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 - Valuation is based upon quoted prices for similar assets and liabilities in active markets, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the instrument.
- Level 3 - Valuation is based upon other unobservable inputs that are significant to the fair value measurement.

The classification of assets and liabilities within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement in its entirety. Proper classification of fair value measurements within the valuation hierarchy is considered each reporting period. The use of different market assumptions or estimation methods may have a material effect on the estimated fair value amounts.

Estimates of the fair values of our financial instruments and nonfinancial assets are determined using available market information and appropriate valuation methods. Considerable judgment is necessary to interpret market data and develop the estimated fair values and the classification within the valuation hierarchy. We have not elected the fair value measurement option for any of our financial assets or liabilities.

### Note 3: Franchise Contracts

Franchise contracts, net was as follows:

	December 31, 2023		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
	(in thousands)		
Contract acquisition costs	\$ 287,958	\$ (54,374)	\$ 233,584
Costs to obtain contracts	7,256	(2,307)	4,949
	<u>\$ 295,214</u>	<u>\$ (56,681)</u>	<u>\$ 238,533</u>

	December 31, 2022		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
	(in thousands)		
Contract acquisition costs	\$ 241,600	\$ (46,148)	\$ 195,452
Costs to obtain contracts	6,905	(1,893)	5,012
	<u>\$ 248,505</u>	<u>\$ (48,041)</u>	<u>\$ 200,464</u>

Amortization of our franchise contracts was as follows:

	Year Ended December 31,		
	2023	2022	2021
	(in thousands)		
Recognized as a reduction of franchise royalty fees	\$ 12,897	\$ 11,972	\$ 9,031
Recognized in amortization expense	414	410	69

### Note 4: Fair Value Measurements

The fair values of our financial assets and liabilities are estimated to be equal to their carrying values as of December 31, 2023 and 2022.

### Note 5: Income Taxes

Certain U.S. territories require the taxation of payments made for franchise licensing and certain other fees to foreign domiciled entities, which includes those in the U.S. The taxation rates for these payments vary by jurisdiction and in some cases may be exempt from any withholding of taxes based on cross-jurisdictional tax relief agreements. In circumstances where we are subject to a tax on payments made for franchise licensing and certain other fees, the franchisee is responsible for the withholding and remittance of these foreign taxes to the local taxing authority. Taxes related to franchise fees are presented as foreign tax expense in our statements of comprehensive income and member's equity. Taxes that have been withheld that have not been remitted to the local taxing authority are presented as other current liabilities in our balance sheets.

No provision is made in our accounts for U.S. income taxes because for U.S. income tax purposes, we are treated as a disregarded entity and all items of taxable income and expense are included in the computation of taxable income of Hilton. The results of operations reflected in the accompanying statements of comprehensive income and member's equity may differ from amounts reported in Hilton's federal income tax returns because of differences in accounting policies adopted for financial and tax reporting purposes.

### Note 6: Commitments and Contingencies

Certain of Hilton's debt obligations, which mature from 2025 to 2032, are unconditionally and irrevocably guaranteed by certain Hilton direct or indirect wholly owned material domestic subsidiaries, which includes us. All of our assets and franchise contracts have been pledged as collateral for the term of the debt agreements. We did not record a guarantee liability related to these guarantees as of December 31, 2023 and 2022 due to the nature of the parent and subsidiary relationship between us and Hilton.

From time to time, we are involved in various claims and lawsuits arising in the ordinary course of business, some of which could include claims for substantial sums. While the ultimate results of claims and litigation cannot be predicted with certainty, we expect that the ultimate resolution of all pending or threatened claims and litigation as of December 31, 2023 will not have a material adverse effect on our financial position, results of operations or cash flows.

#### **Note 7: Related Party Transactions**

We maintain intercompany balances with Hilton affiliates, which are the result of Hilton's centralized cash management system. One of these balances relates to franchise deposits, which are collected on our behalf by Hilton affiliates and deposited into a lockbox account to which we have no access. Amounts due from Hilton affiliates related to franchise deposits, if any, are reflected as an asset and are payable to us upon demand. Prior to the year ended December 31, 2021, the remaining balances due from Hilton affiliates represented amounts that were not expected to be repaid. During the year ended December 31, 2021, we determined that certain receivables from related parties, that were previously not expected to be repaid, would be repaid through periodic settlements with simultaneous distributions of our retained earnings to Parent. As such, we reclassified these amounts from due from Hilton affiliates to other receivables due from Hilton affiliates. We expect to continue to settle certain amounts due from Hilton affiliates, with amounts that are expected to be settled within twelve months from the date of the balance sheet recorded as a current asset. Amounts due from Hilton affiliates that are not expected to be repaid are reflected as a component of member's equity.

During the years ended December 31, 2023, 2022 and 2021, we settled \$1.4 billion, \$1.55 billion and \$5.3 billion of other receivables due from Hilton affiliates, respectively, and simultaneously distributed \$1.4 billion, \$1.55 billion and \$5.3 billion, respectively, of our retained earnings to Parent. These settlements of other receivables due from Hilton affiliates are presented as operating activities and the distributions of retained earnings are presented as financing activities in our statements of cash flows for the years ended December 31, 2023, 2022 and 2021.

We have an operator agreement with a Hilton affiliate which entitles the Hilton affiliate to receive a reasonable fee as compensation to be established from time to time. For the years ended December 31, 2023, 2022 and 2021, no compensation was provided to the Hilton affiliate.

#### **Note 8: Subsequent Events**

We have evaluated all subsequent events through March 22, 2024, the date that the financial statements were available to be issued.

# **EXHIBIT D**

## Brand Codes Used in the Franchise Agreement

Canopy by Hilton	PY
Curio Collection by Hilton	QQ
DoubleTree by Hilton/DoubleTree Suites by Hilton	DT
Embassy Suites by Hilton	ES
Hampton Inn by Hilton/Hampton Inn & Suites by Hilton	HAM
Hilton Hotels & Resorts	HFS
Hilton Garden Inn	HGI
Home2 Suites by Hilton	H2
Homewood Suites by Hilton	HWS
LivSmart Studios by Hilton	EY
LXR Hotels & Resorts	OL
Motto by Hilton	UAB
Spark by Hilton	PE
Tapestry by Hilton	UP
Tempo by Hilton	PO
Tru by Hilton	RU

# FRANCHISE AGREEMENT

[ENTER HOTEL NAME AND CITY/STATE HERE]



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[ONLY IF NOT A RADIUS EXHIBIT \_ RESTRICTED AREA MAP

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## FRANCHISE AGREEMENT

This Franchise Agreement is entered between Hilton Franchise Holding LLC (“we,” “us,” “our” or “Franchisor”) and the Franchisee set forth in the Addendum (“you,” “your” or “Franchisee”), and is dated as of the Effective Date. We and you may collectively be referred to as the “Parties.”

### INTRODUCTION

We are an Affiliate of Hilton Worldwide. Hilton Worldwide and its Affiliates own, license, lease, operate, manage and provide various services for the Network. We are authorized to grant licenses for selected, first-class, independently owned or leased hotel properties, to operate under the Brand. You have expressed a desire to enter into this Agreement with us to obtain a license to use the Brand in the operation of a hotel at the address or location described in the Addendum.

NOW, THEREFORE, in consideration of the premises and the undertakings and commitments of each Party to the other Party in this Agreement, the Parties agree as follows:

#### 1.0 DEFINITIONS

The following capitalized terms will have the meanings set forth after each term:

“**Affiliate**” means any natural person or firm, corporation, partnership, limited liability company, association, trust or other entity which, directly or indirectly, Controls, is Controlled by, or is under common Control with, the subject entity.

“**Agreement**” means this Franchise Agreement, including any exhibits, attachments and addenda.

“**Anti-Corruption Laws**” means all applicable anti-corruption, anti-bribery, anti-money laundering, books and records, and internal controls laws.

“**Brand**” means the brand name set forth in the Addendum.

“**Chain Code**” means the code that we use to identify the Brand within our Reservation Service. We may modify, remove, or replace the Chain Code for the Brand at any time in our discretion.

“**Change of Ownership Application**” means the application that is submitted to us by you or the Transferee for a new franchise agreement in connection with a Change of Ownership Transfer.

“**Change of Ownership Transfer**” means any proposed Transfer that results in a change of Control of Franchisee, the Hotel, or the Hotel Site and is not otherwise permitted by this Agreement, all as set out in Subsection 12.2.2.

“**Competing Brand**” means a hotel brand or trade name that, in our sole business judgment, competes with the System, or any System Hotel or Network Hotel.

“**Competitor**” means any individual or entity that, at any time during the Term, whether directly or through an Affiliate, owns in whole or in part, or is the licensor or franchisor of a Competing Brand, irrespective of the number of hotels owned, licensed or franchised under such Competing Brand name. A Competitor does not include an individual or entity that: (i) is a franchisee of a Competing Brand; (ii) manages a Competing Brand hotel, so long as the individual or entity is not the exclusive manager of the Competing Brand; or (iii) owns a minority interest in a Competing Brand, so long as neither that individual or entity nor any of its Affiliates is an officer, director, or employee of the Competing Brand, provides services (including as a consultant) to the Competing Brand, or exercises, or has the right to exercise, Control over the business decisions of the Competing Brand.

**“Construction Commencement Date”** means the date set out in the Addendum, if applicable, by which you must commence construction of the Hotel. For the Hotel to be considered under construction, you must have begun to pour concrete foundations for the Hotel or otherwise satisfied any site-specific criteria for “under construction” set out in the Addendum.

**“Construction Work”** means all necessary action for the development, construction, renovation, furnishing, equipping and implementation of the Plans and Designs for the Hotel.

**“Construction Work Completion Date”** means the date set out in the Addendum, if applicable, by which you must complete construction of the Hotel.

**“Control”** means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, or of the power to veto major policy decisions of an entity, whether through the ownership of voting securities, by contract, or otherwise.

**“Controlling Affiliate”** means an Affiliate that directly or indirectly Controls the Hotel and/or Controls the entity that Controls the Hotel.

**“Designs”** means your plans, layouts, specifications, drawings and designs for the proposed furnishings, fixtures, equipment, signs and décor of the Hotel that use and incorporate the Standards.

**“Effective Date”** means the date set out in the Addendum on which this Agreement becomes effective.

**“Equity Interest”** means any direct or indirect legal or beneficial interest in the Franchisee, the Hotel and/or the Hotel Site.

**“Equity Owner”** means the direct or indirect owner of an Equity Interest.

**“Expiration Date”** has the meaning set forth in Section 3.

**“Force Majeure”** means an event causing a delay in our or your performance that is not the fault of or within the reasonable control of the Party claiming Force Majeure. Force Majeure includes fire, floods, natural disasters, Acts of God, war, civil commotion, terrorist acts, any governmental act or regulation beyond such Party’s reasonable control. Force Majeure does not include your financial inability to perform, inability to obtain financing, inability to obtain permits, licenses, zoning variances or any other similar events unique to you, or the Hotel, or to general economic downturn or conditions.

**“Government” or “Government Entity”** means any: (i) agency, instrumentality, subdivision or other body of any national, regional, local or other government; (ii) commercial or similar entities owned or controlled by such government, including any state-owned and state-operated companies; (iii) political party; and (iv) public international organization.

**“Government Official”** means: (i) officers and employees of any Government; (ii) officers and employees of companies in which a Government owns an interest; (iii) any private person acting in an official capacity for or on behalf of any Government or Government Entity (such as a consultant retained by a government agency); (iv) candidates for political office at any level; (v) political parties and their officials; (vi) officers, employees, or official representatives of public (quasi-governmental) international organizations (such as the United Nations, World Bank, or International Monetary Fund).

**[INSERT FOR HFS: “Gross Food and Beverage Revenue”** means all revenues (including credit transactions whether or not collected) derived from food and beverage-related operations of the Hotel and associated facilities, and all banquet, reception and meeting room rentals, including all restaurants (unless leased to third-party operators), dining, bar, lounge and retail food and beverage services, at the actual rates charged, less allowances for any rebates and overcharges, and excluding any sales, hotel, entertainment or similar taxes collected from patrons or guests.

**“Gross Receipts Tax”** means any gross receipts, sales, use, excise, value added or any similar tax.

**“Gross Rooms Revenue”** means all revenues derived from the sale or rental of Guest Rooms (both transient and permanent) of the Hotel, including revenue derived from the redemption of points or rewards under the loyalty programs in which the Hotel participates, amounts attributable to breakfast (where the guest room rate includes breakfast), Mandatory Guest Fees, late cancellation fees, and guaranteed no-show revenue and credit transactions, whether or not collected, at the actual rates charged, less allowances for any Guest Room rebates and overcharges, and will not include taxes collected directly from patrons or guests. Group booking rebates, if any, paid by you or on your behalf to third-party groups for group stays must be included in, and not deducted from, the calculation of Gross Rooms Revenue.

**“Guarantor”** means the person or entity that guaranties your obligations under this Agreement or any of Your Hotel Agreements.

**“Guest Rooms”** means each rentable unit in the Hotel generally used for overnight guest accommodations, the entrance to which is controlled by the same key, provided that adjacent rooms with connecting doors that can be locked and rented as separate units are considered separate Guest Rooms. The initial number of approved Guest Rooms is set forth in the Addendum.

**“Hilton Worldwide”** means Hilton Worldwide Holdings Inc., a Delaware corporation (NYSE:HLT).

**“Hotel”** means the property you will operate under this Agreement and includes all structures, facilities, appurtenances, furniture, fixtures, equipment, and entry, exit, parking and other areas located on the Hotel Site we have approved for your business or located on any land we approve in the future for additions, signs, parking or other facilities.

**“Hotel Site”** means the real property on which the Hotel is located or to be located, as approved by us.

**“Hotel Work”** means Construction Work and/or Renovation Work, as the case may be, and the context requires.

**“Hotel’s Average Monthly Royalty Fees”** means: (a) if the Hotel has been operating for at least twenty-four (24) months, the quotient of all Monthly Royalty Fees due under this Agreement for the twenty-four (24) month period immediately preceding the month of termination (the **“Measurement Period”**) divided by twenty-four (24); and (b) if the Hotel has not been operating for at least twenty-four (24) months, the quotient of all Monthly Royalty Fees due under this Agreement for the period between the Opening Date and the termination date divided by the number of months between the Opening Date and the termination date. Any temporary financial accommodations (including but not limited to any Monthly Fee discounts, fee ramps, or fee waivers) are excluded from the calculation of Hotel’s Average Monthly Royalty Fees.

With respect to subsection (a) above, if a majority of the Guest Rooms were removed from service or regular Hotel operations were suspended during the Measurement Period for ninety (90) or more consecutive days (for any reason whatsoever, including Force Majeure) (a **“Business Interruption”**), the calendar month(s) in which the Business Interruption(s) occurred will be removed from the Measurement Period, and the Measurement Period will be extended earlier in time by one full calendar month for every whole or partial calendar month in which the Business Interruption(s) occurred. For the avoidance of doubt, if the application of this clause would lead to the Measurement Period being reduced to less than twenty-four (24) full calendar months, then the calculation in subsection (b) will apply.

**“Improper Payment”** means any transaction in violation of applicable Anti-Corruption Laws.

**“Indemnified Parties”** means us and our Affiliates, and our and their respective predecessors, successors, and assigns, and our and their respective officers, directors, members, managers, employees, and agents.

**“Information”** means all information we obtain from you or about the Hotel or its guests or prospective guests under this Agreement or under any agreement ancillary to this Agreement, including agreements

relating to the computerized reservation, revenue management, property management, and other systems we provide or require, or otherwise related to the Hotel. Information includes, but is not limited to, Operational Information, Proprietary Information, and Personal Information.

**“Interim Remedy”** has the meaning set forth in Subsection 13.3.

**“Laws”** means all public laws, statutes, ordinances, orders, rules, regulations, permits, licenses, certificates, authorizations, directions and requirements of all Governments and Government Entities having jurisdiction over the Hotel, Hotel Site or over Franchisee to operate the Hotel, which, now or hereafter, may apply to the construction, renovation, completion, equipping, opening and operation of the Hotel, including Title III of the Americans with Disabilities Act, 42 U.S.C. § 12181, et seq., and 28 C.F.R. Part 36.

**“License”** has the meaning set forth in Subsection 2.1.

**[SELECT FOR ALL BRANDS EXCEPT OL: “Liquidated Damages”** has the meaning set forth in Subsections 6.4.4 and 13.4. **[SELECT FOR OL: “Liquidated Damages”** has the meaning set forth in Subsection 6.4.4.

**“Management Company”** has the meaning set forth in Subsection 7.1.

**“Mandatory Guest Fee”** means any separate fee that a patron or guest is charged for in addition to the base room rate for a guest room, including but not limited to resort fees, facility fees, destination fees, amenity fees, urban destination fees, or any other similar fee. Mandatory Guest Fees do not include employee gratuities, state or local mandatory taxes, and other tax-like fees and assessments that are levied on a stay, as determined by us, that are passed through to a third party (such as tourism public improvement district fees, tourism or improvement assessments, and convention center fees).

**“Manual”** means all written compilations of the Standards. The Manual may take the form of one or more of the following: one or more loose-leaf or bound volumes; bulletins; notices; videos; CD-ROMS and/or other electronic media; online postings; e-mail and/or electronic communications; facsimiles; or any other medium capable of conveying the Manual’s contents.

**“Marks”** means the Brand and all other business names, copyrights, designs, distinguishing characteristics, domain names, emblems, insignia, logos, slogans, service marks, symbols, trademarks, trade dress and trade names (whether registered or unregistered) used in the System.

**“Monthly Fees”** means, collectively, **[INSERT FOR HFS: the Monthly Food and Beverage Fee; the Monthly Program Fee and the Monthly Royalty Fee.**

**[INSERT FOR HFS: “Monthly Food and Beverage Fee”** means the fee we require from you in Subsection 8.1, which is set forth in the Addendum.

**“Monthly Program Fee”** means the fee we require from you in Subsection 8.1, which is set forth in the Addendum.

**“Monthly Royalty Fee”** means the fee we require from you in Subsection 8.1, which is set forth in the Addendum.

**“Network”** means the hotels, inns, conference centers, timeshare properties and other operations that Hilton Worldwide and its subsidiaries own, license, lease, operate or manage now or in the future.

**“Network Hotel”** means any hotel, inn, conference center, timeshare property or other similar facility within the Network.

**“Opening Date”** means the day on which we first authorize the opening of the facilities, Guest Rooms or services of the Hotel to the general public under the Brand.

**“Operational Information”** means all information concerning the Monthly Fees, other revenues generated at the Hotel, room occupancy rates, reservation data and other financial and non-financial information we require.

**“Other Business(es)”** means any business activity we or our Affiliates engage in, other than the licensing of the Hotel.

**“Other Hotels”** means any hotel, inn, lodging facility, conference center or other similar business, other than a System Hotel or a Network Hotel.

**[INSERT FOR PE, RU, EY: “Package”** means any specific grouping or selection of furniture, furnishings, fixtures, equipment, amenities, services and/or other supplies that we designate, which must be acquired together as one package, installed, and used at the Hotel.

**“Permitted Transfer”** means any Transfer by you or your Equity Owners that does not result in a change of Control of you, the Hotel, or the Hotel Site, as specified in Section 12.2 of this Agreement.

**“Person(s)”** means a natural person or entity.

**“Personal Information”** means any information that: (i) can be used (alone or when used in combination with other information within your control) to identify, locate or contact an individual; or (ii) pertains in any way to an identified or identifiable individual. Personal Information can be in any media or format, including computerized or electronic records as well as paper-based files.

**“PIP”** means property improvement plan.

**“PIP Fee”** means the fee we charge for creating a PIP.

**“Plans”** means your plans, layouts, specifications, and drawings for the Hotel that use and incorporate the Standards.

**“Principal Mark”** is the Mark identified as the Principal Mark in the Addendum.

**“Privacy Laws”** means any international, national, federal, provincial, state, or local law, code, rule or regulation that regulates the processing of Personal Information in any way, including data protection laws, laws regulating marketing communications and/or electronic communications, information security regulations and security breach notification rules.

**“Proprietary Information”** means all information or materials concerning the methods, techniques, plans, specifications, procedures, data, systems and knowledge of and experience in the development, operation, marketing and licensing of the System, including the Standards and the Manuals, whether developed by us, you, or a third party.

**“Publicly Traded Equity Interest”** means any Equity Interest that is traded on any securities exchange or is quoted in any publication or electronic reporting service maintained by the National Association of Securities Dealers, Inc., or any of its successors.

**“Renovation Commencement Date”** means the date set out in the Addendum, if applicable, by which you must commence Renovation Work.

**“Renovation Work”** means the renovation and/or construction work, as the context requires, including purchasing and/or leasing and installation of all **[INSERT FOR PE, RU, EY: Packages,]** fixtures, equipment, furnishings, furniture, signs, computer terminals and related equipment, supplies and other items that would be required of a new System Hotel under the Manual, and any other **[INSERT FOR PE, RU, EY: Packages,]**



equipment, furnishings and supplies that we may require for you to operate the Hotel as set out in any PIP applicable to the Hotel.

**“Renovation Work Completion Date”** means any date set out in the Addendum by which you must complete Renovation Work.

**“Reports”** mean daily, monthly, quarterly and annual operating statements, profit and loss statements, balance sheets, and other financial and non-financial reports we require.

**“Reservation Service”** means the reservation service we designate in the Standards for use by System Hotels.

**[INCLUDE ONLY IF RESTRICTED AREA PROVISION GRANTED: “Restricted Area Provision”** has the meaning set forth in the Addendum.]

**“Room Addition Fee”** means a sum equal to the then-current Room Addition Fee charged for new System Hotels multiplied by the number of Additional Guest Rooms you wish to add to the Hotel in accordance with Subsection 6.6.3.

**“Sanctioned Person”** means any person, entity, or Government, including those with Control over such persons or entities, or acting on behalf of such persons or entity, who is subject to Trade Restrictions that prohibit or restrict the Parties’ performance of the Parties’ obligations under this Agreement.

**“Securities”** means any public offering, private placement or other sale of securities in you, the Hotel or the Hotel Site.

**“Site”** means domain names, the World Wide Web, the Internet, computer network/distribution systems, or other electronic communications sites, including mobile applications.

**“Standards”** means all standards, specifications, requirements, criteria, and policies that have been and are in the future developed and compiled by us for use by you in connection with the design, construction, renovation, refurbishment, appearance, equipping, furnishing, supplying, opening, operating, maintaining, marketing, services, service levels, quality, and quality assurance of System Hotels, including the Hotel, and for hotel advertising and accounting, whether contained in the Manual or set out in this Agreement or other written communication. The Standards do not include any personnel policies or procedures that we may, at our option, make available to you. You may, in your sole judgment, determine to what extent, if any, any such personnel policies or procedures might apply to the Hotel or Hotel Site.

**“System”** means the elements, including know-how, that we designate to distinguish hotels operating worldwide under the Brand (as may in certain jurisdictions be preceded or followed by a supplementary identifier such as “by Hilton”) that provide to the consuming public a similar, distinctive, high-quality hotel service. The System currently includes: the Brand, the Marks, the Trade Name, and the Standards; access to a reservation service; advertising, publicity and other marketing programs and materials; training programs and materials; and programs for our inspection of the Hotel and consulting with you.

**“System Hotels”** means hotels operating under the System using the Brand name and the Standards.

**[DELETE FOR OL, PE, PO, UAB, EY: “System’s Average Monthly Royalty Fees”** means the average Monthly Royalty Fees per Guest Room owed to us by all System Hotels in operation in the United States over the twelve (12) full calendar month period immediately preceding the month of termination (the **“System’s Average Measurement Period”**), multiplied by the number of approved Guest Rooms at the Hotel. Any temporary financial accommodations (including but not limited to any Monthly Fee discounts, fee ramps, or fee waivers) are excluded from the calculation of System’s Average Monthly Royalty Fees. For the avoidance of doubt, any System Hotel that has not been in operation for at least twelve (12) full calendar months immediately preceding the month of termination is not included in determining the System’s Average Monthly Royalty Fees.

In calculating the System's Average Monthly Royalty Fees, if a Business Interruption occurred at any System Hotel(s) during the System's Average Measurement Period, then for such System Hotel(s) the calendar month(s) in which the Business Interruption(s) occurred will be removed from the System's Average Measurement Period, and the System's Average Measurement Period for such System Hotel(s) will be extended earlier in time by one full calendar month for every whole or partial calendar month in which the Business Interruption(s) occurred. If the application of this provision would lead to the System's Average Measurement Period for any System Hotel(s) being reduced to less than twelve (12) full calendar months, then the applicable System Hotel(s) will not be included in determining the System's Average Monthly Royalty Fees.

"**Term**" has the meaning set forth in Section 3.0.

**[INSERT FOR OL: "Termination Fee" has the meaning set forth in Subsection 13.4]**

"**Trade Name**" means the name of the Hotel set forth in the Addendum.

"**Trade Restrictions**" means trade, economic or investment sanctions, export controls, anti-terrorism, non-proliferation, anti-money laundering and similar restrictions in force pursuant to laws, rules and regulations imposed under Laws to which the Parties are subject.

"**Transfer**" means in all its forms, any sale, lease, assignment, spin-off, transfer, or other conveyance of a direct or indirect legal or beneficial interest.

"**Transferee**" means the proposed new franchisee resulting from a Transfer.

"**Your Hotel Agreements**" means any other agreement between you, or any of your Affiliates, and us, or any of our Affiliates, related to this Agreement, the Hotel and/or the Hotel Site.

**[INSERT FOR OL, QQ, UP: "Your Marks" means any brand names, business names, copyrights, service marks, trademarks or trade names (whether registered or unregistered) developed or owned by you or your Affiliates, or licensed to you or your Affiliates by a third party other than us or our Affiliates, that are used as part of the Trade Name. [OR OPTIONAL INSERT FOR OL, QQ, UP TO IDENTIFY SPECIFIC OWNER MARK: Your Marks includes [\_\_\_\_\_].]**

## **2.0 GRANT OF LICENSE**

**2.1 Non-Exclusive License.** We grant to you and you accept a limited, non-exclusive License to use the Marks and the System during the Term at, and in connection with, the operation of the Hotel in accordance with the terms of this Agreement. **[INSERT ONLY FOR CV DEALS: Provided, however, that 1) your right to operate the Hotel under the Brand will not become effective until after any existing third-party franchise, management or similar agreement for the Hotel has terminated or expired; and 2) you are solely responsible for ensuring that any existing third-party franchise, management or similar agreement has terminated or expired on or before the Opening Date.]**

### **2.2 Reserved Rights.**

**2.2.1** This Agreement does not limit our right, or the right of our Affiliates, to own, license or operate any Other Business of any nature, whether in the lodging or hospitality industry or not, and whether under the Brand, a Competing Brand, or otherwise. We and our Affiliates have the right to engage in any Other Businesses, even if they compete with the Hotel, the System, or the Brand, and whether we or our Affiliates start those businesses, or purchase, merge with, acquire, are acquired by, come under common ownership with, or associate with, such Other Businesses.

**2.2.2** We may also:

**2.2.2.1** add, alter, delete or otherwise modify elements of the System;

**2.2.2.2** use or license to others all or part of the System;

**2.2.2.3** use the facilities, programs, services and/or personnel used in connection with the System in Other Businesses; and

**2.2.2.4** use the System, the Brand and the Marks in the Other Businesses.

**2.2.3** You acknowledge and agree that you have no rights to, and will not make any claims or demands for, damages or other relief arising from or related to any of the foregoing activities, and you acknowledge and agree that such activities will not give rise to any liability on our part, including liability for claims for unfair competition, breach of contract, breach of any applicable implied covenant of good faith and fair dealing, or divided loyalty.

**[INCLUDE ONLY IF RESTRICTED AREA PROVIDED:**

**2.3 Restricted Area Provision.** The Restricted Area Provision is set forth in the Addendum.]

### **3.0 TERM**

The Term shall begin on the Effective Date and will end, without further notice, on the Expiration Date set forth in the Addendum, unless terminated earlier under the terms of this Agreement. You acknowledge and agree that this Agreement is non-renewable and that this Agreement confers on you absolutely no rights of license renewal or extension whatsoever following the Expiration Date.

### **4.0 OUR RESPONSIBILITIES**

We have the following responsibilities to you under this Agreement. We reserve the right to fulfill some or all of these responsibilities through one of our Affiliates or through unrelated third parties, in our sole business judgment. We may require you to make payment for any resulting services or products directly to the provider.

**4.1 Training.** We may specify certain required and optional training programs and provide these programs at various locations. We may charge you for required training services and materials and for optional training services and materials we provide to you. You are responsible for selecting the personnel to attend such training programs. You are also responsible for all travel, lodging and other expenses you or your employees (or your Management Company's personnel) incur in connection with attending these programs.

**4.2 Reservation Service.** We will furnish you with the Reservation Service. The Reservation Service will be furnished to you on the same basis as it is furnished to other System Hotels, subject to the provisions of Subsection 13 below.

**4.3 Consultation.** We may offer consultation services and advice in areas such as operations, facilities, and marketing, but you will always remain responsible for hiring your employees and the terms and conditions of their employment. We may establish fees in advance, or on a project-by-project basis, for any consultation service or advice you request.

#### **4.4 Marketing.**

**4.4.1** We will publish (either in hard copy or electronic form) and make available to the traveling public a directory that includes System Hotels. We will include the Hotel in advertising of System Hotels and in international, national and regional marketing programs in accordance with our general practice for System Hotels.

**4.4.2** We will use your Monthly Program Fee to pay for various programs to benefit the System, including:

**4.4.2.1** advertising, promotion, publicity, public relations, market research, and other marketing programs;

**4.4.2.2** developing and maintaining directories of and Internet sites for System Hotels;

**4.4.2.3** developing and maintaining the Reservation Service systems and support; and

**4.4.2.4** administrative costs and overhead related to the administration or direction of these projects and programs.

**4.4.3** We will have the sole right to determine how and when we spend these funds, including sole control over the creative concepts, materials and media used in the programs, the placement and allocation of advertising, and the selection of promotional programs.

**4.4.4** We may enter into arrangements for development, marketing, operations, administrative, technical and support functions, facilities, programs, and/or other services with any other entity, including any of our Affiliates or third parties.

**4.4.5** You acknowledge that Monthly Program Fees are intended for the benefit of the System and will not simply be used to promote or benefit any one System Hotel or market. We will have no obligation in administering any activities paid for with the Monthly Program Fee to make expenditures for you that are equivalent or proportionate to your payments or to ensure that the Hotel benefits directly or proportionately from such expenditures.

**4.4.6** We may create any programs and allocate monies derived from Monthly Program Fees to any regions or localities, as we consider appropriate in our sole business judgment. The aggregate of Monthly Program Fees paid to us by System Hotels does not constitute a trust or “advertising fund” and we are not a fiduciary with respect to the Monthly Program Fees paid by you and other System Hotels.

**4.4.7** We are not obligated to expend funds in excess of the amounts received from System Hotels. If any interest is earned on unused Monthly Program Fees, we will use the interest before using the principal. The Monthly Program Fee does not cover your costs of participating in any optional marketing programs and promotions offered by us in which you voluntarily choose to participate. These Monthly Program Fees do not cover the cost of operating the Hotel in accordance with the Standards.

**4.5 Inspections/Compliance Assistance.** We will administer a quality assurance program for the System that may include conducting pre-opening and periodic inspections of the Hotel and guest satisfaction surveys and audits to ensure compliance with the Standards. You will permit us to inspect the Hotel without prior notice to you to determine if the Hotel is in compliance with the Standards. You will cooperate with our representatives during these inspections. You will then take all steps necessary to correct any deficiencies within the times we establish. We may charge you quality assurance program fees and charges as set forth in the Standards. You will provide complimentary accommodations for the quality assurance auditor each time we conduct an on-site quality assurance inspection, evaluation, or re-evaluation, or to verify that deficiencies noted in a quality assurance evaluation report or PIP have been corrected or completed by the required dates. Audits conducted under our quality assurance program will not include review or approval of your (or your Management Company’s) personnel policies or procedures.

**4.6 Manual.** We will issue to you or make available in electronic form the Manual and any revisions and updates we may make to the Manual during the Term. You agree to ensure that your copy of the Manual is, at all times, current and up to date. If there is any dispute as to your compliance with the provisions of the Manual, the master copy of the Manual maintained at our principal office will control.

**4.7 Equipment and Supplies.** We will make available to you for use in the Hotel various purchase, lease, or other arrangements for exterior signs, operating equipment, operating supplies, [INSERT FOR PE, RU, EY: Packages] and furnishings, which we make available to other System Hotels.

## **5.0 YOUR RESPONSIBILITIES**

### **5.1 Operational and Other Requirements.** You must:

**5.1.1** operate the Hotel twenty-four (24) hours a day after the Opening Date;

**5.1.2** operate the Hotel using the System, in compliance with this Agreement and the Standards, and in such a manner to provide courteous, uniform, respectable and high quality lodging and other services and conveniences to the public. You acknowledge and agree that: (a) you have exclusive day-to-day control of the business and operation of the Hotel (including hiring your employees and the terms and conditions of their employment); (b) although we provide the Standards, we do not in any way possess or exercise day-to-day control of the business and operation of the Hotel; (c) we do not dictate nor control labor or employment matters for you or your employees, nor do we reserve any right or authority to do so; and (d) we are not responsible for the safety and security of your employees or guests;

**5.1.3** comply with the Standards, including our specifications for all supplies, products and services. We may require you to purchase a particular brand of product or service to maintain the common identity and reputation of the Brand, and you will comply with such requirements. Unless we specify otherwise, you may purchase products from any authorized source of distribution; however, we reserve the right, in our business judgment, to enter into exclusive purchasing arrangements for particular products or services and to require that you purchase products or services from approved suppliers or distributors;

**5.1.4** install, display, and maintain signage displaying or containing the Brand name and other distinguishing characteristics in accordance with Standards we establish for System Hotels;

**5.1.5** comply with our Standards for the training of personnel involved in the operation of the Hotel, including completion by your (or your Management Company's) key personnel of the Hotel of a training program for operation of the Hotel under the System, at locations we designate. You will pay us all fees and charges, if any, we require for your personnel to attend these training programs. You are responsible for selecting the personnel to attend such training programs. You are also responsible for all travel, lodging and other expenses you or your employees (or your Management Company's personnel) incur in connection with attending these programs. You acknowledge and agree that when we provide training, we provide the training content that we deem necessary and appropriate for the business functions of the Hotel so that it may operate in accordance with our Standards; and we do not direct or supervise your personnel, or have, retain, or exercise any control over your (or your Management Company's) personnel or personnel policies or procedures in any manner;

**5.1.6** purchase and maintain property management, revenue management, in-room entertainment, telecommunications, high-speed internet access, and other computer and technology systems that we designate for the System or any portion of the System based on our assessment of the long-term best interests of System Hotels, considering the interest of the System as a whole;

**5.1.7** advertise and promote the Hotel and related facilities and services on a local and regional basis in a first-class, dignified manner, using our identity and graphics Standards for all System Hotels, at your cost and expense. You must submit to us for our approval samples of all advertising and promotional materials that we have not previously approved (including any materials in digital, electronic or computerized form or in any form of media that exists now or is developed in the future) before you produce or distribute them. You will not begin using the materials until we approve them. You must immediately discontinue your use of any advertising or promotional material we disapprove, even if we previously approved the materials;

**5.1.8** participate in and pay all charges in connection with all required System guest complaint resolution programs, which programs may include chargebacks to the Hotel for guest refunds or credits and all required System quality assurance programs, such as guest comment cards, customer surveys and mystery shopper programs. You must maintain minimum performance Standards and scores for quality assurance programs we establish;

**5.1.9** honor all nationally recognized credit cards and credit vouchers issued for general credit purposes that we require and enter into all necessary credit card and voucher agreements with the issuers of such cards or vouchers;

**5.1.10** participate in and use the Reservation Service, including any additions, enhancements, supplements or variants we develop or adopt, and honor and give first priority on available rooms to all confirmed reservations referred to the Hotel through the Reservation Service. The only reservation service or system you may use for outgoing reservations referred by or from the Hotel to other Network Hotels will be the Reservation Service or other reservation services we designate;

**5.1.11** comply with Laws and, on request, give evidence to us of compliance;

**5.1.12** participate in, and promptly pay all fees, commissions and charges associated with, all travel agent commission programs and third-party reservation and distribution services (such as airline reservation systems), all as required by the Standards and in accordance with the terms of these programs, all of which may be modified;

**5.1.13** not engage, directly or indirectly, in any cross-marketing or cross-promotion of the Hotel with any Other Hotel or related business, without our prior written consent. You agree to refer guests and customers, wherever reasonably possible, only to System Hotels or Network Hotels. We may require you to participate in programs designed to refer prospective customers to Other Hotels. You must display all material, including brochures and promotional material we provide for System Hotels and Network Hotels, and allow advertising and promotion only of System Hotels and Network Hotels on the Hotel Site, unless we specifically direct you to include advertising or promotion of Other Hotels;

**5.1.14** treat as confidential the Standards, the Manual and all other Proprietary Information. You acknowledge and agree that you do not acquire any interest in the Proprietary Information other than the right to utilize the same in the development and operation of the Hotel under the terms of this Agreement. You agree that you will not use the Proprietary Information in any business or for any purpose other than in the development and operation of the Hotel under the System and will maintain the absolute confidentiality of the Proprietary Information during and after the Term. You will not make unauthorized copies of any portion of the Proprietary Information; and will adopt and implement all procedures we may periodically establish in our business judgment to prevent unauthorized use or disclosure of the Proprietary Information;

**5.1.15** own fee simple title (or long-term ground leasehold interest for a term equal to the Term) to the real property and improvements that comprise the Hotel and the Hotel Site, or alternatively, at our request, cause the fee simple owner, or other third party acceptable to us, to provide its guaranty covering all of your obligations under this Agreement in form and substance acceptable to us;

**5.1.16** maintain legal possession and control of the Hotel and Hotel Site for the Term and promptly deliver to us a copy of any notice of default you receive from any mortgagee, trustee under any deed of trust, or ground lessor for the Hotel, and on our request, provide any additional information we may request related to any alleged default;

**5.1.17** not directly or indirectly conduct, or permit by lease, concession arrangement or otherwise, gaming or casino operations in or connected to the Hotel or on the Hotel Site, or otherwise engage in any activity which, in our business judgment, is likely to adversely reflect upon or affect in any manner, any gaming licenses or permits held by us or our Affiliates, or the then-current stature of us or any

of our Affiliates with any gaming commission, board, or similar governmental or regulatory agency, or the reputation or business of us or any of our Affiliates;

**5.1.18** not directly or indirectly conduct or permit the marketing or sale of timeshares, vacation ownership, fractional ownership, condominiums or like schemes at, or adjacent to, the Hotel. This restriction will not prohibit you from directly or indirectly conducting timeshare, vacation ownership, fractional ownership, or condominium sales or marketing at and for any property located adjacent to the Hotel that is owned or leased by you so long as you do not use any of the Marks in such sales or marketing efforts and you do not use the Hotel or its facilities in such sales and marketing efforts or in the business operations of the adjacent property;

**5.1.19** participate in and pay all charges related to our marketing programs (in addition to programs covered by the Monthly Program Fee), all loyalty or frequent guest programs we require, and any optional programs that you opt into;

**5.1.20** honor the terms of any discount or promotional programs (including any loyalty or frequent guest program) that we offer to the public on your behalf, any room rate quoted to any guest at the time the guest makes an advance reservation, and any award certificates issued to Hotel guests participating in these programs;

**5.1.21** after the Effective Date, maintain, at your expense, insurance of the types and in the minimum amounts we specify in the Standards. All such insurance must be with insurers having the minimum ratings we specify, name as additional insureds the parties we specify in the Standards, and carry the endorsements and notice requirements we specify in the Standards. If you fail or neglect to obtain or maintain the insurance or policy limits required by this Agreement or the Standards, we have the option, but not the obligation, to obtain and maintain such insurance without notice to you, and you will immediately on our demand pay us the premiums and cost we incur in obtaining this insurance;

**5.1.22** not share the business operations and Hotel facilities with any Other Hotel or other business or use them for any purpose other than operating a System Hotel;

**5.1.23** provide to us information we reasonably request about any proposed lease or sublease of commercial space, or other concession arrangements, in the Hotel in the ordinary course of business, so that we may review and approve the nature of the proposed business, including the proposed brand and concept, in compliance with our then-current Standards for System Hotels;

**5.1.24** promptly provide to us all information we reasonably request about you and your Affiliates (including your respective beneficial owners, officers, directors, shareholders, partners or members) and/or the Hotel, title to the property on which the Hotel is constructed and any other property used by the Hotel;

**5.1.25** not engage in any tenant-in-common syndication or Transfer of any tenant-in-common interest in the Hotel or the Hotel Site;

**5.1.26** not, and ensure that your Equity Owners with controlling Equity Interests, Affiliates, employees, and Management Company do not, engage in any conduct which we reasonably determine is likely to adversely reflect upon or affect in any manner the reputation, goodwill, or business of the Hotel, the System, us and/or any of our Affiliates;

**5.1.27** obtain our approval to charge any Mandatory Guest Fees at the Hotel in accordance with the Standards and subject to our requirements for granting such approval; and

**5.1.28** not become a Competitor, or permit your Affiliate to become a Competitor, in the [INSERT FOR OL: luxury [INSERT FOR PY, ES, HFS, QQ: upper upscale [INSERT FOR DT, HGI, HWS, PO, UP: upscale [INSERT FOR HAM, HIS, H2, UAB: upper midscale [INSERT FOR RU, EY: midscale ]

**[INSERT FOR PE: economy]** hotel market segment, or any substantially equivalent market segment, as determined by STR, LLC and its affiliates (collectively “**STR**”) (or, if STR is no longer in existence, STR’s successor or other such industry resource that is as equally as reputable as STR). **[FOR OL, QQ, UP, REPLACE “.” WITH: ; and ]**

**5.1.29 [INSERT FOR OL, QQ, UP: not, and ensure that your Affiliates do not, allow any Competitor to use Your Marks without our prior written approval.]**

**5.2 Room Rates and Pricing.** Subject to Section 5.1, you are responsible for setting your own rates for guest rooms and prices for any other products or services offered at, from, or in connection with the Hotel. However, we may: (a) proscribe certain types of charges or billing practices; (b) establish maximum rates and prices for marketing and promotions as permitted by Laws; (c) require that the rates and prices you advertise through certain distribution channels be the same as or better than the rates and prices you advertise through other distribution channels; (d) require you to participate in certain revenue or inventory management programs that we provide; and/or (e) impose other pricing requirements as required or permitted by Laws. In addition, we may suggest room rates and pricing policies to the extent permitted by Laws but have no obligation to do so. We do not represent or warrant that any rates or pricing policies that we suggest will produce, increase, optimize, or otherwise affect your Hotel’s revenue and we have no liability in connection with such suggestions.

## **6.0 HOTEL WORK**

### **6.1 Necessary Consents.**

**6.1.1** You must obtain our prior written consent before retaining or engaging any architect, interior designer, general contractor and major subcontractors for the Hotel, which consent will not be unreasonably withheld.

**6.1.2** Plans and Designs must be submitted to us in accordance with the schedule specified in the Addendum, or any PIP attached to this Agreement.

**6.1.3** You shall not commence any Hotel Work unless and until we have issued our written consent in respect of the Plans and Designs, which consent will not be unreasonably withheld.

**6.1.4** Before we approve your Plans, your architect or other certified professional must certify to us that the Plans comply with all Laws related to accessibility/accommodations/facilities for those with disabilities. You are solely responsible for ensuring that the Plans and Designs (including Plans and Designs for Hotel Work) comply with our then-current Standards, the Manual, **[INSERT FOR PE, RU, EY: our Package requirements, and all Laws.**

**6.1.5** Once we have provided our consent to the Plans and Designs, no change may be made to the Plans or Designs without our prior written consent. By consenting to the Plans and Designs, or any changes or modifications to the Plans and Designs, we do not warrant the depth of our analysis or assume any responsibility or liability for the suitability of the Plans and Designs or the resulting Hotel Work.

**6.2 Initial Hotel Work.** You will perform or cause the Hotel Work to be performed in accordance with this Agreement, the approved Plans and Designs, **[INSERT FOR PE, RU, EY: the approved Package, the Manual, and any PIP attached to this Agreement.** You will bear the entire cost of the Hotel Work, including the cost of the Plans and Designs, professional fees, licenses, permits, **[INSERT FOR PE, RU, EY: Packages, equipment, furniture, furnishings and supplies.** You are solely responsible for obtaining all necessary licenses, permits and zoning variances required for the Hotel Work, and for ensuring that all Hotel Work complies with the Standards, the Manual, any PIP, and all Laws.



### **6.3 Commencement and Completion of the Hotel Work.**

**6.3.1** You will commence the Hotel Work on or before the Construction Commencement Date or Renovation Commencement Date specified in the Addendum or any PIP. You must promptly provide to us evidence satisfactory to us that the Construction Work or Renovation Work has commenced. Once commenced, the Hotel Work will continue uninterrupted except to the extent continuation is prevented by events of Force Majeure. You must give written notice to us specifying the nature and duration of any event of Force Majeure promptly after becoming aware of the event of Force Majeure, and specifying that you have used, and continue to use, reasonable endeavours to mitigate the effects of such event of Force Majeure until such event of Force Majeure ceases to exist.

**6.3.2** The Hotel Work must be completed, and the Hotel must be furnished, equipped, and otherwise made ready to open in accordance with the terms of this Agreement no later than the Construction Work Completion Date or Renovation Work Completion Date specified in the Addendum or any PIP, as the applicable date may be extended.

**6.3.3** [SELECT FOR ND/CV AND PRE-OPENING COO: Despite your obligation to commence and complete Hotel Work by the agreed deadlines, we agree that the Construction Commencement Date, Renovation Commencement Date, Construction Work Completion Date, or Renovation Work Completion Date specified in the Addendum or any PIP will be automatically extended by thirty (30) days on a rolling basis, unless we provide at least sixty (60) days' notice to you that these automatic extensions of the applicable deadline no longer apply. You must obtain our approval for any further extension of the applicable deadline after receipt of our notice. We may, in our sole discretion, grant or deny approval, or condition our approval of your extension request on (a) your payment of our then-current extension fee; (b) your prompt submission of a written status of the project, including such information as we might reasonably request; and/or (c) any other conditions we consider appropriate under the circumstances.] [SELECT FOR POST-OPENING COO AND RL: You may request an extension of the Renovation Commencement Date or the Renovation Work Completion Date specified in the Addendum or any PIP by submitting a request for our approval before the applicable deadline, describing the status of the project and the reason for the requested extension, and paying our then-current extension fee. We may, in our sole discretion, grant or deny approval, or condition our approval of your extension request on (a) your payment of our then-current extension fee; (b) your prompt submission of a written status of the project, including such information as we might reasonably request; and/or (c) any other conditions we consider appropriate under the circumstances.]

### **6.4 Opening the Hotel.**

**6.4.1** If the Hotel is not open under the Brand on the Effective Date, you will open the Hotel on the Opening Date. You will not open the Hotel unless and until you receive our written consent to do so pursuant to Subsection 6.4.2 or 6.4.3.

**6.4.2** You will give us at least fifteen (15) days advance notice that you have complied with all the terms and conditions of this Agreement and the Hotel is ready to open. We will use reasonable efforts within fifteen (15) days after we receive your notice to visit the Hotel and to conduct other investigations as we deem necessary to determine whether to authorize the opening of the Hotel, but we will not be liable for delays or loss occasioned by our inability to complete our investigation and to make this determination within the fifteen (15) day period. If you fail to pass our initial opening site visit, we may, in our sole business judgment, charge you reasonable fees associated with any additional visits.

**6.4.3** We shall be entitled to withhold our consent to the opening of the Hotel until:

**6.4.3.1** your architect, general contractor or other certified professional provides us with a certificate stating that the as-built premises comply with all Laws relating to accessibility/accommodations/facilities for those with disabilities;

**6.4.3.2** you have complied with all the terms and conditions in this Agreement;

**6.4.3.3** your staff has received adequate training and instruction in the manner we require;

**6.4.3.4** you have received authorization to open the Hotel from the relevant governmental authority for the jurisdiction in which the Hotel is located, if applicable; and

**6.4.3.5** all fees and charges you owe to us or our Affiliates have been paid.

**6.4.4** Opening the Hotel before the Opening Date is a material breach of this Agreement.

**6.4.4.1** You will pay us Liquidated Damages in the amount of Five Thousand Dollars (\$5,000) per day if you open the Hotel before the Opening Date to compensate us for the damage caused by such breach. You must also reimburse us for all of our costs and expenses, including legal fees, incurred in enforcing our rights under this Agreement.

**6.4.4.2** These Liquidated Damages for damage to our Marks shall not limit or exclude any other remedies we may have at law or in equity. You acknowledge and agree that the Liquidated Damages payable under this Subsection represent a reasonable estimate of the minimum just and fair compensation for the damages we will suffer as the result of the opening of the Hotel before the Opening Date in material breach of this Agreement.

**6.5 Performance of Agreement.** You must satisfy all of the terms and conditions of this Agreement, and equip, supply, and otherwise make the Hotel ready to open under our Standards. As a result of your efforts to comply with the terms and conditions of this Agreement, you will incur significant expense and expend substantial time and effort. You acknowledge and agree that we will have no liability or obligation to you for any losses, obligations, liabilities or expenses you incur if we do not authorize the Hotel to open or if we terminate this Agreement because you have not complied with the terms and conditions of this Agreement.

## **6.6 Hotel Refurbishment and Room Addition.**

**6.6.1** We may periodically require you to modernize, rehabilitate and/or upgrade the Hotel's **[INSERT FOR PE, RU, EY: Package, fixtures, equipment, furnishings, furniture, signs, computer hardware and software and related equipment, supplies and other items to meet the then-current Standards.** You will make these changes at your sole cost and expense and in the time frame we require.

**6.6.2** You may not make any significant changes (including major changes in structure, design or décor) in the Hotel. **[INSERT FOR PE, RU, EY: As long as they do not change or affect Package requirements, [m/M]inor redecoration and minor structural changes that comply with our Standards will not be considered significant.**

**6.6.3** You may not make any change in the number of approved Guest Rooms in the Addendum without our prior consent. If you wish to add additional Guest Rooms to the Hotel after the Opening Date, you must submit an application to obtain our consent, pay our then-current Room Addition Fee, and execute an amendment to this Agreement in the form required by us. As a condition to our granting approval of your application, we may require you to modernize, rehabilitate or upgrade the Hotel in accordance with Subsection 6.6.1 of this Agreement, and to pay us our then-current PIP Fee to prepare a PIP to determine the renovation requirements for the Hotel.

## **7.0 MANAGEMENT OF THE HOTEL**

**7.1** You are solely responsible for the management of the Hotel's business, including (but not limited to) staffing the Hotel so that it can operate in accordance with the Standards. You will provide qualified and experienced management ("**Management Company**") **[IF APPLICABLE: at least six (6)**

months before the Opening Date]. Your Management Company must be approved by us in writing. We have the right to communicate directly with the Management Company and managers at the Hotel regarding the Hotel's operations and compliance with the Standards and/or this Agreement. We may rely on the communications of such managers or Management Company as being on your behalf. Any Management Company and its employees must have the authority to perform all of your obligations under this Agreement. The engagement of a Management Company does not reduce your obligations under this Agreement. In the case of any conflict between this Agreement and any agreement with the Management Company, this Agreement prevails.

**7.2** You represent and agree that you have not, and will not, enter into any lease, management agreement or other similar arrangement for the operation of the Hotel or any part of the Hotel without our prior written consent. To be approved by us as the operator of the Hotel, you, or any proposed Management Company, must be qualified to manage the Hotel. We may refuse to approve you or any proposed Management Company that is a Competitor or which, in our business judgment, is inexperienced, or unqualified in managerial skills or operating capability, or is unable or unwilling to adhere fully to your obligations under this Agreement.

**7.3** If your approved Management Company becomes a Competitor, resigns or is terminated by you, or otherwise becomes unsuitable or unqualified, in our sole business judgment, to manage the Hotel during the Term, you will have ninety (90) days to retain a substitute Management Company that is acceptable to us.

## **8.0 PAYMENT OF FEES**

**8.1 Monthly Fees.** Beginning on the Opening Date, you will pay to us for each month (or part of a month, including the final month you operate under this Agreement) the Monthly Fees, each of which is set forth in the Addendum.

### **8.2 Calculation and Payment of Fees.**

**8.2.1** The Monthly Fees will be calculated in accordance with the accounting methods of the then-current Uniform System of Accounts for the Lodging Industry, or as specified by us in the Manual.

**8.2.2** The Monthly Fees will be paid to us at the place and in the manner we designate on or before the fifteenth (15<sup>th</sup>) day of each month and will be accompanied by our standard schedule setting forth in reasonable detail the computation of the Monthly Fees for such month.

**8.2.3** We may require you to transmit the Monthly Fees and all other payments required under this Agreement by wire transfer or other form of electronic funds transfer and to provide the standard schedule in electronic form. You must bear all costs of wire transfer or other form of electronic funds transfer or other electronic payment and reporting.

**8.2.4** In the event of fire or other insured casualty that results in a reduction of Gross Rooms Revenue [**INSERT ONLY FOR HFS:** and Gross Food and Beverage Revenue], you will determine and pay us, from the proceeds of any business interruption or other insurance applicable to loss of revenues, an amount equal to the forecasted Monthly Fees, based on the Gross Rooms Revenue [**INSERT ONLY FOR HFS:** and Gross Food and Beverage Revenue] amounts agreed on between you and your insurance company that would have been paid to us in the absence of such casualty.

**8.2.5** [**INSERT ONLY FOR HFS:** If Hotel accommodations are bundled with food and beverage arrangements or other services when charged to the customer, you will make a good faith reasonable allocation of the resulting revenue between Gross Rooms Revenue and Gross Food and Beverage Revenue, consistent with the Uniform System of Accounts for the Lodging Industry.

**8.3 Other Fees.** You will timely pay or fund all amounts due us or any of our Affiliates for any invoices or for goods or services purchased by or provided to you or paid by us or any of our Affiliates on your behalf.

**8.4 Taxes.** If a Gross Receipts Tax is imposed on us or any of our Affiliates based on payments made by you related to this Agreement, then you must reimburse us or the affected Affiliates for such Gross Receipts Tax to ensure that the amount we or our Affiliates retain, after paying the Gross Receipts Tax, equals the net amount of the payments you are required to pay us or our Affiliates had such Gross Receipts Tax not been imposed. You are not required to pay income taxes payable by us or any of our Affiliates as a result of our net income relating to fees collected under this Agreement.

**8.5 Application of Fees.** We may apply any amounts received from you to any amounts due under this Agreement.

**8.6 Guaranty.** If we send you a written notice that you are in default of this Agreement for your failure to timely pay or fund all amounts due us or any of our Affiliates, then we may require, as an additional condition of curing the default, that you cause a third party that is acceptable to us to provide a guaranty covering all of your obligations under this Agreement in a form and substance that is acceptable to us.

**8.7 Set-off.** We may, without prior notice to you, set off any amounts due to us or any of our Affiliates by you or any of your Affiliates against any amounts that we or our Affiliates owe to you or your Affiliates, to the extent such amounts arise under this Agreement or any of Your Hotel Agreements, without waiving any other rights and remedies we or any of our Affiliates may have available under this Agreement or any of Your Hotel Agreements or otherwise.

## **9.0 PROPRIETARY RIGHTS**

### **9.1 Our Proprietary Rights.**

**9.1.1** You will not contest, either directly or indirectly during or after the Term:

**9.1.1.1** our (and/or any of our Affiliates') ownership of, rights to and interest in the System, Brand, Marks and any of their elements or components, including present and future distinguishing characteristics and agree that neither you nor any design or construction professional engaged by you may use our Standards, our Manual or your approved Plans and Designs for any hotel or lodging project other than the Hotel;

**9.1.1.2** our sole right to grant licenses to use all or any elements or components of the System;

**9.1.1.3** that we (and/or our Affiliates) are the owner of (or the licensee of, with the right to sub-license) all right, title and interest in and to the Brand and the Marks used in any form and in any design, alone or in any combination, together with the goodwill they symbolize; or

**9.1.1.4** the validity or ownership of the Marks.

**9.1.2** You acknowledge that these Marks have acquired a secondary meaning or distinctiveness which indicates that the Hotel, Brand and System are operated by or with our approval. All improvements and additions to, or associated with, the System, all Marks, and all goodwill arising from your use of the System and the Marks, will inure to our benefit and become our property (or that of our applicable Affiliates), even if you develop them. **[SELECT FOR EY, PE, PO:** You acknowledge that the following Principal Mark owned by us (or which we have the right to use and sublicense) is still pending federal registration as of the Effective Date:

**[SELECT FOR EY:**

Mark	Application Number	Registration Number	Registration Date
LIVSMART STUDIOS BY HILTON (word)	98109885	Pending	Pending

**[SELECT FOR PO:**

Mark	Application Number	Registration Number	Registration Date
TEMPO BY HILTON	88728872	Pending	Pending

**[SELECT FOR PE:**

Mark	Application Number	Registration Number	Registration Date
SPARK BY HILTON	97082445	Pending	Pending
SPARK BY HILTON (design)	97787737	Pending	Pending

**9.1.3** You agree not to directly or indirectly dilute the value of the goodwill attached to the Marks, the Brand or the System. You will not apply for or obtain any trademark or service mark registration of any of the Marks or any confusingly similar marks in your name or on behalf of or for the benefit of anyone else. You acknowledge that you are not entitled to receive any payment or other value from us or from any of our Affiliates for any goodwill associated with your use of the System or the Marks, or any elements or components of the System.

**9.2 Trade Name, Use of the Marks.**

**9.2.1 Trade Name.**

**9.2.1.1** The Hotel will be initially known by the Trade Name set forth in the Addendum. We may change the Trade Name, the Brand name and/or any of the Marks (but not the Principal Mark), or the way in which any of them (including the Principal Mark) are depicted, at any time at our sole option and at your expense. You may not change the Trade Name without our specific prior written consent.

**9.2.1.2** You acknowledge and agree that you are not acquiring the right to use any business names, copyrights, designs, distinguishing characteristics, domain names, emblems, insignia, logos, slogans, service marks, symbols, trademarks, trade dress, trade names or any other marks or characteristics owned by us or licensed to us that we do not specifically designate to be used in the System.

**9.3 Use of Trade Name and Marks.** You will operate under the Marks, using the Trade Name, at the Hotel. You will not adopt any other names or marks in operating the Hotel without our approval. You will not, without our prior written consent, use any of the Marks, or the word "Hilton," or other Network trademarks, trade names or service marks, or any similar words or acronyms, in:

**9.3.1** your corporate, partnership, business or trade name;

**9.3.2** any Internet-related name (including a domain name);

**9.3.3** or any business operated separately from the Hotel, including the name or identity of developments adjacent to or associated with the Hotel.

#### **9.4 Trademark Disputes.**

**9.4.1** You will immediately notify us of any infringement or dilution of or challenge to your use of any of the Marks and will not, absent a court order or our prior written consent, communicate with any other person regarding any such infringement, dilution, challenge or claim. We will take the action we deem appropriate with respect to such challenges and claims and have the sole right to handle disputes concerning use of all or any part of the Marks or the System. You will fully cooperate with us and our applicable Affiliates in these matters. We will reimburse you for expenses incurred by you as the direct result of activities undertaken by you at our prior written request and specifically relating to the trademark dispute at issue. We will not reimburse you for any other expenses incurred by you for cooperating with us or our Affiliates.

**9.4.2** You appoint us as your exclusive, true and lawful attorney-in-fact, to prosecute, defend and/or settle all disputes of this type at our sole option. You will sign any documents we or our applicable Affiliate believe are necessary to prosecute, defend or settle any dispute or obtain protection for the Marks and the System and will assign to us any claims you may have related to these matters. Our decisions as to the prosecution, defense or settlement of the dispute will be final. All recoveries made as a result of disputes regarding use of all or part of the System or the Marks will be for our account.

#### **9.5 Web Sites.**

**9.5.1** You may not register, own, or maintain any Sites that relate to the Network, or the Hotel, or that include the Marks. The only domain names, Sites, or Site contractors that you may use relating to the Hotel or this Agreement are those we assign or otherwise approve in writing. You acknowledge that you may not, without a legal license or other legal right, post on your Sites any material in which any third party has any direct or indirect ownership interest. You must incorporate on your Sites any information we require in the manner we deem necessary to protect our Marks.

**9.5.2** Any use of the Marks on any Site must conform to our requirements, including the identity and graphics Standards for all System hotels. Given the changing nature of this technology, we have the right to withhold our approval, and to withdraw any prior approval, and to modify our requirements.

#### **9.6 Covenant.**

**9.6.1** You agree, as a direct covenant with us and our Affiliates, that you will comply with all of the provisions of this Agreement related to the manner, terms and conditions of the use of the Marks and the termination of any right on your part to use any of the Marks. Any non-compliance by you with this covenant or the terms of this Agreement related to the Marks, or any unauthorized or improper use of the System or the Marks, will cause irreparable damage to us and/or our Affiliates and is a material breach of this Agreement.

**9.6.2** If you engage in such non-compliance or unauthorized and/or improper use of the System or the Marks during or after the Term, we and any of our applicable Affiliates, along with the successors and assigns of each, will be entitled to both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies we or our Affiliates may have at law. You consent to the entry of such temporary and permanent injunctions. You must pay all costs and expenses, including reasonable attorneys' fees, expert fees, costs and other expenses of litigation that we and/or our Affiliates may incur in connection with your non-compliance with this covenant.

## **10.0 REPORTS, RECORDS, AUDITS, AND PRIVACY**

### **10.1 Reports.**

**10.1.1** At our request, you will prepare and deliver to us the Reports containing the Operational Information (and any other information we reasonably require) in the form, manner and time frame we require. At a minimum, by the fifteenth (15<sup>th</sup>) day of each month, you will submit to us the Operational Information for the previous month, and reflecting the computation of the amounts then due under Section 8, in the form, manner and time frame we require.

**10.1.2** At our request, you will certify the Reports as accurate in the manner we require. You must permit us to inspect your books and records at all reasonable times.

**10.2 Maintenance of Records.** You will prepare, on a current basis, and preserve for no less than the greater of four (4) years or the time period stated in our record retention requirements, complete and accurate records concerning Gross Rooms Revenue and all financial, operating, marketing and other aspects of the Hotel. You will maintain an accounting system that fully and accurately reflects all financial aspects of the Hotel and its business. These records will include books of account, tax returns, governmental reports, register tapes, daily reports, and complete quarterly and annual financial statements (including profit and loss statements, balance sheets and cash flow statements), and will be prepared in the form, manner and time frame we require.

### **10.3 Audit.**

**10.3.1** We may require you to have the Gross Rooms Revenue, fees or other monies due to us computed and certified as accurate by a certified public accountant. During the Term, and for two (2) years thereafter, we and our authorized agents have the right to verify Operational Information required under this Agreement by requesting, receiving, inspecting and auditing, at all reasonable times, any and all records referred to above wherever the records may be located (or elsewhere if we request).

**10.3.2** If any inspection or audit reveals that you understated or underpaid any payment due to us, you will promptly pay to us the deficiency, plus interest from the date each payment was due until paid at the interest rate set forth in Section 16.15 of this Agreement.

**10.3.3** If the audit or inspection reveals that the underpayment is willful, or is for five percent (5%) or more of the total amount owed for the period being inspected, you will also reimburse us for all inspection and audit costs, including reasonable travel, lodging, meals, salaries and other expenses of the inspecting or auditing personnel. Our acceptance of your payment of any deficiency will not waive any rights we may have as a result of your breach, including our right to terminate this Agreement. If the audit discloses an overpayment, we will credit this overpayment against your future payments due under this Agreement, without interest, or, if no future payments are due under this Agreement, we will promptly pay you the amount of the overpayment without interest.

**10.4 Ownership of Information.** All information that we provide to you, including but not limited to Personal Information, for your use in connection with operating the Hotel during the Term is our property. You may not use any such information after the Term, except as expressly permitted by us in writing in the Standards or otherwise. All Information we obtain from you and all revenues we derive from such Information will be our property that we may use for any reason, including making a financial performance representation in our franchise disclosure documents. At your sole risk and responsibility, you may use Information that you acquire from third parties in connection with operating the Hotel, such as Personal Information (but not including any Personal Information obtained in connection with guest reservations or any loyalty or frequent guest program operated by us or our Affiliates), at any time during or after the Term, to the extent that your use is permitted by Law.

**10.5 Privacy and Data Protection.** You will:

**10.5.1** comply with all applicable Privacy Laws;

**10.5.2** comply with all Standards that relate to Privacy Laws and the privacy and security of Personal Information;

**10.5.3** refrain from any action or inaction that could cause us or our Affiliates to breach any Privacy Laws;

**10.5.4** do and execute, or arrange to be done and executed, each act, document and thing we deem necessary in our business judgment to keep us and our Affiliates in compliance with the Privacy Laws; and

**10.5.5** immediately report to us the theft or loss of Personal Information (other than the Personal Information of your own officers, directors, shareholders, employees or service providers).

**11.0 CONDEMNATION AND CASUALTY**

**11.1 Condemnation.** You must immediately inform us of any proposed taking of any portion of the Hotel by eminent domain. If, in our business judgment, the taking is significant enough to render the continued operation of the Hotel in accordance with the Standards and guest expectations impractical, then we may terminate this Agreement on written notice to you and you will not pay us Liquidated Damages **[SELECT FOR OL** or a Termination Fee]. If such taking, in our business judgment, does not require the termination of this Agreement, then you will make all necessary modifications to make the Hotel conform to its condition, character and appearance immediately before such taking, according to Plans and Designs approved by us. You will take all measures to ensure that the resumption of normal operations at the Hotel is not unreasonably delayed.

**11.2 Casualty.**

**11.2.1** You must immediately inform us if the Hotel is damaged by fire or other casualty or event of Force Majeure. If the damage or repair requires closing the Hotel, you may choose to repair or rebuild the Hotel according to the Standards, provided you: begin reconstruction within six (6) months after closing and reopen the Hotel for continuous business operations as soon as practicable (but in any event no later than eighteen (18) months after the closing of the Hotel) and give us at least thirty (30) days' notice of the projected date of reopening. Once the Hotel is closed, you will not promote the Hotel as a System Hotel or otherwise identify the Hotel using any of the Marks without our prior written consent.

**11.2.2** You and we each have the right to terminate this Agreement if you elect not to repair or rebuild the Hotel as set forth above in Subsection 11.2.1, provided the terminating Party gives the other Party sixty (60) days written notice. You are not required to pay Liquidated Damages **[SELECT FOR OL** or a Termination Fee] unless you or one of your Affiliates own and/or operate a hotel at the Hotel Site within three (3) years of the termination date under a lease, license or franchise from a Competitor.

**11.3 No Extensions of Term.** Nothing in this Section 11 will extend the Term.

**12.0 TRANSFERS**

**12.1 Our Transfer.**

**12.1.1** We may assign or Transfer this Agreement or any of our rights, duties, or assets under this Agreement, by operation of law or otherwise, to any person or legal entity without your consent, provided that any such person or legal entity shall be required to assume all of our obligations to permit you to operate the Hotel under the Brand after such assignment. Any of our Affiliates may transfer, sell, dispose



of, or otherwise convey, their ownership rights in us or any of our Affiliates, by operation of law or otherwise, including by public offering, to any person or legal entity without your consent.

**12.1.2** If we assign this Agreement to a third party who expressly assumes our obligations under this Agreement, we will no longer have any performance or other obligations to you under this Agreement and your right to use any programs, rights or services provided to you by us or our Affiliates under this Agreement will terminate.

**12.2 Your Transfer.** You understand and acknowledge that the rights and duties in this Agreement are personal to you and that we are entering into this Agreement in reliance on your business skill, financial capacity, and the personal character of you and your officers, directors, partners, members, shareholders or trustees. A Transfer by you (or by an Equity Owner as of the Effective Date, or by a transferee Equity Owner we later approve) of any Equity Interest, or this Agreement, or any rights or obligations under this Agreement, is prohibited other than as expressly permitted in this Agreement. In any Transfer by you or any Equity Owner under this Subsection 12.2, the proposed Transferee may not be a Sanctioned Person or a Competitor.

**12.2.1 Permitted Transfers.** We will permit you or any Equity Owner to engage in the Permitted Transfers set forth in this Subsection 12.2.1 if the Permitted Transfer meets the listed requirements. If a Permitted Transfer under Subsection 12.2.1.2 (requiring notice and our consent) otherwise qualifies as a Permitted Transfer under Subsection 12.2.1.1 (not requiring notice or our consent), the less restrictive provisions of Subsection 12.2.1.1 will control.

**12.2.1.1 Permitted Transfers That Do Not Require Notice or Our Consent.** We will permit you or any Equity Owner to engage in the following Permitted Transfers without giving notice or obtaining our consent if the Permitted Transfer meets the listed requirements.

**12.2.1.1.1 Publicly Traded Equity Interests.** A Publicly Traded Equity Interest may be Transferred.

**12.2.1.1.2 Privately Held Equity Interests: Less than 50% Change.** An Equity Interest that is not publicly traded may be Transferred if the transferee Equity Owner will own less than fifty percent (50%) of the Equity Interests, in total, immediately after the transaction(s) as a result of the transaction(s).

**12.2.1.1.3 Institutional Investment Funds. [IF APPLICABLE]** You may Transfer Equity Interests within [Insert Fund Entities (collectively, the “Fund Entities”) and Equity Interests in you to new fund entities or new managed accounts (collectively, “Future Funds”) if [Insert Name of Asset Manager] (“Asset Manager”) directly or indirectly, controls the Fund Entities or Future Funds.

**12.2.1.2 Permitted Transfers That Require Notice and Our Consent.** We will permit you or any Equity Owner to engage in the following Permitted Transfers if the Permitted Transfer meets the listed requirements. For Permitted Transfers under this Subsection, you must: (a) give us at least sixty (60) days’ advance written notice of the proposed Permitted Transfer (including the identity and contact information for any proposed transferee); (b) pay to us on request our then-current nonrefundable processing fee; (c) follow our then-current procedure for processing Permitted Transfers, including providing any information we may require in order to review the proposed Transfer and completing our then-current compliance process; and (d) execute our then-current standard documents required for processing Permitted Transfers.

**12.2.1.2.1 Affiliate Transfer.** You or any Equity Owner may Transfer an Equity Interest or this Agreement to an Affiliate.

**12.2.1.2.2 Transfers to a Family Member or Trust.** If you or any Equity Owner as of the Effective Date are a natural person, you and such Equity Owner may Transfer an

Equity Interest or this Agreement to an immediate family member (i.e., spouse, children, parents, siblings) or to a trust for your benefit or the benefit of the Equity Owner or the Equity Owner's immediate family members.

**12.2.1.2.3 Transfer on Death.** On the death of Franchisee or an Equity Owner who is a natural person, this Agreement or the Equity Interest of the deceased Equity Owner may Transfer in accordance with such person's will or, if such person dies intestate, in accordance with laws of intestacy governing the distribution of such person's estate, provided that: (a) the transfer on death is to an immediate family member or to a legal entity formed by such family member(s); and (b) within one (1) year after the death, such family member(s) or entity meet all of our then-current requirements for an approved Transferee.

**12.2.2 Change of Ownership Transfer.** A Change of Ownership Transfer is any Transfer that will result in a change of Control of you, the Hotel or the Hotel Site, or is not otherwise described in Subsection 12.2.1. We will have sixty (60) days from our receipt of the completed and signed franchise application to consent or withhold our consent to any proposed Change of Ownership Transfer. Our consent will not be unreasonably withheld. You consent to our communication with any third party we deem necessary about the Hotel in order for us to evaluate the proposed Change of Ownership Transfer. Our consent to the Change of Ownership Transfer is subject to the following conditions, all of which must be satisfied at or before the date of closing the Change of Ownership Transfer ("**Closing**"):

**12.2.2.1** Transferee submits a completed and signed Change of Ownership Application, pays our then-current franchise application fee, executes our then-current form of franchise agreement, and all required ancillary documents. If all conditions to our consent are fulfilled, the date of Closing will be the termination date of this Agreement, and the effective date of Transferee's franchise agreement;

**12.2.2.2** you are not in default of this Agreement or any other agreements with us or our Affiliates;

**12.2.2.3** you or Transferee pay to us, on or before the date of Closing, the PIP Fee, and all amounts due to us and our Affiliates through the date of the Closing. We will estimate the amounts due to us through the date of Closing, which you and the Transferee may agree to escrow, to be disbursed to us at Closing to fulfill this obligation. You must agree to escrow the estimated amounts due to us if we agree to execute any documents pursuant to Standard Operating Procedure 50 10 5(I) (or any equivalent or successor) of the United States Small Business Administration in connection with a Closing. If our estimate of the amounts due to us exceeds the amount actually owed to us, we will refund the difference to you, generally within thirty (30) days after the date of Closing;

**12.2.2.4** you conclude to our satisfaction, or provide adequate security for, any suit, action, or proceeding pending or threatened against you, us or any of our Affiliates with respect to the Hotel, which may result in liability on the part of us or any of our Affiliates;

**12.2.2.5** you, Transferee and/or Equity Owner(s) of Transferee, submit to us all information related to the Transfer that we require;

**12.2.2.6** Transferee meets our then-current business requirements for new franchisees; and

**12.2.2.7** Transferee agrees to indemnify, hold harmless, and defend us and our Affiliates against any inquiry, investigation, suit, action, or proceeding arising out of or in connection with any fees or costs charged to patrons or guests by you.

### **12.3 Public Offering or Private Placement.**

**12.3.1** Any offering by you of Securities requires our review if you use the Marks, or refer to us or this Agreement in your offering. All materials required by any Law for the offer or sale of those

Securities must be submitted to us for review at least sixty (60) days before the date you distribute those materials or file them with any governmental agency, including any materials to be used in any offering exempt from registration under any securities laws.

**12.3.2** You must submit to us a non-refundable Five Thousand Dollar (\$5,000) processing fee with the offering documents and pay any additional costs we may incur in reviewing your documents, including reasonable attorneys' fees.

**12.3.3** We have the right to approve any description of this Agreement or of your relationship with us, or any use of the Marks, contained in any prospectus, offering memorandum or other communications or materials you use in the sale or offer of any Securities. You may not use any of the Marks except as legally required to describe the Hotel in these documents. Our review of the documents will not in any way be considered our agreement with any statements contained in those documents, including any projections, or our acknowledgment or agreement that the documents comply with any Laws.

**12.3.4** You may not sell any Securities unless you clearly disclose to all purchasers and offerees that we, our Affiliates, and our or their respective officers, directors, agents or employees: (a) will not in any way be deemed an issuer or underwriter of the Securities, as those terms are defined in applicable securities laws; and (b) have not assumed and will not have any liability or responsibility for any financial statements, prospectuses or other financial information contained in any prospectus or similar written or oral communication. You may not state, represent, or imply that we, Hilton Worldwide, or any other of our Affiliates, participate in or endorse any Securities or any Securities offering in any manner whatsoever.

**12.3.5** You must indemnify, defend and hold the Indemnified Parties free and harmless of and from any and all liabilities, costs, damages, claims or expenses arising out of or related to the sale or offer of any of your Securities to the same extent as provided in Subsection 14.1 of this Agreement.

## **12.4 Mortgages and Pledges to Lending Institutions.**

**12.4.1** You or an Equity Owner may mortgage or pledge the Hotel or an Equity Interest to a lender that finances the acquisition, development or operation of the Hotel, without notifying us or obtaining our consent.

**12.4.2** You may request a "lender comfort letter" on behalf of your lender, which we will issue in a form satisfactory to us, subject to our right to charge our then-current non-refundable processing fee.

## **13.0 TERMINATION**

**13.1 Termination with Opportunity to Cure.** We may terminate this Agreement by written notice to you and opportunity to cure at any time before its expiration on any of the following grounds:

**13.1.1** You fail to pay us any sums due and owing to us or our Affiliates under this Agreement or to pay or fund any amounts due under any of Your Hotel Agreements within the cure period set forth in the notice, which shall not be less than ten (10) days;

**13.1.2** You fail to commence or complete the Hotel Work by the applicable deadline date, including any extensions, or fail to open the Hotel on the Opening Date, and do not cure that default within the cure period set forth in the notice, which shall not be less than ten (10) days;

**13.1.3** You do not purchase or maintain insurance required by this Agreement or do not reimburse us for our purchase of insurance on your behalf within the cure period set forth in the notice, which shall not be less than ten (10) days; or

**13.1.4** You fail to comply with any other provision of this Agreement, the Manual or any Standard and do not cure that default within the cure period set forth in the notice, which shall not be less than thirty (30) days.

**13.2 Immediate Termination by Us.** We may immediately terminate this Agreement on written notice to you and without any opportunity to cure the default if:

**13.2.1** after curing any material breach of this Agreement or the Standards, you engage in the same non-compliance within any consecutive twenty-four (24) month period, whether or not the non-compliance is corrected after notice, which pattern of non-compliance in and of itself will be deemed material;

**13.2.2** you receive three (3) notices of material default in any twelve (12) month period, even if the defaults have been cured;

**13.2.3** you fail to pay debts as they become due or admit in writing your inability to pay your debts or you make a general assignment for the benefit of your creditors;

**13.2.4** you have an order entered against you appointing a receiver for the Hotel or a substantial part of your or the Hotel's assets or you file a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, or dissolution under any law, or you admit or fail to contest the material allegations of any such pleading filed against you or the Hotel, and the action results in the entry of an order for relief against you under the Bankruptcy Code, the adjudication of you as insolvent, or the abatement of the claims of creditors of you or the Hotel under any law;

**13.2.5** you or your Guarantor lose possession or the right to possession of all or a significant part of the Hotel or Hotel Site for any reason other than those described in Section 11;

**13.2.6** you fail to operate the Hotel for five (5) consecutive days, unless the failure to operate is due to an event of Force Majeure, provided that you have taken reasonable steps to minimize the impact of such events;

**13.2.7** you contest in any court or proceeding our ownership of the System or any part of the System or the validity of any of the Marks;

**13.2.8** you or any Equity Owner with a controlling Equity Interest, or any of your Affiliates, employees, or Management Company, engage in conduct that we reasonably determine is likely to adversely reflect upon or affect in any manner the reputation, goodwill, or business of the Hotel, the System, us and/or any of our Affiliates;

**13.2.9** you conceal revenues, maintain false books and records of accounts, submit false reports or information to us or otherwise attempt to defraud us;

**13.2.10** any Transfer is not in compliance with Section 12 and its subparts;

**13.2.11** you, your Affiliate or any Guarantor become a Sanctioned Person or are owned or controlled by a Sanctioned Person or fail to comply with the provisions of Subsection 16.13;

**13.2.12** information is disclosed involving you or your Affiliates, which, in our business judgment, is likely to adversely reflect on or affect in any manner, any gaming licenses or permits held by us or our Affiliates or the then-current stature of us or any of our Affiliates with any gaming commission, board, or similar governmental or regulatory agency;

**13.2.13** any Guarantor breaches its guaranty to us;

**13.2.14** a threat or danger to public health or safety results from the construction, maintenance, or operation of the Hotel;

**13.2.15** you, your Affiliate or a Guarantor become a Competitor, except as otherwise permitted by Subsection 5.1.28; or

**13.2.16** any of Your Hotel Agreements is terminated based on a breach or default by you or your Affiliates.

**13.3 Interim Remedies.** If we send you a written notice that you are in default of this Agreement, we may elect to impose an Interim Remedy, including the suspension of our obligations under this Agreement and/or our or our Affiliates' obligations under Your Hotel Agreements.

**13.3.1** We may suspend the Hotel from the Reservation Service and any reservation and/or website services provided through or by us. We may remove the listing of the Hotel from any directories or advertising we publish. If we suspend the Hotel from the Reservation Service, we may divert reservations previously made for the Hotel to other System Hotels or Network Hotels.

**13.3.2** We may disable all or any part of the software provided to you under Your Hotel Agreements and/or may suspend any one or more of the information technology and/or network services that we provide or support under Your Hotel Agreements. We may charge you for costs related to suspending or disabling your right to use any software systems or technology we provided to you, together with intervention or administration fees as set forth in the Standards.

**13.3.3** We may revoke any financial accommodations (including but not limited to any Monthly Fee discounts, fee ramps or fee waivers) that we have granted and charge you the then-current standard fee or charge that would have otherwise applied absent the temporary financial accommodation.

**13.3.4** You agree that our exercise of the right to Interim Remedies will not result in actual or constructive termination or abandonment of this Agreement, and that our right to Interim Remedies is in addition to, and apart from, any other right or remedy we may have in this Agreement. If we exercise the right to Interim Remedies, the exercise will not be a waiver of any breach by you of any term, covenant or condition of this Agreement. You will not be entitled to any compensation, including repayment, reimbursement, refund or offsets, for any fees, charges, expenses or losses you may directly or indirectly incur by reason of our exercise and/or withdrawal of any Interim Remedy.

**[SELECT THE APPROPRIATE SUBPARAGRAPH 13.4; DELETE ALL HIGHLIGHTED LANGUAGE AND UPDATE TABLE OF CONTENTS]**

**[SELECT FOR ALL BRANDS EXCEPT OL:**

**13.4 Liquidated Damages on Termination.**

**13.4.1 Calculation of Liquidated Damages.** You acknowledge and agree that the premature termination of this Agreement will cause substantial damage to us. You agree that Liquidated Damages are not a penalty, but represent a reasonable estimate of the minimum just and fair compensation for the damages we will suffer as the result of your failure to operate the Hotel for the Term. If this Agreement terminates before the Expiration Date, you will pay us Liquidated Damages as follows:

**13.4.1.1 [DELETE IF COO/RL and insert: INTENTIONALLY DELETED]** If termination occurs before you begin the Hotel Work, and you or any Guarantor (or your or any Guarantor's Affiliates) directly or indirectly, enter into a franchise, license, management, lease and/or other similar agreement for or begin construction or commence operation of a hotel, motel, inn, or similar facility at the Hotel Site within one (1) year after termination, then you will pay us Liquidated Damages in an amount equal to **[SELECT FOR DT, ES, H2, HAM, HFS, HGI, HWS, PY, RU, UP, QQ** the System's Average

Monthly Royalty Fees multiplied by sixty (60).] [SELECT FOR PO, UAB \$13,000 multiplied by the number of approved Guest Rooms at the Hotel.] [SELECT FOR PE, EY \$10,000 multiplied by the number of approved Guest Rooms at the Hotel.]

**13.4.1.2** [DELETE IF COO/RL and insert: INTENTIONALLY DELETED] If termination occurs after you begin the Hotel Work but before the Opening Date, unless your failure to complete the Hotel Work was the result of Force Majeure, you will pay us Liquidated Damages in an amount equal to [SELECT FOR DT, ES, H2, HAM, HFS, HGI, HWS, PY, RU, UP, QQ the System's Average Monthly Royalty Fees multiplied by sixty (60).] [SELECT FOR PO, UAB \$13,000 multiplied by the number of approved Guest Rooms at the Hotel.] [SELECT FOR PE, EY \$10,000 multiplied by the number of approved Guest Rooms at the Hotel.]

**13.4.1.3** If termination occurs after the Opening Date but before the second anniversary of the Opening Date, you will pay us Liquidated Damages in an amount equal to [SELECT FOR DT, ES, H2, HAM, HFS, HGI, HWS, PY, RU, UP, QQ the greater of: (a) the Hotel's Average Monthly Royalty Fees multiplied by sixty (60); or (b) the System's Average Monthly Royalty Fees multiplied by sixty (60).] [SELECT FOR PO, UAB the greater of: (a) the Hotel's Average Monthly Royalty Fees multiplied by sixty (60); or (b) \$13,000 multiplied by the number of approved Guest Rooms at the Hotel.] [SELECT FOR PE, EY the greater of: (a) the Hotel's Average Monthly Royalty Fees multiplied by sixty (60); or (b) \$10,000 multiplied by the number of approved Guest Rooms at the Hotel.]

**13.4.1.4** If termination occurs after the second anniversary of the Opening Date but before the final sixty (60) calendar months of the Term, you will pay us Liquidated Damages in an amount equal to the Hotel's Average Monthly Royalty Fees multiplied by sixty (60).

**13.4.1.5** If there are fewer than sixty (60) months remaining in the Term on the date of termination, you will pay us Liquidated Damages in an amount equal to the Hotel's Average Monthly Royalty Fees multiplied by the number of months remaining in the Term.

**13.4.2 Payment of Liquidated Damages.** Payment of Liquidated Damages is due thirty (30) days following termination of this Agreement or on demand.

[SELECT FOR OL:

#### **13.4 Termination Fee on Termination**

**13.4.1 Termination Fee.** You agree that if this Agreement is terminated by us under this Section 13, you will pay a termination Fee equal to:

- (a) \$25,000 multiplied by the number of approved guest Rooms at the Hotel if termination occurs (i) before you begin the Hotel Work, and you or any Guarantor (or your or any Guarantor's Affiliates) directly or indirectly, enter into a franchise, license, management, lease and/or other similar agreement for or begin construction or commence construction operation of a hotel, motel, inn, or similar facility at the Hotel Site within one (1) year after termination, or (ii) after you begin the Hotel Work but before the Opening Date, unless your failure to complete the Hotel Work was the result of Force Majeure:
- (b) The greater of: (i) the Hotel's Average Monthly Royalty Fees multiplied by sixty (60); or (ii) an amount equal to \$25,000 multiplied by the number of approved Guest Rooms at the Hotel, if termination occurs on or after the Opening Date but before the second anniversary of the Opening Date; or
- (c) The Hotel's Average Monthly Royalty Fees (i) multiplied by sixty (60) if termination occurs after the second anniversary of the Opening Date but before the final sixty (60) calendar months of

the Term, or (ii) multiplied by the number of months remaining in the Term if there are fewer than sixty (60) months remaining in the Term on the date of termination.

You acknowledge and agree that this Termination Fee is an agreed fee and does not represent a penalty or liquidated damages. You further acknowledge and agree that this Termination Fee does not constitute or create, expressly or impliedly, any right or option for you to terminate this Agreement before the Expiration Date.

**13.4.2. Payment of Termination Fee.** You must pay the Termination Fee within (30) days after termination of this Agreement or on demand.]

**13.5 Actual Damages Under Special Circumstances. [SELECT FOR ALL BRANDS EXCEPT OL:** You acknowledge that the Liquidated Damages described in Subsection 13.4 may be inadequate to compensate us for additional harm we may suffer, by reason of greater difficulty in re-entering the market, competitive damage to the System or the Network, damage to goodwill of the Marks, and other similar harm, as we reserve the right to seek actual damages in lieu of Liquidated Damages under the following circumstances: **[SELECT FOR OL:** You agree that we may elect to seek actual damages in lieu of the Termination Fee under Section 13.4 above, in our sole and absolute discretion, under the following circumstances:

**13.5.1** within twelve (12) months of each other, **[SELECT FOR DT, ES, HFS, OL, PY, QQ: two (2)] [SELECT FOR HGI, H2, HWS, PO, UP, EY: five (5)] [SELECT FOR HAM, HIS, PE, RU, UAB: seven (7)]** or more franchise agreements for the Brand between yourself (or any of your Affiliates) and us (or any of our Affiliates) terminate before their expiration date as a result of a breach by you or your Affiliate; or

**13.5.2** this Agreement terminates due to an unapproved Transfer: (a) to a Competitor, or (b) to a buyer that converts the Hotel to a Competing Brand within two (2) years from the date this Agreement terminates.

**13.6 Your Obligations on Termination or Expiration.** On termination or expiration of this Agreement, you will immediately:

**13.6.1** pay all sums due and owing to us or any of our Affiliates, including any expenses incurred by us in obtaining injunctive relief for the enforcement of this Agreement;

**13.6.2** cease operating the Hotel as a System Hotel and cease using the System;

**13.6.3** cease using the Marks, the Trade Name, and any confusingly similar names, marks, trade dress systems, insignia, symbols, or other rights, procedures, and methods. You will deliver all goods and materials containing the Marks to us and we will have the sole and exclusive use of any items containing the Marks. You will immediately make any specified changes to the location as we may reasonably require for this purpose, which will include removal of the signs, custom decorations, and promotional materials;

**13.6.4** cease representing yourself as then or formerly a System Hotel or affiliated with the Brand or the Network;

**13.6.5** return all copies of the Manual and any other Proprietary Information to us;

**13.6.6** cancel all assumed name or equivalent registrations relating to your use of any Mark, notify the telephone company and all listing agencies and directory publishers including Internet domain name granting authorities, Internet service providers, global distribution systems, and web search engines of the termination or expiration of your right to use the Marks, the Trade Name, and any telephone number, any classified or other telephone directory listings, Internet domain names, uniform resource

locators, website names, electronic mail addresses and search engine metatags and keywords associated with the Hotel, and authorize their transfer to us; and

**13.6.7** irrevocably assign and transfer to us (or to our designee) all of your right, title and interest in any domain name listings and registrations that contain any reference to our Marks, System, Network or Brand; notify the applicable domain name registrars of the termination of your right to use any domain name or Sites associated with the Marks or the Brand; and authorize and instruct the cancellation of the domain name, or transfer of the domain name to us (or our designee), as we specify. You will also delete all references to our Marks, System, Network or Brand from any Sites you own, maintain or operate beyond the expiration or termination of this Agreement.

## **14.0 INDEMNITY**

**14.1** Beginning on the Effective Date, you must indemnify the Indemnified Parties against, and hold them harmless from, all losses, costs, liabilities, damages, claims, and expenses, including reasonable attorneys' fees, expert fees, costs and other expenses of litigation arising out of or resulting from:

**14.1.1** any breach by you of this Agreement, the Manual or the Standards;

**14.1.2** any act or omission of you or your officers, employees, Affiliates, associates or agents in any way arising out of or relating to this Agreement;

**14.1.3** any claimed occurrence at the Hotel including personal injury, death or property damage;

**14.1.4** your alleged or actual infringement or violation of any copyright, industrial design, patent, service mark, trademark or other proprietary right owned or controlled by third parties;

**14.1.5** your alleged or actual violation or breach of any contract (including any group sales agreement for the System), any Law, or any industry standard;

**14.1.6** any business conducted by you or a third party in, on or about the Hotel or Hotel Site;

**14.1.7** your failure to comply with Subsection 16.13, including a breach of the representations set forth therein; and

**14.1.8** any inquiry, investigation, suit, action, or proceeding arising out of or in connection with any fees or costs charged to patrons or guests by you, and if you acquired the Hotel in a Change of Ownership Transfer, by the previous owner (your transferor) before you acquired ownership of the Hotel.

**14.2** You do not have to indemnify an Indemnified Party to the extent damages otherwise covered under this Section 14 are adjudged by a final, non-appealable judgment of a court of competent jurisdiction to have been solely the result of the gross negligence or willful misconduct of that Indemnified Party, and not any of the acts, errors, omissions, negligence or misconduct of you or anyone related to you or the Hotel. You may not rely on this exception to your indemnity obligation if the claims were asserted against us or any other Indemnified Party on the basis of theories of imputed or secondary liability, such as vicarious liability, agency, or apparent agency, or our failure to compel you to comply with the provisions of this Agreement, including compliance with Standards, Laws or other requirements.

**14.3** You will give us written notice of any action, suit, proceeding, claim, demand, inquiry or investigation involving an Indemnified Party within five (5) days of your knowledge of it. At our election, you will defend us and/or the Indemnified Parties against the same. If you fail to defend us and/or the Indemnified Parties, we may elect to assume, but under no circumstance will we be obligated to undertake,



the defense and/or settlement of the action, suit, proceeding, claim, demand, inquiry or investigation at your expense and risk.

**14.4** If we think our respective interests conflict, we may obtain separate counsel of our choice. This will not diminish your obligation to indemnify the Indemnified Parties and to hold them harmless. You will reimburse the Indemnified Parties on demand for all expenses, including reasonable attorneys' fees, expert fees, costs and other expenses of litigation, the Indemnified Parties incur to protect themselves or to remedy your defaults. The Indemnified Parties will not be required to seek recovery from third parties or otherwise mitigate their losses to maintain a claim against you, and their failure to do so will not reduce the amounts recoverable from you by the Indemnified Parties.

**14.5** Your obligations under this Section 14 will survive expiration or termination of this Agreement.

## **15.0 RELATIONSHIP OF THE PARTIES**

**15.1 No Agency Relationship.** You are an independent contractor. Neither Party is the legal representative or agent of the other Party. Neither Party has the power to obligate the other Party for any purpose. You acknowledge that: (a) we do not direct, supervise, manage, dictate, or control (or have, retain, or exercise any right to control), labor or employment matters for you or your employees; (b) we do not set (or have, retain, or exercise any right to set) any terms or conditions of employment for your employees; (c) the training we require is for the purpose of enabling you to ensure that your Hotel operates in compliance with our Standards; and (d) you have exclusive control over your daily affairs. You expressly acknowledge that the Parties have a business relationship based entirely on, and defined by, the express provisions of this Agreement and that no partnership, joint venture, agency, fiduciary, employment, or joint-employment relationship is intended or created by reason of this Agreement.

By entering into this Agreement, we make no representations regarding, and do not intend to obtain, retain, or reserve control over, the essential terms and conditions of employment of you or your employees, or your Management Company or their employees (if applicable). Franchisees are independent contractors and independent employers and we do not and will not have, retain, or exercise any authority over your employment-related policies or procedures. You are solely responsible for overseeing any and all employment-related policies and procedures for your employees in the operation of your Hotel business.

**15.2 Notices Concerning Your Independent Status.** All contracts for the Hotel's operations and services at the Hotel will be in your name or in the name of your Management Company. You will not enter into or sign any contracts in our name or any of our Affiliates' names or use the Marks or any acronyms or variations of the Marks. You will disclose in all dealings with the public and your employees, agents, contractors, suppliers and other third parties that: (a) you are the Hotel's owner; (b) you are an independent entity; (c) you are the employer, principal, or contracting party (as applicable); and (d) we are not responsible for your liabilities or debts in any manner whatsoever.

## **16.0 MISCELLANEOUS**

### **16.1 Severability and Interpretation.**

**16.1.1** If any provision of this Agreement is held to be unenforceable, void or voidable, that provision will be ineffective only to the extent of the prohibition, without in any way invalidating or affecting the remaining provisions of this Agreement, and all remaining provisions will continue in effect, unless the unenforceability of the provision frustrates the underlying purpose of this Agreement. If any provision of this Agreement is held to be unenforceable due to its scope, but may be made enforceable by limiting its scope, the provision will be considered amended to the minimum extent necessary to make it enforceable.

**16.1.2** This Agreement will be interpreted without interpreting any provision in favor of or against either Party by reason of the drafting of the provision, or either of our positions relative to the other.

**16.1.3** Any covenant, term or provision of this Agreement that provides for continuing obligations after the expiration or termination of this Agreement will survive any expiration or termination.

## **16.2 Governing Law, Jurisdiction and Venue.**

**16.2.1** The Parties agree that, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. ¶ 1050 et seq.), as amended, this Agreement will be governed by the laws of the State of New York without recourse to New York choice of law or conflicts of law principles. Nothing in this Section is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant," unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state that would not otherwise apply absent this Subsection 16.2.1.

**16.2.2** The Parties agree that any action brought pursuant to this Agreement or the relationship between them must be brought in the U.S. District Court for the Eastern District of Virginia, in Alexandria, Virginia, or if that court lacks subject matter jurisdiction, then in a court of competent jurisdiction whose jurisdiction includes either Fairfax County, Virginia or New York, New York, or in the county and state where the Hotel is located. You consent to personal jurisdiction and venue in each of these jurisdictions and waive, and agree not to assert, move or otherwise claim that the venue in any of these jurisdictions is for any reason improper, inconvenient, prejudicial or otherwise inappropriate.

**16.3 Exclusive Benefit.** This Agreement is exclusively for our and your benefit, and none of the obligations of you or us in this Agreement will run to, or be enforceable by, any other party (except for any rights we assign or delegate to one of our Affiliates or covenants in favor of our Affiliates, which rights and covenants will run to and be enforceable by our Affiliates or their successors and assigns) or give rise to liability to a third party, except as otherwise specifically set forth in this Agreement.

**16.4 Entire Agreement.** This Agreement and all of its attachments, documents, schedules, exhibits, and any other information specifically incorporated into this Agreement by reference will be construed together as the entire agreement between you and us with respect to the Hotel and any other aspect of our relationship and will supersede and cancel any prior and/or contemporaneous discussions or writings between you and us. You acknowledge that you have entered into this Agreement as a result of your own independent investigation and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, developers, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law. However, nothing in this Section 16.4, this Agreement, or in any of Your Hotel Agreements is intended to disclaim the representations we made in any franchise disclosure document that we furnished to you.

## **16.5 Amendment and Waiver.**

**16.5.1** No change, termination, or attempted waiver or cancellation of any provision of this Agreement will bind us unless it is in writing, specifically designated as an amendment or waiver, and signed by one of our officers. We may condition our agreement to any amendment or waiver on receiving from you, in a form satisfactory to us, an estoppel and general release of claims that you may have against us, our Affiliates, and related parties.

**16.5.2** No failure by us or by any of our Affiliates to exercise any power given us under this Agreement or to insist on strict compliance by you with any of your obligations, and no custom or practice at variance with the terms of this Agreement, will be considered a waiver of our or any of our Affiliates' right to demand exact compliance with the terms of this Agreement.

## **16.6 Consent; Business Judgment.**

**16.6.1** Wherever our consent or approval is required in this Agreement, unless the provision specifically indicates otherwise, we have the right to withhold our approval at our option, in our

business judgment, taking into consideration our assessment of the long-term interests of the System overall. We may withhold any and all consents or approvals required by this Agreement if you are in default or breach of this Agreement. Our approvals and consents will not be effective unless given in writing and signed by one of our duly authorized representatives.

**16.6.2** You agree not to make a claim for money damages based on any allegation that we have unreasonably withheld or delayed any consent or approval to a proposed act by you under the terms of this Agreement. You also may not claim damages by way of set-off, counterclaim or defense for our withholding of consent. Your sole remedy for the claim will be an action or proceeding to enforce the provisions of this Agreement by specific performance or by declaratory judgment.

**16.7 Notices.** All notices under this Agreement must be in writing.

**16.7.1 Principal Legal Correspondent (“PLC”).** You must designate a single Person to be your duly authorized representative to issue and receive notices as described in Subsection 16.7.2. Your designee will be your PLC under this Agreement. You may have only one PLC. The notice address for your PLC may not be a P.O. Box, and the notice address for your PLC may not be the same as the Hotel address. The notice address for your PLC will be set forth initially on the Addendum to this Agreement. If you want to change the person designated as your PLC, or the address or email for notice to your PLC, you may do so at any time by sending a notice to us in accordance with Subsection 16.7.3 or as otherwise directed by us.

**16.7.2 Notices of Default and Termination, or Threatened Litigation.** Any notice from you or from us declaring default of a provision of this Agreement, or potential or final termination of this Agreement, must be delivered in person, or by prepaid overnight courier delivery service, or by prepaid overnight United States mail, or by prepaid certified United States mail, return-receipt requested, if overnight delivery is not available to the notice address. We will send notices under this Subsection only to your PLC. You must send notices to us under this Subsection as follows: Hilton Franchise Holding LLC, Attention: General Counsel, 7930 Jones Branch Drive, Suite 1100, McLean, VA 22102. Notice sent under this Subsection will be deemed effective on the earlier of: (a) receipt, or first refusal of delivery; (b) one (1) day after posting, if sent by overnight commercial delivery service or overnight United States Mail; or (c) three (3) days after placement in United States certified mail, return receipt requested.

**16.7.3 Other Notices:** If a Party wishes to send a notice to the other Party regarding any issue other than those issues specified in Subsection 16.7.2, the Party may send the notice by any method described in Subsection 16.7.2, or by email. You may send notices under this Subsection to us to: [Legal.Development@hilton.com](mailto:Legal.Development@hilton.com) or such other email address as we may periodically designate by notice to you. You may periodically designate additional Persons to receive other types of notices from us by the methods we periodically specify. We may send notices to you under this Subsection to the email address designated for your PLC, or to the email address for other persons you designate for these notices.

**16.8 General Release.** With the exception of claims related to representations contained in the franchise disclosure document for the Brand, you, on your own behalf and on behalf of, as applicable, your officers, directors, managers, employees, heirs, administrators, executors, agents and representatives and their respective successors and assigns hereby release, remise, acquit and forever discharge us and our Affiliates and our and their respective officers, directors, employees, managers, agents, representatives and their respective successors and assigns from any and all actions, claims, causes of action, suits, rights, debts, liabilities, accounts, agreements, covenants, contracts, promises, warranties, judgments, executions, demands, damages, costs and expenses, whether known or unknown at this time, of any kind or nature, absolute or contingent, existing at law or in equity, on account of any matter, cause or thing whatsoever that has happened, developed or occurred relating to this Agreement or the relationship between you and us on or before the Effective Date of this Agreement. This release will survive the termination of this Agreement.

**16.9 Remedies Cumulative.** The remedies provided in this Agreement are cumulative. These remedies are not exclusive of any other remedies that you or we may be entitled to in case of any breach or threatened breach of the terms and provisions of this Agreement.

**16.10 Economic Conditions Not a Defense.** Neither general economic downturn or conditions nor your own financial inability to perform the terms of this Agreement will be a defense to an action by us or one of our Affiliates for your breach of this Agreement.

**16.11 Representations and Warranties.** You warrant, represent and agree that all statements in your franchise application in anticipation of the execution of this Agreement, and all other documents and information submitted to us by you or on your behalf are true, correct and complete as of the date of this Agreement. You further represent and warrant to us that:

**16.11.1** you have independently investigated the risks of operating the Hotel under the Brand, including current and potential market conditions and competitive factors and risks, and have made an independent evaluation of all such matters and reviewed our franchise disclosure document, if applicable;

**16.11.2** neither we nor our representatives have made any promises, representations or agreements other than those provided in the Agreement or in our franchise disclosure document provided to you in connection with the offer of this Agreement, if applicable, and you acknowledge that you are not relying on any promises, representations or agreements about us or the franchise not expressly contained in this Agreement in making your decision to sign this Agreement;

**16.11.3** you have the full legal power authority and legal right to enter into this Agreement;

**16.11.4** this Agreement constitutes a legal, valid and binding obligation and your entry into, performance and observation of this Agreement will not constitute a breach or default of any agreement to which you are a party or of any Law;

**16.11.5** if you are a corporation, limited liability company, or other entity, you are, and throughout the Term will be, duly formed and validly existing, in good standing in the state in which you are organized, and are and will be authorized to do business in the state in which the Hotel is located;

**16.11.6** no Equity Interest has been issued, converted to, or is held as, bearer shares or any other form of ownership, for which there is no traceable record of the identity of the legal and beneficial owner of such Equity Interest; and

**16.11.7** you hereby indemnify and hold us harmless from any breach of these representations and warranties, which will survive the termination of this Agreement.

**16.12 Counterparts.** This Agreement may be signed in counterparts, each of which will be considered an original, and the Parties agree to conduct the transaction by electronic means.

**16.13 Sanctioned Persons and Anti-bribery Representations and Warranties.**

**16.13.1** You represent, warrant and covenant to us and our Affiliates, on a continuing basis, that:

**16.13.1.1** neither you, nor any Person having Control over you or the Hotel, is a Sanctioned Person;

**16.13.1.2** you have not and will not obtain, receive, transfer or provide any funds, property, debt, equity, or other financing related to this Agreement and the Hotel or Hotel Site to/from a Sanctioned Person;

**16.13.1.3** neither you, nor any Person having Control over you or the Hotel, has been convicted of, pleaded guilty to, or otherwise been adjudged liable for any violation of laws, ordinances, rules or regulations that pertain to bribery or corruption, money laundering, competition, securities or financial fraud, trade sanctions or export controls, human trafficking, sex trade, or forced labor;

**16.13.1.4** any funds received or paid in connection with entry into or performance of this Agreement have not been and will not be derived from illegal sources or activities, or commingled with illegal funds, and that you are not engaging in this transaction in furtherance of a criminal act;

**16.13.1.5** in preparation for and in entering into this Agreement, neither you, nor any Person having Control over you or the Hotel, has made any Improper Payment or engaged in any acts or transactions otherwise in violation of any applicable Anti-Corruption Laws, and, in connection with this Agreement or the performance of your obligations under this Agreement, neither you nor any Person having Control over you or the Hotel will directly or indirectly make, offer to make, or authorize any Improper Payment or engage in any acts or transactions otherwise in violation of any applicable Anti-Corruption Laws;

**16.13.1.6** neither you, nor any Person having Control over you or the Hotel who may be considered a Government Entity or Government Official, improperly uses their status or position to influence official actions or decisions or to secure any improper advantages to or for the benefit of the Hotel or us; and

**16.13.1.7** you will assure that your respective appointed agents (including any Management Company) in relation to this Agreement comply in all material respects with the representations, warranties, and covenants described in this Subsection 16.13.

**16.13.2** You will notify us in writing immediately on the occurrence of any event which would render the foregoing representations and warranties of this Subsection 16.13 incorrect.

**16.13.3** If we believe that you may not be in compliance with any of the covenants, representations and warranties set forth in this Subsection 16.13, we will advise you of our belief, and you must (a) cooperate with any and all reasonable information and documentation requests and inquiries, including requests for execution of certificates of compliance, and (b) permit, on reasonable prior notice, at all reasonable times, inspection of the books and records pertaining to the development, ownership, management, and use of the Hotel.

**16.14 Attorneys' Fees and Costs.** If either Party is required to employ legal counsel or to incur other expenses to enforce any provision of this Agreement or defend any claim by the other, then the prevailing Party in any resulting dispute will be entitled to recover from the non-prevailing Party the amount of all reasonable fees of attorneys and experts, court costs, and all other expenses incurred in enforcing such obligation or in defending against such claim, demand, action, or proceeding.

**16.15 Interest.** Any sum owed to us or our Affiliates by you or paid by us, or our Affiliates on your behalf, will bear interest from the date due until paid by you at the rate of eighteen percent (18%) per annum or, if lower, the maximum lawful rate.

**16.16 Successors and Assigns.** The terms and provisions of this Agreement will inure to the benefit of and be binding on the permitted successors and assigns of the Parties.

**16.17 Our Delegation of Rights and Responsibility.** In addition to the rights granted to us in Section 4 and Subsection 12.1 of this Agreement, we reserve the right to delegate to one or more of our Affiliates at any time, any and all of our rights, obligations or requirements under this Agreement, and to require that you submit any relevant materials and documents otherwise requiring approval by us under this Agreement to such Affiliates, in which case approval by such Affiliates will be conclusively deemed to

be approval by us. During the period of such delegation or designation, any act or direction by such Affiliates with respect to this Agreement will be deemed the act or direction of us. We may revoke any such delegation or designation at any time. You acknowledge and agree that such delegation may result in one or more of our Affiliates which operate, license, or otherwise support brands other than the Brand, exercising or performing on our behalf any or all rights, obligations or requirements under this Agreement or performing shared services on our behalf.

**16.18 Confidentiality of Negotiated Terms.** You agree that you will not disclose to any Person the content of any negotiated terms of this Agreement or Your Hotel Agreements without our prior consent except: (1) as required by Law; (2) as may be required in any legal proceedings; and (3) to those of your officers, directors, managers, members, shareholders, employees, attorneys, accountants, agents or lenders to the extent necessary for the operation or financing of the Hotel, and only if you inform such Persons of the confidentiality of the negotiated provisions. Any disclosure of negotiated terms by you, or by any such Persons, without our consent will be deemed a default under this Agreement.

## **17.0 WAIVER OF JURY TRIAL AND PUNITIVE DAMAGES**

**17.1 IF EITHER PARTY INITIATES LITIGATION INVOLVING THIS AGREEMENT OR ANY ASPECT OF THE RELATIONSHIP BETWEEN THE PARTIES (EVEN IF OTHER PARTIES OR OTHER CLAIMS ARE INCLUDED IN SUCH LITIGATION), ALL THE PARTIES WAIVE THEIR RIGHT TO A TRIAL BY JURY.**

**17.2 IN ANY DISPUTE BETWEEN THE PARTIES, ARISING OUT OF OR RELATED TO THIS AGREEMENT, ANY BREACH OF THIS AGREEMENT, OR THE RELATIONSHIP BETWEEN THE PARTIES, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ALL PARTIES WAIVE ANY RIGHT THEY MAY HAVE TO PUNITIVE OR EXEMPLARY DAMAGES FROM THE OTHER. NOTHING IN THIS SECTION LIMITS OUR RIGHT OR THE RIGHT OF AN INDEMNIFIED PARTY TO BE INDEMNIFIED AGAINST THE PAYMENT OF PUNITIVE OR EXEMPLARY DAMAGES TO A THIRD PARTY. [SELECT FOR ALL BRANDS EXCEPT OL: THE PARTIES ACKNOWLEDGE THAT LIQUIDATED DAMAGES PAYABLE BY YOU UNDER THIS AGREEMENT (WHETHER PRE-OPENING LIQUIDATED DAMAGES OR LIQUIDATED DAMAGES FOR EARLY TERMINATION) ARE NOT PUNITIVE OR EXEMPLARY DAMAGES.] [SELECT FOR OL: THE PARTIES ACKNOWLEDGE THAT ANY LIQUIDATED DAMAGES OR TERMINATION FEE PAYABLE BY YOU UNDER THIS AGREEMENT (WHETHER PRE-OPENING LIQUIDATED DAMAGES OR A TERMINATION FEE FOR EARLY TERMINATION) ARE NOT PUNITIVE OR EXEMPLARY DAMAGES.]**

## **18.0 ACKNOWLEDGEMENT OF EXEMPTION**

You represent and acknowledge that:

**18.1** The franchise sale is for more than One Million Two Hundred and Thirty Three Thousand Dollars (\$1,233,000) - excluding the cost of unimproved land and any financing received from Franchisor or an Affiliate - and thus is exempted from the Federal Trade Commission's Franchise Rule disclosure requirements, pursuant to 16 C.F.R. 436.8(a)(5)(i); and at least one person has invested One Million Two Hundred and Thirty Three Thousand Dollars (\$1,233,000) in the Hotel or the Hotel Site; or

**18.2** You and/or your Affiliates have been in business for at least five (5) years and have a net worth of at least Six Million One Hundred Sixty Five Thousand Five Hundred Dollars (\$6,165,500) and this franchise sale is thus exempt from disclosure requirements within the meaning of 16 C.F.R. 436.8(a)(5)(ii); and

**18.3** As a result, this franchise sale is exempt under federal and state franchise law.

[SELECT THE APPROPRIATE PARAGRAPH 19; DELETE ALL HIGHLIGHTED LANGUAGE AND UPDATE TABLE OF CONTENTS]

## 19.0 NOTICE OF INTENT TO MARKET

[SELECT FOR ALL BRANDS EXCEPT HFS: Except in the case of a Transfer governed by Subsection 12.2.1 of this Agreement, if you or a Controlling Affiliate want to Transfer any Equity Interest, you must give us written notice, concurrently with beginning your marketing efforts.]

## 19.0 RIGHT OF FIRST OFFER [SELECT FOR HFS:

**19.1** Except in the case of a Transfer governed by Subsection 12.2.1 of this Agreement, if you or a Controlling Affiliate wants to Transfer any Equity Interest, or you or a Controlling Affiliate receive an unsolicited bona fide offer from a third party to purchase or lease the Hotel or Hotel Site or an interest in it ("**Marketed Interest**"), you or the Controlling Affiliate shall notify us in writing of such offer ("**ROFO Notice**"). The ROFO Notice shall describe the Marketed Interest and state the intended sales or lease price and all terms and conditions of the proposed sale or lease. You or the Controlling Affiliate will provide us with all information and documentation relating to the Marketed Interest that we request.

**19.2** We or our designee(s) shall have the right, exercisable within thirty (30) days after receipt of all requested documentation and information from you ("**Option Period**"), to either make an offer to purchase or lease the Marketed Interest ("**Our Offer**") or waive our right to make an offer. During the Option Period, you may not change any of the terms and conditions in the ROFO Notice, and must deal exclusively with us or our designee(s).

**19.3** You will have twenty (20) days after receiving Our Offer to accept or reject Our Offer in writing. If Our Offer is for a price equal to or greater than stated in the notice and is on substantially similar terms and conditions as (or is more favorable than) those stated in the ROFO Notice, then you must accept Our Offer. If you do not accept Our Offer within twenty (20) days, it is deemed rejected.

**19.4** If you accept Our Offer, we or our designee and you will enter into an agreement and complete the transaction for the purchase or lease of the Marketed Interest at the price and on the terms and conditions of Our Offer within sixty (60) days of your written acceptance (the "**60-day Period**"). You will not offer the Hotel or Hotel Site to any third party during the 60-day Period. If the parties are unable to reach agreement despite good faith negotiations in the 60-day Period, you will be deemed to have rejected Our Offer.

**19.5** If you do not accept Our Offer, or it is deemed rejected, or we waive our right to make an offer, for two hundred seventy (270) days (the "**270-day Period**"), you or a Controlling Affiliate may Transfer the Marketed Interest to a third party for a price greater than and/or on more favorable terms than the price and terms stated in Our Offer, but you or a Controlling Affiliate must comply with the Transfer provisions in Section 12.2.3 of this Agreement. If you or a Controlling Affiliate proposes to Transfer the Marketed Interest at a lesser price or on less favorable terms during the 270-day Period, then you must again give us notice of the proposed sale or lease and comply with the provisions of this Section 19.

[INCLUDE ONLY IF KEY MONEY GRANTED / DELETE OTHERWISE AND UPDATE TOC]

## 20.0 KEY MONEY/DEVELOPMENT INCENTIVE NOTE

You and any co-makers must execute the Development Incentive Note attached to this Agreement as Exhibit [ ] contemporaneously with your execution of this Agreement. We will pay to you [ ] Dollars (\$ ) as a development incentive within thirty (30) days after you open the Hotel under the Brand with our consent if: (a) there have been no material adverse changes in your business, finances, legal, litigation, or bankruptcy status since approval; (b) you have completed any PIP; and (c) you paid the Franchise Application Fee.

In connection with this Agreement or the performance of its obligations under this Agreement, you will not use any portion of the development incentive to make, provide, offer to make, or authorize, directly or indirectly, an Improper Payment or engage in any acts or transactions otherwise violating any Anti-Corruption Laws. If we have any basis for a reasonable belief that you have used the development incentive in violation of any Anti-Corruption Laws, we will advise you of this belief and you will cooperate with any and all reasonable information and document requests and inquiries, including requests for execution of certificates of compliance, and permit, on reasonable prior notice, at all reasonable times, inspection of the books and records pertaining to the development, ownership, management and use of the Hotel.



**ADDENDUM TO FRANCHISE AGREEMENT**

Effective Date: [

Facility Number: [

Franchisor Name: **HILTON FRANCHISE HOLDING LLC,  
a Delaware limited liability company**

Brand: **[SELECT:**

**Canopy**, as that name is used to identify the chain of hotels operated under the same Chain Code and Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Canopy” or “Hilton” as any part of their brand name.

**Canopy by Hilton**, as that name is used to identify the chain of hotels operated under the same Chain Code and Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Canopy” or “Hilton” as any part of their brand name.

**Curio Collection by Hilton**, as that name is used to identify the chain of hotels operated under the same Chain Code and Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Curio,” “Collection,” or “Hilton” as any part of their brand name.

**DoubleTree by Hilton**, as that name is used to identify the chain of hotels operated under the same Chain Code and Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “DoubleTree” or “Hilton” as any part of their brand name.

**DoubleTree Suites by Hilton**, as that name is used to identify the chain of hotels operated under the same Chain Code and Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “DoubleTree,” “Suites,” or “Hilton” as any part of their brand name.

**Embassy Suites**, as that name is used to identify the chain of hotels operated under the same Chain Code and Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Embassy,” “Suites,” or “Hilton” as any part of their brand name.

**Embassy Suites by Hilton**, as that name is used to identify the chain of hotels operated under the same Chain Code and Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Embassy,” “Suites,” or “Hilton” as any part of their brand name.

**Hampton Inn by Hilton**, as that name is used to identify the chain of hotels operated under the same Chain Code and Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Hampton” or “Hilton” as any part of their brand name.

**Hampton Inn & Suites by Hilton**, as that name is used to identify the chain of hotels operated under the same Chain Code and Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Hampton,” “Suites,” or “Hilton” as any part of their brand name.

**Hilton**, as that name is used to identify the chain of hotels operated under the same Chain Code and Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the word “Hilton” as any part of their brand name.

**Hilton Garden Inn**, as that name is used to identify the chain of hotels operated under the same Chain Code and Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the word “Hilton” as any part of their brand name.

**Home2 Suites by Hilton**, as that name is used to identify the chain of hotels operated under the same Chain Code and Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Home,” “Suites,” or “Hilton” as any part of their brand name.

**Homewood Suites by Hilton**, as that name is used to identify the chain of hotels operated under the same Chain Code and Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Home,” “Suites,” or “Hilton” as any part of their brand name.

**LivSmart Studios by Hilton**, as that name is used to identify the chain of hotels operated under the same Chain Code and Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “LivSmart,” “Studios,” or “Hilton” as any part of their brand name.

**LXR**, as that name is used to identify the chain of hotels operated under the same Chain Code and Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the initials or words “LXR” or “Hilton” as any part of their brand name.

**Motto by Hilton**, as that name is used to identify the chain of hotels operated under the same Chain Code and Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that

include the words “Motto” or “Hilton” as any part of their brand name.

**Spark by Hilton**, as that name is used to identify the chain of hotels operated under the same Chain Code and Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Spark” or “Hilton” as any part of their brand name.

**Tapestry Collection by Hilton**, as that name is used to identify the chain of hotels operated under the same Chain Code and Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Tapestry,” “Collection,” or “Hilton” as any part of their brand name.

**Tempo by Hilton**, as that name is used to identify the chain of hotels operated under the same Chain Code and Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other chains of hotels that include the word “Tempo” or “Hilton” as any part of their brand name.

**Tru by Hilton**, as that name is used to identify the chain of hotels operated under the same Chain Code and Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Tru” or “Hilton” as any part of their brand name.

Initial Approved Hotel Name (Trade Name):

Principal Mark in Brand:

**[SELECT:**  
**Canopy**  
**Curio**  
**DoubleTree**  
**Embassy**  
**Hampton**  
**SELECT FOR HFS HGI: Hilton**  
**Home2**  
**Homewood**  
**LivSmart**  
**LXR**  
**Motto**  
**Spark**  
**Tapestry**  
**Tempo**  
**Tru**

Franchisee Name and Address  
(Attn: Principal Legal Correspondent):

[

Address of Hotel:

[

Initial Number of Approved Guest  
Rooms:

[

Plans Submission Dates:  
Preliminary Plans:

**[Due four (4) months from the Effective Date]**

Design Development (50%)  
Plans and Specifications:

**[Due eight (8) months from the Effective Date]**

Final (100%) Plans and  
Specifications:

**[Due twelve (12) months from the Effective Date]**

Construction Commencement Date:

**[HAM HGI H2 HWS PO RU UAB EY: Due fifteen (15)  
months from the Effective Date**

**[DT ES HFS OL PY QQ UP: Due Sixteen (16) months  
from the Effective Date**

**[If Adaptive Reuse, include:**

**For the Hotel to be considered under construction, you  
must have: (a) submitted final plans to us, (b) received  
our approval of your final plans, (c) submitted to us a  
building permit for Hotel construction, and  
(d) substantially completed, to our satisfaction:  
(i) exterior demolition, if applicable, and (ii) interior**

demolition and construction of new permanent interior walls.

Construction Work Completion Date: **[HAM H2 RU UAB EY: Due twenty-seven (27) months from the Effective Date  
[HGI HWS PO: Due thirty (30) months from the Effective Date  
[DT ES HFS OL PY QQ UP: Due thirty-six (36) months from the Effective Date**

Renovation Commencement Date: [

Renovation Work Completion Date: [

**[SELECT FOR COO/RL:][All due dates in the PIP that are a specified number of months or days shall mean the number of months or days from the Effective Date.]**

**[SELECT FOR CV:][All due dates in the PIP that are a specified number of months or days shall mean the number of months or days from the Opening Date.]**

Expiration Date: **[SELECT:  
New Construction – At midnight on the last day of the month [HAM HGI H2 HWS PO UAB RU EY: twenty-two (22) years from the [SELECT: Effective Date] [Opening Date]  
[DT ES HFS OL PY QQ UP: twenty-three (23) years from the [SELECT: Effective Date] [Opening Date]**

**Conversion – At midnight on the last day of the month  
SELECT: ten (10) to twenty (20) years from the Opening Date**

**Change of Ownership – Remaining Term under the existing franchise agreement**

Monthly Fees:

**[DELETE UNLESS HFS: Monthly Food and Beverage Fee: Three percent (3%) of the Hotel’s Gross Food and Beverage Revenue for the preceding calendar month.**

Monthly Program Fee: **[SELECT FOR DT ES HAM HFS HGI OL PO PY QQ RU UP UAB: Four percent (4%) of the Hotel’s Gross Rooms Revenue (“GRR”) for the preceding calendar month.  
[SELECT FOR HWS H2 PE: Three and one-half percent (3.5%) of the Hotel’s Gross Rooms Revenue (“GRR”) for the preceding calendar month.  
[SELECT FOR EY: Two and one-half percent (2.5%) of the Hotel’s Gross Rooms Revenue (“GRR”) for the preceding calendar month.  
[SELECT ONLY IF EARLY RL AND PREVIOUS MONTHLY PROGRAM FEE WAS LOWER: From the Effective Date through [Expiration Date of prior FA, you will pay [\_\_\_\_ percent (\_\_\_\_%) (“Discounted Fee”) of the Hotel’s Gross Rooms Revenue (“GRR”) for the preceding calendar month; then, from [Expiration Date of prior FA to the end**

of the Term, you will pay [\_\_\_\_] percent (\_\_\_\_%) of GRR. The Discounted Fee will not be used as a base for purposes of calculating any changes to the Monthly Program Fee during the Term.

**ALWAYS INCLUDE:** The Monthly Program Fee is subject to change by us. Any change may be established in the Standards, but the rate will not exceed the standard Monthly Program Fee as of the Effective Date plus one percent (1%) of the Hotel's GRR during the Term.

Monthly Royalty Fee:

**[SELECT FOR DT HFS OL PO PY QQ RU UP UAB:  
Five percent (5%) of the Hotel's GRR for the preceding calendar month.**

**BUT IF UAB, USE THE FOLLOWING FOR THE FIRST 10 APPROVED APPLICATIONS. DO NOT USE FOR ANY AFTER THE FIRST 10:**

**Three percent (3%) of the Hotel's GRR for the preceding calendar month** for the first twenty four (24) full calendar months after the Opening Date (Years 1 and 2); and

**Four percent (4%) of the Hotel's GRR for the preceding calendar month** for the second twenty four (24) full calendar months after the Opening Date (Years 3 and 4); and

**Five percent (5%) of the Hotel's GRR for the preceding calendar month** for the remainder of the Term.

Monthly Royalty Fee:

**[SELECT FOR ES HGI HWS PE:  
Five and one-half percent (5.5%) of the Hotel's GRR for the preceding calendar month**

**BUT IF ES HWS NEW DEVELOPMENT/CONVERSION, USE THE FOLLOWING:**

Monthly Royalty Fee:

**Three and one-half percent (3.5%) of the Hotel's GRR for the preceding calendar month** for first twelve (12) full calendar months after the Opening Date (Year 1).

**Four and one-half percent (4.5%) of the Hotel's GRR for the preceding calendar month** for second twelve (12) full calendar months after the Opening Date (Year 2).

**Five and one-half percent (5.5%) of the Hotel's GRR for the preceding calendar month** for the remainder of the Term.

Monthly Royalty Fee:

**[SELECT FOR EY HAM H2:  
Six percent (6%) of the Hotel's GRR for the preceding calendar month.**

**Additional Requirements/Special Provisions [Section #]:**

**[ADD ONLY IF APPLICABLE]**

**Restricted Area Provision**

Notwithstanding the provisions of Section 2 of this Agreement, from the Effective Date until midnight on the day before the \_\_\_\_ anniversary of the **[SELECT: Effective Date] OR [Opening Date, but in no event later than \_\_\_\_\_]** (“**Restrictive Period**”), neither we nor any of our Affiliates will open, or allow to open, a hotel or motel under the Brand, as such Brand name may be periodically changed by us, within a **[SELECT \_\_\_\_ mile radius of the Hotel, the center point of which is the front door of the Hotel (“Restricted Area”)]**. **[SELECT Restricted Area described as follows, and as set forth on Exhibit [\_\_]: [INSERT DESCRIPTION.]**

This restriction does not apply to any hotel or motel that is currently open or under construction or has been approved for development or opening as a Brand hotel as of the Effective Date (“**Existing Hotel**”). The term Existing Hotel also includes any hotel located or to be located within the Restricted Area that replaces such Existing Hotel under the Brand. The restrictions also do not apply to any: (1) hotel(s) or motel(s) under brands other than the Brand; (2) hotel(s) or motel(s) that will not begin operating under the Brand until after the expiration of the Restrictive Period; (3) gaming-oriented hotels or facilities using the Brand; (4) shared ownership properties (commonly known as “vacation ownership” or “time share ownership” or similar real estate properties) under the Brand; and (5) hotel(s), motel(s), or inn(s) that are part of a chain or group of four (4) or more hotels, motels, or inns that we or our Affiliates, as a result of a single transaction or group of related transactions, own, operate, acquire, lease, manage, franchise, license, or join through a merger, acquisition or marketing agreement (or otherwise), whether under their existing name or the Brand name or any other name. **[INSERT FOR HFS: You acknowledge and agree that this restriction does not apply to any “Signia Hilton” or “Signia by Hilton” brand hotel.]**

**[IF HAM/HIS USE THIS RAB LANGUAGE INSTEAD**

Notwithstanding the provisions of Section 2 of this Agreement, from the Effective Date until midnight on the day before the \_\_\_\_ anniversary of the **[SELECT: Effective Date] OR [Opening Date, but in no event later than \_\_\_\_\_]** (“**Restrictive Period**”), neither we nor any of our Affiliates will open, or allow to open, a hotel or motel under the Hampton, Hampton Inn or Hampton Inn & Suites brands (collectively, “**Restricted Brands**”), as such Restricted Brands’ names may be periodically changed by us, within a **[SELECT \_\_\_\_ mile radius of the Hotel, the center point of which is the front door of the Hotel (“Restricted Area”)]**. **[SELECT Restricted Area described as follows, and as set forth on Exhibit [\_\_]: [INSERT DESCRIPTION.]**

This restriction does not apply to any hotel or motel that is currently open or under construction or has been approved for development or opening as a Restricted Brands hotel as of the Effective Date (“**Existing Hotel**”). The term Existing Hotel also includes any hotel located or to be located within the Restricted Area that replaces such Existing Hotel under the Restricted Brands. The restrictions also do not apply to any: (1) hotel(s) or motel(s) under brands other than the Restricted Brands; (2) hotel(s) or motel(s) that will not begin operating under the Restricted Brands until after the expiration of the Restrictive Period; (3) gaming-oriented hotels or facilities using the Restricted Brands; (4) shared ownership properties (commonly known as “vacation ownership” or “time share ownership” or similar real estate properties) under the Restricted Brands; and (5) hotel(s), motel(s), or inn(s) that are part of a chain or group of four (4) or more hotels, motels, or inns that we or our Affiliates, as a result of a single transaction or group of related transactions, own, operate, acquire, lease, manage, franchise, license, or join through a merger, acquisition or marketing agreement (or otherwise), whether under their existing name or the Restricted Brands name or any other name.

**[IF RL: Amendment and Restatement.** This Agreement replaces the franchise agreement dated **[INSERT DATE]** (“**Original Agreement**”) by and between us (or our Affiliate) and you (or your Affiliate) with respect to the Hotel. The Original Agreement will be superseded and have no further force or effect as of the

Effective Date of this Agreement, except those provisions expressly intended to survive termination or expiration of the Original Agreement. To the extent there are outstanding obligations to us or our Affiliates under the Original Agreement, you acknowledge and agree that you are directly responsible, jointly and severally, for all such obligations under the Original Agreement existing at or accruing after the execution of this Agreement.

**[IF COO: Obligations of Former Franchisee.** You acknowledge and agree that you are directly responsible for, and will pay on demand, all fees and charges due and owing us and our Affiliates related to the former franchise agreement for the Hotel if any such fees and charges remain outstanding as of or accrue after the Effective Date of this Agreement.

**[IF SITE CONTROL NOT CONFIRMED ON EFFECTIVE DATE:** Before commencement of Construction Work, but not later than the Construction Work Completion Date, you must submit to us evidence satisfactory to us showing your title to, or long term possessory interest in, the real property on which the Hotel will be sited (i.e. a conformed copy of the deed, or ground lease submitted for recording, or like document) in accordance with Subsections 5.1.15 and 5.1.16 of the Agreement.

**[IF TIC:** You acknowledge and agree that: (1) each of you is jointly, severally, individually and collectively responsible for the Franchisee's obligations under this Agreement; (2) your obligations and liability to us is not limited by your tenant-in-common structure; (3) the transfer provisions of this Agreement apply to each of you; (4) [ ] is deemed to be your Controlling Affiliate; and (5) the Hotel has a single designated Principal Legal Correspondent, as named above, whom we will notify for all purposes under this Agreement.

**Your Ownership Structure:**

**See Attached Schedule 1**

**[IF FRANCHISEE'S AFFILIATE IS THE FEE TITLE OWNER, LESSOR OR SUBLESSOR OF THE HOTEL OR THE HOTEL SITE:**

**Ownership Structure of Affiliate Fee Owner or Lessor/Sublessor of the Hotel or Hotel Site:**

**See Attached Schedule 2**

**[IF KEY MONEY EXHIBIT \_ – DEVELOPMENT INCENTIVE NOTE**

**[IF JURISDICTION APPLIES EXHIBIT \_ – STATE/TERRITORY ADDENDA**

**[IF APPLICABLE EXHIBIT \_ – SHARED FACILITIES ADDENDUM**

**[ONLY IF NOT A RADIUS EXHIBIT \_ – RESTRICTED AREA MAP**

**[IF APPLICABLE EXHIBIT \_ – PROPERTY IMPROVEMENT PLAN**



**IN WITNESS WHEREOF**, the Parties have executed this Agreement, which has been entered into and is effective as of the Effective Date set forth above.

**FRANCHISEE:**

[INSERT FRANCHISEE ENTITY],  
a [INSERT TYPE OF ENTITY]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Executed on: \_\_\_\_\_

**FRANCHISOR:**

HILTON FRANCHISE HOLDING LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Authorized Signatory

Executed on: \_\_\_\_\_

**SCHEDULE 1**

**Your Ownership Structure:**

<b>Name (Shareholder, Partner, Member and Manager)</b>	<b>Nature of Ownership Interest</b>	<b>% Interest</b>	<b>% Interest</b>	<b>% Interest</b>	<b>% Interest</b>

**SCHEDULE 2**

**Ownership Structure of Affiliate Fee Owner or Lessor/Sublessor of the Hotel or Hotel Site:**

<b>Name (Shareholder, Partner, Member and Manager)</b>	<b>Nature of Ownership Interest</b>	<b>% Interest</b>	<b>% Interest</b>	<b>% Interest</b>	<b>% Interest</b>

EXHIBIT - \_\_

**SHARED FACILITIES ADDENDUM TO FRANCHISE AGREEMENT**

You and we are parties to a franchise agreement dated \_\_\_\_\_ (“**Agreement**”), which provides, among other things, for the operation of the (proposed) [insert Hotel #1 name \_\_\_\_\_] hotel located or to be located at [Insert Hotel #1 address \_\_\_\_\_ (“**Hotel**)”].

You (or your Affiliate) and we are also parties to a franchise agreement dated \_\_\_\_\_ (“[Insert Brand #2 \_\_\_\_\_] **Agreement**”) for the operation of the (proposed) [Insert Hotel #2 name \_\_\_\_\_] hotel located or to be located at [Insert Hotel #2 address \_\_\_\_\_ (“Insert Brand #2 \_\_\_\_\_ **Hotel**)”].

You requested that the Hotel and the [Insert Hotel #2 \_\_\_\_] Hotel (collectively, “**Sharing Hotels**”), which are [or, will be] **[Select: part of the same building structure or located in buildings adjacent to one another,]** be permitted to jointly utilize certain shared hotel facilities and offer to their guests the use of certain shared amenities (“**Shared Facilities**”) in accordance with the terms of this Addendum (“**Shared Facilities Arrangement**”).

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, you and we agree that the following provisions are incorporated into and made a part of the Agreement:

- 1) We give our consent for the Hotel and the [Hotel #2] Hotel to jointly utilize the Shared Facilities identified during our review and approval of the Plans and Designs for the Hotel and the [Hotel #2] Hotel.
- 2) Our consent is contingent upon you (or your Affiliate) executing a Shared Facilities Addendum to the [Hotel #2] Agreement on the same terms contained in this Addendum.
- 3) We expressly reserve the right to withdraw our consent and, on notice, require you to discontinue the Shared Facilities Arrangement if:
  - a) we determine that such participation is detrimental to the operation of the Hotel, the guest experience, or the goodwill and reputation of the Brand and/or the Marks;
  - b) any of the Shared Facilities fail to meet System Standards as set forth under the Agreement and/or the [Hotel #2] Agreement;
  - c) either the Agreement or the [Hotel #2] Agreement is terminated for any reason;
  - d) You Transfer a controlling Equity Interest in you, the Hotel Site, or the Agreement, without simultaneously selling, leasing, assigning, or Transferring a controlling Equity Interest in you (or your Affiliate controlling [Hotel #2] Hotel), the [Hotel #2] Hotel Site, or the [Hotel #2] Agreement, to the same transferee or a transferee under common control with such transferee. Any Transfers are subject to the Transfer provisions of the Agreement. Failure to comply with the Transfer provisions is a material breach of the Agreement.

If we withdraw our consent pursuant to this paragraph, to the extent that the Shared Facilities are part of Standards, you shall immediately make arrangements to either procure the Shared Facilities, or to construct comparable facilities and amenities, for the exclusive use of the Hotel. Your failure to procure the Shared Facilities or construct comparable facilities and amenities to meet Standards is deemed to be a default that may result in the termination of the Agreement. If the Shared Facilities are no longer a part of the Hotel, you are responsible for immediately removing any Marks or distinctive System features associated with the Brand from any of the Shared Facilities that are accessible to or visible by Hotel guests, and removing all other indicia that the Hotel had joint possession or use of the Shared Facilities with the [Hotel #2] Hotel.

- 4) So long as the Shared Facilities Arrangement is in place, any new franchise agreement executed in connection with a Transfer, or any successor franchise agreement executed between you and us must contain the provisions set forth in this Addendum. You acknowledge and agree that your refusal to include these restrictions in a successor franchise agreement will constitute a valid and reasonable basis for us to refuse to grant such successor franchise agreement. You acknowledge and agree that a proposed transferee's refusal to include these restrictions in a new franchise agreement will constitute a valid and reasonable basis for us to deny our consent to such Change of Ownership Transfer.
- 5) You acknowledge and agree that any Default under the [Hotel #2] Agreement shall constitute a simultaneous Default of the Agreement, and termination of the [Hotel #2] Agreement pursuant to such Default shall constitute a valid basis for termination of the Agreement.
- 6) All questions with respect to the construction of this Addendum and the rights and liabilities of the parties under this Addendum shall be governed by the internal laws of the state designated in the Agreement. A breach of any provision of this Addendum is a breach of the Agreement. Any action or proceeding related to or arising out of this Addendum shall be submitted and resolved exclusively by a court of competent jurisdiction located in the forum designated in the Agreement.
- 7) All capitalized terms not expressly defined in this Addendum shall have the meanings set forth in the Agreement. Except as expressly modified by this Addendum, the Agreement remains unmodified and in full force and effect.
- 8) This Addendum may be executed in counterparts, and delivered by facsimile or other electronic transmission, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**FRANCHISEE:**

[INSERT FRANCHISEE ENTITY],  
a [INSERT TYPE OF ENTITY]

**FRANCHISOR:**

HILTON FRANCHISE HOLDING LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: Authorized Signatory

Executed on: \_\_\_\_\_

Executed on: \_\_\_\_\_

# **EXHIBIT D-1**

**EXHIBIT \_**

**CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT**

The California Department of Financial Protection and Oversight requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORPORATIONS CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning nonrenewal and termination of the Franchise Agreement. The Federal Bankruptcy Code also provides rights to you concerning termination of the Franchise Agreement upon certain bankruptcy-related events. To the extent the Franchise Agreement contains a provision that is inconsistent with these laws, these laws may control.
2. If Franchisee is required in the Franchise Agreement to execute a release of claims, such release may require us to exclude claims arising under the California Franchise Investment Law and the California Franchise Relations Act.
3. If the Franchise Agreement requires payment of liquidated damages that is inconsistent with California Civil Code Section 1671, the liquidated damage clause may be unenforceable.
4. If the Franchise Agreement contains a covenant not to compete which extends beyond the expiration or termination of the Franchise Agreement, the covenant may be unenforceable under California law.
5. If the Franchise Agreement requires litigation, arbitration or mediation to be conducted in a forum other than the State of California, the requirement may be unenforceable under California law.
6. If the Franchise Agreement requires that it be governed by a state's law, other than the State of California, such requirement may be unenforceable.
7. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.
8. Section 16.11 is amended to delete subsections 16.11.1 and 16.11.2.

**FRANCHISEE:**

**[INSERT FRANCHISEE ENTITY],  
a [INSERT TYPE OF ENTITY]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Executed on: \_\_\_\_\_

**FRANCHISOR:**

HILTON FRANCHISE HOLDING LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Authorized Signatory

**EXHIBIT \_**

**HAWAII ADDENDUM TO FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document or Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold under the laws of the State of Hawaii:

1. Section 16.11 is amended to delete subsections 16.11.1 and 16.11.2.

**FRANCHISEE:**

**[INSERT FRANCHISEE ENTITY],  
a [INSERT TYPE OF ENTITY]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Executed on: \_\_\_\_\_

**FRANCHISOR:**

HILTON FRANCHISE HOLDING LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Authorized Signatory



**EXHIBIT \_**

**ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT**

1. The first sentence of Subsection 16.2.1 of the Franchise Agreement is amended to read as follows:  
  
"The Parties agree that, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. ¶ 1050 et seq.), as amended, this Agreement will be governed by the laws of the State of New York, except as otherwise required by the Illinois Franchise Disclosure Act, without recourse to New York choice of law or conflicts of law principles."
2. Subsection 16.2.2 of the Franchise Agreement concerning jurisdiction and venue shall not constitute a waiver of any right conferred upon Franchisee by the Illinois Franchise Disclosure Act.
3. Section 16.11 is amended to delete subsections 16.11.1 and 16.11.2.
4. Subsection 17.1 of the Franchise Agreement, containing a waiver of jury trial, shall not constitute a waiver of any right conferred upon Franchisee by the Illinois Franchise Disclosure Act.
5. Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void." The Illinois Franchise Disclosure Act will govern the Franchise Agreement with respect to Illinois franchisees and any other person under the jurisdiction of the Illinois Franchise Disclosure Act.

**FRANCHISEE:**

**[INSERT FRANCHISEE ENTITY],  
a [INSERT TYPE OF ENTITY]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Executed on: \_\_\_\_\_

**FRANCHISOR:**

HILTON FRANCHISE HOLDING LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Authorized Signatory

**EXHIBIT \_**

**MARYLAND ADDENDUM TO FRANCHISE AGREEMENT**

1. The general release language contained in Subsection 16.8 of the Franchise Agreement shall not relieve the Franchisor or any other person, directly or indirectly, from liability under the Maryland Franchise Registration and Disclosure Law.
2. The laws of the State of Maryland may supersede the Franchise Agreement, including Section 13, concerning termination and Section 3, concerning renewal of the License.
3. Subsection 16.2.2 is amended to provided that a franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within 3 years after the grant of the License.
4. The following sentence is added at the end of Section 16.5.1 of the Franchise Agreement (Amendment and Waiver):  
  
"This waiver is not intended to act nor will it act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
5. Section 16.11 is amended to delete subsections 16.11.1 and 16.11.2.
6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**FRANCHISEE:**

**[INSERT FRANCHISEE ENTITY],**  
a **[INSERT TYPE OF ENTITY]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Executed on: \_\_\_\_\_

**FRANCHISOR:**

HILTON FRANCHISE HOLDING LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Authorized Signatory

## EXHIBIT \_

### MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

1. Section 3 and Section 13 are amended to provide that Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.
2. Under Minnesota law, Franchisor must indemnify Franchisee against liability to third parties resulting from claims by third parties that Franchisee's use of Franchisor's trademarks infringes trademark rights of the third party. Under Subsection 9.4, Franchisor does not indemnify Franchisee against the consequences of Franchisee's use of Franchisor's trademarks except in accordance with the requirements of the Franchise Agreement, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claim and tender the defense of the claim to Franchisor within ten (10) days after the claim is asserted. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
3. In compliance with Minnesota Rule 2860.4400J, Subsection 9.6.2 of the Franchise Agreement is amended as follows:

The first sentence is amended to read: "If you engage in such non-compliance or unauthorized and/or improper use of the System or the Marks during or after the Term, we and any of our applicable Affiliates, along with the successors and assigns of each, will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies we and our Affiliates may have at law." The second sentence is deleted in its entirety.

4. The first sentence of Subsection 16.2.1 of the Franchise Agreement is amended to read as follows:

"The Parties agree that, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. ¶ 1050 et seq.), as amended, this Agreement will be governed by the laws of the State of New York without recourse to New York choice of law or conflicts of law principles, provided, however, that this Section shall not in any way abrogate or reduce any rights of Franchisee as provided for in Minnesota Statutes 1984, Chapter 80C, including the right to submit matters to the jurisdiction of the courts of Minnesota."

5. The following language will appear at the end of Subsection 16.2.2 of the Franchise Agreement:

"Minnesota Statutes, Sections 80C.21 and Minnesota Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction."

6. Minnesota Statutes, Sections 80C.21 and Minnesota Rule 2860.4400J prohibit Franchisor from requiring Franchisee to consent to liquidated damages, termination penalties or judgment notes. Subsection 13.4 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

"Damages Upon Termination By Us. If we terminate the Agreement under Subsection 13.1 or 13.2 above, you acknowledge your default will cause substantial damage to us. You therefore agree that if we terminate this Agreement, the termination will not be our sole remedy, and you will also be liable to us for all damages and losses we have suffered arising from the early termination of this Agreement to the same extent as if you had improperly terminated the Agreement. You also agree that you will remain liable for all other obligations and claims under this Agreement, including obligations following termination under Subsections 13.6, 9.6, 10.3 and Section 14 and other damages suffered by us arising out of your breach or default."

7. The following language will appear at the end of Subsection 16.8 of the Franchise Agreement:

“Minnesota Rule 2860.4400D prohibits Franchisor from requiring a Franchisee to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota franchise law. This Subsection 16.8 does not require you to assent to any release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statutes 1973 Supplement, sections 08C.01 to 80C.22, as amended, which also provides that the voluntary settlement of disputes is not barred.”

8. Section 16.11 is amended to delete subsections 16.11.1 and 16.11.2.

9. Minn. Rule 2860-4400J prohibits waiver of a jury trial. Subsection 17.1 of the Franchise Agreement is deleted in its entirety.

**FRANCHISEE:**

**[INSERT FRANCHISEE ENTITY],  
a [INSERT TYPE OF ENTITY]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Executed on: \_\_\_\_\_

**FRANCHISOR:**

HILTON FRANCHISE HOLDING LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Authorized Signatory

**EXHIBIT \_**

**NEW YORK ADDENDUM TO FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document or Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold under the laws of the State of New York:

1. Subsection 9.6 of the Franchise Agreement requiring you to consent to the entry of an injunction is amended to provide that you consent to the seeking of such an injunction.
2. Subsection 16.8 is amended to provide that no release language set forth in the Franchise Agreement will relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws of the State of New York concerning franchising.
3. Section 16.11 is amended to delete subsections 16.11.1 and 16.11.2.

**FRANCHISEE:**

**[INSERT FRANCHISEE ENTITY],  
a [INSERT TYPE OF ENTITY]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Executed on: \_\_\_\_\_

**FRANCHISOR:**

**HILTON FRANCHISE HOLDING LLC,  
a Delaware limited liability company**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Authorized Signatory

**EXHIBIT \_**

**NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions shall supersede and apply to all franchises offered and sold in the State of North Dakota:

1. Subsection 16.2.1 is amended to provide that the laws of the State of North Dakota supersede any provisions of the Franchise Agreement, the other agreements or New York law if such provisions are in conflict with North Dakota law. The Franchise Agreement will be governed by North Dakota law.
2. Subsection 16.2.2 is amended to provide that any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted.
3. The Franchise Agreement is amended to reflect that all liquidated damages provisions in the Franchise Agreement are deleted in their entirety. Further, Subsection 13.4 of the Franchise Agreement is replaced by the following:

Damages Upon Termination By Us. If we terminate the Agreement under Subsection 13.1 or 13.2 above, you acknowledge your default will cause substantial damage to us. You therefore agree that if we terminate this Agreement, the termination will not be our sole remedy, and you will also be liable to us for all damages and losses we have suffered arising from the early termination of this Agreement to the same extent as if you had improperly terminated the Agreement. You also agree that you will remain liable for all other obligations and claims under this Agreement, including obligations following termination under Subsections 9.6, 10.3, 13.6, and Section 14 and other damages suffered by us arising out of your breach or default.

4. Subsection 17.1, which requires you to waive your right to a trial by jury, is deleted in its entirety.
5. Subsection 17.2, which requires you to waive your right to exemplary and punitive damages, is deleted in its entirety.
6. Subsection 16.8 is amended to provide that no release language set forth in the Franchise Agreement will relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws of the State of North Dakota concerning franchising.

**FRANCHISEE:**

**[INSERT FRANCHISEE ENTITY],**  
a **[INSERT TYPE OF ENTITY]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Executed on: \_\_\_\_\_

**FRANCHISOR:**

HILTON FRANCHISE HOLDING LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Authorized Signatory

EXHIBIT \_

**PUERTO RICO ADDENDUM TO FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions shall supersede and apply to all Franchise Agreements offered and sold in Puerto Rico:

1. Subsection 16.2 of the Franchise Agreement is hereby deleted in its entirety, and replaced by the following:

**“16.2 Governing Law, Jurisdiction and Venue**

**16.2.1** The Parties agree that, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. ¶ 1050 et seq.), as amended, and except as set forth in Subsection 16.2.2, this Agreement will be governed by the laws of the State of New York without recourse to New York choice of law or conflicts of law principles. Nothing in this Section is intended to invoke the application of any franchise, business opportunity, antitrust, “implied covenant,” unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state that would not otherwise apply absent this Subsection 16.2.1.

**16.2.2** The Parties irrevocably agree that all disputes, controversies or claims arising out of in connection with this Agreement, or the breach, termination or invalidity of this Agreement will be finally settled by arbitration conducted by the American Arbitration Association, JAMS or similar arbitral body (at Franchisor’s election) in accordance with the Federal Rules of Civil Procedure by one (1) or more arbitrators appointed in accordance with said rules. To the extent the Federal Rules of Civil Procedure do not govern certain procedures or requirements relating to the arbitration, the parties will look to the applicable rules of the applicable arbitral body. The venue of the arbitration will be Fairfax County, Virginia, and the seat of the arbitration will be New York, New York. Arbitration proceedings will be conducted in English. You consent to personal jurisdiction and venue this jurisdiction and waive, and agree not to assert, move or otherwise claim that the venue in this jurisdiction is for any reason improper, inconvenient, prejudicial or otherwise inappropriate. Notwithstanding the foregoing, the parties agree that actions initiated or maintained by us for temporary remedies, injunctive or other equitable relief may be brought in any competent court or other governmental agency or authority. Notwithstanding such election, the choice of substantive law made by the parties pursuant to this Subsection 16.2 shall continue to apply. Issues relating to the conduct of any arbitration and enforcement of any award shall be governed by the Federal Arbitration Act, 9 U.S.C. §§1-16. An award of arbitration may be confirmed in a court of competent jurisdiction.”

**FRANCHISEE:**

**[INSERT FRANCHISEE ENTITY],**  
a **[INSERT TYPE OF ENTITY]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Executed on: \_\_\_\_\_

**FRANCHISOR:**

HILTON FRANCHISE HOLDING LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT \_**

**RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions shall supersede and apply to all Franchise Agreements offered and sold in the State of Rhode Island:

1. Subsection 16.2.1 is amended to provide that any provision in the Franchise Agreement which designates the governing law as that of any state other than the State of Rhode Island is deleted.
2. Subsection 16.2.2 is amended to provide that Section 19-28.1.-14 of the Rhode Island Franchise Investment Act, as amended by laws of 1993, provides that "a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

**FRANCHISEE:**

**[INSERT FRANCHISEE ENTITY],  
a [INSERT TYPE OF ENTITY]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Executed on: \_\_\_\_\_

**FRANCHISOR:**

**HILTON FRANCHISE HOLDING LLC,  
a Delaware limited liability company**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Authorized Signatory



**EXHIBIT \_**

**VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document or Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold under the laws of the State of Virginia:

1. Section 16.11 is amended to delete subsections 16.11.1 and 16.11.2.

**FRANCHISEE:**

**[INSERT FRANCHISEE ENTITY],  
a [INSERT TYPE OF ENTITY]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Executed on: \_\_\_\_\_

**FRANCHISOR:**

HILTON FRANCHISE HOLDING LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Authorized Signatory

**EXHIBIT**  
**WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT**

1. Sections 3 and 13 are amended to provide that if any of the provisions in the Franchise Disclosure Document or Franchise Agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act (the "Act") (including areas of termination and renewal of your franchise), the provisions of the Act will prevail over the inconsistent provisions of the Franchise Disclosure Document or Franchise Agreement with regard to any franchise sold in Washington.
2. Section 12 is amended to provide that transfer fees are collectable to the extent that they reflect Franchisor's reasonable estimated or actual costs in effecting a transfer.
3. Subsection 16.2.1 is amended to provide that in the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.
4. Subsection 16.8 is amended to provide that a release or waiver of rights executed by a Franchisee will not include rights under the Act except when executed pursuant to a negotiated settlement after the Franchise Agreement is in effect and where the parties are represented by independent counsel.
5. Section 16.11 is amended to delete subsections 16.11.1 and 16.11.2.
6. Subsection 17.1 is amended to provide that provisions which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
7. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Franchise Agreement, you may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
8. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
9. RCW 49.62.060 prohibits us from restricting, restraining, or prohibiting you from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.

**FRANCHISEE:**

**[INSERT FRANCHISEE ENTITY],**  
**a [INSERT TYPE OF ENTITY]**

**FRANCHISOR:**

**HILTON FRANCHISE HOLDING LLC,**

a Delaware limited liability company

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: Authorized Signatory

Executed on: \_\_\_\_\_

# **EXHIBIT D-2**

EXHIBIT - \_\_\_\_\_

DEVELOPMENT INCENTIVE NOTE

McLean, Virginia

**[\$[INSERT AMOUNT]]**

Date: **[INSERT DATE]**

FOR VALUE RECEIVED, **[INSERT NAME]** (whether one or more, jointly and severally, "**Maker**") promises to pay to the order of HILTON FRANCHISE HOLDING LLC, a Delaware limited liability company ("**Holder**"), the principal sum of **[INSERT AMOUNT IN WORDS]** (**[\$[INSERT NUMERICAL AMOUNT]]**) which amount shall bear no interest unless Maker defaults or this Development Incentive Note (this "**Note**") is accelerated.

This Note is issued pursuant to the Franchise Agreement between Holder and Maker for the operation of a **[INSERT BRAND]** hotel to be located at **[INSERT ADDRESS]** ("**Hotel**"). All capitalized terms not defined in this Note shall have the same meaning as in the Franchise Agreement.

The principal amount of this Note will be disbursed by Holder to Maker, and Maker will become subject to the obligation to repay or discharge this Note, when and if (a): Maker opens the Hotel with our consent; (b) there have been no material adverse changes in the business, legal, litigation, bankruptcy status or finances of the Maker, any guarantors, or the project since approval; (c) Maker has completed any PIP; and (d) Maker has paid the Franchise Application Fee. If the Franchise Agreement terminates before the Hotel opens and Holder has not disbursed the principal amount of this Note to Maker, then this Note will be deemed discharged and neither party will have any further obligation to the other under this Note. On each anniversary of the Hotel's Opening Date, one-twentieth (1/20<sup>th</sup>) **[UPDATE IF FA TERM IS NOT 20 YEARS]** of the original principal amount will be forgiven without payment. Maker's obligation to repay the principal of this Note will cease and this Note will automatically be canceled and discharged when and if the principal is completely forgiven or repaid in accordance with these terms. For the purposes of calculating the portion of the principal amount of this Note that is forgiven each year, Holder will be deemed to have disbursed the full principal amount regardless of whether or not Holder has set off any amounts from such principal amount pursuant to the Franchise Agreement prior to disbursement to Maker.

If a termination of the Franchise Agreement occurs for any reason; or a Transfer occurs, and the transferee does not assume Maker's obligation under this Note and cause a replacement co-maker acceptable to Holder to assume the obligations of any co-maker under this Note in a writing acceptable to Holder before the closing of such Transfer before the principal is forgiven or repaid, then the outstanding, unamortized principal balance of this Note shall be immediately due and payable without further notice, demand or presentment. If this Note is accelerated under this paragraph, and is not paid within ten (10) days after it is due, the outstanding principal balance shall bear simple interest from its due date until paid at a rate equal to the lesser of eighteen percent (18%) per annum or the highest rate allowed by applicable law. The outstanding principal balance of this Note shall be payable in lawful money of the United States of America at 7930 Jones Branch Dr., Suite 1100, McLean, VA 22102, Attention: General Counsel, or at such other place as Holder may periodically direct by written notice to Maker. Any payments shall be first applied to collection costs and expenses, if any, incurred by the Holder, second to any accrued but unpaid interest and last to principal. Maker has the right to prepay this Note, in whole or in part, at any time, without premium or penalty but amounts paid or prepaid may not be re-disbursed. Prepayments of principal will be applied without notation on this Note. Maker's obligation to pay this Note shall be absolute and unconditional, and all payments shall be made without setoff, deduction, offset, recoupment or counterclaim.

If this Note is collected by or through an attorney at law, the Holder shall be entitled to collect reasonable attorney's fees and all costs of collection, which, shall be due and payable on demand or, at the Holder's election, may be added to the amount due and payable to Holder under this Note. This Note is issued in and shall be governed and construed according to the laws of the State of New York (without the application of conflict of laws principles). Each maker, co-maker, endorser, guarantor or accommodation party liable for this Note waives presentment, demand, notice of demand, protest, notice of non-payment, notice of protest, notice of dishonor and diligence in collection. Holder reserves the right to modify the terms of this Note, grant extensions, renewals, releases, discharges, compositions and compromises with any party

liable on this Note, with or without notice to or the consent of, and without discharging or affecting the obligations of any other party liable under this Note.

The terms "Holder" and "Maker" shall be deemed to include their respective heirs, successors, legal representatives and assigns, whether by voluntary action of the parties or by operation of law; *provided that*, Maker shall not assign or delegate any of its obligations or agreements hereunder without the Holder's prior written consent and any assignment or delegation without such prior written consent shall be null and void. All references to "Maker" shall mean and include the named Maker and all co-makers, guarantors, sureties and accommodation parties signing or endorsing this Note, and all such parties signing or endorsing this Note shall be jointly and severally liable with the named Maker for all of Maker's obligations and liabilities under this Note.

IN WITNESS WHEREOF, the undersigned have executed this Note effective on the date indicated above.

**Maker**

**[INSERT FRANCHISEE ENTITY],  
a [INSERT TYPE OF ENTITY]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Executed on: \_\_\_\_\_

**[REQUIRED IF PRINCIPAL OF NOTE IS \$1,000,000 OR MORE:**

**Co-Maker**

**[INSERT ENTITY],  
a [INSERT TYPE OF ENTITY]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Executed on: \_\_\_\_\_

# **EXHIBIT E**

## U.S. GUARANTY OF FRANCHISE AGREEMENT

Insert Hotel Name

### **[THE BRACKETED LANGUAGE IS INSERTED FOR A SITE RELATED GUARANTY WITH TENANT-IN-COMMON (TIC) OWNERSHIP]**

THIS U.S. GUARANTY OF FRANCHISE AGREEMENT ("**Guaranty**") is executed as of [Date] ("**Effective Date**") by \_\_\_\_\_, a \_\_\_\_\_ [jointly, severally, individually and collectively] ("**Guarantor**"), in favor of HILTON FRANCHISE HOLDING LLC, a Delaware limited liability company ("**Franchisor**") confirm Franchisor entity, as consideration of and as an inducement to Franchisor to execute the franchise agreement with an Effective Date of [Date] (referred to in this Guaranty collectively, along with all applicable amendments, addenda, riders, supplemental agreements and assignments, as the "**Franchise Agreement**") between Franchisor and \_\_\_\_\_, a \_\_\_\_\_ ("**Franchisee**"). Capitalized terms not otherwise defined in this Guaranty shall have the same meaning as in the Franchise Agreement. Guarantor agrees as follows:

**[WHEREAS**, Guarantor has represented that it owns a tenant-in-common interest in the real property and improvements comprising (or that will comprise) the Hotel (the "**Property**");]

**1. Guaranty.** Guarantor hereby unconditionally and irrevocably [jointly, severally, individually and collectively,] guaranties to Franchisor: (a) the full and prompt payment of all sums owed by Franchisee to Franchisor and to Franchisor's Affiliates under the Franchise Agreement, any related agreements, and otherwise relating to the Hotel, including, but not limited to, all fees and charges, interest, default interest, and other costs and fees (including, without limitation, attorneys' fees in connection with enforcement of the Franchise Agreement; and (b) the performance of all other obligations of Franchisee arising under the Franchise Agreement and any related agreements (collectively, the "**Obligations**"). On default by Franchisee and notice from Franchisor to Guarantor, Guarantor will immediately make payment in full of all past due amounts owing to Franchisor or Franchisor's Affiliates, and perform each Obligation of Franchisee.

**2. Waivers of Certain Rights and Defenses.** Each Guarantor waives: (a) any right Guarantor may have to require that an action be brought against Franchisee or any other person as a condition of Guarantor's liability under this Guaranty; (b) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of Guarantor's execution of and performance under this Guaranty; (c) any law or statute which requires that Franchisor or its Affiliates make demand on, assert claims against or collect from Franchisee or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any others before making any demand on, collecting from or taking any action against Guarantor under or with respect to this Guaranty; and (d) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

**4. Information Requests.** Guarantor must deliver to Franchisor: (a) complete and current financial information about Guarantor as Franchisor may reasonably request; and (b) any other information about Guarantor that Franchisor reasonably requests.

**5. Additional Provisions.**

(a) Each Guarantor jointly and severally holds harmless, and agrees to defend, protect, and indemnify Franchisor from any actions, causes of action, liabilities, damages, losses, and fees (including attorneys' fees) and all other claims of every nature which may arise as a result of any dispute between or among any of Guarantors and any other persons or entities.



**[INSERT FOR TIC AND DELETE THE ABOVE 5(a)** - Guarantor, jointly, severally, individually and collectively, agrees to defend, protect, indemnify and hold harmless, Franchisor from any actions, causes of action, liabilities, damages, losses, and fees (including attorneys' fees) and all other claims of every nature which may arise as a result of any dispute between or among any of Guarantors and any other persons or entities.]

(b) Franchisor may assign this Guaranty without in any way affecting Guarantor's liability. This Guaranty will inure to the benefit of Franchisor and its Affiliates and their successors and assigns and will bind Guarantor and Guarantor's heirs, executors, administrators, successors, and assigns.

(c) Notices must be in writing and must be delivered in person, by prepaid overnight commercial delivery service, or by prepaid United States Mail, overnight, registered or certified, with return-receipt requested, to the following addresses:

If to Franchisor:           Hilton Franchise Holding, LLC  
                                  Attention: General Counsel  
                                  7930 Jones Branch Drive, Suite 1100  
                                  McLean, VA 22102

If to Guarantor:           INSERT Name and Address

If Guarantor wants to change the notice address set forth above, Guarantor shall notify Franchisor in writing in accordance with the delivery procedure set forth in this Subsection [4]5(c). A Notice will be deemed effective on the earlier of: (i) receipt or first refusal of delivery; (ii) one (1) day after posting if sent by overnight commercial delivery service or overnight United States Mail; or (iii) three (3) days after placement in the United States Mail if overnight delivery is not available to the Notice address.

(d) Guarantor represents, warrants and covenants to Franchisor that Guarantor, including its directors, officers, senior management, shareholders and other persons having a controlling interest in Guarantor: (i) is not, and, to your actual or constructive knowledge, is not owned or controlled by, or acting on behalf of, Sanctioned Persons or, to Guarantor's actual knowledge, otherwise the target of Trade Restrictions; (ii) have not and will not obtain, receive, transfer or provide any funds, property, debt, equity or other financing related to the Franchise Agreement and the Hotel or Hotel Site to/from any entity that qualifies as a Sanctioned Person or, to your actual or constructive knowledge, is otherwise the target of any applicable Trade Restrictions' (iii) Guarantor is familiar with the provisions of applicable Anti-Corruption Laws and shall comply with applicable Anti-Corruption Laws in performance of its obligations under or in connection with this Guaranty and the Franchise Agreement and any related agreements; (iv) any funds received or paid in connection with entry into or performance of this Guaranty have not been and will not be derived from or commingled with the proceeds of any activities that are proscribed and punishable under the criminal laws of the United States, and that Guarantor is not engaging in this transaction in furtherance of a criminal act, including acts in violation of applicable Anti-Corruption Laws; (v) in preparation for and in entering into this Guaranty, Guarantor has not made any Improper Payment or engaged in any acts or transactions otherwise in violation of any applicable Anti-Corruption Laws, and, in connection with this Guaranty or the performance of Guarantor's obligations under this Guaranty, you will not directly or indirectly make, offer to make, or authorize any Improper Payment or engage in any acts or transactions otherwise in violation of any applicable Anti-Corruption Laws; (vi) except as otherwise disclosed in writing to Franchisor, neither Guarantor, nor, to your actual or constructive knowledge, any of its direct or indirect shareholders (including legal or beneficial shareholders), officers, directors, employees, agents or other persons designated by you to act on your own behalf or receive any benefit under this Guaranty, is a Government Official; (vii) any statements, oral, written, electronic or otherwise, that Guarantor submits to Franchisor, Franchisor Affiliate, or any third party in connection with the representations, warranties, and covenants described in this Subsection are truthful and accurate and do not contain any materially false or inaccurate statements; (viii) Guarantor will make reasonable efforts to assure that its respective appointed agents in relation to this Guaranty comply in all material respects with the representations, warranties, and covenants described in this Subsection; and (ix) will notify Franchisor

in writing immediately on it actual or constructive knowledge, the occurrence of any event which would render the foregoing representations and warranties of this Subsection incorrect.

(e) Each Guarantor warrants and represents to Franchisor that Guarantor has the requisite power to execute, deliver and perform the terms and provision of this Guaranty, and that this Guaranty is a valid, binding and legally enforceable obligation of each Guarantor in accordance with its terms.

(f) If there is more than one Guarantor named in this Guaranty, any reference to Guarantor will mean any one or all Guarantors. Each Guarantor agrees that all obligations of each Guarantor are joint and several.

**[INSERT NEW PARAGRAPH (g) FOR TIC AND UPDATE LETTERING BELOW: (g)** Notwithstanding anything to the contrary contained in Section 12.0 of the Franchise Agreement, Guarantor may not transfer its tenant-in-common interest in the Property without prior written notice by Franchisee to Franchisor, and prior written consent of Franchisor to Franchisee, subject to and in accordance with the applicable Transfer provisions of the Franchise Agreement.]

(g) No failure or delay on Franchisor's part in exercising any power or privilege under this Guaranty will impair any such power, right or privilege or be construed as a waiver of its rights under this Guaranty.

(h) If any provision of this Guaranty is determined by a court of competent jurisdiction to be unenforceable, all of the other provisions will remain effective.

(i) This Guaranty embodies the entire agreement between Franchisor and Guarantor with respect to the matters set forth in this Guaranty and supersedes all prior agreements with respect to the matters set forth in this Guaranty.

**6. Governing Law.** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. ¶ 1050 et seq.), as amended, this Guaranty and any and all disputes relating to this Guaranty will be governed by the laws of the State of New York without recourse to New York choice of law or conflicts of law principles; provided, however, that nothing in this Section is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant," unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state that would not otherwise apply absent this Section [5 or 6].

**7. Jurisdiction and Venue.** The parties agree that any action related to this Guaranty shall be brought in the U.S. District Court for the Eastern District of Virginia, in Alexandria, Virginia or, if that court lacks subject matter jurisdiction, then in a court of competent jurisdiction whose jurisdiction includes either Fairfax County, Virginia or New York, New York, or in the county or state where the Hotel is located. Guarantor consents to personal jurisdiction and venue in each of these jurisdictions and waives and agrees not to assert, move or otherwise claim that the venue in any of these jurisdictions is for any reason improper, inconvenient, prejudicial or otherwise inappropriate.

**8. WAIVER OF JURY TRIAL. GUARANTOR HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY WITH RESPECT TO THE ENFORCEMENT OF THIS GUARANTY.**

**[INSERT THIS CLAUSE FOR EACH SITE-RELATED GUARANTY (TIC OR OTHERWISE):]**

**9. [Possible Termination of Guaranty.** Franchisor will offer Guarantor its then-current standard form termination of guaranty agreement releasing Guarantor from future Obligations under this Guaranty if the following conditions are met: (a) Franchisor receives a copy of the deed evidencing that Franchisee owns fee simple title to the real property on which the Hotel is or will be sited or a copy of a ground lease to which Franchisee is a party with an unrelated third-party ground lessor for a term at least equal to the term of the Franchise Agreement; (b) Guarantor sends a written request to Franchisor to

terminate the Guaranty; and (c) at the time of Guarantor's request, Franchisee is in good standing under the Franchise Agreement and has not been in default under the Franchise Agreement at any time during the twenty-four (24) month period before Guarantor's request.]

GUARANTOR ACKNOWLEDGES THAT GUARANTOR WAS AFFORDED THE OPPORTUNITY TO READ THIS GUARANTY AND TO REVIEW IT WITH AN ATTORNEY OF GUARANTOR'S CHOICE BEFORE SIGNING.

**IN WITNESS WHEREOF**, [each] Guarantor has executed this Guaranty as of the Effective Date.

**GUARANTOR:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

# **EXHIBIT F**

**This application is to be completed online via the Hilton Application Tracker (HAT) internet portal. The online version may appear in a different format. As an alternative, we may provide a paper application. We may update or modify this application at any time.**

## **HILTON FRANCHISE APPLICATION**

**This franchise application (“Application”) includes the following:**

- Instructions for Submitting an Application
- Part 1 - Application Checklist
- Part 2 - Application Letter
- Part 3 - Application Form

### **Instructions for Submitting an Application:**

1. Have a required signer for the Applicant access the current Franchise Disclosure Document (“**Disclosure Document**”) for the applicable brand through the E-Disclosure procedure and complete the procedure by clicking “Submit” on the Electronic Receipt page. If Applicant received a paper version of the Disclosure Document, have a required signer for the Applicant sign and date the “Receipt” page at the end of the Disclosure Document and return it immediately by mail to your development representative.
2. All information must be legible and in English. Please type or print the information. For your convenience, the Application may be filled out electronically, saved and printed.
3. Attach supporting documents/information indicated in the Application Checklist. If the Application is not completed and/or supporting documentation is not attached, you must include an explanation of why the Application is not completed or the supporting documentation is not attached.
4. Applicant must be a natural person or an existing legal entity. You must provide a complete organizational chart up to the ultimate owning entity/entities and the ultimate individual owners of the Applicant.
5. Applicant must pay the franchise application fee (“**Franchise Application Fee**”) by check or wire transfer when the Application is submitted or promptly after expiration of the waiting period specified below. Please confirm the amount of your franchise application fee with your Developer.

**NOTE: APPLICANT SHOULD NOT SUBMIT PAYMENT OF THE FRANCHISE APPLICATION FEE UNTIL AT LEAST THE DAY AFTER THE 14TH FULL CALENDAR DAY FOLLOWING THE DATE APPLICANT RECEIVED THE DISCLOSURE DOCUMENT IN PAPER FORM OR THROUGH THE E-DISCLOSURE PROCEDURE.**

**NOTE:** Applicant must also pay the applicable Property Improvement Plan (“**PIP**”) fee if the Application is for a Conversion, Relicensing, or Change of Ownership.

**Required Signatures:**

The Application Letter must be signed and dated by the Applicant, or on behalf of the Applicant, by a person or persons with the capacity and authority to do so. The signatures required for valid execution of the Application Letter may vary depending on the laws under which the Applicant is established or resident. These laws must be complied with. Our minimum requirements for signatures are as follows:

<b>Applicant</b>	<b>Signers</b>
Individual(s)	Each Individual
Corporate Entity	President, Vice President or other authorized officer
General Partnership	Each General Partner
Limited Partnership	Any General Partner
Limited Liability Company	Managing Member(s) or other authorized Member(s)
Trust	Trustee(s)
Estate	Executor or Administrator

### Part 1: Application Checklist

The following items must be included for the Application to be complete. We reserve the right to request additional information as we consider appropriate:

- Disclosure Document Receipt **signed and dated** or **submitted electronically** by Applicant (see page 1), if applicable.
- Application Letter **signed and dated** by Applicant, with completed Application pages.
- Franchise Application Fee dated and/or received no earlier than the day after the **14th full calendar day** after the date the Applicant received the Disclosure Document. Example: If you receive the Disclosure Document on January 1<sup>st</sup>, then the **earliest** you may pay the Franchise Application Fee will be 15 days after that date, on January 16<sup>th</sup>.
- A certification of formation or similar document evidencing the Applicant Entity's status in the jurisdiction of formation.
- Complete Ownership Structure Form for Applicant and its underlying ownership entities.
- Complete Ownership Structure Form for fee title holder or lessor/sublessor of Hotel/Hotel Site if related to Applicant.
- Market or feasibility study, if available, or on request.
- Site Control Document and all amendments (e.g., recorded deed, recorded ground lease, recorded purchase option, binding letter of intent, binding purchase agreement) in the name of Applicant or its affiliate.
- Site Plan, Aerial and Location Map with site identified (consult your Developer for site plan requirements).
- List of hotels owned or managed by Applicant.

#### **CONVERSION PROJECTS - In addition to the above, include the following items:**

- Conversion Indemnity Letter (if applicable)
- 3 Years' Hotel Operating Statistics (Summary Statement)

**Part 2: Application Letter**

<b>Name of Applicant:</b>	(“Applicant”)
<b>Location:</b>	(“Location”)

**Brand (check one):**

<input type="checkbox"/> Canopy by Hilton	<input type="checkbox"/> Hampton Inn & Suites by Hilton	<input type="checkbox"/> Motto by Hilton
<input type="checkbox"/> Conrad	<input type="checkbox"/> Hilton	<input type="checkbox"/> Signia by Hilton
<input type="checkbox"/> Curio Collection by Hilton	<input type="checkbox"/> Hilton Garden Inn	<input type="checkbox"/> Spark by Hilton
<input type="checkbox"/> DoubleTree by Hilton	<input type="checkbox"/> Home2 Suites by Hilton	<input type="checkbox"/> Tapestry Collection by Hilton
<input type="checkbox"/> DoubleTree Suites by Hilton	<input type="checkbox"/> Homewood Suites by Hilton	<input type="checkbox"/> Tempo by Hilton
<input type="checkbox"/> Embassy Suites	<input type="checkbox"/> LivSmart Studios by Hilton	<input type="checkbox"/> Tru by Hilton
<input type="checkbox"/> Hampton Inn by Hilton	<input type="checkbox"/> LXR	<input type="checkbox"/> Waldorf Astoria

This franchise application letter (“**Application Letter**”) is provided to Hilton Franchise Holding LLC (“**Franchisor**”), a subsidiary of Hilton Worldwide Holdings Inc. (“**Hilton Worldwide**”), authorized to consider and process an application for a franchise to operate a hotel under the Brand at the Location in the United States (“**Hotel**”). The present or future subsidiaries and affiliates of Hilton Worldwide are collectively referred to as “entities” (“**Entities**”). Applicant understands that Franchisor is relying on the information provided in this application and all documents submitted by Applicant and co-owners and their agents, advisers and representatives in connection with or in support of the application, including, but not limited to, this Application Letter (together, the “**Application**”). Applicant agrees to supply such additional information, statements or data as may be requested by Franchisor. Applicant represents, warrants, and undertakes to Franchisor and the Entities, that:

1. All information contained in the Application is true, correct and complete as of the date of this Application Letter. Applicant will promptly inform Franchisor of any change in any of the information provided in the Application.
2. Both Applicant and the undersigned have the authority to make the Application and to enter into a franchise agreement (“**Franchise Agreement**”) for the proposed Hotel at the Location. Neither the making of this Application nor the execution of a Franchise Agreement will conflict with nor put Applicant in breach of the terms of any agreements to which Applicant, its affiliates or the undersigned are a party or by which Applicant or its affiliates are bound. Neither Applicant nor its affiliates have been induced by Hilton Worldwide to terminate or breach any agreement with respect to the Location.
3. Certain information concerning Franchisor’s system for the Brand, including the Disclosure Document (if required under applicable law), the manual and the Franchise Agreement (together, the “**Franchise Information**”), has been made available to Applicant. Applicant is generally familiar with the Franchise Information and its requirements and is applying for the form of Franchise Agreement provided. Applicant undertakes to treat the manual which it may receive from Franchisor as confidential. Applicant acknowledges and agrees that the Franchise Information is the property of Hilton Worldwide and/or the Entities, and that Applicant obtains no right, title or interest in or to any of the Franchise Information. Applicant agrees not to use the Franchise Information unless and until a Franchise Agreement is entered into and then in accordance with the terms and conditions of the Franchise Agreement.
4. Applicant acknowledges that Hilton Worldwide and the Entities do not enter into oral agreements or understandings with respect to the Franchise Agreement, and as that of the date of this Application Letter there are no oral agreements or understandings between Applicant and Hilton Worldwide or the Entities with respect to the proposed Franchise Agreement.



5. Applicant acknowledges that the Franchise Application Fee must be enclosed with the Application if the mandatory waiting period specified in Paragraph 5 of the Instructions has expired, or must be paid promptly after expiration of the mandatory waiting period. If the Application is not approved or if Applicant withdraws the Application before it is approved, the Franchise Application Fee will be fully refunded, without interest, less \$7,500 for time and expenses incurred by Franchisor in processing the Application.

If the Application is approved, the Franchise Application Fee will not be returned or refunded under any circumstances (even if approval is conditioned on Applicant providing additional information). For a Change of Ownership Application, if Franchisor approves the Application, and the approved change of ownership does not occur, then Franchisor will refund the Franchise Application Fee without interest, less \$7,500. Franchisor reserves the sole right to approve or disapprove the Application for any reason. If the Application is approved, Applicant must provide any additional information requested, meet any additional requirements and sign the Franchise Agreement within the time period Franchisor specifies, and all other ancillary documents within the time period designated by Franchisor, failing which Franchisor may terminate the proposed hotel project and retain the Franchise Application Fee. The Franchise Application Fee may be invested, combined with other funds or otherwise used as Hilton Worldwide deems appropriate.

6. Applicant authorizes credit agencies/bureaus, financial institutions, companies and individuals to disclose to Hilton Worldwide any and all information for the purpose of Hilton Worldwide and the Entities completing any necessary credit and/or background investigations in connection with this Application and execution of any Franchise Agreement.

7. Applicant, jointly and severally if applicable, agrees to indemnify and defend Hilton Worldwide and the Entities and their respective officers, directors, employees, agents, representatives, and assignees (collectively, the “**Hilton Worldwide Indemnitees**”) against, and to hold them harmless from, all losses in connection with the Application and the Location, including breach of any representations, warranties or undertakings contained herein and all claims, demands, suits, causes of action, liabilities, losses or otherwise, directly or indirectly incurred (including legal and accounting fees and expenses), and including claims as a result of Franchisor processing the Application and/or approving a Franchise Agreement. Each Hilton Worldwide Indemnitee shall have the right independently to take any action it may deem necessary in its sole discretion to protect and defend itself against any threatened action subject to Applicant’s indemnification, without regard to the expense, forum or other parties that may be involved. Each Hilton Worldwide Indemnitee shall have sole and exclusive control over the defense of any such action (including the right to be represented by counsel of its choosing) and over the settlement, compromise or other disposition thereof. Hilton Worldwide may rely on any information, statement or notice from the Applicant pertaining to the Location or Franchise Agreement without having to investigate or ascertain the accuracy of any fact or allegation in the information, statement or notice.

8. This Application Letter may be executed in counterparts, each of which shall be deemed an original. This Application Letter must be signed by an authorized signatory for the Applicant (see Guidelines for Submitting a Franchise Application for required signatories).

9. This Application shall be governed by and construed in accordance with the substantive laws of the State of New York, without regard to its choice of law principles.

Signature:	_____	Date:	_____
Individual’s			
Name:	_____		
Entity Name,			
if any:	_____	Position:	_____



**LIST ALL HOTELS OWNED AND/OR OPERATED BY APPLICANT  
AND ITS EQUITY OWNERS**  
(Attach additional pages if necessary)

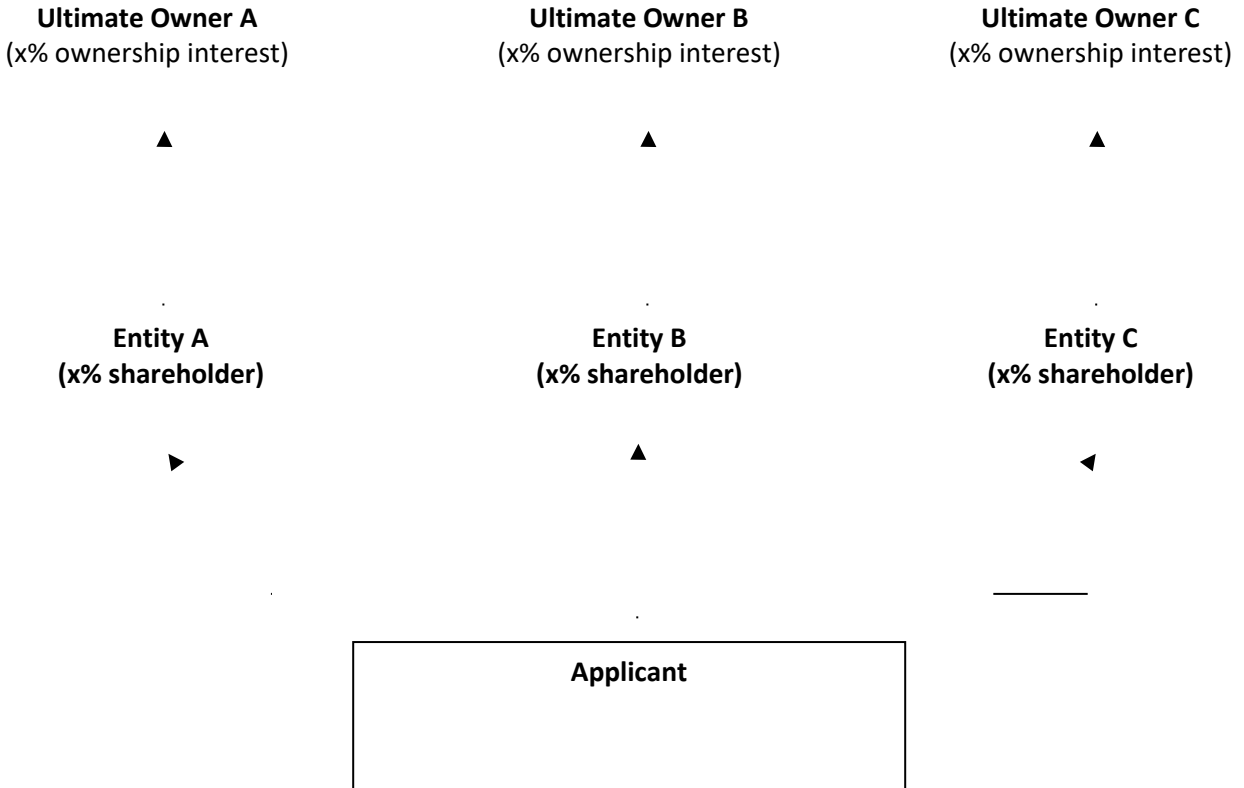
<b>Owner/Operator Name</b>	<b>Brand/Property Name, City/State</b>	<b>Description of Interest</b>	<b>% Equity</b>



### ORGANIZATIONAL CHART

**INSTRUCTIONS:** Please attach a full organizational chart for the Applicant entity (and Applicant's affiliate that will lease or sublease the Hotel or the Hotel Site to Applicant, if applicable) showing all direct and indirect equity owners up to the ultimate individual owners (but excluding public shareholders or passive investors in an institutional investment fund). For each equity owner, please describe the type of interest held in the entity (e.g., shareholder, general partner, limited partner, manager, member, trustee, etc.) and show the percentage of ownership of each equity owner.

For example:



### HOTEL/SITE/SITE CONTROL INFORMATION

**Location of Hotel/Hotel site:**

Street Address/Coordinates:	
City, State/Province:	
Zip/Postal Code:	
Country:	

**Brand:**

<input type="checkbox"/> Canopy by Hilton	<input type="checkbox"/> Hampton Inn & Suites by Hilton	<input type="checkbox"/> Motto by Hilton
<input type="checkbox"/> Conrad	<input type="checkbox"/> Hilton	<input type="checkbox"/> Signia by Hilton
<input type="checkbox"/> Curio Collection by Hilton	<input type="checkbox"/> Hilton Garden Inn	<input type="checkbox"/> Spark by Hilton
<input type="checkbox"/> DoubleTree by Hilton	<input type="checkbox"/> Home2 Suites by Hilton	<input type="checkbox"/> Tapestry Collection by Hilton
<input type="checkbox"/> DoubleTree Suites by Hilton	<input type="checkbox"/> Homewood Suites by Hilton	<input type="checkbox"/> Tempo by Hilton
<input type="checkbox"/> Embassy Suites	<input type="checkbox"/> LivSmart Studios by Hilton	<input type="checkbox"/> Tru by Hilton
<input type="checkbox"/> Hampton Inn by Hilton	<input type="checkbox"/> LXR	<input type="checkbox"/> Waldorf Astoria

**Development Type:**

New Development\*     
  Conversion     
  Change of Ownership     
  Relicensing  
 (\*new build/adaptive reuse)

**Hotel Affiliation (for New Development/Conversion applications only):**

Has there ever been a franchise, branded management, affiliation, or similar agreement pertaining to the proposed hotel or site?

No       Yes/Describe: \_\_\_\_\_

Is the hotel currently under contract with another hotel chain?

No       Yes/Specify hotel chain: \_\_\_\_\_

**Hotel Facilities (existing and/or proposed):**

Total Guest Units:	# of Standard Rooms:	# of Suites:	# of Stories:
Year Built (open hotel)	Meeting Space?	No	Yes: sq. ft # of Mtg Rms:
Ballroom?	No	Yes/Description/square footage:	
Fitness Center?	No	Yes/Description:	
Spa?	No	Yes/Description:	
Swimming Pool?	Hot Tub/Jacuzzi?		
Food & Beverage Facilities (outlets, capacity, meals served, operated/leased, current/planned brand names):			
Other Retail Outlets (type, operated/ leased, current/planned brand names):			
Other Amenities (specify):			
Shared Facilities?	No	Yes/Description:	
Condo Residences?	No	Yes/(#):	
Hotel Rental Program?	No	Yes/Description:	

**Hotel Site /Building Information:**

Total sq footage of site: \_\_\_\_\_ Zoned for hotel development?  No  Yes  
 Max height allowed by zoning: \_\_\_\_\_ Ft. Stories \_\_\_\_\_  
 Site/Development Restrictions?  No  Yes/Describe: \_\_\_\_\_

**Please describe Applicant’s current form of site control for the Hotel or Hotel Site:**

- Owned by Applicant (attach copy of recorded deed)
- Ground lease (attach copy of recorded ground lease) Expiration Date: \_\_\_\_\_
- Binding option agreement (attach copy of recorded agreement) Exercise Deadline: \_\_\_\_\_
- Binding purchase agreement (attach copy of executed agreement) Closing Deadline: \_\_\_\_\_
- Other/Describe: \_\_\_\_\_

**If Hotel or Hotel Site is currently owned by someone else other than Applicant, please indicate:**

Hotel/Hotel Site owner name:	
Street Address:	
State/Province:	
Zip/Postal Code:	
Country:	
Telephone:	
Fax:	
Email:	
Related to Applicant?	<input type="checkbox"/> No <input type="checkbox"/> Yes/Describe:

**If Hotel or Hotel Site will, upon close of purchase, be owned by someone other than Applicant, please indicate:**

Fee owner/Lessor name:	
Street Address:	
City, State/Province:	
Zip/Postal Code:	
Country:	
Telephone:	
Fax:	
Email:	
Related to Applicant?	<input type="checkbox"/> No <input type="checkbox"/> Yes/Describe and provide ownership structure of fee owner.

**FINANCIAL INFORMATION/PROJECT TIMELINE**

**Estimated Project Costs - New Development Project:**

<u>Costs</u>	<u>Overall</u>	<u>Per Key</u>
Land:	US\$	US\$
Construction:	US\$	US\$
FF&E:	US\$	US\$
Other:	US\$	US\$
Total Project Costs:	US\$	US\$

**Estimated Project Costs – Conversion or Change of Ownership (existing hotel):**

<u>Costs</u>	<u>Aggregate</u>	<u>Per Key</u>
Purchase Price/Current Market Value:	US\$	US\$
Renovations/Upgrades:	US\$	US\$
Other:	US\$	US\$
Total Project Costs:	US\$	US\$

**Estimated Project Timeline:**

Forecasted Construction/Renovation Start Date:	
Forecasted Construction/Renovation Completion Date:	

**Operating Projections:**

<u>Assumptions</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
% Occupancy					
Avg Daily Rate (US\$)					

**Financing/Refinancing Information:**

Do you have a loan or loan commitment for this project?  No  Yes (continue)

Name of Lender(s): \_\_\_\_\_

Loan Amount: \_\_\_\_\_ Percentage Equity: \_\_\_\_\_

Description: \_\_\_\_\_

New?  Existing? \_\_\_\_\_

Is the loan (or will the loan be) cross-collateralized by other hotels/real estate assets or cross-defaulted to any other loan(s)?

No  Yes/Describe: \_\_\_\_\_

**Deadlines associated with Project or Application:**

Are there any critical deadlines we should know about in processing your application, such as purchase closings or financing commitment deadlines?

No  Yes/Describe: \_\_\_\_\_



# **EXHIBIT G**

## INFORMATION TECHNOLOGY SYSTEM AGREEMENT

**THIS INFORMATION TECHNOLOGY SYSTEM AGREEMENT** ("Agreement") is entered into as of %HotelApprovedDate% (the "Effective Date") by and between Hilton Systems Solutions, LLC ("HSS") and %LegalEntity% ("Customer"), each of which is a "Party" and both of which are, collectively, the "Parties". This Agreement includes all of its attachments, exhibits, schedules and Order Documents as well as all other documents expressly incorporated into it by reference.

### RECITALS

Customer is a party to a management agreement and/or franchise agreement with an affiliate of HSS for the %BrandCodeDesc% hotel located at %PropertyAddressLine%, (the "Hotel"). Customer is entering into this Agreement in order to obtain and use certain information technology ("IT") products, services and systems for and at the Hotel.

### ARTICLE 1. DEFINITIONS AND ORDER DOCUMENTS

1.1 Use of Relationship Agreement. The provisions of this Agreement will be deemed to include all of the terms, requirements, covenants and conditions contained in either (i) the Customer's Franchise Agreement; or (ii) the Customer's Management Agreement, (the "Relationship Agreement"), with such modifications as are necessary to make them applicable to this Agreement and the Parties as if set out in full in this Agreement. In the event that both a Customer's Franchise Agreement and Customer's Management Agreement exist, without prejudice to Article 7 (Precedence and Interpretation) then only the terms, requirements, covenants and conditions contained in the Customer's Franchise Agreement will be deemed to be incorporated into this Agreement.

1.2 Definitions. Unless otherwise defined in the body of this Agreement or in Annex 1 – Definitions, all of the defined words and expressions used in this Agreement have the meanings set out in the Relationship Agreement.

1.3 Ordering Software, Services and Authorized Equipment. Customer may order Software, Services and Authorized Equipment by submitting an HSS-approved form of order document ("Order Document") to HSS. Once accepted by HSS the Order Document becomes part of this Agreement.

### ARTICLE 2. SOFTWARE, FEES AND MASTER AGREEMENTS

2.1 License to Software. HSS licenses to Customer the Proprietary Software and sublicenses to Customer the Certified Third Party Software set forth in the Order Document on the terms and conditions set forth in this Agreement.

2.1.1 Customer may be required to execute a separate license agreement directly with one or more third party software providers in connection with Certified Third Party Software not licensed from HSS and such Certified Third Party Software will be licensed on the terms and conditions set out in such separate license agreement.

2.1.2 The Proprietary Software and Certified Third Party Software for which there is no separate license agreement are licensed or sublicensed to Customer under this Agreement on the following terms and conditions:

- a) The license is personal, non-exclusive and non-transferable.
- b) The Software may be used by Customer solely on the Authorized Equipment and solely for the operation of the Hotel.
- c) Except for a single copy of Certified Third Party Software which may be maintained by Customer for archival back-up purposes, Customer will not reproduce or reuse, in whole or in part, any Software, documentation or materials comprising any portion of the Information System in any manner (whether directly or in creating a new use or otherwise) without the prior written consent of HSS. Customer will not cause or permit any reverse engineering, disassembly or de-compilation of any of the Software or any review of Software data structures.
- d) Customer will accept all patches, bug fixes, updates, version upgrades, maintenance and service packs (collectively, "Patches") from HSS or the relevant Preferred Provider that are deemed necessary by HSS for

the proper function and security of the Software. HSS is not responsible for performance or security issues that result from Customer's failure to accept the application of Patches.

e) Customer recognizes the confidential and proprietary nature of the Software and agrees to maintain the Software in confidence in accordance with Article 6 (Confidentiality). Customer will not permit the Software and related documentation to be used or accessed by anyone other than Customer's employees or contractors pursuant to Section 2.1.2 (b) who are bound by obligations of confidentiality no less stringent than those set forth herein.

2.1.3 Customer will not remove or obscure any copyright, trademark, other mark or confidentiality notices affixed to any Software and will not modify it or combine it with or into any other program, data or device.

2.1.4 No legal or equitable title to or ownership of any of the Software or any proprietary rights therein are transferred to Customer under this Agreement other than the limited software license specified herein.

2.1.5 Customer acknowledges and agrees that the Software is owned by HSS, HSS' Affiliates and/or their respective licensors and that everything in the Software, including all intellectual property, is proprietary to HSS, HSS's Affiliates and/or their licensors, respectively. Customer also acknowledges and agrees that HSS may, at its discretion, make changes in, and substitutions of, the Software. Any new or additional Software made available to Customer by HSS is licensed to Customer under the terms of this Agreement.

2.2 Fees and Payment. All Fees are subject to change by HSS and/or the relevant third party as applicable. Customer will make all payments under or required by this Agreement in United States Dollars and within thirty (30) days of receipt of the invoice therefore.

2.3 Master Agreements with Third Parties. HSS or its designee may, without warranty or representation of any kind, negotiate with any third-party vendor a master services, software or equipment purchase or lease agreement (collectively, the "Master Agreements") and permit Customer to purchase or lease Authorized Equipment, license software and purchase services from those third-party vendors (each a "Preferred Provider") pursuant to the terms of the applicable Master Agreements. The Preferred Providers may require Customer to execute a joinder or participation agreement for the applicable Master Agreement, in substantially the forms contained in schedules to the relevant Order Document (collectively, the "Joinder Agreements"). Customer will be bound by the terms of that Master Agreement as specified in the relevant Joinder Agreement(s) and will be directly and solely responsible for Customer's compliance with and performance under the Joinder Agreement.

2.4 Customer Cooperation. Customer will provide HSS and its Affiliates and its and their respective third-party providers with such cooperation relating to HSS's performance of its obligations under this Agreement as HSS may reasonably request from time to time. Customer agrees to comply with the Information System's regulations, rules and policies as HSS may determine from time to time. Customer also agrees to comply with the Brand Standards.

### **ARTICLE 3. AUDITS**

Customer will maintain records sufficient to permit verification of Customer's compliance with this Agreement. Upon forty-five (45) days written notice (or such shorter period of time as may be required under any applicable Master Agreement), HSS or its designee may perform examinations, tests, audits, inspections and reviews of Customer's compliance with this Agreement, including by using the services of one or more third parties. Customer will cooperate with HSS's audit activities and provide reasonable assistance and access to information when requested, including to all of the following: (a) any part of any facility, including the Hotel, at which any Services and products provided pursuant to this Agreement are performed, provided or used; (b) the employees and contractors Customer uses in connection with its operation of the Hotel; and (c) data and records. No such audit will unreasonably interfere with Customer's normal business operations. Customer agrees that HSS will not be responsible for any of Customer's costs incurred in cooperating with any audit.

### **ARTICLE 4. TERMINATION**

4.1 Termination. HSS may terminate this Agreement by written notice to Customer on any of the following grounds:

4.1.1 Customer fails to pay any sums due and payable under this Agreement and fails to cure such failure within the cure period set forth in the notice, which will not be less than ten (10) days;

- 4.1.2 Customer breaches its obligations under Article 6 (Confidentiality);
- 4.1.3 Customer fails to refresh the Authorized Equipment at the Hotel as required by HSS; and
- 4.1.4 Customer breaches any other provision of this Agreement and does not cure that breach within the cure period set forth in the notice, which will not be less than thirty (30) days.

This Agreement will automatically terminate upon the termination or expiration of the Relationship Agreement.

4.2 Customer's Obligations upon Termination or Expiration. Upon any such termination the licenses granted to Customer under this Agreement, and the obligations of HSS to provide any Agreement Products and Services will immediately terminate. Customer will immediately cease using all Agreement Products and Services and promptly at HSS's discretion return any and all Agreement Products to HSS other than Authorized Equipment Customer owns, or destroy the same; provided, however, that Customer must return to HSS all Software contained in such Authorized Equipment. All of Customer's covenants and obligations under this Agreement will survive termination and expiration.

4.3 Termination Fees. Upon termination of this Agreement Customer will pay: (a) all unpaid Fees related to the Agreement Products and Services, Software and Authorized Equipment incurred by Customer; (b) all costs to HSS of all the Agreement Products and Services, Software and Authorized Equipment that exceeds what the Customer paid for same; (c) all termination, penalty or administrative fees that would not be payable but for the termination for cause; (d) all costs related to disabling the Agreement Products and Services, together with related intervention or administration fees; (e) all costs and fees for any Authorized Equipment, Authorized Equipment maintenance Services, Software, Software maintenance Services, network and other Services HSS and its Affiliates, in their sole discretion, provide to Customer at Customer's request after the termination effective date; and (f) all termination fees identified in the Customer's Order Document.

4.4 Suspension of Service. If Customer fails to comply with the Information System use regulations, rules or policies, or is otherwise in default under this Agreement HSS may, in its sole discretion: (a) disable Customer's access to or use of all or any part of the Information System and suspend any part of the Services provided or supported under this Agreement and (b) suspend and withhold performance of HSS's obligations under this Agreement. Customer will not be entitled to any compensation, refund or reduction in charges as a result of such action. Customer agrees that any such disabled access and suspension from the Information System will not constitute or result in actual or constructive termination or abandonment of this Agreement, or a waiver or release of any right to terminate. HSS may charge Customer for the cost relating to such disabling and suspending and, if Customer's defaults are cured as required, re-enabling such access and resuming such obligations, if any, together with related intervention or administration fees.

4.5 Limitation on Access. If HSS determines in its sole discretion that it is necessary or advisable in order to protect in any way and for any reason the Information System, HSS may bar Customer's access to the Information System and may temporarily or permanently remove any or all data or other files. Such reasons include, without limitation, HSS or third party provider's determination that: (a) Customer's network connection, software, equipment or files may infect the Information System with Malicious Code, (b) internet access by the Customer or Customer's access to or use of the Information System is in violation of the applicable acceptable use policy governing use of the provider's services or any law or (c) Customer's network connection, software, equipment or files may cause harm to or disrupt the Information System. Neither HSS nor any such third-party provider will be liable for any inconvenience or disruption to the Customer or any consequences thereof caused by such measures.

## **ARTICLE 5. DISCLAIMERS**

**HSS makes no representations or warranties as to any Certified Third Party Software, any Authorized Equipment or any Services provided by any Preferred Provider and will have no liability whatsoever for the terms and conditions thereof, performance of any obligations or other agreements therewith, any equipment purchased, leased, or installed, any Services performed, any use of any software, or any software licensed or sublicensed by any Preferred Provider. The sole warranties provided to Customer, if any, with respect to the Certified Third Party Software, Authorized Equipment or Services provided by the Preferred Providers are provided by the applicable third party vendor pursuant to a written warranty, if any, provided to Customer by such third party vendor. In the event Customer notifies HSS of any condition which Customer believes constitutes a breach of any warranty provided by a Preferred Provider, HSS will, upon Customer's request, provide reasonable cooperation and assistance in notifying such third party vendor of such condition and in urging such third party vendor to correct such condition. HSS reserves the right to make changes and substitutions in the components of the Information System.**

Except as specifically provided in this Article 5 (Disclaimers), HSS disclaims all express or implied warranties with respect to the Software, Authorized Equipment, Services and Information System, including without limitation, any implied warranties of merchantability, fitness for a particular purpose, title, non-infringement, design, accuracy, capability, sufficiency, suitability, capacity, completeness, availability, compatibility, or those that may arise from course of dealing or course of performance or that any Software, Services or Authorized Equipment provided hereunder will not violate the intellectual property rights of and person or entity. HSS does not guarantee, warrant, or make any representations to the effect that any of the Software, Authorized Equipment, Services or Information System provided or made available to Customer under this Agreement (a) will be continuously available, uninterrupted or defect-free, delay-free, or error-free, (b) will have its defects or errors corrected, (c) will operate in combination with any Customer or third party software, system, service, data or equipment not made available by HSS, (d) will be free of Malicious Code or other harmful components, or (e) will be accurate or complete. HSS does not guarantee, warrant or make any representations regarding the use of, or the results of, any of the Software, Authorized Equipment, Services or Information System in terms of its respective correctness, accuracy, reliability, or otherwise.

HSS will not be liable for, and makes no warranty or guarantee of, the confidentiality or privacy of any data or other files transmitted to, on, from or through the Agreement Products and Services and/or the Information System and is not responsible for any delays, delivery failures, or other damage resulting from such problems arising in connection therewith. HSS is not responsible for any issues related to the performance, operation or security of the Services that arise from Customer content, Customer applications or third party content. HSS is not responsible for incorrect or inaccurate entry information, or destroyed, impaired or lost data, whether caused by Customer or by any of the equipment or programming associated with or utilized in the Information System or by any technical or human error which may occur in the processing of any information related to the Information System.

HSS will have no liability to third parties for any claims, losses or damages of any type whatsoever arising out of or in any way related to the access to or any use of any of the Agreement Products and Services or any part of the Information System. Customer will be responsible for, and Customer will indemnify HSS and its Affiliates and hold them harmless from and against any and all allegations, losses, demands, claims (including taxes), liabilities, damages (including punitive and exemplary), fines, penalties and interest, and all related costs and expenses of whatever nature (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, experts, settlement, judgment, interest and penalties) from any individual or entity which arise out of Customer's (a) access to or any use of any of the Agreement Products and Services or any portion of the Information System, and (b) acts and omissions under this Agreement, including without limitation infringement of any intellectual property rights.

HSS reserves the right for any reason, including, but not limited to, Customer's failure to comply with the Information System's use regulations, rules and policies, to temporarily bar access of Customer to the Information System and/or to temporarily or permanently remove any or all data or other files if HSS or the third party provider hereunder determines or receives notice that Customer's network connection, software, equipment or files may infect the Information System with a virus, that internet access by the Customer or Customer's access to or use of the information system is in violation of the applicable acceptable use policy governing use of the internet service provider's services ("AUP") or any governmental law or regulation or that Customer's network connection, software, equipment or files may cause harm to or disrupt the Information System. HSS and the third party provider will not be liable for any inconvenience or disruption to the Customer caused by such measures.

HSS may inform governmental authorities or interested third parties if HSS suspects, believes or receives notice that Customer's data or other files contain legally prohibited information or are being used for illegal purposes. Customer acknowledges that HSS or the third party provider may monitor and review stored data and other files without restriction and Customer hereby acknowledges and consents to such monitoring. Customer also acknowledges that HSS or the third party provider may need to release Customer's data or other files when HSS or the third party provider believes it must do so in order to comply with a law, subpoena, warrant, order or regulation arising from litigants, law enforcement, courts and other governmental agencies. Neither HSS nor the third party provider will be responsible or liable to Customer for any such actions taken by HSS or the third party provider

The remedies provided in this Agreement constitute Customer's sole and exclusive remedies. In no event will HSS be liable for any special, incidental, consequential or exemplary damages, including without limitation damages for loss of use, lost profits or loss of data or information of any kind, arising out of or in connection with this Agreement, whether or not HSS has been advised of the possibility of such loss or damage. In no event will HSS's liability to Customer arising out of or in connection with this Agreement, whether in contract, tort or otherwise, exceed the amounts actually paid by Customer to HSS under this Agreement during the six (6) month period immediately preceding the time that the cause of action giving rise to such liability first accrues.

To the extent not prohibited by law, the warranties contained in this **Article 5 (Disclaimers)** are exclusive and there are no other express or implied warranties or conditions.

**ARTICLE 6.  
CONFIDENTIALITY**

Customer will maintain the confidential and proprietary nature of the Proprietary Software, Certified Third Party Software, Information System, Services and any and all information, documentation and materials of HSS and HSS Affiliates which are disclosed under or provided or made available to Customer under or in connection with this Agreement. The foregoing includes without limitation proprietary ideas, patentable ideas, copyrights, trade secrets, existing and contemplated products and services, software, schematics, research and development, discoveries, inventions, methods, processes, materials, algorithms, formulas, specifications, designs, data, strategies, plans, and know-how, whether tangible or intangible (collectively, the "Confidential Information"). Customer will maintain such Confidential Information in confidence and agrees not to disclose or otherwise make available the Confidential Information to any person or entity other than Customer's employees at the Hotel who are bound by obligations of confidentiality no less stringent than those set forth herein, without prior written consent of HSS. Customer further agrees to take all reasonable steps and precautions necessary to protect the Confidential Information from unauthorized use or disclosure.

**ARTICLE 7.  
PRECEDENCE AND INTERPRETATION**

The terms and conditions of Customer's use of the Agreement Products and Services and the Information System will be governed exclusively by this Agreement and any applicable Joinder Agreements notwithstanding any different terms submitted by Customer to HSS. In the event of any conflict between this Agreement and any Order Document, the Order Document will control. Terms in the Relationship Agreement addressing the same issue as terms in this Agreement will be deemed to be additional and complimentary to this Agreement's terms except to the extent that such Relationship Agreement terms specifically conflict with the terms of this Agreement in which case the terms of this Agreement will control.

**Confidential**

**IN WITNESS WHEREOF**, by the signature of its respective authorized representative, each of the Parties agrees to be bound by all of the terms of this Agreement.

**HSS**  
**Hilton System Solutions, LLC**

**CUSTOMER:**  
%LegalEntity%

By: %HiltonApproverSignature% By: %HotelApproverSignature%

Name: %AMERCountersigner% Name: %HotelApproverName%

Title: %AMERCountersignerTitle% Title: %HotelApproverTitle%

Date: %HiltonApprovedDate% Date: %HotelApprovedDate%

**Confidential**

## ANNEX 1 DEFINITIONS

As used in this Agreement, the following terms have the meanings given to them below.

1. "Agreement Products and Services" means, collectively, the Software, Authorized Equipment, Services, subscriptions, Information System, documentation and all other materials identified herein that is or may be made available to Customer pursuant to this Agreement.
2. "Authorized Equipment" means equipment that has met HSS standards for operating as part of the Information System and which is made available for purchase or lease under this Agreement or a Joinder Agreement.
3. "Certified Third Party Software" means software licensed by third parties to Customer or sublicensed by HSS to Customer and listed in the applicable Order Document.
4. "Fees" means, collectively, all of the fees, charges and expenses chargeable to or due from Customer under this Agreement, including any Order Document.
5. "Information System" means, collectively, the software, equipment and IT systems made available by HSS and its Affiliates for Customer's access, use or benefit, including without limitation PEP and the OnQ technology.
6. "Malicious Code" means any virus, worm, trojan horse, spyware, adware, rootkit, ransomware, scareware, rogware, backdoor, trap door, logic bomb or similar item intended to cause or capable of causing undesired effects, security breaches and/or damage to a system or a system's contents.
7. "Proprietary Software" means software owned by HSS or its Affiliates.
8. "Services" means the services provided under this Agreement.
9. "Software" means the Certified Third-Party Software and Proprietary Software

Confidential



# ORDER DOCUMENT

**Customer Name:** %LegalEntity%                      **Customer Contact:** %GMName%

**Customer Address:** %PrimaryContactName%                      %PropertyName%  
%PrimaryContactAddressBlock%                      %PropertyAddressBlock%

**Property Name:** %PropertyName%                      **Issue Date:** %CreationDate%

This Order Document is issued under and is a part of the *Information Technology System Agreement* ("Agreement") between Hilton Systems Solutions, LLC ("HSS") and %LegalEntity% ("Customer") and includes all of its schedules, attachments, and exhibits as well as all other documents expressly incorporated into it by reference. It becomes effective on the date identified by HSS under the signature blocks below ("Order Effective Date") and when signed by both parties is automatically incorporated into and becomes part of the Agreement. All licenses and sublicenses of software, all subscriptions, all Services and all equipment provided herein or obtained hereunder are subject to the terms and conditions of the Agreement and to the terms of this Order Document. Unless otherwise specified the defined terms in this Order Document have the meanings given them in the Agreement.

The pricing provided here for goods and services provided by HSS is valid for a period of ninety (90) days following the date of issue of this Order Document to Customer ("Issue Date"). Should this Order Document not be signed by the Customer within those (90) days, Customer must obtain written confirmation from HSS that the pricing requested by Customer remains in effect.

Except as otherwise noted herein or in the applicable invoice all payments required by this Order Document must be made in United States Dollars within thirty (30) days of receipt of the invoice therefore. Customer acknowledges and agrees that HSS or its Affiliates may derive revenues and/or other material consideration on all or a portion of the fees paid by Customer and that HSS may use third parties to perform the Services. All fees indicated are exclusive of applicable taxes, shipping, insurance, rigging, duties and other related fees and expenses, all of which are payable by Customer. Provision of the Authorized Equipment, Software and Services is made in consideration of the Customer's promise herein to pay the fees therefor and is subject to Customer's timely payment of such fees. HSS may delegate certain of its operational responsibilities hereunder to third parties but remains responsible therefore.

**EXECUTION INSTRUCTIONS:** Please sign this Order Document, each of the documents in Schedule C and any other Schedules indicated as needing your signature.

**IN WITNESS WHEREOF**, by the signature of its respective authorized representative, each of the parties agrees to be bound by all of the terms of this Order Document.

**HSS**  
**Hilton System Solutions, LLC**

**CUSTOMER:**  
%LegalEntity%

By: <u>          %HotelApproverSignature%          </u>	By: <u>          %HotelApproverSignature%          </u>
Name: <u>          %AMERCountersigner%          </u>	Name: <u>          %HotelApproverName%          </u>
Title: <u>          %AMERCountersignerTitle%          </u>	Title: <u>          %HotelApproverTitle%          </u>
Date: <u>          %HiltonApprovedDate%          </u>	Date: <u>          %HotelApprovedDate%          </u>

The Order Effective Date for this Order Document is the date it is signed by HSS.

**1. Software, Systems and Related Services.**

**1.1 Software, Systems and Interfaces.** HSS licenses to Customer use of the Hilton Property Engagement Platform (“PEP”) and the following Proprietary Software and sublicenses to Customer use of the Certified Third Party Software included in PEP under the terms specified in the Agreement.

A. Interfaces (Proprietary Software unless otherwise noted):

	<b>Interfaces</b>	<b>Those Being Licensed to Customer are Noted with “X”</b>
1.	Call Accounting interface	%CallAccounting%
2.	PBX interface	%PBX%
3.	Voice Messaging interface	%VoiceMail%
4.	Point Of Sale interface	%POS%
5.	Movie Only Billing interface	%MovieSystem%
6.	TV Services (Express Checkout, Movies, etc.) interface	%VideoCheckOut%
7.	Mini-Bar Posting interface	%MiniBarPosting%
8.	Credit Card Authorization & Settlement interface	%CreditCard%
9.	Guest Internet Access interface	%INetCallAccounting%
10.	Combined HSIA & PayTV interface	%TVandHSIA%
11.	PPIC interface	%PPIC%
12.	Electronic Key interface	%ElectronicKey%
13.	Energy Management interface	%EnergyMgmt%
14.	Police interface	%Police%
15.	Back Office interface	%BackOffice%
16.	Guest Call Center interface	%CallCenter%
17.	Parking interface	%Parking%
18.	Spa interface	%SPA%
19.	Convention and Event interface	%CONFEVENT%
20.	Digital Compendium	%Intelity%
21.	Housekeeping / Engineering / Rapid Response	%HOTSOS%

B. Additional Software. HSS may require that Customer use additional Proprietary Software and Certified Third Party Software for the proper operation of the Agreement Products and Services. Such Software made available to Customer by HSS is licensed to Customer under the terms of this Agreement.

**1.2 Reserved.**

**1.3 Training and Training Materials.**

There are a number of training modules applicable for each job role regarding PEP’s and the Proprietary Software’s function. The Hotel is responsible for ensuring that all employees who have responsibilities related to the use of PEP and the Proprietary Software complete the applicable training modules prior to the implementation of PEP, the Proprietary Software and Certified Third Party Software above at the Hotel, or within ten (10) days of employment, as agreed to with HSS. All such Hotel staff must successfully complete the training as a prerequisite to receiving permission from HSS’s installation team to complete the implementation of PEP, the Proprietary Software and Certified Third Party Software. The Training Matrix, part of the Required Training Documents (“RTD”) provided by HSS, must be completed and verified by the HSS Implementation Specialists.

**1.4 Cost of Certain Installation, Implementation and Training Services.** The cost of certain installation, implementation, and training services (including the HSS implementation specialists) and materials are set forth below. These costs and travel expenses will be billed to Customer by HSS or the Preferred Provider following installation of the Information System. Additional costs for training replacement General Managers or other Hotel personnel will be billed to Customer prior to such training dates at the then current rate charged by HSS for such training.

**1.5 Site Surveys.** HSS will determine if an onsite, remote or combined Site Survey is required. Customer and HSS will mutually determine the scope, schedule and timing of a site survey that may be required for the preparation, installation and/or implementation of PEP (the “Site Survey”). HSS and Customer will identify the responsible parties for each aspect of the Site Survey. In preparation for any Site Survey, Customer will provide information and documentation relative to the Hotel as requested by HSS, including, but not limited to, hotel drawings, room locations and wiring diagrams. If HSS performs on-site services during the Site Survey, the Customer is responsible for providing timely access to the Hotel property, as well as complimentary room nights with confirmed reservations at the Hotel, as needed in the course of performing the Site Survey. A Hotel representative will be appointed by Customer to provide escort and access

to guest rooms for the room inspection portion of the Site Survey. The fees and costs for any work performed by HSS relative to the Site Survey, including any fees for creation and validation of the wireless network design, any travel expenses, per diem fees and other out-of-pocket related costs, will be billed separately by HSS to the Customer. Any additional costs incurred due to delays in performing the Site Survey caused by the Customer's Hotel will also be billed to Customer.

**1.6 Implementation Services.** HSS may, in its sole discretion, provide remote, on-site or combined implementation services for Customer's Authorized Equipment and related Certified Third Party Software. Some are described below but more exact requirements may be set forth in the applicable Brand Standards and are subject to change by HSS or HDOC or their affiliates or subsidiaries from time to time. HSS will provide the services using Systems Implementation consultants. The number of consultants and number of days they will be used will be determined by HSS based upon the size and type of the Hotel and the Hotel's IT requirements. These consultants may:

- (a) work with the Hotel, which is responsible for the cost of building the Hotel's database, including the verification of the proper functioning of the Software, installation, conversion, implementation, data conversion or recovery;
- (b) provide procedural support for the property management system to the Hotel's management;
- (c) work with the Hotel's management to adapt their use of the Information System to meet the Hotel's requirements;
- (d) support the Hotel's staff in their use of the Information System through the Hotel's management;
- (e) work with the Hotel's management to assure that the Hotel has all necessary tools for the implementation of the Information System (i.e., Authorized Equipment, Certified Third Party Software, documentation, etc.);
- (f) install or approve the installation of equipment to meet the requirements of the Hotel, HSS and the manufacturer of the Authorized Equipment;
- (g) work with third party vendors to meet the technical criteria for interface communications (i.e., central reservations, call accounting, energy management, door lock, guest internet access, etc.);
- (h) verify that all front desk staff and Hotel's management have successfully completed the Information System Training;
- (i) identify and address operational problems that involve the Information System; and
- (j) formulate and present recommendations that maximize efficient use of the Information System.

**1.7 Authorized Equipment Installation.** Whether Customer elects to purchase or lease Authorized Equipment from a Preferred Provider through one of the Master Agreements HSS will coordinate the installation of such Authorized Equipment at the Hotel.

A. Customer or HSS, in HSS's discretion, will obtain and maintain throughout the term hereof, at Customer's cost, the necessary communication vehicles and services for direct communication between HSS and the Hotel as is reasonably necessary for the operation of, and for the diagnosing of issues involving, the Agreement Products and Services, including without limitation, network access and wide area network connections to the Central Reservation System and Internet.

B. Customer will make available, at its own expense, prior to the agreed upon installation date a location that, in HSS's opinion, is suitable for installation of such Authorized Equipment. Customer will furnish any electrical connections and dedicated phone lines which may be required by HSS and will perform and pay for all work, including alterations, which in the sole discretion of HSS is necessary to prepare the Hotel for the installation and proper operation of the Authorized Equipment.

C. Any delay in shipment and installation of Authorized Equipment or Certified Third Party Software, including delays by communications vendors, Preferred Providers, or any other retailers, will, for the duration of such delay, excuse any failure of HSS to install the Authorized Equipment on or before the agreed upon installation date. However, HSS will use commercially reasonable efforts to require such approved vendors to comply with their service level agreements as to installation and shipment timing for Customer's installation, in accordance with such approved vendor agreements.

D. If Customer elects to purchase such Authorized Equipment from another retailer, it will be installed at the Hotel on a date mutually agreed to by HSS and Customer following HSS's determination that it conforms to HSS's specifications and testing procedures and can be configured with the Software.

**1.8. Software Installation.**

A. Unless specifically stated as being implemented by HSS, it is Customer's obligation to install the Software on the Authorized Equipment and any related hardware at such time as HSS designates in writing to Customer. The Software may be installed in phases such that one or more Software modules may be installed and/or be operational prior to other Software modules. Customer will be responsible for all fees and costs incurred in the installation of Software and any related Software.

B. If Customer purchases the Authorized Equipment from HSS or a Preferred Provider, the Preferred Provider or HSS will install the Software and any related software as described in this Agreement on the Authorized Equipment and HSS will complete the installation at the Hotel, as applicable, on the agreed upon installation date. If Customer does not purchase the Authorized Equipment from the Preferred Provider, HSS will install the Software and any related software at such time as HSS designates in writing to Customer. The Software may be installed in phases such that one or more Software modules may be installed and/or operational prior to other Software modules. The Software modules to be installed will be as set out above and in this Agreement, and Customer hereby agrees to permit the Preferred Provider or HSS to install any and all other Software modules on the Authorized Equipment in or at the Hotel, as provided for herein.

C. If Customer purchases Authorized Equipment from a retailer other than the Preferred Provider, Customer will pay for configuring the Authorized Equipment purchased from such retailer, with the Software. Customer will also be responsible for shipping and shipping related costs to and from HSS for such configuration.

**1.9 Third Party Interface Testing and Connectivity.** If Customer requires the implementation of any interface Proprietary Software for connectivity to third party systems, Customer will be responsible for any fees assessed by the third party vendors to test and implement the necessary connectivity. In addition, Customer will be required to make arrangements with any such third party vendor to provide the necessary assistance required to test and to implement the interface connectivity. This assistance requires the vendor to be on-site at the time of testing and implementation, unless the third party vendor can perform all necessary tasks (as defined by HSS) through a remote connection to the Customer's third party system. The cost incurred by any third party vendors for testing and implementing connectivity to third party systems will be billed to Customer by HSS, or such vendors for the license of each copy of the Proprietary Software and the Certified Third Party Software licensed to Customer by HSS

**1.10 Certain Costs and Payment Terms.**

A. Software License Fees. Customer will pay HSS, Preferred Provider or another retailer approved by HSS, a fee for the license of each copy of the Proprietary Software and the Certified Third Party Software, licensed or sublicensed to Customer by third parties or installed on the Authorized Equipment at the Hotel (the "License Fees"). The License Fee to be paid for PEP, which is a one-time fee, is based on the number of guest rooms in Customer's Hotel

Number of Guest Rooms (Tiers)	Current License Fees*
1 to 300 Guest Rooms	\$ 8,000.00
301 to 500 Guest Rooms	\$ 9,500.00
501 or more Guest Rooms	\$12,500.00

\*These fees are subject to change.

If, after paying the original License Fee, the number of guest rooms in Customer's Hotel is increased to a new tier, Customer will pay the difference between the original License Fee and the License Fee payable under the new tier. As an example, if the Hotel had 280 guest rooms and Customer paid the \$8,000 License Fee, and then Customer expanded the Hotel to 350 guest rooms, Customer would pay HSS an additional \$1,500 (the difference between the License Fee for the 1 to 300 guest room tier and the License Fee for the 301 to 500 guest room tier).

PEP License Fee	;%SystemTwentyOneSWFee%
OnQ® Virus and CAL Licenses	;%SystemTwentyOneVirusSW%

B. Cost of the Authorized Equipment, Certified Third Party Software and Other Fees. The cost of the Authorized Equipment, Certified Third Party Software and other fees are shown below. The costs will be invoiced to Customer by HSS or by the Preferred Provider.

Authorized Equipment and Certified Third Party Software	;%SystemTwentyOneHWFee%
Standard Upgrade Fee	;%StandardUpgradeFee%
Standard Plus Software License Fees	;%StandardPlusSoftwareFee%

**C. Cost of Training and Training Materials.** The cost of the training is shown below. This cost will be invoiced to Customer by HSS or the third party provider HSS may use at the same time as it renders its invoice to Customer for the License Fees. Additional costs for training replacement general managers or other hotel personnel will be invoiced to Customer prior to such training dates. Customer will be responsible for charges incurred for use of Virtual Private Network (“VPN”) to access the training hotel. These costs include fees from HSS’s current VPN access provider, for up to 5,000 minutes of network access as well as HSS internal costs for configuration services. VPN access will be terminated for each property at the time of hotel opening or live utilization of the Information System.

Training System Access Fee \$%TrainSysAccessFee%

There is currently no additional charge for the CBT training modules which are included within the software.

Information System Planning Workshop \$%SystemTwentyOnePlanningWS%

Sales Skills Training: For the Hampton and Homewood brands (N/A for other brands), attendance is required by general manager, assistant general manager, or full-time sales manager within ninety (90) days of employment.

\$%SalesTrainingFee%

General Manager Leadership Program: \$%GMTrainingFee%  
 For ES/HH/HIS/HW/DT/DC (N/A for other brands):

Pre-Opening Materials \$%PreOpeningFee%  
 For ES/HH/HIS/HW/DT/DC (N/A for other brands):

**D. Cost of Installation and Implementation Services.** The cost of the installation and implementation Services (including the cost of the Systems Implementation Specialists but excluding the cost of any services described in any other schedules) is shown below. This cost will be invoiced to Customer by HSS or the Preferred Services Provider at the same time as it renders its invoice to Customer for the Proprietary Software.

Preferred Provider Fee: \$%ServicesPreferred%  
 (Configuration fees and Training Room Network Installation, as applicable)  
 (Includes travel expenses)

Project Management, Contracting and Sales fee (“PMCS Fee”) \$%ServicesPMCS%

Site Survey (travel expenses are additional) \$%HHCSiteSurvey%

Installation Support Fee \$%InstallSupport%

Implementation services: (travel expenses to be billed at actual per guidelines below for others) \$%ImplementationFee%

Delphi Project Management Fee \$%DELPHIPM%

Delphi Implementation Fee \$%DELPHIIMP%

Executive Briefing and Change Management \$%DevRecovery%

Email Setup Fee: \$%Email%

Hi Tech Fee: \$%HiTechFeeOne%

Firewall Equipment and Configuration and/or Converged Network Install \$%Firewall%

IT Opening Project Manager \$%INTLITOPENPM%

Digital Floor Plan Billing Management \$%DigitalFloorSetup%

Salesforce Community License \$%SALESFORCE%

GRO Setup Fee \$%GROSETUP%

Promptly following HSS’s providing of the Services, an invoice will be submitted to Customer for HSS’s representatives’ out-of-pocket expenses, any additional per diem charges for its representatives (as described in the Notes below), any re-scheduling fee, and any additional travel expenses as set forth above, which invoice will be payable within fifteen days of Customer’s receipt of same.

TOTAL PRICE

\$\$\$TotalPrice%

\*TOTAL PRICE EXCLUDES TAXES, SHIPPING & ANY MONTHLY FEE ITEMS NOTED HEREIN

Notes:

(i) Promptly following HSS's providing of the Services, if applicable, due to implementation delays or requested incremental days on-site, an invoice will be submitted to Customer for HSS's representatives' out-of-pocket expenses, any additional per diem charges for its representatives, any re-scheduling fee, and any additional travel expenses as set forth above, which invoice will be payable within fifteen days of Customer's receipt of same.

(ii) Customer will pay according to the terms of any invoice(s) submitted to Customer, including any provision for late charges, the fee for the installation of any telephone line(s) or wide area network connection(s) necessary for connection of the Authorized Equipment

(iii) The cost to configure equipment obtained by Customer from a non-preferred retailer, to be included here, when applicable.

E. Other. If Customer attaches or uses third party equipment, software, and/or interfaces with any of the Agreement Products and Services, the Central Reservation System or the internet which have not been certified or approved by HSS as meeting HSS's specifications and/or does not conform to the standards provided by the HSS or if Customer installs other third party non-HSS proprietary software which has not been certified or approved by HSS as meeting HSS's specifications, the Agreement Products and Services or such third party equipment, software, and/or interfaces may need to be reconfigured and the entire cost of such reconfiguration will be borne by Customer. Where HSS specifications cannot be met with such third party equipment, software, and/or interfaces, such third party equipment, software and/or interfaces will, at Customer's sole cost, be removed and/or replaced as directed by HSS.

**1.11 HSS Representatives on-Site at Hotel:** Customer must have its representative(s) on-site at the Hotel for the implementation of the Agreement Products and Services. Once HSS's representatives are on-site, any delays will result in additional expense to Customer. If a delay in implementation of any of the Agreement Products and Services caused solely by Customer necessitates the departure and re-scheduling of HSS's representatives, then, in addition to the other fees set forth in this Order Document, Customer will be required to pay a fee consisting of charges for such representatives' work days and travel days (currently U\$700.00 per representative per day), change fees, and additional travel expenses. The re-scheduled date will be determined based on the needs of the Hotel as well as the availability of HSS's representatives.

**2. Proprietary Software and PEP Maintenance.**

**2.1 Proprietary Software and PEP Maintenance.**

A. HSS will provide Customer with Proprietary Software and PEP maintenance and support services (the "Proprietary Software Maintenance") for a term of one (1) year (with annual renewals thereafter at the option of HSS) commencing on the Order Effective Date. The annual fee, payable in monthly installments, is as follows:

%%SoftwareMaintTable%

B. The first monthly payment will be invoiced in advance of the shipment date to the Hotel (the date of shipment being the "Start Date") of the Authorized Equipment purchased which will operate Proprietary Software to be maintained. For the avoidance of doubt, HSS has no obligation to provide Customer with maintenance, support or Help Desk services for any Certified Third Party Software; maintenance support and services for Certified Third Party Software is to be provided by the applicable Preferred Provider pursuant to the applicable Master Agreement. The Proprietary Software and PEP maintenance and support offered by HSS is described in Schedule A.

C. HSS is unable to modify, and does not provide support for, the Certified Third Party Software. Provided Customer has paid for all Proprietary Software Maintenance and other fees charged hereunder and satisfied all other obligations under the Agreement, HSS will supply Customer with any standard enhancements, improvements, updates, and/or modifications to the Proprietary Software and PEP ("Updates") generally made available by HSS as options or new releases to its Customers which are not charged for separately by HSS. Such Updates will be HSS's sole and exclusive property and will be deemed part of the Proprietary Software hereunder. Customer agrees that it may be required to purchase some Updates to the Proprietary Software and PEP, which are charged for separately by HSS, as well as additional hardware and/or software in order to utilize certain major upgrades or enhancements.

**2.2 Use of Certified Third Party Software Only.** In the event Customer uses or installs any third party software other than Certified Software on the Authorized Equipment or uses equipment that is not Authorized Equipment, HSS will have no further obligations to provide any Proprietary Software Maintenance services to Customer.

**2.3 Increases/Decreases.** HSS reserves the right to increase or decrease the Proprietary Software Maintenance cost on an annual basis to reflect increases or decreases in such costs and the addition or construction of additional guest rooms (or suites) by Customer for Customer's Hotel.



**3. Additional Services.**

**3.1 Additional Services Purchased Under This Ordering Document.** HSS will provide the following additional Services (if any are listed) for the fees noted (if any):

A. Guest Messaging Service. HSS will provide the Guest Messaging Service described in Schedule P – Guest Messaging Service.

%Misc%

**4. Authorized Equipment.**

**4.1 Authorized Equipment Purchased or Leased.** Customer will purchase or lease the Authorized Equipment required for the proper operation of the Hotel IT functionality identified by HSS. As of the Order Effective Date the purchasing and/or leasing fees for the Authorized Equipment described in Schedule B-1 – Authorized Equipment are:

**AUTHORIZED EQUIPMENT**

**NETWORK AUTHORIZED EQUIPMENT:**

%NetAuthEquipOne%

**STANDARD PLUS EQUIPMENT:**

%StdPlusEquipOne%

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The purchase fees will be invoiced by either HSS or the relevant Preferred Provider depending on the location of the Hotel and the source of the Authorized Equipment. Customer will be provided the specific information not later than 15 days following the Order Effective Date. Customer will purchase and replace any source, paper, ribbons, printer maintenance kits, toner and such other operating supplies as will be required for the operation of the Authorized Equipment, but Customer will utilize only such brands as are approved by HSS or the Authorized Equipment manufacturer.

**4.2. Authorized Equipment Maintenance.** Customer must purchase maintenance services as described in Schedule B-2 – Authorized Equipment Maintenance and Refresh for all of the Authorized Equipment it purchases or leases, including for all the Network Authorized Equipment when maintenance is not provided under the terms of the applicable Brand IT program. The fee for Authorized Equipment Maintenance includes a fee for Help Desk Services. As of the Order Effective Date Customer is purchasing Authorized Equipment Maintenance for the annual fee(s) shown, payable in monthly installments:

%HardwareMaintTable%

**5. Expenses.** If HSS or Preferred Provider personnel incur travel, lodging, meal, or any other out of pocket expenses in furnishing services hereunder, Customer will pay for or promptly reimburse HSS for same, subject to reasonable documentation of such expenses.

**6. Customer Responsibilities.** Customer will maintain on its staff at all times sufficient personnel that have been trained in and are knowledgeable about the use of the Information System in a professional, efficient and competent manner. Customer is responsible for maintaining duplicate or back-up copies of its software, data files and documentation. HSS will have no liability for any damages resulting from Customer's failure to maintain such duplicate or back-up copies nor for any costs or expenses of reconstructing any such data or information that may be destroyed, impaired or lost.

**7. Exclusions.** HSS's obligations under the Agreement will not apply to any errors, defects or problems caused in whole or in part by (i) any modifications or enhancements made to any Proprietary Software, Certified Third Party Software or Authorized Equipment by Customer or any third person or entity other than HSS; (ii) any software program, hardware, firmware, peripheral or communication device used in connection with the Information System which was not approved in advance in writing by HSS; (iii) the failure of Customer to follow the most current instructions promulgated by HSS or any third party vendor from time to time with respect to the proper use of the Information System; (iv) the failure of Customer to schedule regular preventive maintenance in accordance with standard HSS procedures; (v) forces or supplies external to the Authorized Equipment, including, without limitation, the reasons set forth in the force majeure provisions of the Agreement; and/or (vi) the negligence of Customer or any other third person or entity. Any corrections performed by HSS for any such errors, difficulties, or defects will be fixed, in HSS's sole discretion, at HSS's then current time and material charges. HSS will be under no obligation, however, to fix any such Customer or externally caused errors, defects or problems.

**8. Joinder Agreements.** Schedules C-1 and C-2 contain Joinder Agreements under which Customer can obtain products from Microsoft and reseller Insight Direct USA, respectively. Customer is required to sign those agreements if it is obtaining any products from those Preferred Providers in connection with this Order Document.

**9. Request for Products or Services.** The form to use when requesting products or services is contained in Schedule D – Form of Request for Products or Services.

**10. Notices.** Questions and notices regarding this Order Document should be directed to:

The Attention of:	Scott Greenberg
Address:	Hilton System Solutions LLC 755 Crossover Lane Memphis, Tennessee 38117
Telephone Number:	(901) 374-5510
Email Address:	Scott.Greenberg@hilton.com



## SCHEDULE A SOFTWARE MAINTENANCE

1. General. HSS will provide Customer with maintenance and support for Proprietary Software and PEP for a term of one (1) year (with annual renewals at the option of HSS) commencing upon execution hereof, for the Proprietary Software and PEP, specifically excluding any maintenance and support of any Certified Third Party Software.

2. Certified Third Party Software Only. Customer understands that the use of any software other than that provided by HSS pursuant to this Agreement, unless such additional third party software has been approved in writing by the HSS Information Technology Department, is not warranted for use on the Authorized Equipment. In the event Customer uses or installs any third party software other than Certified Software on the Authorized Equipment or uses equipment that is not Authorized Equipment, HSS will have no further obligations to provide any software maintenance services to Customer hereunder.

3. Software Maintenance.

(a) Customer acknowledges and understands that HSS is unable to modify the Certified Third Party Software. HSS does not provide support for the Certified Third Party Software. In the event Customer notifies HSS of any condition which Customer believes constitutes a breach of any warranty provided by a third party vendor or a defect in Certified Third Party Software, HSS will, upon Customer's request, provide reasonable cooperation and assistance in notifying such third party vendor of such condition and in urging such third party vendor to correct such condition.

(b) With respect to the Proprietary Software and PEP, provided Customer has paid all software maintenance and other fees and satisfied all other obligations under this Agreement, HSS will supply Customer with access to any standard enhancements, improvements, updates, and/or modifications to the Proprietary Software and PEP generally made available by HSS as options or new releases to its Customers which are not charged for separately by HSS as options or new releases. Such enhancements, improvements, updates, additions, and/or modifications which are supplied by HSS to Customer, and all Intellectual Property Rights therein, will be HSS's sole and exclusive property and will be deemed part of the Proprietary Software hereunder and will be subject to all of the terms and conditions of the Agreement. Customer acknowledges and agrees that Customer may be required to purchase some enhancements, improvements, updates, and/or modifications to the Proprietary Software and PEP which Customer will be charged for separately by HSS, as well as additional hardware and/or software in order to utilize certain major upgrades or enhancements.

4. Cooperation. Customer will provide HSS with all information, data and other required materials necessary for HSS to reproduce any problem identified by Customer. Customer will maintain for the term of this Agreement a modem and dial-up telephone line and a facsimile machine or other electronic communication capability mutually acceptable to both parties to facilitate HSS's ability to perform its maintenance services remotely.

5. Expenses. Customer will pay for all telephone toll charges incurred in providing maintenance and support hereunder.

6. Proprietary Rights. Any changes, improvements, additions, and/or modifications to any of the Proprietary Software or PEP which are licensed by HSS to Customer, and all proprietary rights therein, including without limitation, all Intellectual Property Rights, will be HSS's sole and exclusive property, and all such software will be subject to the terms and conditions of the Agreement.

7. Hotline. HSS will provide, in accordance with its customary business practices and procedures, telephone customer service support as reflected in this Schedule, for the purposes of receiving reports from Customer regarding software malfunctions subject to maintenance hereunder. HSS may attempt, to the extent practical, to resolve any reported problems by telephone or by accessing Customer's equipment remotely.

8. On-Site Services. In the event HSS is unable to resolve any reported problem by telephone or modem, HSS will dispatch service personnel to Customer's Site for the purpose of providing maintenance services hereunder at HSS's standard rates and charges.

9. Customer Responsibilities. HSS has no obligation to maintain or repair any software other than the Proprietary Software or PEP, nor to repair or replace any expendable or consumable components such as ribbons, paper, toner cartridges, print wheels, drums, batteries, or diskettes.

10. Cost and Payment Terms. Annual Cost of Software Maintenance is \$%AnnualSWMaint%. Payments will be calculated from the Start Date, payable in monthly installments of \$%MonthlySWMaint%. The monthly payment amount will be due in advance and will be billed by HSS. Interest at the then current highest rate allowed will be charged for any payments made by Customer after the payment due date (thirty (30) days after billing).

Travel expenses, per diem fees and related costs for any on-site maintenance will be billed separately.

HSS reserves the right to increase or decrease the Software Maintenance cost on an annual basis to reflect increases or decreases in such cost internally and from the Preferred Providers of such services and to reflect the addition or construction of additional guest rooms (or suites) by Customer for Customer's Hotel.

**Confidential**

**SCHEDULE B-1  
AUTHORIZED EQUIPMENT**

The term Authorized Equipment includes (i) the equipment needed by Customer at Customer's hotel, as determined solely by HSS, for the Customer's use of the Proprietary Software (the "Network Authorized Equipment") (ii) and any additional equipment authorized by HSS for use at Customer's hotel, over and above the Network Authorized Equipment (the "Standard Plus Equipment").

1. **Authorized Equipment Purchase.** Customer may purchase the Authorized Equipment from the Preferred Provider who may provide a jointer agreement with Customer or from another retailer; however, if such Authorized Equipment is obtained from another retailer, it must conform to HSS's specifications. Furthermore, if Customer elects to purchase such Authorized Equipment from a third party other than the Preferred Provider, the file server and work stations must be shipped to HSS or its designee for certification that these components comply with HSS's specifications and testing procedures. Customer will also be responsible for the shipping and shipping related costs to and from HSS or its designee for such certifications.

2. **Authorized Equipment As Personal Property/Insurance Requirements.** In addition to any other specific purchase terms required by the Preferred Provider, the following purchase terms and conditions will apply to any Authorized Equipment obtained from a Preferred Provider or HSS. The Authorized Equipment will be at all times, personal property which will not, by reason of connection to the Hotel, become a fixture or appurtenance to the Hotel, and until such time as Customer or its designated third party pays to the Preferred Provider the total sum for the Authorized Equipment as required hereunder, the Authorized Equipment will remain the property of the Preferred Provider, and title will remain with the Preferred Provider, free from any claims of Customer or the holder of any lien or encumbrance on the Hotel and/or any other property of Customer. Customer will maintain fire, extended coverage, vandalism, and malicious mischief insurance on the Authorized Equipment in an amount not less than the purchase price of the Authorized Equipment. Said insurance will name HSS as an additional insured. For so long as this obligation remains in effect, Customer will furnish to HSS a certificate of the insurance carrier describing the terms and coverage of the insurance in force, the persons insured, and the fact that the coverage may not be canceled, altered or permitted to lapse or expire without thirty (30) days advance written notice to HSS. Upon payment in full, title to the Authorized Equipment will vest in the Customer and will be free and clear of the above requirements relating to insurance and of all of the Preferred Provider's liens, claims and encumbrances and the Authorized Equipment will become the sole property of Customer. Customer assumes the expense of delivery and in-transit insurance for the Authorized Equipment.

3. Authorized Equipment.

**NETWORK AUTHORIZED (PROGRAM FUNDED) EQUIPMENT:**

%NetAuthEquipOne%

**STANDARD PLUS (HOTEL FUNDED) EQUIPMENT:**

%StdPlusEquipOne%

Confidential

**SCHEDULE B-2  
AUTHORIZED EQUIPMENT MAINTENANCE AND REFRESH**

1. Maintenance for the Authorized Equipment. Customer must take all steps necessary to provide all necessary maintenance services for the Authorized Equipment it purchases or leases so that it will receive such maintenance services for all such Authorized Equipment throughout the term of this Agreement. Customer may elect to use the maintenance company (the Preferred Provider) with whom HSS has arranged to provide maintenance services ("Equipment Maintenance") for the Authorized Equipment provided that such Authorized Equipment, if not purchased from the Preferred Provider, is first certified as being suitable for Equipment Maintenance, at the expense of Customer, by either HSS or the Preferred Provider. For such services, the Customer will pay as set forth in this Schedule B-2 (the "Maintenance Fees") and according to the terms of any invoice(s) submitted to Customer therefor, including any provision for late charges. If Customer elects to use the Preferred Provider and Equipment Maintenance is necessary, Customer will notify HSS, which in turn will notify the Preferred Provider to dispatch a Preferred Provider representative. Notwithstanding the foregoing, Customer may elect, subject to HSS's approval in advance in writing, to not provide maintenance services through this Agreement for certain pieces of such Authorized Equipment allowed to be used in conjunction with the Information System ("Non-maintained Equipment"). Neither HSS nor the Preferred Provider will be responsible for any maintenance or support of Non-maintained Equipment.

The following Authorized Equipment will be designated Non-maintained Equipment:

%OptOutMaint%

2. Maintenance Fees. The Maintenance Fees are subject to increase or decrease by HSS, in its sole discretion, on January 1 of each year during the term of this Agreement or any extension thereof; however, HSS will not charge Customer any Maintenance Fees that are greater than the Maintenance Fees charged to any similarly situated Customer (based upon factors determined by HSS in its sole judgment) utilizing equipment substantially similar to the Authorized Equipment and pursuant to an agreement which has terms and conditions substantially similar to this Agreement. No maintenance fees will be charged to Customer for any Non-maintained Equipment as described in Section 1 above.

3. Refresh of Authorized Equipment. Under HSS's refreshment program, Customer will be responsible for and will pay for all fees and costs for the replacement or refreshment of the Authorized Equipment in HSS's sole discretion ("Refresh") on an approximate three (3) year cycle, starting approximately three (3) years after the initial shipment of such Authorized Equipment and for the provision of maintenance services by the Preferred Provider on such refreshed equipment. The terms and conditions of the Authorized Equipment maintenance services for such equipment (included in such initial Refresh and included in any additional Refresh or Refreshes of Customer's Authorized Equipment) will be the same as the terms and conditions of this Schedule B-2, including, but not limited to, the imposition of termination fees as described hereinafter, provided that the Maintenance Company may exclude from its maintenance obligations certain errors, defects or problems caused by Customer. Customer's Refresh will be timed to occur prior to the end of the three (3) year cycle. If Customer fails to meet HSS's timeline for such Refresh, including order dates for equipment and software, Customer will be responsible for all fees and costs incident to such delay, including, but not limited to, any rent extension costs on Network Authorized Equipment and higher fees and costs for equipment maintenance and software maintenance.

4. Termination. If this Agreement is terminated (or if Customer's use of the Preferred Provider is terminated) prior to the third anniversary of the Start Date, which will be the shipment date of the Authorized Equipment to Customer's Hotel, Customer will pay to HSS a termination fee which is designed to reimburse the Preferred Provider and/or HSS in part for any one or more of the following: reconfiguration costs, the unamortized fees and costs in the start-up and provision of maintenance services by the Preferred Provider under this Agreement. If such termination occurs during the first year following the Start Date, the termination fee will be in the amount of \$3600.00. If such termination occurs during subsequent years following such Start Date, the termination fee will be as follows:

During second year	\$2,600
During third year	\$1,300
Thereafter	\$1,200

Provided, however, if this Agreement is terminated, or if the Customer's use of the Preferred Provider is terminated after a Customer Refresh of Authorized Equipment, the termination fee will depend upon the period elapsed after the Start Date applicable to shipment of such Authorized Equipment for each successive Customer Refresh as follows:

During first year	\$3,800
During second year	\$2,800
During third year	\$1,400

Thereafter

\$1,200

5. Use of Certified Software Only. Customer understands that use of any software other than the Proprietary Software and Certified Third Party Software provided by HSS pursuant to this Agreement, unless such additional third party software has been approved in writing by the HSS Information Technology Department, is not warranted for use on the Authorized Equipment. In the event Customer uses or installs any third party software other than Certified Third Party Software or such approved software on the Authorized Equipment, HSS will have no further obligations to provide any equipment maintenance services to Customer hereunder.

6. Equipment Maintenance. Equipment Maintenance will be provided for Customer's Hotel.

7. Cost and Payment Terms. Annual Cost of Equipment Maintenance for Authorized Equipment is  $\%AnnualHWMaint\%$  payable in monthly installments of  $\%MonthlyHWMaint\%$  per month. Payments will be calculated from the Start Date. The monthly payment amount will be due in advance and will be billed by HSS or its designee. The first invoice will be issued upon the Start Date. Interest at the then current highest rate allowed by applicable state law will be charged for any payments made by Customer after the payment due date (thirty (30) days after billing).

Travel expenses, per diem fees and related costs for any on-site maintenance will be billed separately.

HSS reserves the right to increase or decrease the Equipment Maintenance cost on an annual basis as provided in Section 2 above. When certain Authorized Equipment or parts for certain Authorized Equipment are no longer being manufactured or reasonably obtainable, HSS or the Preferred Provider will notify Customer of such circumstance and maintenance on such Authorized Equipment will no longer be available. After such notice, Customer will no longer be charged for maintenance on such Authorized Equipment.

8. Customer Responsibilities as to Equipment Maintenance. Customer will maintain on its staff at all times sufficient personnel that have been trained in and are knowledgeable about the use of the Information System in a professional, efficient and competent manner. Customer is responsible for maintaining duplicate or back-up copies of its software, data files and documentation and Certified Third Party Software. Neither HSS nor Preferred Provider will have any liability for any damages resulting from Customer's failure to maintain such copies nor for any costs or expenses of reconstructing any data or information that may be destroyed, impaired or lost. Neither HSS nor Preferred Provider has any obligation to maintain or repair any equipment other than the Authorized Equipment, nor to repair or replace any cables, cords, expendable or consumable components such as ribbons, paper, toner cartridges, print wheels, drums, batteries, or diskettes, whether or not defined as Authorized Equipment. Customer will not move or perform maintenance services on any of such Authorized Equipment without HSS's or Preferred Provider's prior written consent.

9. Cooperation. Customer will provide HSS or Preferred Provider with all information, data and other required materials necessary to reproduce any problem identified by Customer. Customer will maintain for the term of this Agreement a modem and dial-up telephone line and a facsimile machine or other electronic communication capability mutually acceptable to both parties to facilitate the ability to perform the Equipment Maintenance services remotely.

In some instances, Equipment Maintenance will be provided using a depot program, where Customer ships failed Authorized Equipment to the depot when Customer receives replacement of such Authorized Equipment. If Customer does not ship such failed equipment, Customer will be responsible for any unreturned equipment charges billed by HSS, the Preferred Provider or the depot program provider.

10. Expenses. If Equipment Maintenance personnel incur travel, lodging, meal, or any other out of pocket expenses in furnishing the services hereunder, Customer will pay for or promptly reimburse HSS for same, subject to reasonable documentation of such expenses. Customer will also pay for all telephone toll charges incurred in providing maintenance and support hereunder.

11. Exclusions. The obligation of HSS or the Preferred Provider to provide Equipment Maintenance hereunder will not apply to any Non-maintained Equipment nor to any errors, defects or problems caused in whole or in part by (i) any modifications or enhancements made to any Proprietary Software or Certified Third Party Software by Customer or any third person or entity other than HSS or its designee; (ii) any software program, hardware, cables, cords, firmware, peripheral or communication device used in connection with the Information System which was not approved in advance in writing by HSS; (iii) the failure of Customer to follow the most current instructions promulgated by HSS or any third party vendor from time to time with respect to the proper access to or any use of the Information System; (iv) the failure of Customer to schedule regular preventive maintenance in accordance with standard HSS procedures; (v) any such Authorized Equipment that is non-repairable, taken out of service or for which any such Authorized Equipment or parts for same are no longer manufactured or reasonably available; (vi) forces or supplies external to such Authorized Equipment, including, without limitation, the reasons set forth in the Force Majeure section of the HITS Agreement; and/or (vi) the negligence of Customer or any other third person or entity. Any corrections performed by HSS for any such errors, difficulties, or defects will be fixed, in HSS's or Preferred Provider's discretion, at the then applicable current time and material charges. Neither HSS nor the Preferred Provider will be under any obligation, however, to fix any such Customer or externally caused errors, defects or problems.

**SCHEDULE C-1  
MICROSOFT PARTICIPATION AGREEMENT**

This Participation Agreement is entered into by the party signing below (“you” or “Customer Affiliate”) for the benefit of the Microsoft affiliate (“Microsoft” and “we”) and will be enforceable against you by Microsoft in accordance with its terms. You acknowledge that Microsoft and Hilton Worldwide Inc. (“Customer”) have entered into Microsoft Enterprise Enrollment, No. 68436885 (the “agreement”), under which you desire to sublicense certain Microsoft products. As used in this Participation Agreement, the term to “run” a product means to copy, install, use, access, display, run or otherwise interact with it. You acknowledge that your right to run a copy of any version of any product sublicensed under the agreement is governed by the applicable product use rights for the product and version licensed as of the date you first run that copy. Such product use rights will be made available to you by the customer, or by publication at a designated site on the World Wide Web, or by some other means. Microsoft does not transfer any ownership rights in any licensed product and it reserves all rights not expressly granted.

1. **Acknowledgment and Agreement.** You hereby acknowledge that you have obtained a copy of the product use rights located at <http://microsoft.com/licensing/resources/> applicable to the products acquired under the above-referenced agreement; you have read and understood the terms and conditions as they relate to your obligations; and you agree to be bound by such terms and conditions, as well as to the following provisions:

a. **Restrictions on use.** You may not:

- (i) Separate the components of a product made up of multiple components by running them on different computers, by upgrading or downgrading them at different times, or by transferring them separately, except as otherwise provided in the product use rights;
- (ii) Rent, lease, lend or host products, except where Microsoft agrees by separate agreement;
- (iii) Reverse engineer, de-compile or disassemble products or fixes, except to the extent expressly permitted by applicable law despite this limitation;

Products, fixes and service deliverables licensed under this agreement (including any license or services agreement incorporating these terms) are subject to U.S. export jurisdiction. You must comply with all domestic and international export laws and regulations that apply to the products, fixes and service deliverables. Such laws include restrictions on destinations, end-user, and end-use for additional information, see <http://www.microsoft.com/exporting/>.

b. **Limited product warranty.** Microsoft warrants that each version of a commercial product will perform substantially in accordance with its user documentation. This warranty is valid for a period of one year from the date you first run a copy of the version. To the maximum extent permitted by law, any warranties imposed by law concerning the products are limited to the same extent and the same one year period. This warranty does not apply to components of products which you are permitted to redistribute under applicable product use rights, or if failure of the product has resulted from accident, abuse or misapplication. If you notify Microsoft within the warranty period that a product does not meet this warranty, then Microsoft will, at its option, either (1) return the price paid for the product or (2) repair or replace the product. To the maximum extent permitted by law, this is your exclusive remedy for any failure of any commercial product to function as described in this paragraph.

c. **Free and beta products.** To the maximum extent permitted by law, free and beta products, if any, are provided “as-is,” without any warranties. You acknowledge that the provisions of this paragraph with regard to pre-release and beta products are reasonable having regard to, among other things, the fact that they are provided prior to commercial release so as to give you the opportunity (earlier than you would otherwise have) to assess their suitability for your business, and without full and complete testing by Microsoft.

d. **NO OTHER WARRANTIES.** TO THE EXTENT PERMITTED BY APPLICABLE LAW, MICROSOFT DISCLAIMS AND EXCLUDES ALL REPRESENTATIONS, WARRANTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED OR STATUTORY, OTHER THAN THOSE IDENTIFIED EXPRESSLY IN THIS AGREEMENT, INCLUDING WITHOUT LIMITATION WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, SATISFACTORY QUALITY, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE PRODUCTS AND RELATED MATERIALS. MICROSOFT WILL NOT BE LIABLE FOR ANY PRODUCTS PROVIDED BY THIRD PARTY VENDORS, DEVELOPERS OR CONSULTANTS IDENTIFIED OR REFERRED TO YOU BY MICROSOFT UNLESS SUCH THIRD PARTY PRODUCTS ARE PROVIDED UNDER WRITTEN AGREEMENT BETWEEN YOU AND MICROSOFT, AND THEN ONLY TO THE EXTENT EXPRESSLY PROVIDED IN SUCH AGREEMENT.

e. **Defense of infringement and misappropriation claims.** We will defend you against any claims, made by an unaffiliated third party, that any commercial product, fix or service deliverable infringes its patent, copyright or trademark or misappropriates its trade secret, and will pay the amount of any resulting adverse final judgment (or settlement to which we consent):

You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance in defending the claim, and we will reimburse you for reasonable out of pocket expenses that you incur in providing that assistance. The terms “misappropriation” and “trade secret” are used as defined in the Uniform Trade Secrets Act, except in the case of claims arising under any license agreement governed by the laws of any jurisdiction outside



the United States, in which case “misappropriation” will mean intentionally unlawful use and “trade secret” will mean “undisclosed information” as specified in Article 39.2 of the TRIPs agreement.

Our obligations will not apply to the extent that the claim or adverse final judgment is based on (i) your running of the product or fix after we notify you to discontinue running due to such a claim; (ii) your combining the product or fix with a non-Microsoft product, data or business process; (iii) damages attributable to the value of the use of a non-Microsoft product, data or business process; (iv) your altering the product or fix; (v) your distribution of the product or fix, or its use for the benefit of, any third party; (vi) your use of our trademark(s) without express written consent to do so; or (vii) for any trade secret claim, your acquiring a trade secret (a) through improper means; (b) under circumstances giving rise to a duty to maintain its secrecy or limit its use; or (c) from a person (other than us or our affiliates) who owed to the party asserting the claim a duty to maintain the secrecy or limit the use of the trade secret. You will reimburse us for any costs or damages that result from these actions.

If we receive information concerning an infringement claim related to a commercial product or fix, we may, at our expense and without obligation to do so, either (i) procure for you the right to continue to run the allegedly infringing product or fix, or (ii) modify the product or fix or replace it with a functional equivalent, to make it non-infringing, in which case you will stop running the allegedly infringing product or fix immediately. If, as a result of an infringement claim, your use of a commercial product or fix is enjoined by a court of competent jurisdiction, we will, at our option, either procure the right to continue its use, replace it with a functional equivalent, modify it to make it non-infringing, or refund the amount paid and terminate the license for the infringing product or fix.

If any other type of third party claim is brought against you regarding our intellectual property, you must notify us promptly in writing. We may, at our option, choose to treat these claims as being covered by this section. This Section e provides your exclusive remedy for third party infringement and trade secret misappropriation claims.

**f. Limitation of liability.** There may be situations in which you have a right to claim damages or payment from Microsoft. Except as otherwise specifically provided in this paragraph, whatever the legal basis for your claim, Microsoft’s liability will be limited, to the maximum extent permitted by applicable law, to direct damages up to the amount you have paid for the product giving rise to the claim. In the case of free product, or code you are authorized to redistribute to third parties without separate payment to Microsoft, Microsoft’s total liability to you will not exceed US\$5000, or its equivalent in local currency. The limitations contained in this paragraph will not apply with respect to the following in connection with the performance of the agreement:

(i) our obligations to defend third party claims of patent, copyright or trademark infringement or trade secret misappropriation, and to pay damages resulting from any final adjudication (or settlement to which we consent) of such claims;

(ii) our liability for damages for gross negligence or willful misconduct, to the extent caused by us or our agent and awarded by a court of final adjudication; and

**g. No liability for certain damages.** To the maximum extent permitted by applicable law, neither you, your affiliates or suppliers, nor Microsoft, its affiliates or suppliers will be liable for any indirect damages (including, without limitation, consequential, special or incidental damages, damages for loss of profits or revenues, business interruption, or loss of business information) arising in connection with any agreement, product, or fix, even if advised of the possibility of such damages or if such possibility was reasonably foreseeable. This exclusion of liability does not apply to either party’s liability to the other for violation of the other party’s intellectual property rights.

**h. Application.** The limitations on and exclusions of liability for damages set forth herein apply regardless of whether the liability is based on breach of contract, tort (including negligence), strict liability, breach of warranties, or any other legal theory.

**i. Verifying compliance.** You must keep records relating to the products you run. Microsoft has the right to verify compliance with these terms and any applicable product use rights, at its expense, during the term of the enrollment and for a period of one year thereafter. To do so, Microsoft will engage an independent accountant from a nationally recognized public accounting firm, which will be subject to a confidentiality obligation. Verification will take place upon not fewer than 30 days notice, during normal business hours and in a manner that does not interfere unreasonably with your operations. As an alternative, Microsoft may require you to accurately complete its self-audit questionnaire relating to the products you use. If verification or self-audit reveals unlicensed use of products, you must promptly order sufficient licenses to permit all product usage disclosed. If material unlicensed use is found (license shortage of 5% or more), you must reimburse Microsoft for the costs it has incurred in verification and acquire the necessary additional licenses as single retail licenses within 30 days. If Microsoft undertakes such verification and does not find material unlicensed use of products, it will not undertake another such verification for at least one year. Microsoft and its auditors will use the information obtained in compliance verification only to enforce its rights and to determine whether you are in compliance with these terms and the product use rights. By invoking the rights and procedures described above, Microsoft does not waive its rights to enforce these terms or the product use rights, or to protect its intellectual property by any other means permitted by law.

**j. Dispute Resolution; Applicable Law.** This Participation Agreement will be governed and construed in accordance with the laws of the jurisdiction whose law governs the agreement. You consent to the exclusive jurisdiction and venue of the state and federal courts located in such jurisdiction. This choice of jurisdiction does not prevent either party from seeking injunctive relief with respect to a violation of intellectual property rights in any appropriate jurisdiction. The 1980 United Nations Convention on Contracts for the International Sale of Goods and its related instruments will not apply to this agreement or any license entered into with Microsoft or its affiliates under this agreement.

Your violation of the above-referenced terms and conditions will be deemed to be a breach of this Participation Agreement and will be grounds for immediate termination of all rights granted hereunder.  
Dated as of %HotelApprovedDate%.

**CUSTOMER:**  
%LegalEntity%

By: %HotelApproverSignature%

Name: %HotelApproverName%

Title: %HotelApproverTitle%

Date: %HotelApprovedDate%

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**SCHEDULE C-2  
JOINDER TO PREFERRED PROVIDER AGREEMENT**

The undersigned HSS Customer is acting as an Eligible Recipient (as defined in the Agreement) to acquire Products (as defined in the Agreement) under the terms of the *Master Professional Products and Services Agreement*, including any amendments and Supplements entered into thereunder (the "Insight Agreement") between Hilton Domestic Operating Company Inc, the successor in interest to HDOC and Insight Direct USA, Inc. ("Preferred Service Provider"). As such Eligible Recipient, the undersigned joins in the Insight Agreement for the limited purpose of acknowledging and agreeing to be bound by and receive the benefits of the terms of the Insight Agreement to the extent of the rights, duties and responsibilities of an Eligible Recipient provided therein. The Eligible Recipient acknowledges and agrees that any dispute arising out of or relating to the Insight Agreement and any Products or Services provided by Preferred Service Provider to the Eligible Recipient will be resolved in accordance with **Article 19** of the Insight Agreement. HDOC will have the right to enforce the Insight Agreement on behalf of the Eligible Recipient, subject to the limitations of liability applicable under the Insight Agreement, and Eligible Recipient will bring no claim directly against HDOC or Preferred Service Provider in connection with the Insight Agreement, except for Eligible Recipient's right to seek indemnity against Preferred Service Provider under the express provisions of **Sections 17.1** and **17.3** of the Insight Agreement. HDOC will be a third party beneficiary of this Joinder and the *Information Technology System Agreement* between Eligible Recipient and Hilton Systems Solutions, LLC. For the avoidance of doubt, except as set forth in the preceding sentence, this Joinder and the *Information Technology System Agreement* are for the sole benefit of the Eligible Recipient and Hilton Systems Solutions, LLC, and will not be deemed to create any third party beneficiary rights for any person other than the Eligible Recipient and Hilton Systems Solutions, LLC.

**IN WITNESS WHEREOF**, the Eligible Recipient, acting through its duly authorized officer or representative, has executed this Joinder, on %HotelApprovedDate%.

**CUSTOMER:**  
%LegalEntity%

By: %HotelApproverSignature%

Name: %HotelApproverName%

Title: %HotelApproverTitle%

Date: %HotelApprovedDate%

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**SCHEDULE D  
FORM OF REQUEST FOR PRODUCTS OR SERVICES**

Date:  
INNCODE  
Name of Customer:  
Address of Customer:

Dear :

This Letter Agreement ("**Letter Agreement**") confirms your request to purchase, lease, use, license or sublicense ("**Acquire**") additional software and/or services in order to add options, features and/or systems ("**Additions**") to the Information System, and will constitute an amendment to the existing Hilton Information Technology System Agreement previously entered into between ("**Customer**") and Hilton Systems Solutions, LLC ("**HSS**") dated (the "**Agreement**").

It is agreed that you will Acquire the Additions and that you will be billed by HSS or the applicable vendor for the Additions, as listed below. The effective date of billing on the new items will be the date the equipment is shipped, the date upon which you Acquire the Additions, and/or the date upon which you request the Additions, whichever is earliest.

QTY	ITEM OF /SOFTWARE/EQUIPMENT	FEES/COSTS	MONTHLY MAINT.
<hr/>			
<b>TOTAL PRICE</b>			

The prices shown above exclude taxes, travel expenses, *per diem* fees, related costs, insurance and shipping.

**Travel Expenses / Per Diem Fees/Rescheduling**

If the Additions require travel by HSS and/or the applicable vendor, you will pay for or promptly reimburse any travel expenses, *per diem* fees and related costs of HDOC, HSS, any vendor hereunder or their designees, including without limitation: round-trip airfare (due to frequent scheduling changes, HSS is often unable to book airline tickets more than one week in advance of travel); single room accommodations (if the Hotel cannot provide accommodations, comparable accommodations will be utilized); meals; ground transportation (all ground transportation required to get to and from the Hotel as well as transportation used during HSS' representatives' stay at the Hotel); tips; taxes; and miscellaneous expenses (including phone, internet, laundry, etc.)

Promptly following HSS' providing of the services described in this schedule where not previously paid for or reimbursed by hotel, an invoice will be submitted to Customer for HSS' representatives' out-of-pocket expenses, any additional *per diem* charges for its representatives, any re-scheduling fee, and any additional travel expenses as described herein, which invoice will be payable within fifteen days of Customer's receipt of same.

**Notes:**

If Customer attaches or uses third party equipment and/or interfaces with the Authorized Equipment which have not been certified or approved by HSS as meeting HSS' specifications and/or does not conform to the standards provided by the supplier of any of the Agreement Products and Services or if Customer installs other third party non-HSS proprietary software which has not been certified or approved by HSS as meeting HSS' specifications on the equipment or that does not conform to the standards provided by the supplier of any of the Agreement Products and Services, the software may need to be reconfigured and the entire cost of the reconfiguration will be borne by Customer.

All fees indicated are exclusive of applicable taxes (see Agreement sections on taxes). Unless otherwise specified by HSS in writing, Customer will make all payments in United States dollars to HSS or any other party designated by HSS in its sole discretion.

Customer will pay according to the terms of any invoice(s) submitted to Customer therefore, including any provision for late charges, the fee for the installation of any telephone line(s) or wide area network connection(s) necessary for connection of the Authorized Equipment.

Customer will purchase and replace, from any source, paper, ribbons, printer maintenance kits, toner and such other operating supplies as will be required for the operation of the Authorized Equipment, but Customer will utilize only such brands as are approved by HSS or the Authorized Equipment manufacturer.

Upon HSS' receipt of a copy of this Letter Agreement signed by a duly authorized representative of Customer, the Agreement will be deemed to have been automatically amended to incorporate the items of this Letter Agreement. Customer agrees that Customer's delivery to HSS by facsimile transmission of this Letter Agreement will be deemed to be as effective for all purposes as hand delivery of the manually executed Letter Agreement and that the terms of this Letter Agreement will be binding upon Customer without the necessity of any further action by HSS. This Letter Agreement will be effective as of the date inserted by Customer below.

Customer may be required to sign additional license agreements with the vendors or licensors of Certified Third Party Software.

Certain Other Equipment (for orders of \$5,000 or greater) may be leased by Customer. Any such leases will be entered into between Customer and the applicable lessor. Neither HSS nor Hilton will be a party to such leases.

In addition to any other specific purchase terms required by a retailer of the Additions, the following purchase terms and conditions will apply to any Other Equipment obtained from a Preferred Provider (as that term is defined in the Agreement). The Other Equipment will be at all times, personal property which will not, by reason of connection to the Hotel, become a fixture or appurtenance to the Hotel, and until such time as Customer or its designated third party pays to the Preferred Provider the total sum for the Other Equipment as required hereunder, the Other Equipment will remain the property of the Preferred Provider, and title will remain with the Preferred Provider, free from any claims of Customer or the holder of any lien or encumbrance on the Hotel and/or any other property of Customer. Customer will maintain fire, extended coverage, vandalism, and malicious mischief insurance on the Other Equipment. Said insurance will name HSS as an additional insured. For so long as this obligation remains in effect, Customer will furnish to HSS a certificate of the insurance carrier describing the terms and coverage of the insurance in force, the persons insured, and the fact that the coverage may not be canceled, altered or permitted to lapse or expire without thirty (30) days advance written notice to HSS. Upon payment in full, title to the Other Equipment will vest in the Customer and will be free and clear of the above requirements relating to insurance and of all of the Preferred Provider's liens, claims and encumbrances and the Other Equipment will become the sole property of Customer.

NEITHER THE AUTHORIZED EQUIPMENT NOR THE PROPRIETARY SOFTWARE OR CERTIFIED THIRD PARTY SOFTWARE WILL BE SHIPPED, NOR WILL CUSTOMER HAVE USE OF THE PROPRIETARY SOFTWARE MODULE OR ANY EQUIPMENT LISTED IN THIS LETTER AGREEMENT UNTIL HSS RECEIVES A COPY OF THIS LETTER AGREEMENT SIGNED BY CUSTOMER.

To indicate Customer's acceptance of this Letter Agreement, please have it signed by an authorized representative of Customer and return it to me. Upon HSS' receipt of the executed Letter Agreement, you will be advised of the shipment and installation dates.

If you have any questions, please contact me at \_\_\_\_\_.

Sincerely,

**HSS**  
**Hilton System Solutions, LLC**

**CUSTOMER:**

By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

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**SCHEDULE E**  
**TOTAL SOLUTION PROGRAM AGREEMENT**

This Total Solution Program Agreement (this "TSP Agreement") is entered into as of the %HotelApprovedDay% day of %HotelApprovedMonth%, %HotelApprovedYear% between Hilton Systems Solutions, LLC a Delaware limited liability company ("HSS") and %LegalEntity% (the "Customer") for Customer's Hotel (the "Hotel") known as %HotelName% (%InnCode%) and located at %PropertyAddressLine%

In connection with the Information Technology Systems Agreement (the "HITS Agreement") entered into between HSS and Customer (and if applicable, in anticipation of the Hotel's conversion and rebranding as a Hilton Brand division hotel), HSS is willing to make certain benefits available to Customer for the above Hotel under HSS's Total Solution Program ("TSP") on the terms, conditions and limitations hereinafter set forth.

For good, valuable and sufficient consideration, Customer hereby enters into this TSP Agreement, and HSS and Customer agree as follows:

1. Customer's Benefits.

(a) Equipment License. HSS will provide for use by Customer at Customer's Hotel that portion of the Authorized Equipment needed, as determined solely by HSS, for the network operation of PEP as such equipment is more specifically described on Attachment (1) attached to and forming part of this TSP Agreement being hereinafter called the "Network Authorized Equipment," together with shipping and transportation costs on such equipment. HSS hereby licenses to Customer the use of such Network Authorized Equipment (the "Equipment License"), subject to the terms, conditions and limitations set forth in this TSP Agreement. The Equipment License and any installation fees (for which HSS is responsible under 1(b)) are provided in consideration of Customer's performance of the HITS Agreement and the other obligations of the Customer pursuant to this TSP Agreement, without additional fees except as may be provided herein.

(b) Equipment Installation. Customer will be responsible for the fees and costs for installation services relative to Network Authorized Equipment as well as any Standard Plus Equipment. Under the terms and conditions of the Total Solution Program's Refreshment Program (the "Refreshment Program") of Network Authorized Equipment, HSS anticipates that Network Authorized Equipment will be replaced or refreshed in HSS's sole discretion (the "Refresh"), on an approximate three (3) year cycle, starting approximately three (3) years after the initial shipment of Network Authorized Equipment. HSS will be responsible for the fees and costs for installation services of Network Authorized Equipment on the date that such equipment is refreshed under the Refreshment Program. Customer's Refresh will be timed to occur prior to the end of the three (3) year cycle. If Customer fails to meet HSS's timeline for such Refresh, including order dates for equipment and software, Customer will be responsible for all fees and costs incident to such delay, including, but not limited to, rent extension costs on Network Authorized Equipment and higher fees and costs for equipment maintenance and software maintenance.

2. Customer's Obligations. Customer will:

(a) Perform all of its obligations under the HITS Agreement, including, but not limited to, the maintenance of the Network Authorized Equipment using the designated Preferred Provider for HSS's TSP.

(b) Obtain and keep current insurance on the Network Authorized Equipment against all risks for the approximate value of the Network Authorized Equipment.

(c) Pay any and all federal, state and local sales, use, gross receipts, excise or similar taxes incident to the payments under this TSP Agreement. Customer agrees to pay all personal property taxes associated with software licensed and equipment provided under the TSP Agreement.

(d) Prevent any liens from attaching to the Network Authorized Equipment.

(e) Pay for any and all de-installation, transportation and disposal costs of any Network Authorized Equipment currently being used by Customer's Hotel on its Network at the time of installation by HSS or HSS's designee of the Network Authorized Equipment under the Refreshment program. HSS or HSS's designee, at HSS's expense, will provide for de-installation, transportation and disposal of any such Network Authorized Equipment then being used by Customer's Hotel at the time of the installation of Network Authorized Equipment under the Refreshment Program, but it is Customer's responsibility to handle the return to Customer's lessor of all such de-installed equipment in accordance with Customer's current lease terms. Customer will be solely responsible for any missing, bad or damaged equipment.

(f) Preserve and protect the Network Authorized Equipment from loss, damage or theft.

- (g) Not use any unauthorized backup in connection with the Information System.
- (h) Make no unapproved repairs nor perform any unauthorized service to the Network Authorized Equipment.
- (i) Not allow any other equipment or software to be added to the Information System without prior specific written permission of HSS.
- (j) Allow the removal and future refreshment of Network Authorized Equipment at such time and in such manner as may be determined by HSS in its sole discretion.

3. Customer's Conditions. All benefits provided Customer herein and all obligations of HSS under this TSP Agreement are expressly subject to and conditioned upon the following:

- (a) Customer is not, and continues not to be, in default of any agreement with HDOC HSS or any of their affiliates and subsidiaries, or any Brand division, including but not limited to this TSP Agreement, the HITS Agreement and Customer's License Agreement with HDOC or its affiliate or subsidiary.
- (b) Customer continues to make all other payments to HSS's Preferred Providers under any applicable agreements and does not become in default under such agreements.
- (c) Customer's Hotel remains (after conversion and rebranding if applicable) one of the following Hilton Brand divisions: Hampton Inn, Hampton Inn & Suites, Embassy Suites, Homewood Suites by Hilton, LXR, Canopy, Curio, Tapestry and Motto.
- (d) Customer executes the HITS Agreement contemporaneously with this TSP Agreement.
- (e) Customer's participation and continued cooperation with HSS in HSS's Total Solution Program, including, but not limited to, the refreshment of Network Authorized Equipment.
- (f) Customer allows the removal and future replacement or refreshment of Network Authorized Equipment at such time and in such manner as may be determined by HSS in its sole discretion.
- (g) If applicable, Customer must complete the Hotel's conversion and rebranding as a Hilton Brand division hotel.

4. Termination. HSS may terminate the above Equipment License on the Network Authorized Equipment and all other obligations of HSS under this TSP Agreement at HSS's option: (a) Immediately without notice in event of breach of Customer's obligations or conditions set forth in Sections 2 and 3 above, or (b) at any time, with or without cause, upon not less than ninety (90) days advance written notice to Customer. Any default by Customer under this TSP Agreement will constitute a default by Customer under the HITS Agreement, and, in such event, HSS may exercise any of its rights provided under the HITS Agreement. Any default by Customer under the HITS Agreement will constitute a default and breach of condition by Customer under this TSP Agreement. Termination of the HITS Agreement will result in termination of this TSP Agreement. HSS may terminate this TSP Agreement without terminating the HITS Agreement, whereupon the HITS Agreement will be construed and enforced as if this TSP Agreement had never been entered into (subject to accrued rights and obligations).

Upon termination of this TSP Agreement, Customer will be required to assume any remaining lease payments of HSS as to the Network Authorized Equipment that is provided Customer pursuant to this TSP Agreement or to purchase such equipment from HSS's lessor. The costs (which will vary depending upon the equipment involved and the timing of the termination) and the various options available will be sent to Customer at the time of the notification of the upcoming termination. Upon termination of this TSP Agreement, HSS will pass on to Customer, and Customer will be responsible for, all subsequent fees and costs of Equipment Maintenance and Software Maintenance. If a termination occurs before the expiration of three (3) years since HSS incurred installation and/or service fees and costs in performing a refreshment of Network Authorized Equipment ("Refresh Costs"), then Customer will also reimburse HSS for the unamortized value (on a monthly basis over a thirty-six (36) month period) of such Refresh costs.

In addition, if this TSP Agreement is terminated (or if Customer's use of the Preferred Provider is terminated), Customer will pay to HSS a termination fee which is designed to reimburse the Preferred Provider and/or HSS in part for unamortized or otherwise uncovered costs, including without limitation costs of Certified Third Party Software and costs incurred in the start up and provision of maintenance services by the Preferred Provider under the HITS Agreement. If such termination occurs or if Customer's use of the Preferred Provider is terminated following during the first year following the shipment date of the Network Authorized Equipment to Customer's Hotel ("Start Date"), the termination fee will be in the amount of \$3,600.00. If such termination occurs during subsequent years following such Start Date, the termination fee will be as follows:

During second year	\$2,600
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During third year	\$1,300
Thereafter	\$1,200

Provided, however, if this TSP Agreement is terminated, or if the Customer's use of the Preferred Provider is terminated after a Customer Refresh of Network Authorized Equipment, the termination fee will depend upon the period elapsed after the Start Date applicable to shipment of the Network Authorized Equipment for each successive Customer Refresh as follows:

During first year	\$3,800
During second year	\$2,800
During third year	\$1,400
Thereafter	\$1,200

5. Property of HSS. The Network Authorized Equipment will be and remain the property of HSS, subject only to the conditional Equipment License granted to Customer in this TSP Agreement.

6. Additional Equipment/Software. Any and all additional Authorized Equipment ("Standard Plus Equipment") may be purchased by Customer from a Preferred Provider. Any and all additional Certified Third Party Software authorized by HSS but not included in the Brand standard applicable to Customer ("Standard Plus Software") may be licensed or sublicensed from HSS or a Preferred Provider.

7. Defined Terms. All capitalized terms used in this TSP Agreement which are not specially defined in this TSP Agreement will have the meaning ascribed to such terms in the HITS Agreement.

8. Other Important Provisions. The parties mutually acknowledge and agree that the Network Authorized Equipment is part of the Authorized Equipment referred to in the HITS Agreement, that this TSP Agreement is a schedule to the HITS Agreement and that this TSP Agreement and its performance by the parties are a part of the transactions contemplated by the HITS Agreement. Upon HSS's Refresh of Network Authorized Equipment, the terms and conditions applicable to any equipment, software or services provided for or pursuant to the Refresh will be the same as the terms and conditions of this TSP Agreement; and, except for such termination fees (if any, as specified above), all terms and provisions hereof (including those incorporated by reference below) will apply as if this TSP Agreement was executed on the Start Date for each such Refresh. In the event of conflict between the provisions of this TSP Agreement and the provisions of the HITS Agreement, the provisions of this TSP Agreement will prevail. Except as modified herein, all provisions of the HITS Agreement applicable to the Authorized Equipment, Proprietary Software or Certified Third Party Software will be applicable to the Network Authorized Equipment, and services described herein or provided hereunder. Where HSS is providing equipment instead of such items being provided by a Preferred Provider, or other third party vendor, HSS will be entitled to all of the protections and the limitations of warranties, liabilities and damages as if HSS were such Preferred Provider or other third party vendor. Except as the context may otherwise require, all references in these incorporated provisions to "this Agreement" will, for purposes of this TSP Agreement, be construed to include this TSP Agreement, and where applicable, such provisions are hereby reasserted, re-applied and re-acknowledged as of the effective date hereof.

9. Notices. The notices provisions of the HITS Agreement will apply to all notices, requests, demands and other communications under this TSP Agreement.

10. Counterparts. This TSP Agreement may be executed in one or more counterparts, each of which will constitute one and the same instrument.

Effective Date: The effective date ("Effective Date") will be the date signed by HSS.

**HSS**  
**Hilton System Solutions, LLC**

**CUSTOMER:**  
%LegalEntity%

By: %HiltonApproverSignature%

By: %HotelApproverSignature%

Name: %AMERCountersigner%

Name: %HotelApproverName%

Title: %AMERCountersignerTitle%

Title: %HotelApproverTitle%

Date: %HiltonApprovedDate%

Date: %HotelApprovedDate%

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# **EXHIBIT H**

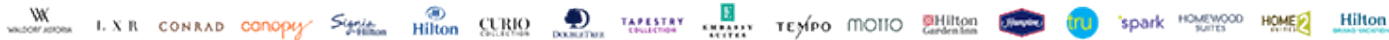


# Homewood Suites - Brand Standards - Global

08 January 2024



Hilton



Hilton  
HOMES

HOMWOOD  
SUITES by Hilton

# Homewood Suites Standards - Global

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# EXHIBIT I

**STATE FRANCHISE ADMINISTRATORS  
AND AGENTS FOR SERVICE OF PROCESS**

State	State Franchise Administrator	Agent for Service of Process
California	<p>Commissioner Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 866-275-2677</p> <p>One Sansome Street, Suite 600 San Francisco, CA 94104-4428 415-972-8565</p>	<p>Commissioner Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 866-275-2677</p> <p>2101 Arena Blvd. Sacramento, CA 95834 866-275-2677</p>
Hawaii	<p>Commissioner of Securities Dept. of Commerce &amp; Consumer Affairs Business Registration Division Securities Compliance Branch King Kalakaua Building 335 Merchant Street, Room 205 Honolulu, HI 96813 808-586-2722</p>	<p>Commissioner of Securities Dept. of Commerce &amp; Consumer Affairs Business Registration Division Securities Compliance Branch King Kalakaua Building 335 Merchant Street, Room 205 Honolulu, HI 96813 808-586-2722</p>
Illinois	<p>Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, IL 62701 217-782-4465</p>	<p>Attorney General 500 South Second Street Springfield, IL 62701 217-782-4465</p>
Indiana	<p>Secretary of State Securities Division, Franchise Section 302 West Washington, Room E-111 Indianapolis, IN 46204 317-232-6681</p>	<p>Secretary of State Securities Division, Franchise Section 302 West Washington, Room E-111 Indianapolis, IN 46204 317-232-6681</p>
Maryland	<p>Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 410-576-6360</p>	<p>Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 410-576-6360</p>
Michigan	<p>Michigan Office of Attorney General Consumer Protection Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, MI 48909 517-373-7622</p>	<p>Michigan Office of Attorney General Consumer Protection Division Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, MI 48909 517-373-7622</p>
Minnesota	<p>Commissioner of Commerce Department of Commerce 85 7<sup>th</sup> Place East, Suite 280 St. Paul, MN 55101 651-539-1500</p>	<p>Commissioner of Commerce Department of Commerce 85 7<sup>th</sup> Place East, Suite 280 St. Paul, MN 55101 651-539-1500</p>

**STATE FRANCHISE ADMINISTRATORS  
AND AGENTS FOR SERVICE OF PROCESS**

State	State Franchise Administrator	Agent for Service of Process
New York	New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 212-416-8285	Attention: New York Secretary of State Department of State Division of Corporations One Commerce Plaza, 6 <sup>th</sup> Floor 99 Washington Avenue Albany, NY 12231-0001 518-473-2492
North Dakota	North Dakota Securities Department 600 E. Boulevard Avenue, State Capitol, 14th Floor, Dept. 414 Bismarck, ND 58505-0510 701-328-4712	Securities Commissioner 600 E. Boulevard Avenue, State Capitol, Fifth Floor Bismarck, ND 58505-0510 701-328-4712
Rhode Island	Department of Business Regulation Securities Division Bldg. 69, 1 <sup>st</sup> Floor, John O. Pastore Center 1511 Pontiac Avenue Cranston, RI 02920 401-462-9527	Director of Dept. of Business Regulation Securities Division Bldg. 69, 1 <sup>st</sup> Floor, John O. Pastore Center 1511 Pontiac Avenue Cranston, RI 02920 401-462-9527
South Dakota	Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid, 2 <sup>nd</sup> Floor Pierre, SD 57501 605-773-3563	Division of Insurance Director of Securities Regulation 124 S. Euclid Avenue, 2 <sup>nd</sup> Floor Pierre, South Dakota 57501 (605) 773-3563
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 804-371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 <sup>st</sup> Floor Richmond, VA 23219 804-371-9733
Washington	Department of Financial Institutions Securities Division – 3 <sup>rd</sup> Floor 150 Israel Road, S.W. Tumwater, WA 98501 360-902-8760  Mailing Address: Securities Division PO BOX 41200 Olympia, WA 98504-1200	Director of Dept. of Financial Institutions Securities Division – 3 <sup>rd</sup> Floor 150 Israel Road, S.W. Tumwater, WA 98501 360-902-8760
Wisconsin	Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139	Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

**STATE FRANCHISE ADMINISTRATORS  
AND AGENTS FOR SERVICE OF PROCESS**

If a state is not listed, we are not required to appoint an agent for service of process in that state in order to comply with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

# **EXHIBIT J-1**

**Addendum to Disclosure Document  
Pursuant to the California Franchise Investment Law**

OUR WEBSITES HAVE NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENTS OF OUR WEBSITES MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT <http://www.dbo.ca.gov>

See the cover page of the Disclosure Document for our URL address. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

1. Item 3 is amended to state that no person named in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such persons from membership in such association or exchange.
2. Items 6, 9, and 17 (d), (e), and (i) are amended to state that the Franchise Agreement provides for liquidated damages. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
3. Items 17 (b), (c), (d), (e), (f), (g), (h), (i) and (w) are amended to state that California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
4. Item 17 (h) is amended to state that the Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq.*).
5. Item 17 (w) is amended to state that the Franchise Agreement contains a provision requiring application of the laws of New York. This provision may not be enforceable under California law.
6. Item 17 (v) is amended to state that the Franchise Agreement requires venue to be limited to Fairfax County, Virginia unless we sue you where your Hotel is located. This provision may not be enforceable under California law.
7. Items 17 (c) and (m) are amended to state that you must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).
8. Item 17 (s) is amended to state that California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Corporations before we ask you to consider a material modification of your Franchise Agreement.

**Addendum to Disclosure Document  
Pursuant to the Hawaii Franchise Investment Law**

THE GENERAL RELEASE LANGUAGE CONTAINED IN THE FRANCHISE AGREEMENT SHALL NOT RELIEVE US OR OUR AFFILIATES FROM LIABILITY IMPOSED BY THE LAWS CONCERNING FRANCHISING OF THE STATE OF HAWAII.



THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER "OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST 7 DAYS BEFORE THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING AGREEMENT, OR AT LEAST 7 DAYS BEFORE THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

### **Addendum to Disclosure Document Pursuant to the Illinois Franchise Disclosure Act**

**Item 13** is amended to provide that while we do not own the Marks, our affiliate owns the Marks and has licensed us to use the Marks and to sublicense the Marks to you.

1. Notice Required by Law:

THE TERMS AND CONDITIONS UNDER WHICH YOUR FRANCHISE CAN BE TERMINATED AND YOUR RIGHTS UPON NON-RENEWAL MAY BE AFFECTED BY ILLINOIS LAW, 815 ILCS 705/19 AND 705/20.

2. Items 17 (v) and (w) are amended to state that the provisions of the Franchise Agreement and all other agreements concerning governing law, jurisdiction, venue, choice of law and waiver of jury trials will not constitute a waiver of any right conferred upon you by the Illinois Franchise Disclosure Act. The Illinois Franchise Disclosure Act will govern the Franchise Agreement with respect to Illinois licensees and any other person under the jurisdiction of the Illinois Franchise Disclosure Act.

3. Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void." This shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under the provisions of the Illinois Franchise Disclosure Act, nor shall it prevent the arbitration of any claims according to the provisions of Title 9 of the United States Code.

### **Addendum to Disclosure Document Pursuant to the Maryland Franchise Registration and Disclosure Law**

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document and will apply to all franchises offered and sold under the laws of the State of Maryland:

1. Items 17 (b), (c), (d), (e), (f), (g), (h) and (i) are amended to state that the laws of the State of Maryland may supersede the Franchise Agreement, in the areas of termination and renewal of the Franchise.

2. Item 17 (h) is amended to state that the provision of the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).
3. Item 17 (v) is amended to state that you may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within 3 years after the grant of the Franchise.
4. Item 17 (w) is amended to state that nothing in the General Release under Section 16.8 of the Franchise Agreement shall operate to release us or our affiliates from any liability under the Maryland Franchise Registration and Disclosure Law.
5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

### **MICHIGAN ADDENDUM TO DISCLOSURE DOCUMENT**

**THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.**

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a Franchise Agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising of other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of Franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside the State of Michigan. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside the state of Michigan.

- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
  - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
  - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the Franchise Agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual service.

**THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.**

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:

OFFICE OF THE ATTORNEY GENERAL  
CONSUMER PROTECTION DIVISION, FRANCHISE SECTION  
525 W. OTTAWA ST.  
G. MENNEN WILLIAMS BUILDING, FIRST FLOOR  
LANSING, MICHIGAN 48933  
517-373-7117

**Addendum to Disclosure Document  
Pursuant to the Minnesota Franchise Investment Law**

1. Minnesota law provide that we must indemnify you against liability to third parties resulting from claims by third parties that your use of our trademarks infringes trademark rights of the third party. We do not indemnify you against the consequences of your use of our trademarks except in accordance with the requirements of the Franchise Agreement, and, as a condition to indemnification, you must provide notice to us of any such claim and tender the defense of the claim to us within 10 days after the claim is asserted. If we accept the tender of defense, we have the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

2. Items 17 (b), (c), (d), (e), (f), (g), (h) and (i) are amended to state that Minnesota law provides you with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.
3. Items 17 (a) and (m) are amended to state that the general release language contained in the Franchise Agreement shall not relieve us or our affiliates, from liability imposed by the Minnesota Franchise Investment Law.
4. Item 17 (i) is amended to state that Minnesota Rule 2860.4400J prohibits requiring you to consent to liquidated damages.
5. Items 17 (i), (v) and (w) are amended to state that Minnesota Statutes, Sections 80C.21 and Minnesota Rule 2860.4400J prohibits us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. Nothing in the Franchise Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of Minnesota.

**Addendum to Disclosure Document  
Pursuant to the New York Franchise Sales Act**

1. Item 3 is amended to add the following:

Neither we nor any individual listed in Item 2, have pending any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) alleging: a felony; a violation of a franchise, antitrust or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.

Neither we nor any individual listed in Item 2, have been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, been convicted of a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been the subject of a civil action alleging: violation of a franchise, antitrust or securities law; fraud; embezzlement, fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

Neither we nor any individual listed in Item 2, are subject to any currently effective injunctive or restrictive order or decree relating to franchises or under any federal, state or Canadian franchise, securities, antitrust, trade regulation or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency; or are subject to any currently effective order of any national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or are subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

2. Item 4 is amended to add the following:

During the 10-year period immediately preceding the date of this disclosure document, neither we nor any person identified in Item 2 above, has filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; obtained a discharge of its debts under the bankruptcy code; or was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1

year after the officer or general partner of the franchisor held this position in the company or partnership.

- 3, Item 17 is amended to add the following:

The franchisee may terminate the agreement upon any grounds available by law.

We will not assign our rights under the Franchise Agreement, except to an assignee who in our good faith and judgment is willing and able to assume our obligations under the Franchise Agreement.

The New York Franchises Law requires that New York law govern any cause of action which arises under the New York Franchises Law.

The New York General Business Law, Article 33, Sections 680 through 695 may supersede any provision of the Franchise Agreement that is inconsistent with that law.

You must sign a general release when you renew the Franchise Agreement and in connection with any transfer under the Franchise Agreement. These provisions may not be enforceable under New York law.

Our right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.

#### **Addendum to Disclosure Document Pursuant to the North Dakota Franchise Disclosure Act**

1. Item 17 (i) is amended to reflect that all liquidated damages provisions in the Franchise Agreement are deleted in their entirety.
2. Item 17 (w) is amended to state that the laws of the State of North Dakota supersede any provisions of the Franchise Agreement, the other agreements or New York law if such provisions are in conflict with North Dakota law. The Franchise Agreement will be governed by North Dakota law.
3. Item 17 (v) is amended to state that any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Licensee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted.
4. Item 17 (w) is amended to state that any provision in the Franchise Agreement which requires you to waive your right to a trial by jury is deleted.
5. Items 17 (c) and (m) are amended to state that no release language set forth in the Franchise Agreement shall relieve us or our affiliates from liability imposed by the North Dakota Franchise Disclosure Act.

#### **Addendum to Disclosure Document Additional Information Required by the State of Rhode Island**

In recognition of the requirements of the State of Rhode Island Franchise Investment Act §19-28.1 *et seq.* (the "Act"), the Franchise Disclosure Document for use in the State of Rhode Island is amended as follows:

Item 17 (h) is amended to state that termination of a franchise agreement as a result of insolvency or bankruptcy may not be enforceable under federal bankruptcy law.

Items 17 (c) and (m) are amended to state that any release signed as a condition of transfer or renewal will not apply to any claims you may have under the Rhode Island Franchise Investment Act.

Items 17 (u), (v) and (w) are amended to state that any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

### **Addendum to Disclosure Document Pursuant to the Virginia Retail Franchise Act**

Item 17.h is amended to state that, pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute "reasonable cause" as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

### **Addendum to Disclosure Document Pursuant to the Washington Franchise Investment Protection Act**

1. The state of Washington has a statute, RCW 19.100.180, which may supersede the franchise agreement in your relationship with us, including areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with us, including the areas of termination and renewal of your franchise.
2. A release or waiver of rights you sign will not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the Franchise Agreement is in effect and where the parties are represented by independent counsel. Provisions that unreasonably restrict or limit the statute of limitations period for claims under the Act, and rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
3. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.
4. Transfer fees are collectable to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.
5. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
7. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring

any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

# **EXHIBIT J-2**



Exhibit J-2

**RESTAURANT BRANDS**

Poppy's™  
Bronco Blanco™  
Haley & Bear™  
The Comeback™  
Che Notte™  
Magnolia Smokehouse & Kitchen™

We may add, remove, or modify any of our Restaurant Brands at any time.

# **EXHIBIT K**



**\*\*SAVE AS NEW DOCUMENT\*\***  
Insert Expected Closing Date

Lender [also insert in 2<sup>nd</sup> page header]  
Attention:  
Address  
Address

**Re: [Name of Hotel (City, State) – Facility No. \_\_\_\_\_; ALSO INSERT IN 2<sup>nd</sup> page header]**

Ladies and Gentlemen:

HILTON FRANCHISE HOLDING LLC, a Delaware limited liability company [IF NEEDED:, successor by-merger to SELECT DOUBLETREE FRANCHISE LLC, a Delaware limited liability company, EMBASSY SUITES FRANCHISE LLC, a Delaware limited liability company, HILTON FRANCHISE LLC, a Delaware limited liability company, HAMPTON INNS FRANCHISE LLC, a Delaware limited liability company, HILTON GARDEN INNS FRANCHISE LLC, a Delaware limited liability company, HOMEWOOD SUITES FRANCHISE, LLC, a Delaware limited liability company, HLT ESP FRANCHISE LLC, a Delaware limited liability company OR SELECT HLT EXISTING FRANCHISE HOLDING LLC, a Delaware limited liability company, successor in interest to SELECT [DT] Doubletree Hotel Systems, Inc. [ES, HAM, HWS] Promus Hotels, Inc. [HFS, HGI, CON, WA] Hilton Inns, Inc.] SELECT FOR CANADA: HILTON WORLDWIDE FRANCHISING LP, a limited partnership formed under the laws of England and Wales ] (“**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ (“**Franchisee**”) are parties to a franchise agreement dated \_\_\_\_\_, including all amendments, riders, supplemental agreements and assignments (collectively, “**Franchise Agreement**”). Franchisee operates [ will operate ] the [INSERT brand ] hotel [ to be ] located at \_\_\_\_\_ (“**Hotel**”) under the terms of the Franchise Agreement.

This letter agreement is being entered into in connection with a mortgage loan in the amount of \$ \_\_\_\_\_ dated \_\_\_\_\_, as such mortgage loan may be periodically amended, modified, supplemented, extended or restated (“**Loan**”), from \_\_\_\_\_ [IF LENDER IS NOT A BANK: , a [State] [Type of Entity] (“**Lender**”) [IF NEEDED: as administrative agent for itself and other participant lenders (in its capacity as administrative agent, “**Lender**”) ] to Franchisee [IF NOT FRANCHISEE: \_\_\_\_\_, a [State] [Type of Entity] (“**Borrower**”) ] to be used [IF MULTIPLE PROPERTIES:, in part, ] for the direct benefit of the Hotel. [DESCRIBE BORROWER’S RELATIONSHIP TO FRANCHISEE, e.g. Borrower is the owner of the real property on which the Hotel is located, which Borrower leases to Franchisee, its affiliate.]

*[IF MULTIPLE LENDERS, REFERENCE SHORT NAMES ABOVE AND USE CONSISTENTLY:  
FIRST ALTERNATIVE:* Franchisor is entitled to presume conclusively that notice to and actions or failures to act by INSERT NAME OF ONE LENDER \_\_\_\_\_ (“**Lead Lender**”) are sufficient for all purposes under this letter agreement and that rights under this letter agreement may only be exercised by and the obligations under this letter agreement may only run to Lead Lender. Lead Lender may designate in writing a different party to this letter agreement to represent all lenders, provided that one party must be designated to represent all lenders.

*SECOND ALTERNATIVE:* First Lender [MODIFY AS NEEDED], Second Lender [MODIFY AS NEEDED] and Third Lender [MODIFY AS NEEDED] will be collectively referred to as “**Lender**.” First Lender, Second Lender and Third Lender have represented to Franchisor that they have entered into an intercreditor agreement that establishes priorities among the lenders. Franchisor is not a party to the intercreditor agreement and is relying on the representations of First Lender, Second Lender and Third Lender. Franchisor is entitled to presume conclusively that the rights and obligations under this letter agreement will run to the Lender who contacts Franchisor and represents that it is entitled by the terms of

Lender

Re: Hotel Name – Facility No. \_\_\_\_\_

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the intercreditor agreement to exercise the rights of Lender under this letter agreement. Lender agrees that Franchisor shall have no obligation to resolve inconsistent instructions if it receives instructions from more than one lender and Franchisor shall have no liability to any lender as a result of any action that Franchisor takes in good faith at the direction of another lender, or any failure of Franchisor to act in the face of inconsistent instructions.

*[IF PRIOR LENDER COMFORT LETTER EXISTS:*

Reference is also made to a letter agreement dated \_\_\_\_\_, among Franchisor [CONFIRM ENTITY], Franchisee [CONFIRM ENTITY] and Lender [CONFIRM ENTITY] (“**Existing Comfort Letter**”).

*[IF EXISTING COMFORT LETTER IS WITH SAME LENDER: This letter agreement replaces the Existing Comfort Letter, which is null and void, and of no further force or effect. ] [IF MORE THAN ONE EXISTING COMFORT LETTER, MODIFY THIS AND ¶¶ 5 AND 6 AS NEEDED]*

1. **Cure Period.**

(a) **Notice of Franchisee Default.** Franchisor will concurrently provide Lender a copy of any default notice sent to Franchisee under the Franchise Agreement. The notice will be sent to Lender at the address set forth above or such other address designated by Lender in writing, provided that only a single address may be designated and it may not be a P.O. Box.

(b) **Lender’s Cure Periods.** Lender shall have the right, but not the obligation, to cure the default within fifteen (15) calendar days beyond the expiration of any cure period given to Franchisee (“**Lender’s Cure Period**”). If the default is for failure to comply with physical standards or other non-monetary default which could only be cured by Lender acquiring possession and/or ownership of the Hotel (each, an “**Acquisition**”), Lender may have an additional period of one hundred eighty (180) calendar days, commencing at the expiration of Lender’s Cure Period, for Lender to complete its Acquisition, through foreclosure or other appropriate proceedings (“**Additional Period**”); provided that Lender must: (i) notify Franchisor no later than the date it commences proceedings (or promptly after action is stayed or enjoined) that Lender wants the Additional Period; (ii) commence proceedings and diligently prosecute such proceedings to completion; and (iii) comply with the obligations of Franchisee under the Franchise Agreement not being performed by Franchisee during the Additional Period including payment of all monetary obligations but excluding those obligations which can only be performed by Franchisee or which Lender cannot perform without possession and/or ownership of the Hotel. On request by Lender, the Additional Period may be further extended by Franchisor in its determination, which determination shall take into consideration the period of time required to complete an Acquisition in the applicable jurisdiction, and any period of time in which Lender’s action has been stayed or enjoined. If Franchisor has not issued a default notice to Franchisee or Lender has cured Franchisee’s default during Lender’s Cure Period and Lender commences a foreclosure or other proceeding intended to result in an Acquisition, Lender may exercise the rights under this letter agreement under the terms and timelines outlined in this Subparagraph. If Franchisor has not issued a default notice, Lender’s notice to Franchisor of Franchisee’s default under the Loan will be deemed to initiate the timeline outlined under the Lender’s Cure Period and Additional Period. Franchisor acknowledges and agrees that an Acquisition shall not be deemed a sale or lease of the Hotel under the Franchise Agreement, nor a violation of any control or transfer provisions of the Franchise Agreement, and shall not be subject to any right of first refusal or right of first offer contained in the Franchise Agreement.

(c) **Franchisor’s Rights to Terminate Franchise Agreement.** Notwithstanding any other provision of this letter agreement, Franchisor may terminate the Franchise Agreement if any of the following occur: (i) Franchisee’s default or any subsequent default, in the sole opinion of Franchisor, damages the image or reputation of Franchisor or any brand name owned and/or licensed by Hilton Worldwide Holdings Inc., a Delaware corporation, or its subsidiaries or affiliates (collectively, “**Hilton**”); (ii) Franchisor is required to terminate the Franchise Agreement by court order or action of any trustee in

Lender

Re: Hotel Name – Facility No. \_\_\_\_\_

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bankruptcy or debtor in possession of the Hotel; or (iii) the Additional Period expires without other arrangements, satisfactory to Franchisor in its sole discretion, having been entered into between Franchisor and Lender.

(d) Expiration of Franchise Agreement. Nothing in this letter agreement will extend the Franchise Agreement beyond its stated expiration date.

(e) Receiver Appointment. If a receiver is appointed to operate the Hotel at the request of Lender, Franchisor may require the receiver to enter into Franchisor's then-current form of receiver agreement, with such modifications as mutually agreed between Franchisor, Lender and receiver, or other documentation that Franchisor considers reasonably necessary.

## 2. Acquisition and Assumption.

(a) [DELETE THIS SUBPARAGRAPH 2(a) IF THE HOTEL IS HILTON-MANAGED WITH A FRANCHISE OR FOR PORTFOLIO LOANS IF THE NUMBER OF HOTELS OPERATING UNDER THE SAME BRAND EXCEEDS THE THRESHOLD] Lender's Election to Waive Assumption of Franchise Agreement. Lender may give written notice (a "**Waiver Notice**") to Franchisor of Lender's election to waive Lender's right to assume the Franchise Agreement at any time (i) during Lender's Cure Period, or the Additional Period, as the Additional Period may be extended in accordance with Subparagraph 1(b) of this letter agreement, or (ii) within twenty (20) calendar days after the completion of the Acquisition. If given, the Waiver Notice will be effective twenty (20) calendar days after Franchisor's receipt of the Waiver Notice, and Franchisor may rely on the Waiver Notice to exercise its remedies against Franchisee under the Franchise Agreement, including termination of the Franchise Agreement. Lender shall not be liable for any termination fees or liquidated damages arising from the early termination of the Franchise Agreement; provided, however, if Lender or its designee is or comes into possession of the Hotel before the Waiver Notice is effective, then Lender shall be responsible for post-termination de-identification obligations at the Hotel, and for payment of any fees owed to Franchisor pursuant to the Franchise Agreement that accrued while Lender was in possession of the Hotel before the Waiver Notice is effective, but excluding termination fees or liquidated damages.

(b) Acquisition and Franchise Agreement Assumption. [DELETE FIRST SENTENCE ONLY IF ¶ 2(a) IS DELETED: If Lender does not deliver the Waiver Notice to Franchisor under Subparagraph 2(a), the Franchise Agreement will continue in full force and effect. ] If Lender acquires possession and/or ownership of the Hotel as the result of an Acquisition, Lender will be deemed to have assumed the Franchise Agreement as of the date of the Acquisition. Lender will be obligated to perform all of the obligations of Franchisee under the Franchise Agreement existing at or accruing after the Acquisition date, including the payment of fees owed to Franchisor ("**Assumption**"). Any conditions in the transfer provisions of the Franchise Agreement that Franchisor deems relevant shall apply with respect to the Assumption, including but not limited to the obligation for Lender to submit its ownership structure, organizational documents and evidence of insurance. Lender must, within ten (10) business days after receipt of a request from Franchisor, provide to Franchisor all information necessary for Franchisor to determine that Lender is not a Sanctioned Person (as defined below), as well as the other information reasonably requested. If Franchisor confirms that Lender is not a Sanctioned Person, Franchisor will promptly prepare Franchisor's then-current form assumption agreement ("**Assumption Agreement**") to document the Assumption, and deliver the Assumption Agreement to Lender. Lender must execute and return the Assumption Agreement to Franchisor within ten (10) business days after receipt from Franchisor. Lender's failure to timely execute and deliver the Assumption Agreement may be deemed a default under the Franchise Agreement entitling Franchisor to terminate the Franchise Agreement. Any renovation requirements imposed by Franchisor in connection with the Assumption will not exceed those which Franchisor could have imposed had Franchisee remained as the Franchisee under the Franchise Agreement. In lieu of any transfer or application fee for the Assumption, Lender agrees to pay Franchisor

Lender

Re: Hotel Name – Facility No. \_\_\_\_\_

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a processing fee of Five Thousand Five Hundred Dollars (\$5,500). In connection with the Assumption, Lender must diligently cure all defaults which it could not cure before the Acquisition under the terms of Subparagraph 1(b), within the time period determined by Franchisor based on the nature of the default and/or the condition of the Hotel at the time of Lender's Acquisition except for personal and non-curable defaults. "Personal and non-curable defaults" means that the default (i) occurred before the date of Lender's Acquisition; (ii) is a non-curable default; (iii) is purely personal to Franchisee (e.g., failure to provide adequate notice or past failure to maintain Franchisee's company status); and (iv) is unrelated to the operation of the Hotel.

(c) [INCLUDE ONLY IF EQUITY ACQUISITION LANGUAGE IS REQUESTED]  
Equity Acquisition and Amendment. If Lender acquires ownership of the Franchisee by means of an Equity Acquisition, Lender will be deemed to have assumed the rights and obligations of the Franchisee under the Franchise Agreement as of the date of the Equity Acquisition, and Lender must diligently cure all defaults which Lender could not cure before the Equity Acquisition under the terms of Subparagraph 1(b), within the time period determined by Franchisor based on the nature of the default and/or the condition of the Hotel at the time of Lender's Equity Acquisition. Lender must enter into an amendment to the Franchise Agreement to document the change of control of Franchisee, which will, among other things, contain a new ownership structure for Franchisee ("**Amendment**"). Subject to confirmation that Lender is not a Sanctioned Person, Franchisor will prepare the Amendment promptly after receipt of any information requested under this Subparagraph 2(c). Franchisor will deliver the Amendment to Lender, and Lender will execute and return the Amendment to Franchisor within ten (10) business days after Franchisor delivers it. Lender's failure to timely execute and deliver to Franchisor the Amendment shall be a default under the Franchise Agreement entitling Franchisor to terminate the Franchise Agreement. Any renovation requirements imposed by Franchisor in connection with the Amendment will not exceed those which Franchisor could have imposed had such change of control of Franchisee not occurred. In lieu of any transfer or application fee, Lender agrees to pay Franchisor a processing fee of Five Thousand Five Hundred Dollars (\$5,500). For the avoidance of doubt, an Equity Acquisition is not an Acquisition, and the provisions of Subparagraphs 2(a) and 2(b) shall not apply with respect to any Equity Acquisition; provided, however, that the term "Assumption" as referenced in Subparagraph 2(d) and Paragraph 10 shall also include Lender's assumption of the rights and obligations of the Franchisee under the Franchise Agreement as of the date of the Equity Acquisition.

(d) Lender's Sale to Third Party After Assumption. The transfer provisions of the Franchise Agreement will apply to any sale, assignment or transfer by Lender after an Assumption. If the transfer is to a third party who desires to continue to operate the Hotel, these provisions require a change of ownership application, approval of the third party, and payment of an application fee.

3. Notice to Franchisor. Lender agrees to notify Franchisor (a) contemporaneously with commencement of any action that may result in an Acquisition, (b) contemporaneously with the filing of a petition for appointment of a receiver or any other action initiated by Lender that materially impacts possession of the Hotel, (c) promptly after an Acquisition of the date the Acquisition occurred, or (d) promptly after Lender no longer has a security interest in the Hotel or the Loan is paid in full, but Lender's failure to give notice under this Subparagraph 3(d) will not affect the automatic termination of this letter agreement under Paragraph 13 [NO ESTOPPEL] 14 [ESTOPPEL]. Lender further agrees to promptly provide to Franchisor a copy of any order appointing a receiver, or any other judicial or administrative order from an action initiated by Lender that materially impacts possession of the Hotel. All notices to Franchisor should be sent to the following address or such other address periodically designated by Franchisor in writing:

Lender

Re: Hotel Name – Facility No. \_\_\_\_\_

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Hilton Worldwide Holdings Inc.  
Attention: General Counsel  
7930 Jones Branch Drive, Suite 1100  
McLean, VA 22102

If Lender wishes to send a notice to Franchisor regarding securitizations, Lender may send the notice by any method described above, or by email (with read receipt confirmation) at Lender.Comfort.Letters@hilton.com or such other email address as Franchisor may periodically designate by notice to Lender.

4. **Confidentiality and Non-Disclosure.** The provisions of this letter agreement shall not be disclosed by Lender or Franchisee to any third party, excepting (a) the respective employees, directors, officers, agents, regulators or legal and financial representatives of each of Franchisee, Lender and Lender's servicers, trustees and certificate holders, on a need-to-know basis; (b) as required by law; (c) as mutually agreed to by the parties; (d) as part of any due diligence performed as a part of a sale, assignment, participation or securitization of the Loan by Lender or a sale of the Hotel after an Acquisition; (e) any investor or potential investor in, or underwriter of, the Loan; and/or (f) any rating agency that rates securities backed by the Loan. Except as provided above, Franchisee and Lender agree not to copy, reproduce or otherwise make available in any form whatsoever to any other person, firm, corporation, or business, the provisions of this letter agreement.

5. **Franchisee Estoppel and Release.** As consideration for this letter agreement relating to the Loan:

(a) Franchisee hereby certifies to Franchisor that the Franchise Agreement is in full force and effect, and no default, claim, breach, offset, defense to full and strict enforcement, waiver, or estoppel (collectively, a "**Claim**"), or condition that could with passage of time, giving notice or otherwise become a Claim, currently exists or has existed against Franchisor under the Franchise Agreement [*IF APPLICABLE*: or the Existing Comfort Letter].

(b) [*IF APPLICABLE*: Franchisee hereby represents that the loan referenced in the Existing Comfort Letter has been paid in full [DELETE FIRST CLAUSE IF LOAN IS BEING ASSUMED] and agrees that the Existing Comfort Letter is null and void and of no further force and effect, and Franchisor has no obligations of any kind under the Existing Comfort Letter.]

(c) Franchisee hereby agrees that this letter agreement will remain in full force and effect in favor of Lender with respect to the Loan, as the Loan may periodically be modified, amended, extended, supplemented, or restated.

(d) Franchisee hereby agrees that this letter agreement was provided to Lender at Franchisee's request.

(e) Franchisee hereby fully and forever releases, discharges, and agrees to indemnify, defend, and hold harmless Franchisor, its predecessors, successors and assigns and each of their respective former and present officers, employees, directors, shareholders, partners, members, parents, subsidiaries, affiliates, alter egos, representatives, agents, and attorneys (collectively, the "**Released Parties**"), from any and all Claims, demands, liens, actions, agreements, suits, causes of action, obligations, controversies, debts, costs, attorney's fees, expenses, damages, judgments, orders, and liabilities of whatever kind or nature in law, equity, or otherwise, whether now known or suspected which have existed, may or do exist ("**Released Claims**"), based on any facts, events, or omissions occurring before the execution of this letter agreement which arise out of, concern, pertain, or relate in any way to the Franchise Agreement [*IF APPLICABLE*: or the Existing Comfort Letter ]. Franchisee acknowledges that it may hereafter discover Claims presently unknown or unsuspected, or facts in

Lender

Re: Hotel Name – Facility No. \_\_\_\_\_

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addition to or different from those which it now knows or believes to be true, with respect to the matters released by this letter agreement. Nevertheless, Franchisee fully and finally settles and releases all such matters, and all Claims relative thereto, which do now exist, may exist or have existed between the Released Parties and Franchisee.

6. **Lender Estoppel and Release.** As consideration for this letter agreement relating to the Loan:

(a) Lender hereby certifies to Franchisor that Lender is not a Sanctioned Person. “**Sanctioned Person**” means any person, entity, or Government, including those with Control over such persons or entities, or acting on behalf of such persons or entity, who is subject to Trade Restrictions that prohibit or restrict the Parties’ performance of the Parties’ obligations under this agreement. “**Trade Restrictions**” means trade, economic or investment sanctions, export controls, anti-terrorism, non-proliferation, anti-money laundering and similar restrictions in force pursuant to laws, rules and regulations imposed under Laws to which the Parties are subject.

(b) Lender hereby represents and warrants in favor of Franchisor that Lender is not a Competitor of Franchisor.

(c) Lender hereby represents and warrants in favor of Franchisor that [IF LENDER IS A BANK] Lender does not own any Equity Interest in Franchisee [IF LENDER IS NOT A BANK] neither Lender nor any of its officers or directors own any Equity Interest in Franchisee.

(d) Lender hereby agrees that this letter agreement shall remain in full force and effect in favor of Lender with respect to the Loan, as the Loan may periodically be modified, amended, extended, supplemented or restated, without the need for further action by Lender or Franchisor.

(e) [IF LENDER IS A PARTY TO EXISTING COMFORT LETTER:] Lender hereby certifies to Franchisor that no Claim, or condition that could with the passage of time, giving notice or otherwise become a Claim by Lender, currently exists or has existed against Franchisor under the Existing Comfort Letter; agrees that the Existing Comfort Letter is null and void and of no further force and effect; and agrees that Franchisor has no obligations of any kind under the Existing Comfort Letter.

(f) [IF FOR A LOAN ORIGINATED AT AN EARLIER DATE: Lender hereby represents and warrants as of the date of its signature below that Lender has not issued a notice of default with respect to the Loan and is not aware of any issue that currently constitutes a default under the Loan and that Lender has not taken any action intended to result in Lender acquiring possession and/or ownership of the Hotel.

(g) Lender hereby fully and forever releases, discharges, and agrees to indemnify, defend and hold harmless the Released Parties from any and all Released Claims by Lender based on any facts, events, or omissions occurring before the execution of this letter agreement which arise out of, concern, pertain, or relate in any way to this letter agreement. [IF LENDER IS A PARTY TO EXISTING COMFORT LETTER, ADD or the Existing Comfort Letter.] [FOR CANADA ONLY; provided, however that this release will not relieve any of the Released Parties from any liability imposed by the *Ontario Arthur Wishart Act (Franchise Disclosure), 2000*, that may have existed as of the Effective Date of this agreement.]

7. [IF REQUESTED, CHECK ¶ REFERENCES IN ¶¶ 3 / 6: **Franchisor Estoppel.** Subject to the acknowledgement by Lender that Franchisor does not own or operate the Hotel, Franchisor hereby certifies to Lender that, to Franchisor’s knowledge as of the date indicated on the first page of this letter agreement, (a) the Franchise Agreement is in full force and effect, and (b) no Default currently exists under the Franchise Agreement. “**Franchisor’s knowledge**” means the actual knowledge of applicable



Lender

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and reasonably obvious Hotel operational matters regularly reviewed by company employees who have given their attention to such matters in the ordinary course of business and does not include any investigation by those employees or others of other matters or beyond their usual and customary reviews of the Hotel, nor does it include constructive notice of matters or information located in public or Hotel records. "**Default**" means matters which have been the subject of an actual notice of default under the Franchise Agreement and does not include matters which are or may be in process, under discussion, or otherwise addressed. [*IF QUALIFIERS*: Notwithstanding the foregoing, Lender is advised that the Hotel failed its most recent Quality Assurance Inspection, but the failure is not a Default.]

8. **Assignment.** This letter agreement may not be assigned by Lender without the written consent of Franchisor; provided, however, Franchisor's consent is not required for any assignment to:

(a) a direct or indirect subsidiary or affiliate of Lender in connection with an Acquisition.

(b) the trustee in a securitization if Lender (i) directly transfers the Loan to the trustee **and** (ii) gives notice to Franchisor within thirty (30) days of the transfer, identifying the new "Lender" and the new address for notice. If Lender fully complies with the provisions of this Subparagraph, Franchisor will recognize the trustee as "Lender" under this letter agreement; but Franchisor may, in its discretion, reject any notice that is not sent by Lender or that is not sent in a timely manner in accordance with this Subparagraph.

(c) [*IF LENDER IS ACTING AS AN ADMINISTRATIVE AGENT*:] any successor administrative agent with respect to the Loan if the successor is a national bank, a state-chartered bank, commercial bank, or the U.S. branch of a foreign bank authorized to operate in the U.S., and the administrative agent identified as "Lender" under this letter agreement gives notice to Franchisor, identifying the new "Lender" and the new address for notice, within thirty (30) days of the transfer, but Franchisor may, in its discretion, reject any notice that is not sent by Lender or that is not sent in a timely manner in accordance with this Subparagraph.

(d) any subsequent holder or holders of the Loan ("**Assignee**") if (1) the Loan is not in default when notice is given; (2) Lender gives notice to Franchisor, identifying Assignee and the new address for notice, within thirty (30) days of the transfer; and (3) the Assignee (i) is a national bank, state-chartered bank, commercial bank, investment bank, pension fund, finance company, insurance company, or other financial institution engaged in the business of making loans or any fund managed by any of the foregoing, (ii) is not a Competitor of Franchisor, and (iii) does not own directly or indirectly, any equity interest in Franchisee or its constituent owners; provided, however, that Franchisor may, in its discretion, reject a notice if the Loan is in default when notice is given, or if the notice is not sent by Lender, or if notice is not sent in a timely manner in accordance with this Subparagraph. On receipt and acceptance of the notice, Franchisor will promptly prepare its then-current form of Assignment and Assumption Agreement ("**Assignment**") and Lender and Assignee must promptly execute and return the Assignment. Franchisor may charge a nominal fee for processing the Assignment. If there is more than one Assignee, the Assignees must (i) designate a single representative to receive notices, negotiate on behalf of and bind each Assignee in connection with this letter agreement and any assignment thereof, and (ii) acknowledge that Franchisor shall be entitled to rely on such designation and deal solely with such representative without the necessity of notifying, negotiating with, or obtaining the consent of, each Assignee.

9. **Communication with Lender.** Franchisee agrees that Franchisor may discuss with Lender or its designee the status of the Hotel, the Franchise Agreement, or any matter to which Lender is entitled to notice under the terms of this letter agreement. Franchisee agrees that the Released Parties

Lender

Re: Hotel Name – Facility No. \_\_\_\_\_

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shall not be liable to Franchisee for taking any action or providing any information required or contemplated by this letter agreement.

10. **Management.** Any change to the management company for the Hotel (“**Management**”) made by Lender or a receiver before an Assumption is subject to Franchisor’s prior written approval. Franchisor will use its business judgment in determining whether to approve the new Management. After an Assumption, the terms of the Franchise Agreement will govern with respect to Management, provided, however, Lender shall not be bound by any requirements of the Franchise Agreement to manage the Hotel itself.

11. **Subordination.** Franchisor acknowledges and agrees that the Franchise Agreement, to the extent that it creates any interest in the Hotel, is and shall be subordinate to the mortgage or deed of trust of Lender placed or to be placed on the Hotel in accordance with the terms of the Loan.

12. **Collateral Assignment.** If the Franchise Agreement is being pledged by Franchisee to Lender as security for Franchisee’s obligations to Lender under the Loan, issuance of this letter agreement evidences Franchisor’s consent to the collateral assignment. Lender’s rights in connection with the Franchise Agreement are governed by the terms and conditions in this letter agreement.

13. **Execution.** This letter agreement may be signed in counterparts, each of which will be considered an original. The parties agree to conduct the transaction by electronic means which will be initiated by Franchisor. An authorized representative of Franchisor will countersign on behalf of Franchisor when all conditions are fulfilled.

14. **Effectiveness and Termination.** This letter agreement will be effective only when Franchisor receives signatures indicating acceptance by Lender and Franchisee and Franchisor’s authorized representative countersigns on the signature page. If Franchisor does not receive signed copies from Lender and Franchisee within thirty (30) days from the date indicated on the first page of this letter agreement, Franchisor’s offer to enter into this letter agreement may be withdrawn. Once effective, this letter agreement will automatically terminate if (a) Lender no longer has a security interest in the Hotel or the Loan is paid in full, (b) Lender transfers the Loan to another entity unless this letter agreement is assigned in compliance with its terms, (c) Lender materially breaches this letter agreement, (d) Lender has been taken over in any manner by any state or federal agency, (e) Franchisee transfers the Franchise Agreement and the transfer results in a new franchise agreement being entered, or (f) Franchisor terminates the Franchise Agreement in accordance with the terms of this letter agreement.

15. **General.** No entity may exercise any rights as Lender under this letter agreement if the entity or any affiliate is or becomes the owner of a direct or indirect beneficial interest (except a strictly passive interest) in Franchisee, other than through the exercise of rights under the Loan. The provisions of this letter agreement are applicable only for the Hotel and the parties to this letter agreement. Issuance and execution of this letter agreement or the granting of any conditions provided in this letter agreement does not constitute an obligation on Franchisor’s part to provide the same at any future date. This letter agreement sets forth the entire agreement of the parties to this letter agreement in regard to the matters addressed in this letter agreement. Capitalized terms not otherwise defined in this letter agreement shall have the meanings assigned to the term in the Franchise Agreement.

Lender

Re: Hotel Name – Facility No. \_\_\_\_\_

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Sincerely,

HILTON FRANCHISE HOLDING LLC  
OR SELECT HLT EXISTING FRANCHISE HOLDING LLC  
OR IF HOTEL IS IN CANADA HILTON WORLDWIDE FRANCHISING LP

Signature Blocks on Following Page

Lender

Re: Hotel Name – Facility No. \_\_\_\_\_

Page 10

**LENDER:**

[NAME]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Accepted and agreed to \_\_\_\_\_  
DATE

**FRANCHISEE:**

[NAME]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Accepted and agreed to \_\_\_\_\_  
DATE

**FRANCHISOR:**

HILTON FRANCHISE HOLDING LLC  
OR SELECT HLT EXISTING FRANCHISE HOLDING LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_ Authorized Signatory

Effective Date: \_\_\_\_\_

Lender

Re: Hotel Name – Facility No. \_\_\_\_\_

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**FRANCHISOR IF HOTEL IS IN CANADA**

HILTON WORLDWIDE FRANCHISING LP,  
a limited partnership formed under the laws of England and Wales

By: HILTON WORLDWIDE MANAGE LIMITED,  
Its General Partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_ Authorized Signatory \_\_\_\_\_

Effective Date: \_\_\_\_\_



755 Crossover Lane  
Memphis, TN 38117

**\*\*SAVE AS NEW DOCUMENT\*\***  
Insert Expected Closing Date

Lender [also insert in 2<sup>nd</sup> page header]  
Attention:  
Address  
Address

**Re: [Name of Hotel (City, State) – Facility No. \_\_\_\_\_; ALSO INSERT IN 2<sup>nd</sup> page header]  
Mezzanine Lender Comfort Letter**

Ladies and Gentlemen:

HILTON FRANCHISE HOLDING LLC, a Delaware limited liability company [IF NEEDED:, successor-by-merger to SELECT DOUBLETREE FRANCHISE LLC, a Delaware limited liability company, EMBASSY SUITES FRANCHISE LLC, a Delaware limited liability company, HILTON FRANCHISE LLC, a Delaware limited liability company, HAMPTON INNS FRANCHISE LLC, a Delaware limited liability company, HILTON GARDEN INNS FRANCHISE LLC, a Delaware limited liability company, HOMEWOOD SUITES FRANCHISE, LLC, a Delaware limited liability company, HLT ESP FRANCHISE LLC, a Delaware limited liability company OR SELECT HLT EXISTING FRANCHISE HOLDING LLC, a Delaware limited liability company, successor-in-interest to [DT Doubletree Hotel Systems, Inc. [ES, HAM, HWS Promus Hotels, Inc. [HFS, HGI, CI, WAC Hilton Inns, Inc.] SELECT FOR CANADA: HILTON WORLDWIDE FRANCHISING LP, a limited partnership formed under the laws of England and Wales] ("**Franchisor**") and \_\_\_\_\_, a \_\_\_\_\_ ("**Franchisee**") are parties to a franchise agreement dated \_\_\_\_\_, including all amendments, riders, supplemental agreements and assignments (collectively, "**Franchise Agreement**"). Franchisee operates [ will operate ] the [INSERT brand ] hotel [ to be ] located at \_\_\_\_\_ ("**Hotel**") under the terms of the Franchise Agreement.

This letter agreement is being entered into in connection with a mezzanine loan in the amount of \$\_\_\_\_\_, dated \_\_\_\_\_, as such mezzanine loan may be periodically amended, modified, supplemented, extended or restated ("**Loan**") from \_\_\_\_\_ [IF LENDER IS NOT A BANK: , a [State] [Type of Entity] ("**Lender**") [IF NEEDED: as administrative agent for itself and other participant lenders (in its capacity as administrative agent, ("**Lender**")) ] to Franchisee [IF NOT FRANCHISEE: \_\_\_\_\_, a [State] [Type of Entity] ("**Mezzanine Borrower**") ] to be used [IF MULTIPLE PROPERTIES:, in part, ] for the direct benefit of the Hotel. [DESCRIBE BORROWER'S RELATIONSHIP TO FRANCHISEE. (e.g., Mezzanine Borrower is the owner of the real property on which the Hotel is located, which Borrower leases to Franchisee, its affiliate. ]

*[IF MULTIPLE LENDERS, REFERENCE SHORT NAMES ABOVE AND USE CONSISTENTLY:*

*FIRST ALTERNATIVE:* Franchisor is entitled to presume conclusively that notice to and actions or failures to act by INSERT NAME OF ONE LENDER \_\_\_\_\_ ("**Lead Lender**") are sufficient for all purposes under this letter agreement and that rights under this letter agreement may only be exercised by and the obligations under this letter agreement may only run to Lead Lender. Lead Lender may designate in writing a different party to this letter agreement to represent all lenders, provided that one party must be designated to represent all lenders.

*SECOND ALTERNATIVE:* First Lender [MODIFY AS NEEDED], Second Lender [MODIFY AS NEEDED] and Third Lender [MODIFY AS NEEDED] will be collectively referred to as "**Lender**." First Lender, Second Lender and Third Lender have represented to Franchisor that they have entered into an intercreditor agreement that establishes priorities among the lenders. Franchisor is not a party to the intercreditor agreement and is relying on the representations of First Lender, Second Lender and Third Lender. Franchisor is entitled to presume conclusively that the rights and obligations under this letter

Lender

Re: Hotel Name – Facility No. \_\_\_\_\_  
Mezzanine Lender Comfort Letter

Page 2

agreement will run to the Lender who contacts Franchisor and represents that it is entitled by the terms of the intercreditor agreement to exercise the rights of Lender under this letter agreement. Lender agrees that Franchisor shall have no obligation to resolve inconsistent instructions if it receives instructions from more than one lender and Franchisor shall have no liability to any lender as a result of any action that Franchisor takes in good faith at the direction of another lender, or any failure of Franchisor to act in the face of inconsistent instructions.

[IF THERE IS A MORTGAGE LENDER]

Franchisor, Franchisee and \_\_\_\_\_ (“**Mortgage Lender**”) [SELECT: entered into a letter agreement dated \_\_\_\_\_ OR are contemporaneously entering into a letter agreement ] containing substantially the same terms as this letter agreement with respect to the mortgage loan (“**Mortgage Letter Agreement**”). Lender agrees that any and all rights under this letter agreement are subordinate to any and all rights of Mortgage Lender under the Mortgage Letter Agreement as long as the Mortgage Letter Agreement is effective. [IF MORTGAGE LENDER IS THE MEZZANINE LENDER If, when a notice of default is issued, the notice address for "Lender" under more than one letter agreement is the same, Franchisor's obligation to provide notice to Lender at the address designated in more than one letter shall be satisfied by sending one notice, and multiple notices shall not be required.]

[IF PRIOR LENDER COMFORT LETTER EXISTS:

Reference is also made to a letter agreement dated \_\_\_\_\_ among Franchisor [CONFIRM], Franchisee [CONFIRM] and Lender [CONFIRM] (“**Existing Comfort Letter**”). [IF WITH SAME LENDER: This letter agreement replaces the Existing Comfort Letter, which is null and void, and of no further force or effect. ] [IF MORE THAN ONE EXISTING COMFORT LETTER, MODIFY THIS AND ¶¶ 5 AND 6 BELOW]

1. **Cure Period.**

(a) **Notice of Franchisee Default.** Franchisor will concurrently provide Lender a copy of any default notice sent to Franchisee under the Franchise Agreement. The notice will be sent to Lender at the address set forth above or such other address designated by Lender in writing, provided that only a single address may be designated and it may not be a P.O. Box.

(b) **Lender's Cure Periods.** Lender shall have the right, but not the obligation, to cure the default within fifteen (15) calendar days beyond the expiration of any cure period given to Franchisee (“**Lender's Cure Period**”). If the default is for failure to comply with physical standards or other non-monetary default which could only be cured by Lender acquiring possession of the Hotel and/or ownership of Franchisee (each, an “**Acquisition**”), Lender may have an additional period of one hundred eighty (180) calendar days, commencing at the expiration of Lender's Cure Period, to complete its Acquisition, through UCC sale, foreclosure or other appropriate proceedings (“**Additional Period**”); provided, that Lender must: (i) notify Franchisor no later than the date it commences proceedings (or promptly after action is stayed or enjoined) that Lender wants the Additional Period; (ii) commence proceedings and diligently prosecute such proceedings to completion within the Additional Period; and (iii) comply with the obligations of Franchisee under the Franchise Agreement not being performed by Franchisee during the Additional Period including payment of all monetary obligations but excluding those obligations which can only be performed by Franchisee or which Lender cannot perform without possession of the Hotel and/or ownership of Franchisee. On request by Lender, the Additional Period may be extended by Franchisor in its determination, which determination shall take into consideration the period of time required to complete an Acquisition in the applicable jurisdiction, and any period of time in which Lender's action has been stayed or enjoined. If Franchisor has not issued a default notice to Franchisee or Lender has cured Franchisee's default during Lender's Cure Period, and Lender commences a UCC sale, foreclosure or other proceeding intended to result in an Acquisition, Lender may exercise the rights under this letter agreement under the terms and timelines outlined in this

Lender

Re: Hotel Name – Facility No. \_\_\_\_\_  
Mezzanine Lender Comfort Letter

Page 3

Subparagraph. If Franchisor has not issued a default notice, Lender's notice to Franchisor of Franchisee's default under the Loan will be deemed to begin Lender's Cure Period and Additional Period. Franchisor acknowledges and agrees that an Acquisition shall not be deemed a sale or lease of the Hotel under the Franchise Agreement, nor a violation of any control or transfer provisions of the Franchise Agreement, and shall not be subject to any right of first refusal or right of first offer contained in the Franchise Agreement.

(c) Franchisor's Rights to Terminate Franchise Agreement. Notwithstanding any other provision of this letter agreement, Franchisor may terminate the Franchise Agreement if any of the following occur: (i) Franchisee's default or any subsequent default, in the sole opinion of Franchisor, damages the image or reputation of Franchisor or any brand name owned and/or licensed by Hilton Worldwide Holdings Inc., a Delaware corporation, or its subsidiaries or affiliates (collectively, "**Hilton**"); (ii) Franchisor is required to terminate the Franchise Agreement by court order or action of any trustee in bankruptcy or debtor in possession of the Hotel; or (iii) the Additional Period expires without other arrangements satisfactory to Franchisor in its sole discretion having been entered into between Franchisor and Lender.

(d) Expiration of Franchise Agreement. Nothing in this letter agreement will extend the Franchise Agreement beyond its stated expiration date.

(e) Receiver Appointment. If a receiver is appointed to operate the Hotel at the request of Lender, Franchisor may require the receiver to enter into Franchisor's then-current form of receiver agreement, with such modifications as mutually agreed between Franchisor, Lender and receiver, or other documentation that Franchisor considers reasonably necessary.

## 2. Assumption and Amendment.

(a) Assumption. Lender will be deemed to have assumed the rights and obligations of Franchisee under the Franchise Agreement as of the date of the Acquisition, and will be obligated to perform all of the obligations of Franchisee under the Franchise Agreement existing at or accruing after the date of the Acquisition, including the payment of fees owed to Franchisor ("**Assumption**"). In connection with the Assumption, Lender must diligently cure all defaults which it could not cure before the Acquisition, within the time period determined by Franchisor based on the nature of the default and/or the condition of the Hotel at the time of Lender's Acquisition.

(b) Amendment. Lender must, within ten (10) business days after Franchisor's request, provide Franchisor all information necessary for Franchisor to determine that Lender is not a Sanctioned Person (as defined below), and deliver any other documents regarding Lender's ownership structure that Franchisor reasonably requests. Franchisor will promptly prepare an amendment to the Franchise Agreement ("**Amendment**") to document the Assumption, and deliver the Amendment to Lender. Lender must execute and return the Amendment to Franchisor within ten (10) business days after receipt from Franchisor. Lender's failure to timely execute and deliver to Franchisor the Amendment shall be a default under the Franchise Agreement entitling Franchisor to terminate the Franchise Agreement. Any renovation requirements imposed by Franchisor in connection with the Assumption will not exceed those which Franchisor could have imposed had Franchisee remained as the Franchisee under the Franchise Agreement. In lieu of any transfer or application fee for the Assumption, Lender agrees to pay Franchisor a processing fee equal to the permitted transfer fee in the Franchise Agreement. If the Franchise Agreement does not reference a permitted transfer fee, then the processing fee will be Five Thousand Five Hundred Dollars (\$5,500).

(c) Lender's Sale to Third Party After Assumption. The transfer provisions of the Franchise Agreement will apply to any sale, assignment or transfer by Lender after an Assumption. If the



Lender

Re: Hotel Name – Facility No. \_\_\_\_\_  
Mezzanine Lender Comfort Letter

Page 4

transfer is to a third party who desires to continue to operate the Hotel, these provisions require a change of ownership application, approval of the third party and payment of an application fee.

3. **Notice to Franchisor.** Lender agrees to notify Franchisor (a) contemporaneously with the commencement of any action that may result in an Acquisition; (b) contemporaneously with the filing of a petition for appointment of a receiver or any other action initiated by Lender that materially impacts possession of the Hotel; (c) promptly after an Acquisition of the date the Acquisition occurred, or (d) promptly after Lender no longer has a security interest in the equity ownership of Franchisee or the Loan is paid in full, but Lender's failure to give notice under this Subparagraph 3(d) will not affect the automatic termination of this letter agreement under Paragraph 11 [NO ESTOPPEL] 12 [ESTOPPEL]. Lender further agrees to promptly provide to Franchisor a copy of any order appointing a receiver or any other judicial or administrative order from an action initiated by Lender that materially impacts possession of the Hotel. All notices to Franchisor should be sent to the following address or such other address periodically designated by Franchisor in writing:

Hilton Worldwide Holdings Inc.  
Attention: General Counsel  
7930 Jones Branch Drive, Suite 1100  
McLean, VA 22102

If Lender wishes to send a notice to Franchisor regarding securitizations, Lender may send the notice by any method described above, or by email (with read receipt confirmation) at Lender.Comfort.Letters@hilton.com or such other email address as Franchisor may periodically designate by notice to Lender.

4. **Confidentiality and Non-Disclosure.** The provisions of this letter agreement shall not be disclosed by Lender or Franchisee to any third party, excepting (a) the respective employees, directors, officers, agents, regulators or legal and financial representatives of each of Franchisee, Lender and Lender's servicers, trustees and certificate holders, on a need-to-know basis; (b) as required by law; (c) as mutually agreed to by the parties; (d) as part of any due diligence performed as a part of a sale, assignment, participation or securitization of the Loan by Lender, or a sale of the Hotel after an Acquisition; (e) any investor or potential investor in, or underwriter of, the Loan; and/or (f) any rating agency that rates securities backed by the Loan. Except as provided above, Franchisee and Lender agree not to copy, reproduce or otherwise make available in any form whatsoever to any other person, firm, corporation, or business the provisions of this letter agreement.

5. **Franchisee Estoppel and Release.** As consideration for this letter agreement relating to the Loan, Franchisee hereby:

(a) certifies to Franchisor that the Franchise Agreement is in full force and effect, and no default, claim, breach, offset, defense to full and strict enforcement, waiver, or estoppel (collectively, "**Claim**"), or condition that could with passage of time, giving notice or otherwise become a Claim, currently exists or has existed against Franchisor under the Franchise Agreement [IF APPLICABLE: or the Existing Comfort Letter].

(b) [IF APPLICABLE: represents that the loan referenced in the Existing Comfort Letter has been paid in full [DELETE FIRST CLAUSE IF LOAN IS BEING ASSUMED] and agrees that the Existing Comfort Letter is null and void and of no further force and effect, and Franchisor has no obligations of any kind under the Existing Comfort Letter.]

(c) agrees that this letter agreement will remain in full force and effect in favor of Lender with respect to the Loan, as the Loan may periodically be modified, amended, extended, supplemented, or restated.

Lender

Re: Hotel Name – Facility No. \_\_\_\_\_  
Mezzanine Lender Comfort Letter

Page 5

(d) agrees that this letter agreement was provided to Lender at Franchisee's request.

(e) fully and forever releases, discharges, and agrees to indemnify, defend, and hold harmless Franchisor, its predecessors, successors and assigns and each of their respective former and present officers, employees, directors, shareholders, partners, members, parents, subsidiaries, affiliates, alter egos, representatives, agents, and attorneys (collectively, the "**Released Parties**"), from any and all Claims, demands, liens, actions, agreements, suits, causes of action, obligations, controversies, debts, costs, attorney's fees, expenses, damages, judgments, orders, and liabilities of whatever kind or nature in law, equity, or otherwise, whether now known or suspected which have existed, may or do exist ("**Released Claims**"), based on any facts, events, or omissions occurring before the execution of this letter agreement which arise out of, concern, pertain, or relate in any way to the Franchise Agreement [IF APPLICABLE: or the Existing Comfort Letter]. Franchisee acknowledges that it may hereafter discover Claims presently unknown or unsuspected, or facts in addition to or different from those which it now knows or believes to be true, with respect to the matters released by this letter agreement. Nevertheless, Franchisee fully and finally settles and releases all such matters, and all Claims relative thereto, which do now exist, may exist or have existed between the Released Parties and Franchisee.

6. **Lender Estoppel and Release.** As consideration for this letter agreement relating to the Loan:

(a) Lender hereby certifies to Franchisor that Lender is not a Sanctioned Person. "**Sanctioned Person**" means any person, entity, or Government, including those with Control over such persons or entities, or acting on behalf of such persons or entity, who is subject to Trade Restrictions that prohibit or restrict the Parties' performance of the Parties' obligations under this Agreement. "**Trade Restrictions**" means trade, economic or investment sanctions, export controls, anti-terrorism, non-proliferation, anti-money laundering and similar restrictions in force pursuant to laws, rules and regulations imposed under Laws to which the Parties are subject.

(b) Lender hereby represents and warrants in favor of Franchisor that Lender is not a Competitor of Franchisor.

(c) Lender hereby represents and warrants in favor of Franchisor that [IF LENDER IS A BANK] Lender does not own any Equity Interest in Franchisee [IF LENDER IS NOT A BANK] neither Lender nor any of its officers or directors own any Equity Interest in Franchisee.

(d) Lender hereby agrees that this letter agreement shall remain in full force and effect in favor of Lender with respect to the Loan, as the Loan may periodically be modified, amended, extended, supplemented or restated without the need for further action by Lender or Franchisor.

(e) *[IF LENDER IS A PARTY TO EXISTING COMFORT LETTER:]* Lender hereby certifies to Franchisor that no Claim, or condition that could with the passage of time, giving notice or otherwise become a Claim by Lender, currently exists or has existed against Franchisor under the Existing Comfort Letter; agrees that the Existing Comfort Letter is null and void and of no further force and effect; and agrees that Franchisor has no obligations of any kind under the Existing Comfort Letter.

(f) *[IF FOR A LOAN ORIGINATED AT AN EARLIER DATE:]* Lender hereby represents and warrants as of the date of its signature below that Lender has not issued a notice of default with respect to the Loan and is not aware of any issue that currently constitutes a default under the Loan and that Lender has not taken any action intended to result in Lender acquiring possession of the Hotel and/or ownership of Franchisee.

Lender

Re: Hotel Name – Facility No. \_\_\_\_\_  
Mezzanine Lender Comfort Letter

Page 6

(g) Lender hereby fully and forever releases, discharges, and agrees to indemnify, defend and hold harmless the Released Parties from any and all Released Claims by Lender based on any facts, events, or omissions occurring before the execution of this letter agreement which arise out of, concern, pertain, or relate in any way to this letter agreement. [IF LENDER IS A PARTY TO EXISTING COMFORT LETTER:, ADD or the Existing Comfort Letter.] [FOR CANADA ONLY ; provided, however that this release will not relieve any of the Released Parties from any liability imposed by the *Ontario Arthur Wishart Act (Franchise Disclosure), 2000, that may have existed as of the Effective Date of this Assignment.*]

7. [IF REQUESTED, CHECK REFERENCES in ¶¶ 3 / 6 **Franchisor Estoppel**. Subject to the acknowledgement by Lender that Franchisor does not own or operate the Hotel, Franchisor hereby certifies to Lender that, to Franchisor's knowledge as of the date indicated on the first page of this letter agreement, (a) the Franchise Agreement is in full force and effect, and (b) no Default currently exists under the Franchise Agreement. "**Franchisor's knowledge**" means the actual knowledge of applicable and reasonably obvious Hotel operational matters regularly reviewed by company employees who have given their attention to such matters in the ordinary course of business and does not include any investigation by those employees or others of other matters or beyond their usual and customary reviews of the Hotel, nor does it include constructive notice of matters or information located in public or Hotel records. "**Default**" means matters which have been the subject of an actual notice of default under the Franchise Agreement and does not include matters which are or may be in process, under discussion, or otherwise addressed. [IF QUALIFIERS: Notwithstanding the foregoing, Lender is advised that the Hotel failed its most recent Quality Assurance Inspection, but the failure is not a Default ].

8. **Assignment**. This letter agreement may not be assigned by Lender without the written consent of Franchisor; provided, however, Franchisor's consent is not required for any assignment to:

(a) a direct or indirect subsidiary or affiliate of Lender in connection with an Acquisition.

(b) the trustee in a securitization if Lender (i) directly transfers the Loan to the trustee **and** (ii) gives notice to Franchisor within thirty (30) days of the transfer, identifying the new "Lender" and the new address for notice. If Lender fully complies with the provisions of this Subparagraph, Franchisor will recognize the trustee as "Lender" under this letter agreement but Franchisor may, in its discretion, reject any notice that is not sent by Lender or that is not sent in a timely manner in accordance with this Subparagraph.

(c) [IF LENDER IS ACTING AS AN ADMINISTRATIVE AGENT:] any successor administrative agent with respect to the Loan if the successor is a national bank, state-chartered bank, commercial bank, or the U.S. branch of a foreign bank authorized to operate in the U.S., and the administrative agent identified as "Lender" under this letter agreement gives notice to Franchisor, identifying the new "Lender" and the new address for notice, within thirty (30) days of the transfer, but Franchisor may, in its discretion, reject any notice that is not sent by Lender or that is not sent in a timely manner in accordance with this Subparagraph.

(d) any subsequent holder or holders of the Loan ("**Assignee**") if (1) the Loan is not in default when notice is given; (2) Lender gives notice to Franchisor, identifying Assignee and the new address for notice, within thirty (30) days of the transfer; and (3) the Assignee (i) is a national bank, state-chartered bank, commercial bank, investment bank, pension fund, finance company, insurance company, or other financial institution engaged in the business of making loans or any fund managed by any of the foregoing, (ii) is not a Competitor of Franchisor, and (iii) does not own directly or indirectly, any equity interest in Franchisee or its constituent owners; provided, however, that Franchisor may, in its discretion,

Lender

Re: Hotel Name – Facility No. \_\_\_\_\_  
Mezzanine Lender Comfort Letter

Page 7

reject a notice if the Loan is in default when notice is given, or if the notice is not sent by Lender, or if notice is not sent in a timely manner in accordance with this Subparagraph. On receipt and acceptance of the notice, Franchisor will promptly prepare its then-current form of Assignment and Assumption Agreement (“**Assignment**”) and Lender and Assignee must promptly execute and return the Assignment. Franchisor may charge a nominal fee for processing the Assignment. If there is more than one Assignee, the Assignees must (i) designate a single representative to receive notices, negotiate on behalf of and bind each Assignee in connection with this letter agreement and any assignment thereof, and (ii) acknowledge that Franchisor shall be entitled to rely on such designation and deal solely with such representative without the necessity of notifying, negotiating with, or obtaining the consent of, each Assignee.

9. **Communication with Lender.** Franchisee agrees that Franchisor may discuss with Lender or its designee the status of the Hotel, the Franchise Agreement, or any matter to which Lender is entitled to notice under the terms of this letter agreement. Franchisee agrees that the Released Parties shall not be liable to Franchisee for taking any action or providing any information required or contemplated by this letter agreement.

10. **Management.** Any change to the management company for the Hotel (“**Management**”) made by Lender or a receiver before an Assumption is subject to Franchisor’s prior written approval. Franchisor will use its business judgment in determining whether to approve the new Management. After an Assumption, the terms of the Franchise Agreement will govern with respect to Management, provided, however, Lender shall not be bound by any requirements of the Franchise Agreement to manage the Hotel itself.

11. **Execution.** This letter agreement may be signed in counterparts, each of which will be considered an original. The parties agree to conduct the transaction by electronic means which will be initiated by Franchisor. An authorized representative of Franchisor will countersign on behalf of Franchisor when all conditions are fulfilled.

12. **Effectiveness and Termination.** This letter agreement will be effective only when Franchisor receives signatures indicating acceptance by Lender and Franchisee and Franchisor’s authorized representative countersigns on the signature page. If Franchisor does not receive signed copies from Lender and Franchisee within thirty (30) days from the date indicated on the first page of this letter agreement, Franchisor’s offer to enter into this letter agreement may be withdrawn. Once effective, this letter agreement will automatically terminate if (a) Lender no longer has a security interest in Franchisee or the Loan is paid in full, (b) Lender transfers the Loan to another entity unless this letter agreement is assigned in compliance with its terms, (c) Lender materially breaches this letter agreement, (d) Lender has been taken over in any manner by any state or federal agency, (e) Franchisee transfers the Franchise Agreement and the transfer results in a new franchise agreement being entered, or (f) Franchisor terminates the Franchise Agreement in accordance with this letter agreement.

13. **General.** No entity may exercise any rights as Lender under this letter agreement if the entity or any affiliate is or becomes the owner of a direct or indirect beneficial interest (except a strictly passive interest) in Franchisee, other than through the exercise of rights under the Loan. The provisions of this letter agreement are applicable only for the Hotel and the parties to this letter agreement. Issuance and execution of this letter agreement or the granting of any conditions provided in this letter agreement does not constitute an obligation on Franchisor’s part to provide the same at any future date. This letter agreement sets forth the entire agreement of the parties to this letter agreement in regard to the matters addressed in this letter agreement. Capitalized terms not otherwise defined in this letter agreement shall have the meanings assigned to the term in the Franchise Agreement.

Lender

Re: Hotel Name – Facility No. \_\_\_\_\_  
Mezzanine Lender Comfort Letter

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Sincerely,

HILTON FRANCHISE HOLDING LLC  
OR SELECT HLT EXISTING FRANCHISE HOLDING LLC  
OR IF HOTEL IS IN CANADA HILTON WORLDWIDE FRANCHISING LP

Signature Blocks on Following Page

Lender

Re: Hotel Name – Facility No. \_\_\_\_\_  
Mezzanine Lender Comfort Letter

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**LENDER:**

[NAME]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Accepted and agreed to \_\_\_\_\_  
DATE

**FRANCHISEE:**

[NAME]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Accepted and agreed to \_\_\_\_\_  
DATE

**FRANCHISOR:**

HILTON FRANCHISE HOLDING LLC  
OR SELECT HLT EXISTING FRANCHISE HOLDING LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_ Authorized Signatory

Effective Date: \_\_\_\_\_

Lender

Re: Hotel Name – Facility No. \_\_\_\_\_  
Mezzanine Lender Comfort Letter

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**FRANCHISOR IF HOTEL IS IN CANADA**

HILTON WORLDWIDE FRANCHISING LP,  
a limited partnership formed under the laws of England and Wales

By: HILTON WORLDWIDE MANAGE LIMITED,  
Its General Partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_ Authorized Signatory \_\_\_\_\_

Effective Date: \_\_\_\_\_

# **EXHIBIT L**



## State Effective Dates

The following states have franchise laws that 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 document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

<b>State</b>	<b>Effective Date</b>
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

# **EXHIBIT M**

**RECEIPT**

**Hilton Franchise Holding LLC  
HOMEWOOD SUITES**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Hilton Franchise Holding LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Connecticut and Michigan require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

Iowa and Maine require that we give you the disclosure document at the earlier of the first personal meeting or 14 days before you sign a binding agreement with, or make a payment to, us in connection with the proposed franchise sale.

If Hilton Franchise Holding LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit I.

The franchisor is Hilton Franchise Holding LLC, located at 7930 Jones Branch Drive, Suite 1100, McLean, VA 22102. Its telephone number is 703-883-1000.

Issuance date: March 30, 2024

The franchise seller for this offering is [name] \_\_\_\_\_,  
[title] \_\_\_\_\_, [address], \_\_\_\_\_,  
[telephone number] \_\_\_\_\_.

Hilton Franchise Holding LLC authorizes the respective state agencies identified on Exhibit I to receive service of process for it in the particular state.

I received a disclosure document dated March 30, 2024, that included the following Exhibits:

- Exhibit A List of Franchised Hotels as of December 31, 2023
- Exhibit B List of Franchised Hotels Terminated, Canceled, Not Renewed or with Changes in Controlling Interest During 2023
- Exhibit C Financial Statements
- Exhibit D Franchise Agreement and Addendum
- Exhibit D-1 State Addenda to Franchise Agreement
- Exhibit D-2 Development Incentive Promissory Note
- Exhibit E Guaranty of Franchise Agreement
- Exhibit F Franchise Application
- Exhibit G Information Technology System Agreement (HITS Agreement)
- Exhibit H Manual Table of Contents – Brand Standards
- Exhibit I State Administrators and Agents for Service of Process
- Exhibit J - 1 State Addenda to Disclosure Document
- Exhibit J - 2 Restaurant Brands Addendum to Disclosure Document
- Exhibit K Lender Comfort Letter Forms
- Exhibit L State Effective Dates
- Exhibit M Receipts

**PROSPECTIVE FRANCHISEE:**

**If a corporation or other business entity:**

**If an individual:**

\_\_\_\_\_  
(Name of Entity)

\_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name)

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CITY/STATE OF PROPOSED HOTEL(S):**

\_\_\_\_\_

**PLEASE SIGN THIS RECEIPT IN DUPLICATE, RETAIN ONE FOR YOUR RECORDS, AND RETURN ONE SIGNED COPY (FRONT AND BACK) TO:**

**RECEIPT**

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\_\_\_\_\_  
(Name of Entity)

\_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name)

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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