



HILTON GARDEN INNS INTERNATIONAL FRANCHISE LLC

FRANCHISE DISCLOSURE DOCUMENT (CANADA)

IMPORTANT NOTICE

This Disclosure Document is provided to you in accordance with Alberta, Ontario, New Brunswick and Prince Edward Island laws. The provision of this Disclosure Document and/or the submission by you of personal and credit information is in no way to be taken or construed as an agreement. An agreement can only arise upon the execution of the requisite Franchise Agreement by the parties thereto, following the mandatory fourteen (14) day waiting period.

The information in this Disclosure Document, including any exhibits, is the confidential property of Hilton Worldwide, Inc. and its subsidiaries. This Disclosure Document is being provided to you for your bona fide use in considering the purchase of a Franchise to operate a Hilton Garden Inn hotel business and for no other reason. Any other use, copying or disclosure is strictly prohibited.

Version Date: July 7, 2011

REQUIRED STATEMENTS (ONTARIO RESIDENTS ONLY)

The following paragraphs are required by the *Arthur Wishart Act (Franchise Disclosure), 2000* to be included in this document.

1. A commercial credit report is a report which may include information on the Franchisor's business background, banking information, credit history and trade references. Such reports may be obtained from private credit reporting companies and may provide information useful in making an investment decision.
2. Independent legal and financial advice in relation to the Franchise Agreement should be sought prior to entering into the Franchise Agreement.
3. A prospective Franchisee is strongly encouraged to contact any current or previous Franchisees prior to entering into the Franchise Agreement.
4. The cost of goods and services acquired under the Franchise Agreement may not correspond to the lowest cost of the goods and services available in the marketplace.

REQUIRED STATEMENTS (PRINCE EDWARD ISLAND RESIDENTS ONLY)

1. A prospective franchisee should seek information on the franchisor and on the franchisor's business background, banking affairs, credit history and trade references.
2. A prospective franchisee should seek expert independent legal and financial advice in relation to franchising and the franchise agreement prior to entering into the franchise agreement.
3. A prospective franchisee should contact current and previous franchisees prior to entering into the franchise agreement.
4. Lists of current and previous franchisees and their contact information can be found in this disclosure document.

REQUIRED STATEMENTS (NEW BRUNSWICK LOCATIONS ONLY)

Risk Warnings

1. A prospective franchisee should seek information on the franchisor and on the franchisor's business background, banking affairs, credit history and trade references.
2. A prospective franchisee should seek expert independent legal and financial advice in relation to franchising and the franchise agreement prior to entering into the franchise agreement.
3. A prospective franchisee should contact current and previous franchisees prior to entering into the franchise agreement.
4. Lists of current and previous franchisees and their contact information can be found in this disclosure document.

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ARTICLE 1
BUSINESS BACKGROUND OF THE FRANCHISOR

1.1 The Licensor

To simplify the language in this Disclosure Document, “we” or “us” means Hilton Garden Inns International Franchise LLC, the licensor and/or the franchisor. “You” means the person (or persons) who signs the Franchise License Agreement – the “licensee” and/or “franchisee.” If the licensee will be a corporation, partnership, limited liability company or other entity, “you” also includes both the business entity and its owners. The “Licensed Brand” refers to the name or names under which we will license you to operate a hotel. This Disclosure Document describes our franchise licenses for hotels which will operate under the “Hilton Garden Inns” Licensed Brand in Canada.

We are a Delaware limited liability company formed in September 2007. We do business under the name "Hilton Garden Inns". Our principal business address since August 1, 2009 has been 7930 Jones Branch Drive, Suite 1100, McLean, Virginia 22102 and our telephone number is (703) 883-1000. Prior to August 1, 2009, our principal business address was 9336 Civic Center Drive, Beverly Hills, California 90210.

Our indirect corporate parent is Hilton Worldwide, Inc., a Delaware corporation which has conducted a guest lodging business since May 1946. HWI was formerly known as Hilton Hotels Corporation (“HHC”).

On October 24, 2007, HWI was acquired by BH Hotels LLC, a Delaware limited liability company (“Parent”) controlled by investment funds affiliated with The Blackstone Group L.P. (NYSE: BX) (“Blackstone”).

BH Hotels LLC was later converted to Hilton Hotels Holding Corporation, a Delaware corporation. On April 7, 2010, Hilton Hotels Holding Corporation merged into Hilton Hotels Holding LLC (“HHH”), a Delaware limited liability company formed on March 18, 2010. HHH, which is owned by BH Hotels Holdco LLC, is our penultimate corporate parent. BH Hotels Holdco LLC, a Delaware limited liability company, is our ultimate corporate parent.

Our direct corporate parent is Hilton International Franchise Holding LLC, a Delaware limited liability company formed in September 2007. Hilton International Franchise Holding LLC is a subsidiary of HWI.

The principal business address of our parents is 7930 Jones Branch Drive, Suite 1100, McLean, Virginia 22102.

Our predecessor as the franchisor of Hilton Garden Inn brand hotels in the Americas is Hilton Inns, Inc. (“Hilton Inns”), a Delaware corporation incorporated in July 1962. Beginning in 2006, certain international subsidiaries of Hilton Worldwide (collectively, “Hilton International Companies”) began offering franchises for Hilton Garden Inn locations outside the Americas. On the date the merger became effective, Hilton Inns assigned all of its Franchise License Agreements governing Hilton Garden Inn hotels to our affiliate, HLT Existing Franchise Holding LLC and Hilton International Companies assigned all of their Franchise License Agreements governing Hilton Garden Inn Hotels to our affiliate HLT International Existing Franchise Holding LLC. HLT Existing Franchise Holding LLC and HLT International Existing Franchise Holding LLC are Delaware limited liability companies formed in September 2007. On October 27, 2007,



we became the franchisor of Hilton Garden Inn for all locations outside the fifty states of the United States of America, the District of Columbia and the Territories and Possessions of the United States (collectively, the "United States") and our affiliate Hilton Garden Inns Franchise LLC became the franchisor of Hilton Garden Inn hotels within the United States on that date.

Under a form of management agreement known as an "Operating Agreement," entered into in October 2007, both we and our affiliate Hilton Garden Inns Franchise LLC engaged HWI to perform our respective duties and obligations under the Hilton Garden Inns Franchise License Agreements. As long as the Operating Agreement is in effect, HWI will provide services to you on our behalf under the terms of your Franchise License Agreement, either directly or through other of our affiliates. However, as the licensor, we will always be responsible for fulfilling all our duties and obligations under your Franchise License Agreement. If HWI fails to perform its obligations under the Operating Agreement, then HWI may be replaced as the franchise service provider.

The person in Ontario authorized to accept service on our behalf is Frank Zaid, Osler, Hoskin & Harcourt, LLP, Suite 6600, 1 First Canadian Place, Toronto ON M5X 1B8. We do not have a registered agent for service of process in the provinces of Alberta, New Brunswick or Prince Edward Island.

1.2 The Licensed Business

We license the Hilton Garden Inn system (the "System"). The System consists of the elements, including know how, we designate from time to time to identify hotels operating worldwide under the Licensed Brand and currently includes the Marks (See Article 16); access to a 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 License Agreement (a copy of which is attached as Exhibit A), in the Manual or in other communications to you; and programs for our inspecting the hotel and consulting with you. We may add elements to the System or modify, alter or delete elements of the System.

The Hilton Garden Inn hotel is a mid-priced, two to six story, generally 80-300 room focused-service hotel featuring a unique pavilion structure providing a "living room" type lobby. The Hilton Garden Inn hotel offers focused food and beverage service and meeting rooms based upon the Hilton Garden Inn target customers' needs. Each Hilton Garden Inn hotel contains a swimming pool, whirlpool spa, exercise room, business center, self-service laundry and parking, and the Pavilion Pantry® offering food and other sundries. It features well appointed guest rooms with a business-oriented work area. The guest room amenities include complimentary high speed internet access ("HSIA"), remote printing, a large work desk, an ergonomic chair, an adjustable desk lamp, two telephones with data ports, desk-height electrical outlets, a sitting area, a 32" to 37" inch television and a hospitality center with a coffee maker, microwave oven, and refrigerator.

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

During the term of the license, we may offer to amend your Franchise License Agreement as part of the offer of a new program or for some other reason. If you agree to the proposed

changes, you must sign our then current form of amendment that will contain our standard estoppel and general release. Our standard estoppel and general release provisions are included in the Voluntary Termination Agreement attached as Exhibit G to this Disclosure Document.

Various of our affiliates, also direct and indirect subsidiaries of HWI, own, lease and/or manage Hilton Garden Inn hotels ("Hilton-Managed hotels") throughout the world. In certain situations, you may choose to have our affiliate Hilton International Manage LLC or one of its affiliates manage your hotel under a management agreement, to be signed at the same time as, or after, you sign your Franchise License Agreement. Hilton International Manage LLC is a Delaware limited liability company formed in September 2007. Its principal business address is 7930 Jones Branch Drive, Suite 1100, McLean, Virginia 22102.

1.3 Our Affiliates and Related Companies

HWI, through its subsidiaries, currently owns the following principal marks and their related guest lodging systems ("Hilton Worldwide Brands"): Hilton[®], Conrad[®], Doubletree[®], Embassy[®], Hampton[®], Hilton Garden Inn[®], Home2[®], Homewood[®], and Waldorf Astoria[®].

HWI and its subsidiaries own, operate, manage, and license others to operate hotels under the Hilton Worldwide Brands throughout the world.

The following Hilton affiliates currently provide products or services to our licensees, and to other hotels operating under Hilton Worldwide Brands:

- Hilton Reservations Worldwide, L.L.C. d/b/a Hilton Reservations & Customer Care, successor-in-interest to Hilton Service Corporation ("Hilton Reservations Worldwide"), a wholly-owned subsidiary of HWI, will provide you with its national and international reservation services and systems ("Hilton Reservation Service"). (See Articles 6 and 14).
- Hilton Supply Management LLC ("HSM"), a wholly-owned subsidiary of HWI, distributes hotel furniture, furnishings, fixtures, equipment and supplies, and certain food and beverage supplies. (See Articles 6 and 14).
- Hilton HHonors Worldwide, LLC ("Hilton HHonors Worldwide"), a wholly-owned subsidiary of HWI, owns, operates and administers the Hilton HHonors[®] guest reward program. You must participate in the programs of Hilton HHonors Worldwide. (See Article 6).
- Hilton Systems Solutions, LLC ("HSS"), a wholly-owned subsidiary of HWI, provides computer hardware, software and support services for all the Hilton Family of Brands. HSS is the "Hilton" party to, and signatory for, the HITS Agreement.

ARTICLE 2 KEY PERSONNEL

Director, Executive Vice President and Chief Financial Officer: Thomas Kennedy

Mr. Kennedy has served as our Director, Executive Vice President and Chief Financial Officer since March 1, 2010. He also holds those positions with the other franchising entities. * Mr. Kennedy has also served as HWI's Executive Vice President and Chief Financial Officer since September 2008. From January to September 2008 Mr. Kennedy worked as a self-employed consultant in Tulsa, Oklahoma and Fort Lauderdale, Florida. From 2003 to 2007 Mr. Kennedy served as Executive Vice President and Chief Financial Officer of Vanguard Car Rental in Ft. Lauderdale, Florida, and Tulsa, Oklahoma.

Director, Senior Vice President and Treasurer: Kevin Jacobs

Mr. Jacobs has served as our Director, Senior Vice President, and Treasurer since March 1, 2010. He also holds those positions with the other franchising entities. Mr. Jacobs has also served as HWI's Senior Vice President, Corporate Strategy and Treasurer since May, 2009. From June 2008 through May 2009, he served as Senior Vice President, Corporate Strategy for HWI. From January through May, 2008, he served as Senior Vice President, Mergers & Acquisitions and Treasurer for Fairmont Raffles Hotels International in Toronto Canada. From July through December 2007, he was Senior Vice President, Mergers & Acquisitions for that company. From May 2000 through July 2007, he held various positions with Host Hotels and Resorts in Bethesda, Maryland, ending as Vice President of Corporate Finance & Investor Relations.

Director, Executive Vice President, General Counsel and Secretary: Kristin Campbell

Ms. Campbell has served as our Director, Executive Vice President, General Counsel and Secretary since June 27, 2011. She also holds those positions with the other franchising entities. Ms. Campbell has also served as HWI's Executive Vice President, General Counsel and Secretary since June 27, 2011. From 2007 to June 10, 2011, Ms. Campbell served as Senior Vice President, General Counsel, and Secretary of Staples, Inc. in Boston, MA. From 2005 to 2007, she served as Staples' Deputy General Counsel.

Director: Robert K. Rowell

Mr. Rowell has served as our Director since October 2007. He also holds this position with the other franchising entities. Since September 1996, Mr. Rowell has been Executive Vice-President and General Counsel for National Registered Agents, Inc. in Townshend, Vermont.

Director: Joseph K. Winrich

Mr. Winrich has served as our Director since October 2007. He also holds this position with the other franchising entities. Since July 2003, Mr. Winrich has been Director of Legal Research for National Registered Agents, Inc. Prior to that Mr. Winrich was the Senior Corporate Paralegal for Casner & Edwards in Boston, Massachusetts.

* The "franchising entities" include HLT ESP Franchise LLC, Hilton Franchise LLC, Hilton Garden Inns Franchise LLC, Waldorf Astoria Franchise LLC, Conrad Franchise LLC, Embassy Suites Franchise LLC, Homewood Suites Franchise LLC, Hampton Inns Franchise LLC, Doubletree Franchise LLC, Hilton International Franchise LLC, HLT International Waldorf=Astoria Franchise LLC, Embassy Suites International Franchise LLC, Doubletree International Franchise LLC, Homewood Suites International Franchise LLC, HLT International Conrad Franchise LLC, Hilton Garden Inns International Franchise LLC, Hampton Inns International Franchise LLC, HLT ESP International Franchise LLC, HLT ESP International Franchisor Corporation and Hilton International Franchisor Corporation.

Senior Managing Director and President: Jonathan D. Gray

Jonathan D. Gray has served as our Senior Managing Director and President since October 2007. He also holds those positions with the other franchising entities. In addition, Mr. Gray has served as Director of HWI since October 2007. He is currently a Senior Managing Director and Co-Head of Real Estate Group for The Blackstone Group in New York, New York, with which he has been associated since 1992.

Senior Managing Director and Vice President: Kenneth A. Caplan

Kenneth A. Caplan has served as our Senior Managing Director and Vice President since October 2007. He also holds those positions with the other franchising entities. In addition, Mr. Caplan has served as Director of HWI since October 2007. He is currently a Senior Managing Director in the Real Estate Group for the Blackstone Group in New York, New York, with which he has been associated since 1997.

Senior Managing Director and Vice President: Michael S. Chae

Michael S. Chae has served as our Senior Managing Director and Vice President since October 2007. He also holds those positions with the other franchising entities. In addition, Mr. Chae has served as Director of HWI since October 2007. He is currently a Senior Managing Director in the Corporate Private Equity Group for the Blackstone Group in New York, New York, with which he has been associated since 1997.

Senior Managing Director and Vice President: William Stein

William Stein has served as our Senior Managing Director and Vice President since October 2007. He also holds those positions with the other franchising entities. In addition, Mr. Stein has served as Director of HWI since October 2007. He is currently a Senior Managing Director in the Real Estate Group for The Blackstone Group in New York, New York, with which he has been associated since 1997.

Executive Vice President: Ian Carter

Mr. Carter has served as our Executive Vice President since May 2008. He also holds similar positions with the other international franchising entities. Mr. Carter has served as Hilton International's Executive Vice President, Chief Executive Officer and Director since January 2005. He is headquartered in Watford, U.K. From November 1998 to December 2004, Mr. Carter was President – Europe, Middle East and Asia Pacific with Black & Decker Corporation, and Vice President of Black & Decker USA, based in the United Kingdom.

Executive Vice President: Jean-Paul Herzog

Mr. Herzog has served as our Executive Vice President since May 2008. He also holds similar positions with the other international franchising entities. Mr. Herzog is currently Area President Middle East and Asia for HWI. He has been affiliated with Hilton International since November 1999, holding various titles during his tenure.

Executive Vice President: Simon Robert Vincent

Mr. Vincent has served as our Executive Vice President since May 2008. He also holds similar positions with the other international franchising entities. Mr. Vincent has served as Hilton International's Area President Hilton UK and Ireland since January 2007, headquartered in Watford, U.K. Between 2002 and 2006, Mr. Vincent was Chief Executive for Opodo Limited, headquartered in London, U.K.



Senior Vice President: William Fortier

Mr. Fortier has served as our Senior Vice President since October 2007. He also holds this position with the other franchising entities. He has also served as HWI's Senior Vice President – Development – Americas since October 2007. From May 2000 to October 2007, he served as HWI's Senior Vice President – Franchise Development.

Senior Vice President: Brian Wilson

Mr. Wilson has served as our Senior Vice President since September 2008. He also holds similar positions with the other international franchising entities. Mr. Wilson has served as Hilton International's Executive Director - Legal Administration & Deputy Secretary since March 1996. He served as our Vice President and Assistant Secretary from October 2007 until September 2008. He has been affiliated with Hilton International since September 1988, holding various titles during his tenure. He is headquartered in Watford, U.K.

Vice President: Robert Goodloe Harper

Mr. Harper has served as our Vice President since October 2007. He also holds this position with the other franchising entities. From October 2007 through February 2010, he also served as our Director. He is currently a Managing Director in the Real Estate Group for The Blackstone Group in New York, New York, with which he has been associated since 2002.

Vice President: Dawn Beghi

Ms. Beghi has served as our Vice President since October 2007. She also holds this position with the other franchising entities. Ms. Beghi has also served as Vice President – Development Contract Administration, America's Region for HWI in Los Angeles, California since August 2009. From February 2001 to August 2009, she was Vice President-Franchise Administration.

Vice President and Assistant Secretary: Karen Boring Satterlee

Ms. Satterlee has served as our Vice President and Assistant Secretary since March 1, 2010. She also holds those positions with the other franchising entities. In addition, Ms. Satterlee has served as Vice President and Senior Counsel--Global Franchise and Development of HWI since August 2009. She was the Director of Franchise Licensing and Corporate Counsel of Starbucks Coffee Company in Seattle, Washington from January 2004 to August 2009.

Vice President and Assistant Secretary: Justin R. Hensley

Mr. Hensley has served as our Assistant Vice President and Assistant Secretary since October 2007. He also holds similar positions with the other international franchising entities. Mr. Hensley has served as Director, Tax Reporting and Compliance for HWI since February 2005, and as its Manager, Income Tax Reporting from February 2000 to February 2005.

Assistant Secretary: Edward James Nicholl

Mr. Nicholl has served as our Assistant Secretary since October 2007. He holds similar positions with the other international franchising entities. Mr. Nicholl has served as Hilton International's Assistant Secretary since June 2006, headquartered in Watford U.K. From February 2002 until June 2006, Mr. Nicholl was Director and Secretary of Matrix Secretaries Limited, headquartered in London, U.K.

Assistant Secretary: Owen Wilcox

Mr. Wilcox has been our Assistant Secretary since May 12, 2010. He holds similar positions with the other franchising entities. Mr. Wilcox has served as Vice President and Senior Counsel Corporate and Ethics for HWI since November, 2009. Prior to joining HWI he was Director, Corporate Finance, Legal for Sun Edison, LLC in Beltsville, MD from October, 2007 to



November, 2009; and Vice President and Corporate Counsel for The Mills Corporation in Rosslyn, VA and Chevy Chase, MD from October, 2004 to June, 2007.

Senior Vice President Adrian Kurre

Mr. Kurre has been our Senior Vice President since March 1, 2010. He has served in the same capacity for Hilton Garden Inns Franchise LLC since October 2007. Since March 1, 2010 he has served in the same capacity for Hilton International Franchisor Corporation. Mr. Kurre has served as Global Head – Hilton Garden Inn brand (f/k/a Senior Vice President – Brand Management - Hilton Garden Inn) for Hilton Worldwide since January 2001.

Senior Vice President – Philip Keith Cordell

Mr. Cordell has been our Senior Vice President since March 1, 2010. He has served in that capacity for Hampton Inns Franchise LLC since October 2007. Since March 1, 2010 he has served in the same capacity for Hilton Garden Inn Franchise LLC, HLT ESP Franchise LLC, Homewood Suites Franchise LLC, Hampton Inns International Franchise LLC, HLT ESP International Franchise LLC, HLT ESP International Franchisor Corporation, Homewood Suites International Franchise LLC and Hilton International Franchisor Corporation. Mr. Cordell has served as Global Head – Hampton Inn (f/k/a Senior Vice President - Brand Management Hampton Inn) for Hilton Worldwide since December 1999 and as Global Head – Focused Service Category for Hilton Worldwide since June 2008.

ARTICLE 3 CONVICTIONS, CHARGES, JUDGMENTS AND ORDERS

3.1 Fraud, Unfair or Deceptive Business Practices

In the past 10 years, neither the franchisor, the franchisor's associate or a director, general partner or officer of the franchisor have been convicted of fraud, embezzlement, unfair or deceptive business practices, or a violation of a law that regulates franchises or business, nor is there currently any such charge pending against any such persons.

3.2 Administrative Action

Neither the franchisor, the franchisor's associate, a director, general partner or officer of the franchisor have been subject to an administrative order or penalty imposed under a law of any jurisdiction regulating franchises or business nor is such administrative action pending against any such persons.

3.3 Civil Actions

Apart from the civil actions described in the following paragraph, neither the franchisor, the franchisor's associate, a director, general partner or officer of the franchisor have been found liable in a civil action of misrepresentation, unfair or deceptive business practices or violating a law that regulates franchises or businesses, including a failure to provide proper disclosure to a franchisee, nor is there any such action pending against any such persons.

A. PENDING ACTIONS – INVOLVING HWI (F/K/A HHC)

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”) have agreed to a form of Consent Decree (the “Consent Decree”) addressing alleged violations of Title III of the Americans with Disabilities Act, 42 U.S.C. § 12181 et seq. (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 denies 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 denies 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 states 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 denies 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 have agreed to resolve these issues through the entry of a Consent Decree, which was entered by the Court on November 30, 2010, with an effective date of March 30, 2011. The term of the Consent Decree is four years from the Effective Date. During the term of the Consent Decree, HWI shall not 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 shall: 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 Hilton 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, prior to: 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 six (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 will require 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 will be required to develop a plan to make the Hotel compliant within a set period of time. HWI will require certain architects’ certifications related to newly constructed hotels. HWI has also agreed to pay the United States \$50,000 as part of the resolution of this matter. The Consent Decree applies to HWI and its subsidiaries, including us.

Starwood Hotels & Resorts Worldwide, Inc. v. Hilton Hotels Corporation, Ross Klein and Amar Lalvani, (United States District Court, Southern District of New York, Case No. 09 CV 3862).

On or about April 16, 2009, Starwood Hotels & Resorts Worldwide, Inc. (“Starwood”) filed a complaint against HHC (now Hilton Worldwide) and two of its employees, Ross Klein and Amar Lalvani, both former Starwood employees. In its complaint, as amended on January 14, 2010, Starwood claimed that Messrs. Klein and Lalvani improperly misappropriated Starwood’s confidential and proprietary information and ultimately used that information to develop the Denizen Hotel brand. Starwood asserted the following claims: (i) breach of contract against Messrs. Klein and Lalvani for alleged breach of separate non-solicitation, confidentiality and intellectual property agreements that they signed while employed by Starwood; (ii) tortious interference with contractual relations against Hilton Worldwide for allegedly inducing Messrs. Klein and Lalvani to breach their contracts with Starwood; (iii) fraud against Mr. Klein and aiding and abetting fraud against Hilton Worldwide and Mr. Lalvani; (iv) breach of fiduciary duty against Messrs. Klein and Lalvani and aiding and abetting breaches of fiduciary duty against Hilton Worldwide; (v) misappropriation of trade secrets, unfair competition, theft/conversion, unjust enrichment, and violation of the Computer Fraud and Abuse Act against all defendants; (vi) inducing breach of contract and tortious interference with contract against Messrs. Klein and Lalvani; (vii) fraud against Hilton Worldwide and Mr. Lalvani, and (viii) aiding and abetting fraud against Mr. Klein.

Starwood sought preliminary and permanent injunctive relief, enjoining all defendants and their respective officers, agents and employees from: (i) using Starwood property and information, which it claims is proprietary, confidential and trade secrets; (ii) pursuing certain hotel owners in designated locations identified by Starwood or negotiating with investors with whom Starwood has current management contracts; (iii) “purging” from all material and websites information Starwood claims is proprietary, confidential and/or trade secrets and preliminary and permanent injunctive relief, enjoining all defendants and their respective officers, agents and employees from using such information; (iv) requiring Hilton Worldwide to make certain disclosures to property owners and industry professionals; (v) appointing a monitor or monitors over Hilton Worldwide’s compliance with any injunctions; (vi) preliminarily and permanently enjoining Hilton Worldwide for a reasonable period of time from expanding its luxury and lifestyle brands; (vii) the destruction of all information relating to the launch and promotion of the Denizen Hotel brand; (viii) findings of contempt against all defendants and (ix) compensatory and punitive damages against all defendants.

On April 23, 2009, the court entered a preliminary injunction, with the consent of all defendants, requiring that the defendants and anyone acting in concert with them: i) cease all development of the Denizen brand; ii) cease using any documents or information that originated from Starwood; and ii) return any such information to Starwood.

In December 2010, the parties entered into a Settlement Agreement (the “Agreement”) resolving this action. Pursuant to the terms of the Agreement, Hilton Worldwide and Messrs Klein and Lalvani have consented to the entry of a court-ordered permanent injunction (the “Injunction”) enjoining the use or distribution of Starwood’s proprietary, confidential or trade secret information, and imposing other restrictions on Hilton Worldwide’s business activities in the lifestyle hotel or branded boutique space for two years. In addition to consenting to the entry of the Injunction, Hilton Worldwide will make a cash payment to Starwood in the amount of \$75,000,000 on or before December 31, 2010 as well as furnish other contingent guarantees and consideration to Starwood. Hilton Worldwide’s management believes that it is unlikely that the guarantees and other consideration will result in any future cash payments from Hilton.

Hilton Worldwide's management also believes that any such guarantees or consideration will not have a material adverse effect on Hilton's business, financial condition or results of operations. The Agreement provides for mutual releases of the parties and this action is being stayed during the term of the Injunction.

B. CONCLUDED ACTIONS – INVOLVING HWI (F/K/A HHC)

Majestic Resorts, Inc. v. HPP Hotels USA, Inc. (f/k/a Conrad Hotels USA, Inc.), Hilton Hotels Corporation, and Conrad Hospitality, LLC (JAMS Arbitration No. 1260000590).

On or about May 4, 2007, Majestic Resorts, Inc. ("Majestic") initiated an arbitration against HPP Hotels USA, Inc. (f/k/a Conrad Hotels USA) ("HPP Hotels"), HHC (now HWI), and Conrad Hospitality LLC (collectively, "the Conrad Parties") asserting claims for breach of contract, breach of the duty of good faith and fair dealing, promissory estoppel, and intentional and/or negligent misrepresentation. The arbitration was filed after Conrad terminated the management agreement for a proposed Conrad condominium-hotel and Waldorf Astoria residences in Las Vegas when Majestic repeatedly failed to meet project development deadlines. On March 6, 2008 the arbitration panel issued a unanimous award in favor of the Conrad Parties and awarding the Conrad Parties \$1,154,601.28 in costs and attorneys' fees. The arbitration award was confirmed in its entirety on June 10, 2008 by the District Court of Clark County, Nevada, which also awarded the Conrad Parties their attorneys' fees incurred in confirming the award. Majestic appealed to the Nevada Supreme Court. On February 26, 2010, the Nevada Supreme Court affirmed the District Court's decision. The time for filing a rehearing has expired.

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 (now HWI) (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 HWI 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 HWI from engaging in activities which were the subject matter of the Complaint in the action. This restraining order and injunction applied to HWI, its subsidiaries (including Hilton Inns), and the officers and directors of HWI and its subsidiaries, including the officers and directors listed in Article 2 of this Disclosure Document.

Hilton Hotels Corporation and Promus Hotels, Inc. v. TSP Hotels, Inc.; Balwantsinh D. Thakor; Lataben B. Thakor; Nitin Shah; Dilipkumar M. Patel; Ramla Dilip Patel Shailendra Devdhara; and Does 1 through 10, Superior Court of State of California, County of Alameda, Docket No. RG04149793.

On April 7, 2004, HHC (now HWI) and Promus filed suit against a former Hampton Inn franchisee and its individual owners and guarantors to collect unpaid franchise fees and to obtain reimbursement for costs, attorneys fees and other expenses associated with the

resolution of a third party personal injury suit, Bridget Bray v. TSP Hotels, Inc., Promus Hotels, Inc., Hilton Hotels Corp., and S&S Security Services. The franchisee, TSP Hotels, Inc., failed to secure and maintain adequate insurance coverage required to defend and indemnify HHC (now HWI) and Promus for the third party action. In addition, the franchisee failed to pay its franchise fees. The license agreement was terminated on January 5, 2004 for failure to pay franchise fees, among other reasons. This collection action against the franchisee and the individual guarantors seeks the recovery of approximately \$1,500,000.00 in combined damages. The defendants filed a cross complaint on May 28, 2004 making insurance-related allegations against third parties unaffiliated with HWI and Promus (the “insurance parties”) and a counterclaim against HWI and Promus alleging wrongful termination, breach of the implied covenant of good faith and fair dealing, promissory estoppel, tortious interference and fraudulent misrepresentations that Promus would refrain from terminating the license agreement. The cross-complaint and counterclaim sought in excess of \$1,000,000 in combined damages and attorneys’ fees, expenses and costs from HWI, Promus and the insurance parties. HWI and Promus filed a Demurrer seeking dismissal of the cross-complaint on the basis that the defendants’ claims against HWI and Promus are legally without merit based upon the clear language in the license agreement. The matter was settled on December 31, 2005 pursuant to a settlement agreement whereby the franchisee agreed to pay HWI and Promus \$550,000 and dismiss their cross-complaint and counterclaim in exchange for HWI’s and Promus’ agreement to dismiss the complaint in its entirety.

Palacio del Rio, Ltd. v. Hilton Hotels Corporation, et al., District Court of Bexar County, Texas, 407th Judicial District, Case No. 2000-CI-13691.

This action was filed on September 19, 2000 by Palacio del Rio, Ltd. (“Palacio”), the owner of the Palacio del Rio in San Antonio, Texas. The Palacio del Rio is a hotel managed by HHC (now HWI) pursuant to a management agreement. The petition alleges that by acquiring Promus Hotel Corporation and its subsidiaries, HWI violated a territorial restriction in the management contract prohibiting it from owning or operating other hotels within the restricted territory, specifically with respect to five managed hotels, seven franchised hotels, and a yet-to-be built Embassy Suites managed hotel. The petition named as defendants (i) HWI, Promus Hotel Corporation, Promus Operating Company, Inc., Promus, Doubletree Corporation, Doubletree Hotels Corporation, and Hampton Inns, Inc. (collectively, the “Hilton Parties”) and (ii) Riverton Suites, Ltd. (“Riverton”) and HPI Suites, Inc. (“HPI”) (the developers of the Embassy Suites hotel). The petition was later amended on or about December 5, 2000 to add Doubletree Hotel Systems, Inc. as an additional defendant. As amended, the petition sets forth claims for breach of contract, breach of fiduciary duty, breach of confidential relationship, unfair competition, tortious interference with contract and prospective contractual relationships, civil conspiracy, temporary and permanent injunctive relief, attorneys’ fees, and disgorgement of fees and profits.

On October 23, 2000, the Hilton Parties, Riverton, and HPI filed answers denying the allegations of the petition and asserting affirmative defenses, including an affirmative defense of the Hilton Parties that Palacio’s claims against the Hilton Parties were subject to mandatory arbitration pursuant to an arbitration clause in the Palacio del Rio management agreement. The Hilton Parties filed a counterclaim asserting a claim against Palacio for tortious interference with business relations and a request for a declaratory judgment that the territorial restriction was not violated by HWI’s acquisition of pre-existing franchise and management agreements, or, in the alternative, that the territorial restriction is unenforceable. Riverton and HPI filed counterclaims against Palacio asserting claims for tortious interference with contract, tortious interference with prospective business relations, malicious prosecution, abuse of process, and unfair competition,

and also named as additional defendants two entities related to Palacio, Zachry Enterprises, Inc. and Zachry Hospitality Corporation (collectively, “Zachry”). On the same day, a petition in intervention and third-party petition was filed by Hixon Properties Incorporated (“Hixon”), an affiliate of Riverton and HPI, asserting claims against Palacio and Zachry for tortious interference with contract, tortious interference with prospective business relations, abuse of process, unfair competition, suit to quiet title, attorneys’ fees, breach of contract, breach of fiduciary duty, and breach of the duty of good faith and fair dealing. (Riverton, HPI, and Hixon are referred to collectively as the “Hixon Parties”).

On or about November 27, 2000, Hixon filed a cross-claim against the Hilton Parties (other than HWI) for fraud, fraudulent inducement, fraudulent concealment, civil conspiracy, negligent misrepresentation, breach of contract, and violations of the Texas Free Enterprise and Antitrust Act of 1983, and against HWI for fraud, fraudulent concealment, civil conspiracy, and violations of the Texas Free Enterprise and Antitrust Act of 1983, based on allegations that the Hilton Parties induced Hixon to enter into the license agreement and management agreement for the Embassy Suites hotel despite a possible breach of the territorial restriction in the Palacio management contract. In response to Hixon’s cross-claims against the Hilton Parties, Palacio and Zachry filed cross-claims on or about November 29, 2000 for contribution against the Hilton Parties.

On December 13, 2000, the court granted motions by the Hilton Parties to compel arbitration of the claims between the Hilton Parties and Palacio and stay all proceedings between the Hilton Parties and Palacio pending arbitration. In November, 2001, Palacio dismissed all of its claims in arbitration against Doubletree Corporation, Doubletree Hotels Corporation, and Doubletree Hotels Systems, Inc. An arbitration hearing was held on Palacio’s claims against the remaining Hilton Parties in April and May, 2002. In August, 2002, the arbitration panel issued a final decision and award in which it held, with respect to the territorial restriction issues, that (i) the territorial restriction in the Palacio del Rio management contract applied to hotels owned, managed, or franchised under any brands owned by the Hilton Parties, (ii) Palacio could not unreasonably withhold its consent to the Hilton Parties’ ownership, management, or franchising of any such hotels, and (iii) Palacio had not unreasonably withheld its consent to the ownership, management, and franchising of the properties at issue. The panel did not award any monetary relief to Palacio on its claims related to the territorial restriction; but (y) deleted a right of first refusal on sale contained in the Palacio del Rio management agreement, and (z) inserted a performance test in the Palacio del Rio management agreement under which HWI’s base management fee would be reduced by specified amounts if the Palacio del Rio’s RevPAR index fell below its pre-merger level. The panel also awarded each side a portion of its respective attorneys’ fees, with a greater portion awarded to HWI.

In January, 2002, the state court granted a motion of the Hilton Parties for partial summary judgment and dismissed the Hixon Parties’ claims against the Hilton Parties for breach of contract. In April, 2003, the state court granted a motion of the Hilton Parties for partial summary judgment and dismissed the Hixon Parties’ claims against the Hilton Parties for violations of the Texas Free Enterprise and Antitrust Act of 1983. Trial on the remaining state court claims commenced on May 27, 2003. At the close of evidence on June 5, 2003, the court granted the Hilton Parties’ motions for a directed verdict as to the Hixon Parties’ claims for fraud, fraudulent inducement, fraudulent concealment, and civil conspiracy. The parties then entered into a settlement under which the Hilton Parties paid \$1,800,000 to Hixon in exchange for dismissal of the negligent misrepresentation claim and full mutual releases of all other known and unknown claims.

Inn on Robinwood, Inc., Alamance Inns, Inc. v. Promus Hotels, Inc., Hilton Hotels Corporation, United States District Court for the Middle District of North Carolina, Civil Action No. 1:03CV00885.

On September 17, 2003, two Hampton Inn franchisees filed suit against Promus and HHC (now HWI) seeking declaratory relief and preliminary and permanent injunctive relief and alleging claims for breach of contract, tortious interference with contractual relations, unjust enrichment, and unfair and deceptive trade practices. The action followed a previous state court lawsuit brought by Promus against the same franchisees, *Promus Hotels, Inc. v. Inn on Robinwood, Inc. and Alamance Inns, Inc.* (Tennessee Chancery Court, 30th Judicial District at Memphis, No. 110186-2 T.D.), to recover unpaid fees. The actions concerned the franchisees' attempt to reject various system wide Hampton Inn programs instituted by Promus, despite full participation in those programs by all other franchisees in the Hampton Inn system. Believing that the franchisees' actions were in violation of the license agreements and were potentially undermining the integrity and uniformity of the Hampton Inn system and thereby harming its other franchisees, Promus concluded that it was necessary to immediately remove the franchisees from the system. Promus agreed in this unique circumstance to pay the franchisees \$575,000 for early termination of both license agreements, dismissal with prejudice of both actions, and the franchisees' prompt exit from the Hampton Inn system including de-identification of the properties.

Pillion Properties, Inc. v. Promus Hotels, Inc. and Hilton Hotels Corporation, Dallas County, Texas District Court docket number 03-5484, United States District Court for the Northern District of Texas, Civil Action Number 3-03-CV-1317N, and United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division, Case Number 03-45909-DML-11.

On June 2, 2003, the plaintiff, a Hampton Inn franchisee, filed its Complaint seeking, among other things, injunctive relief enjoining the defendant Promus Hotels, Inc. from moving forward with a planned termination of the license agreement relating to the plaintiff's failure to pay franchise fees. The complaint also asserted claims against the defendants for breach of contract, promissory estoppel, tortious interference, unfair competition, conspiracy, fraud and fraudulent concealment. The Dallas County District Court entered an ex parte Order restraining Promus from terminating the license agreement for 5 days and established an injunction hearing date. Prior to the injunction hearing date, the Defendants removed the action to the United States District Court for the Northern District of Texas. In the federal court, the plaintiff sought to renew its request for injunctive relief. The defendants filed their Answer denying all of the plaintiff's allegations. The hearing for a preliminary injunction was set to be heard on June 26, 2003. Hours before the hearing, the plaintiff filed its Chapter 11 bankruptcy petition in the United States Bankruptcy Court for the Northern District of Texas. On September 11, 2003, the defendants filed a Motion for Relief from the Automatic Stay seeking permission to move forward with termination of the license agreement. On December 17, 2003, the Bankruptcy Court entered an Order Modifying the Automatic Stay permitting Promus to terminate the license agreement. On December 31, 2003, the license agreement was terminated and the hotel was removed from the system.

Century Pacific, Inc. and Becker Enterprises, Inc. v. Hilton Hotels Corporation, Doubletree Corporation, and Red Lion Hotels, Inc., (United States District Court, Southern District of New York, Case No. 03 CV 8258).

On or about October 17, 2003, two former franchisees of Red Lion Hotels, Inc. ("Red Lion") filed a complaint against HHC (now HWI), Doubletree Corporation, and Red Lion asserting claims for

violation of Sections 683 and 687 of the New York Franchise Act, common law fraud, negligent misrepresentation, and fraudulent omission, based on HWI's sale of Red Lion and the Red Lion brand to a third party. On April 21, 2004, the court dismissed the claims based on the New York Franchise Act. On April 4, 2005, the defendants filed a motion for summary judgment, which was heard on May 5, 2006. On May 10, 2006, the court granted defendants' motion to strike plaintiffs' jury demand. On October 16, 2007, the court granted defendants' motion for summary judgment and dismissed the plaintiffs' complaint in its entirety. One of the former franchisees subsequently agreed to waive its appeal in exchange for a dismissal of defendants' counterclaims against it and mutual releases of all known and unknown claims. On December 5, 2008, defendants entered into a settlement agreement with the other former franchisee under which (i) the parties stipulated to entry of a judgment under Rule 54(b) of the Federal Rules of Civil Procedure in favor of defendants on the former franchisee's claims, (ii) defendants' counterclaims were stayed pending disposition of the former franchisee's appeal on the summary judgment ruling, (iii) the parties stipulated to a \$400,000 judgment in favor of defendants, to be entered if the former franchisee does not prevail on its appeal, and (iv) the former franchisee placed \$300,000 into escrow to be either applied against the judgment or, if the former franchisee is successful on its appeal, returned to the former franchisee. On November 25, 2009, the appellate court affirmed the judgment in favor of HWI and no further appeal was taken.

ARTICLE 4 BANKRUPTCY

Three of HWI's independent directors, Robert Rowell, Joseph Winrich and Douglas M. Steenland, also serve, or have served, as independent directors for other companies, four of which (identified below) filed for bankruptcy protection under the United States Bankruptcy Code in the past six years.

In re Extended Stay, Inc. et al., Case No. 09-13764-JMP, United States Bankruptcy Court for the Southern District of New York (Chapter 11 Petition filed June 15, 2009). The Fifth Amended Joint Plan of Reorganization was confirmed and approved by the Court on July 20, 2010. Messrs. Rowell and Winrich serve as independent directors of the debtor.

In re CCI Funding I, LLC, Case No. 09-17437-MER, United States Bankruptcy Court for the District of Colorado (Chapter 11 Petition Filed April 24, 2009). The Meeting of the Creditors adjourned on June 15, 2009. The debtor has not yet filed its Plan of Reorganization. Mr. Winrich serves as an independent director for the debtor.

In re Manchester Inc., Case No. 08-30703-BJH, United States Bankruptcy Court for the Northern District of Texas (Chapter 11 Petition filed February 7, 2008). On June 23, 2008, the Bankruptcy Court confirmed Debtors' Third Plan of Reorganization. Messrs. Rowell and Winrich serve as independent directors for the debtor.

Cascade Grain Products, LLC, Case No. 09-30508-ELP, United States Bankruptcy Court for the District of Oregon (Chapter 11 Petition filed January 28, 2009). On September 28, 2009, the case was converted from a Chapter 11 to a Chapter 7 proceeding. Mr. Winrich serves as an independent director for the debtor.

In re Northwest Airlines Corporation, Case No. 05-17930, United States Bankruptcy Court for the Southern District of New York (Chapter 11 Petition filed September 14, 2005). On May 18,

2007, the Bankruptcy Court confirmed the Debtor's First Amended Joint and Consolidated Plan of Reorganization.

Apart from the bankruptcy proceedings described above, there have been no bankruptcy or insolvency proceedings, whether voluntary or otherwise, any part of which took place during the six years immediately preceding the date of this Disclosure Document, against any of the following persons as debtor: (i) against the franchisor or the franchisor's associate, (ii) a corporation whose directors or officers include a current director, officer or general partner of the franchisor, or included such a person at a time when the bankruptcy or insolvency proceeding was taking place, (iii) a partnership whose general partners include a current director, officer or general partner of the franchisor, or included such a person at a time when the bankruptcy or insolvency proceeding was taking place, or (iv) a director, an officer or a general partner of the franchisor in their personal capacity.

ARTICLE 5 FINANCIAL STATEMENTS

Attached as Exhibit H are our audited consolidated balance sheets as of December 31, 2010 and 2009 and the related consolidated statements of operations and members' capital and cash flows for the years ended December 31, 2010, 2009 and 2008.

ARTICLE 6 INITIAL FRANCHISE FEES AND OTHER FEES

6.1 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. All fees are stated in US Dollars.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Development Services Fee (New Development, Conversion, or Change of Ownership) ¹	\$75,000 for the first 150 guest rooms plus \$450 for each additional guest room, with a minimum fee of \$75,000.	With Application.	If you increase the proposed number of rooms/suites for the hotel at any time after your Application is approved and before the opening of your hotel under the Licensed Brand, you must obtain our approval and pay the additional Development Services Fee owed, if any, as if you had included those additional rooms/suites as part of your original Application.
Development Services Fee (Re-Licensing) ¹	\$25 per guest room or suite, multiplied by the number of years in the term of the new Franchise License Agreement	With Application.	
Product Improvement Plan ("PIP") Fee	\$5,000	Before we schedule the PIP inspection.	If you desire to convert an existing hotel to a Hilton Garden Inn hotel or apply for a Change of Ownership or if we agree to Re-license an existing Hilton Garden Inn hotel, we charge this fee to prepare the PIP. In rare situations which probably do not apply to you, we may waive the PIP fee. We occasionally apply the PIP fee towards the payment of your Development Services Fee

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Construction Extension Fee	\$10,000	After the extension of CCD has been approved.	For New Development, you must start construction at your hotel by the construction commencement date (the "CCD") specified in your Franchise License Agreement. If you want an extension of the CCD, you must submit a written request before the CCD. If we approve the extension, we will set a new CCD and you must pay the \$10,000 extension fee and enter into an amendment to the Franchise License Agreement setting the new CCD and project milestone dates.
Renovation Work Extension Fee	\$10,000	After the extension of RWCD has been approved.	If you are converting your hotel, you must complete the renovation by the date specified as the renovation work completion date (the "RWCD") in your Franchise License Agreement. If you want an extension of the RWCD, you must submit a written request before the RWCD. If we approve the extension, we will set a new RWCD and you must pay the \$10,000 extension fee and enter into an amendment to the Franchise License Agreement setting the new RWCD and project milestone dates.
OnQ [®] Up-Front Hardware & Software Installation	\$30,000 to \$110,000, based on size of hotel and number of workstations	Approximately 45 days prior to Opening.	You must pay HWI or HSS the related up-front software and hardware and software installation fees and charges. The up-front computer costs are not refundable. You must also pay the reasonable travel related and other expenses of HWI's employee(s).
Fee to Evaluate Conforming Hardware & Software	\$5,000 to \$10,000		Under the OnQ program you do not need to purchase the software (except the proprietary property management component software), hardware or maintenance. However if you choose to, you may purchase the hardware from a third party vendor, but if you do you must pay the vendor the cost of the equipment (see Article 7) in addition to the Monthly Program you pay HWI, and you must pay HWI or HSS for all its reasonable expenses in determining that the hardware meets the exact specifications provided by its Implementation Department. plus configuration costs; installation costs; reasonable travel and other expenses of HWI' or HSS's employees and vendors who perform installation services; necessary communication vehicles (phone lines, network connections); and installation fees for connection to communication vehicles
Miscellaneous OnQ Start-up Costs	Vary	As incurred.	If you add or construct additional guest rooms at the hotel at any time after you sign the Franchise License Agreement, you must pay HWI or HSS an additional software fee, based upon the then prevailing per guest room/suite software fee charged to System hotels multiplied by the number of additional guest rooms/suites (currently, \$120 per



(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
			<p>additional guest room/suite).</p> <p>In addition, under the HITS Agreement and/or other required agreements, you must pay HWI or HSS for services it provides in connection with the start up of OnQ. HWI determines the number of Systems Implementation Consultants and number of days on site based upon size and type of hotel. Under the HITS Agreement, the HWI representative must be on-site for your hotel's opening. Once the representative is on-site, any delays in your hotel's opening will result in additional expense to you. In 2010, delays in a hotel opening date resulted in charges of \$700 per representative per day for each additional day a representative remained at the hotel, plus the representative's additional travel expenses. If the delay resulted in the departure and re-scheduling of the representative's on-site service period, a \$2,000 re-scheduling fee plus the representative's additional travel expenses were charged.</p> <p>You must provide (at your cost) the communications vehicles necessary for the support and operation of OnQ, currently including wide area network connections to the Reservations Service, electronic mail and Internet via OnQ connectivity and/or on-line connections, routers, and CSU/DSU equipment. You will be responsible for any fees that are assessed by the OnQ connectivity installation vendor, including rescheduling or cancellation fees. Rescheduling and cancellation fees typically range from \$500 to \$2,000 depending on circumstances and vendors.</p> <p>We encourage (and may require) you to sign a hardware maintenance contract for OnQ. Software maintenance is mandatory for every property. A portion of your Monthly Program Fee pays for your OnQ hardware and software maintenance costs.</p> <p>A portion of your Monthly Program Fee pays for access to the OnQ Revenue Management & CRM features.</p> <p>HWI currently utilizes Microsoft Exchange for electronic mail service. The initial one time set-up fee is \$250. For each account, there is an additional \$68 one time set-up fee per user. A portion of your Monthly Program Fee pays for the ongoing monthly cost for three Hilton Garden Inn Brand designated e-mail accounts and two</p>

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
HSIA Hardware & Software	\$38,800 to \$49,700		<p>optional accounts for use by you. Additional e-mail accounts will cost \$9.20 per month per account.</p> <p>You must provide high-speed internet access ("HSIA") for all guest rooms and meeting rooms at your hotel in accordance with brand standards. We currently require that you participate in HWI's "Stay Connected" program. You must purchase and install hardware and software to meet this HSIA requirement from HSS (or its designee) in addition to the hardware and software for OnQ. The additional hardware, software and support must meet our requirements and specifications. You must provide a dial-in-line for out-of-band equipment management at your own cost.</p> <p>The hardware for HSIA will be provided by third parties chosen by us, installed by us or our agents, and maintained by HSS or its agents. If you purchase the HSIA equipment from HSS's approved supplier, this is the estimated cost for a 135 guest room hotel, depending on the type of solution you deploy, including hardware, software, installation, and certain other costs and fees with the exception of structured cable and cabling installation (Category 5e or Category 6).</p> <p>You must also arrange and pay for the ongoing high speed internet service. You must purchase this service from HSS or its designated supplier. (See Article 6.1.).</p>
Fee to Evaluate Conforming HSIA Hardware and Software	\$5,000 to \$15,000		<p>Under rare circumstances, we may permit you to purchase the hardware from a third party vendor, but if you do, you must pay HWI or HSS for all its reasonable expenses in determining that the equipment conforms to its specifications including configuration costs; installation costs; reasonable travel and other expenses of HWI's or HSS's employees and vendors who perform installation services; necessary communication vehicles (phone lines, network connections); and installation fees for connection to communication vehicles. Cost varies depending upon a licensee's location, local connection charges and the amount of HSIA equipment purchased for the hotel.</p>
Optional Start-up Procurement	Procurement Fee of up to 10% of product cost plus freight and taxes.	Within 10 days after billing.	<p>If we or our affiliates furnish, supply, service or equip your hotel at your request before it opens, then you must pay or reimburse them for all costs they incur at your request, and related service fees. In particular, HSM distributes hotel furniture, furnishings, fixtures, equipment and supplies, and</p>

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
			certain food and beverage supplies. You may purchase these items from HSM, but you are not obligated to do so. If you buy from HSM it will invoice you for the cost of the products acquired for you, plus a Procurement Fee
Required Pre-Opening Training	\$5,000 to \$15,000	Before attendance.	We provide required training programs that you, your management company representative, your general manager and/or other key personnel must complete before certification for opening a new Hilton Garden Inn hotel. (See Articles 6 and 11). You must also bear the cost of compensation, travel, lodging and other expenses of your general manager and any other trainees. Training program fees are not refundable. The cost of the individual courses varies from \$150 to \$3,500.
Customer Focused Selling Basic/Advance	The cost is currently \$395 for the Basic program and \$1,050 for the Advanced program per participant, plus the wages, living expenses and miscellaneous expenses of those who attend.	May vary by program	Your Sales staff must attend this training. There may be nominal annual increases in the costs. (See Article 11).
Pre-Opening Hilton Garden Inn Training Kit	\$3,500 per hotel	Upon receipt.	All Management and team members of the hotel must successfully complete this program prior to the opening of your hotel and/or within 60 days of hire. There may be nominal annual increases in the costs. Kit contains Orientation, Ultimate Skills and Ultimate Service packages and Ultimate Team Play. (See Article 11).
GM Orientation (HGIU)	The cost is currently \$3,400 per participant, plus the compensation, living expenses and miscellaneous expenses of those who attend.	Prior to Opening	Your General Manager must attend this training.
Owners Orientation	The cost is currently \$0 per participant, plus the compensation, living expenses and miscellaneous expenses of those who attend.	At least six months prior to starting construction.	Ownership Group representative must attend this training

Note 1. Application and Development Services Fee. All prospective licensees must complete an Application to operate a Licensed Brand hotel, whether for New Development, Conversion, Change of Ownership, or a Re-licensing situation. You must provide all the information we ask for in your Application. We may on occasion approve your Application before you supply all of the information, but if we do so, this approval will be conditioned on our 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 terminate our offer, we will not refund the Development Services Fee. If you withdraw your Application before we approve it, or if we deny your Application, we will refund the Development Services Fee, without interest, less a \$7,500 processing fee, which may be waived or reduced at our discretion. If we approve your Application subject to certain requirements, we may terminate our offer if you fail to meet those requirements. Once we approve your Application, the fee is usually non-

refundable, even if we subsequently terminate our offer. However, if your Application is for a Change of Ownership and we approve your Application but the Change of Ownership does not occur, we will refund your Development Services Fee, without interest and less a \$7,500 processing fee. In addition, we and our predecessor have occasionally agreed to give full or partial refunds under unique circumstances. We and our predecessor have also occasionally agreed to credit the non-refundable Development Services Fee toward the Development Services Fee of another application for the Licensed Brand if submitted and approved within a limited amount of time (usually six months or less). However, we and our predecessor have not always agreed to do so, and we may freely choose not to credit the Development Services Fee toward the Development Services Fee of another application for the Licensed Brand even under these circumstances.

While the Development Services Fee is usually applied uniformly, we may, in our sole discretion, elect to waive, reduce, or rebate a portion of it, as well as reduce the Monthly Royalty Fee for a period of time, or offer other incentives, either as part of a development incentive program available to a group of qualifying franchisees or as an incentive to a specific franchisee under certain circumstances. Among the factors and criteria we consider are: incentives for the development of additional or multiple hotels within the System, a particular hotel's market position, the property size or unique characteristics, the number of hotels in the System operated by a licensee, and other unique circumstances. However, we and our predecessor have not always waived or reduced the Development Services Fee or offered other incentives even for licensees or projects possessing the characteristics, and we may freely choose not to reduce your Development Services Fee or negotiate with you, even if you possess some or all of these characteristics. We may modify or discontinue any development incentive program in our sole discretion.

While we generally require payment of the Development Services Fee in a lump sum when you submit your Application, we may occasionally allow payment of the Development Services Fee in installments over a limited time period before the start of construction work on the hotel. If we do so, we will not charge interest or require a security interest over the installment period. You may prepay the unpaid amount of the Development Services Fee at any time. If there is a default under the Franchise License Agreement, the outstanding installment payments are accelerated and become your immediate obligation, along with court costs and attorney's fees for collection. (See Article 22)

In addition to the Development Services 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 license agreement relating to the System Hotel.

Note 2. Computer System Fees. You must agree to have installed and to use our required business software and hardware system, currently known as OnQ, which we may change from time to time. Currently, OnQ is a business system comprised of software that includes a proprietary property management component, reservations component, revenue management component, rate & inventory component, Hilton University component and other components we consider necessary to support the following activities: reservations, sales, distribution, customer relationship management ("CRM"), hotel operations, and business intelligence gathering and analysis. The OnQ system is linked to a communications network which connects System hotels to HWI's reservation offices and travel planners worldwide. Because of its proprietary nature HWI is the only supplier of the OnQ software, including the property management component, CRM, Key Hotel Marketing Reports and the revenue

management component. All licensees must use the OnQ software. The OnQ proprietary software is not available from any other source. We are not able to determine and disclose a separate market price because there is no third party market for this product. The OnQ system also includes specific hardware required to operate the software system. We may choose to change the way in which the OnQ data is delivered to the property in our sole judgment as changes are made to the architecture of the OnQ product.

Approximately 90 to 120 days before your hotel opens, you must sign the agreement for OnQ (the "HITS Agreement"), the Stay Connected® agreement for HSIA equipment and services (the "HSIA Agreement") and/or other related agreements we require, which will govern your access to and use of the computerized systems. The current HITS Agreement and HSIA Agreement (collectively, the "Computer Service Agreements") are Exhibit B to this Disclosure Document. These agreements currently include hardware, software, installation and support.

6.2 Other Fees

The following is a list of other fees charged by, or payable to, the franchisor or its affiliates. Unless otherwise noted, these fees are not refundable under any circumstances.

(1) TYPE OF FEE	(2) AMOUNT	(3) DUE DATE	(4) REMARKS
General			
Monthly Royalty Fee	5.5% of Gross Rooms Revenue.	Payable monthly by the 15 th day of the following month.	See Note 1.
Monthly Program Fee	4.3% of Gross Rooms Revenue. From time to time, we may offer qualifying licensees incentive programs that may reduce the Monthly Program Fee to as much as 3.8%.	Payable monthly by the 15 th day of the following month.	We may change the Monthly Program Fee. See Notes 1 and 2 and Article 12.
Room Addition Fee	Prevailing per guest room Development Services Fee charged to System Hotels multiplied by the number of additional guest rooms (currently, \$450 per guest room or suite). Prevailing PIP Fee if we require you to renovate the hotel payable at the time of inspection.	Due with application for approval.	If you add or construct additional guest rooms at the hotel at any time after you open the hotel under the Licensed Brand, you must pay us a nonrefundable Room Addition Fee. As a condition to granting approval, we may require you to upgrade the hotel, and if we do, you must pay us a PIP Fee to determine the renovation requirements for the hotel. The Room Addition Fee will become non-refundable on our approval of your application.
OnQ Connectivity, and E-mail	Approximately \$525 per month for OnQ connectivity, and approximately \$9.20 for e-mail per user, per month, for all users.	OnQ connectivity billed monthly. E-mail billed quarterly.	The monthly maintenance fees for the OnQ connectivity equipment and connections (to the Hilton wide area network, electronic mail and the Internet), as well as for OnQ support are subject to increase by Hilton Worldwide or HSS on an annual basis. These fees are non-refundable. See Article 6.
Additional OnQ Fees	If you add or construct additional guest rooms at the hotel at any time after you sign the Franchise License	When additional guest rooms are completed.	Fee is currently \$120 per additional guest room.

(1) TYPE OF FEE	(2) AMOUNT	(3) DUE DATE	(4) REMARKS
	Agreement, you must pay Hilton Worldwide or HSS an additional fee, based upon the then prevailing per guest room fee charged to System hotels multiplied by the number of additional guest room (currently, \$120 per additional guest room).		
Maintenance Fees for HSIA	Stay Connected Program maintenance cost is \$3.50 per room per month.	AT&T invoices hotel monthly on the 1 st of the month for the current month.	
Stay Connected Circuit Cost	\$1000 to \$4,550 per month for a 135 guest room hotel for the guest internet circuit, depending on circuit size, type and physical location of the hotel.	AT&T or other approved third-party provider invoices hotel monthly on the 1 st of the month for the current month.	This estimate includes not only HSIA (e.g., the HSIA connection) but also monthly service for the required dial-in-line, 24x7 call center support and HSIA equipment break-fix maintenance. Your costs will depend on your hotel size, number of meeting rooms, and bandwidth usage. All third-party circuits must meet the Standard prior to installation.
Guest Assistance and Quality Assurance Programs			
Guest Assistance Program: Customer Satisfaction Guarantee Reimbursement	Actual costs to compensate a dissatisfied guest. This intervention fee is currently \$150 per handled transaction for HHonors Gold members, \$200 per handled transaction for HHonors Diamond members and \$100 per handled transaction for all other guests. There may be nominal annual increases in the handling fee. We may also annually change the maximum guest rebate amount.	Within 48 hours of receipt of invoice.	We centralize all guest complaints on franchised hotels received at our Corporate offices. For every guest complaint that Guest Assistance resolves for your hotel, the Guest Assistance Agent may offer the guest a rebate to resolve the complaint to the customer's satisfaction (in the form of cash, voucher, HHonors points or a complimentary return stay) up to the full cost of the customer's stay. You will be billed an intervention fee plus the cost of the cash refund, HHonors point rebate or complimentary return stay given to the guest by us for the related complaint.
Guest Assistance Program: Our Best Rates. Guaranteed.	Under the "Our Best Rates. Guaranteed." Program, if a guest finds a lower qualifying rate for a qualified booking at your hotel, then the Guest Assistance Department will 1) adjust the rate to the lower rate; 2) upon confirming that the guest did stay, issue a \$50 American Express Gift Cheque to the guest; and 3) notify the hotel that an intervention fee, currently \$100 (which includes the cost of the Cheque and other fees) will be charged to the hotel.	Within 10 days of billing.	

(1) TYPE OF FEE	(2) AMOUNT	(3) DUE DATE	(4) REMARKS
Guest Assistance Program: Customer Focused Selling Basic/Advanced	The cost is currently \$395 for the Basic program and \$1,300 for the Advanced program per participant, plus the wages, living expenses and miscellaneous expenses of those who attend.	May vary by program	Your Sales staff must attend this training. There may be nominal annual increases in the costs. See Articles 6 and 11.
Quality Assurance Re-evaluation Fee	\$2,000 per re-evaluation visit, subject to change.	Within 10 days of billing.	You may be charged this fee each time we conduct a special on-site quality assurance evaluation: (a) after your hotel has failed a follow-up quality assurance evaluation or (b) to verify that deficiencies noted in a quality assurance evaluation report or product improvement plan have been corrected or completed by the required dates or (c) for any additional evaluations exceeding 2 annually, whether required or requested. You must also provide complimentary accommodations for the quality assurance auditor during the evaluation.
Conferences and Training			
Brand Conference	Currently \$1,200 per attendee, plus the wages, travel and living expenses and miscellaneous expenses of attendees.	Before attendance.	Your General Manager must attend the brand conference, which is usually held biennially. The dates, location and duration of the conference vary from year to year. There may be annual increases in the costs. See Articles 6 and 11.
Director of Sales Orientation	Currently \$1,300 per participant, plus the wages, travel and living expenses and miscellaneous expenses of attendees.	Before opening	See Articles 6 and 11.
Hilton Garden Inn - GM Orientation Program	\$3,400, plus travel and expenses.	Before hotel opening.	Orientation to Brand Resources and Support.
Owners Orientation	The cost is currently \$0 per participant, plus the wages, living expenses and miscellaneous expenses of those who attend.	6 months prior to starting construction	Ownership Group representative must attend this training
Pre-Opening HGI Training Kit	\$3,500 per hotel.	Upon receipt	All Management and employees of the hotel must successfully complete this program prior to the opening of your hotel and/or within 60 days of hire. There may be nominal annual increases in the costs. Kit contains Orientation, Ultimate Skills, Ultimate Service packages and Ultimate Team Play. (See Article 11).
Ultimate Service Improvement Program	\$5,000 Consultation Fee	Within 30 days of billing	This fee is applicable only to hotels that are enrolled in the "Ultimate Service Improvement " Program due to falling below the required Overall Service as measured by the guest responses in the Satisfaction and Loyalty Tracking (SALT) program. Hotels will be given Overall Service score thresholds to meet upon enrollment. Failure to meet the thresholds through their own efforts after 6 to 8

(1) TYPE OF FEE	(2) AMOUNT	(3) DUE DATE	(4) REMARKS
			months in the program will result in an HGI Brand team "Task Force" training initiative, at which time this fee will be charged.
Frequent Customer, Affiliation and Distribution Programs			
AAA Show Your Card & Save Program	Current fee is \$1.80 for each consumed stay booked by an AAA travel planner or through the dedicated AAA "member-direct" line at HRCC. These funds are remitted to AAA headquarters.	If invoiced, within 15 days of billing. If through ACH, on the 12th business day of each month.	Mandatory participation for all OnQ-enabled hotels participating in the TPCP program. The booking fees are subject to change without advance notice.
FastPay (Centralized Group Meeting Payment Program)	The fee for this program is currently \$0.18 per transaction, which includes commissionable reservations plus cancellations, no-shows and non-commissionable reservations. Fee is subject to change.	If invoiced, within 15 days of billing. If through ACH, on the 12th business day of each month.	For 2011, Hilton Worldwide's FastPay Program is optional but we may require you to participate in it in the future. The FastPay Program centralizes and automates third-party group and meeting planner commissions into one payment for all Hilton Worldwide hotels. HWI may also perform reconciliation services for these payments. All Hilton brand hotels are automatically enrolled in this program unless an opt-out form is submitted.
Frequent Traveler/Guest Reward Program	From the date your hotel begins to participate in HHonors, your hotel will be charged on the same basis as other System hotels. Currently, you may choose between the following pricing options: (1) fixed pricing per night and maximum fee per stay based on ADR, or (2) 4.7% of total eligible guest folio with a maximum charge per stay of \$110. In addition, your hotel will be responsible for other charges as specified.	10 days after billing.	You must participate in all brand-specific or system-wide guest frequency or reward programs we require. We currently require you to participate in HHonors. These programs are subject to change. See Note 3 and Article 14.
Hilton Plus Program	\$0.18 transaction fee applies to all bookings through Hilton Plus. This fee applies to no-show, canceled, commissionable and non-commissionable reservations. Hotel is billed 10% commission on the consumed hotel revenue. Hotel receives 25% credit on the positive gross margin generated from the non-hotel components of the Hilton Plus Package.	If invoiced, within 15 days of billing. If through ACH, on the 12 th business day of each month.	The Hilton Plus Program gives the hotel the ability to sell vacation packages, combining rooms, air, car, and other travel components. Only the hotel room revenue component associated with a Hilton Plus package consumed sale is commissionable to the Packaging Technology Provider. The Hilton Plus Program is mandatory for all hotels in the System.
Internet Distribution Program (IDP)	Standard internet commission on the total room rate and other commissionable charges is up to 10%, but is subject to	If invoiced, within 15 days of billing. If through ACH, on the 12th business day of each month.	The IDP is a commissionable program for Internet affiliates that delivers customers to our Brand.com sites and that result in consumed reservations made through Brand.com as a result of the booking. DS

(1) TYPE OF FEE	(2) AMOUNT	(3) DUE DATE	(4) REMARKS
	change. Processing charge is currently \$1.50 per consumed stay, but subject to change.		consolidates all hotel affiliate commission payments into one payment per affiliate and sends the payment to each appropriate affiliate.
Third-Party Reservation Charges	Cost and Fees incurred in connection with Third-Party Reservation Systems (such as GDS, airlines and Internet and other service reservation providers).	If invoiced, within 15 days of billing. If ACH, on the 20 th day of each month.	Presently these include the costs and fees incurred in connection with GDS, airline reservation services and other service reservation providers for using their distribution system for reservations.
Travel Planner Centralized Payment Program (TPCP)	Standard travel planner commission on the total room rate and other commissionable charges are currently up to 10%, but are subject to change. Processing charge is currently \$0.18 per transaction, which includes commissionable reservations plus cancellations, no-shows and non-commissionable reservations. The processing charge is subject to change.	If invoiced, within 15 days of billing. If through Automated Clearing House ("ACH"), on the 12 th business day of each month.	TPCP consolidates all commissionable consumed travel planner bookings and remits one payment per agency. The fast changing nature of distribution relationships in the marketplace may require occasional changes to the commission and fee requirements.
Unlimited Budget Travel Planner Incentive and Loyalty Program	Weekday stay (Monday - Thursday nights) cost = \$0.71; Weekend stay (with one Fri/Sat/Sun night) cost = \$1.42; Weekend stay (with 2 Fri/Sat/Sun nights) cost = \$2.13. For Double Points payouts, these amounts will increase to \$1.42, \$2.63, and \$3.63, respectively. These funds are remitted to Budget (a portion is paid to the travel planner; Budget retains the remaining amount as a processing charge).	If invoiced, within 15 days of billing. If through ACH, on the 12 th business day of each month.	Mandatory participation for all OnQ-enabled hotels participating in the TPCP program. The booking fees are subject to change without advance notice.
Transfers, Relicensing and Financing			
Fees for Change of Ownership Transfers	Proposed owner must pay then-prevailing application fee. If approved, proposed owner pays any other then applicable fees and charges for new franchise licenses.	With application.	Applies to any proposed transfer that does not qualify as a Permitted Transfer or as one that does not require notice to us or our consent (Article 22). If we do not approve the Change of Ownership application, or if we approve the Change of Ownership application but the Change of Ownership does not occur, we will refund the application fee, less \$7,500 for processing costs. We may also require you or the proposed owner to pay then prevailing PIP fee for us to determine renovation requirements for the hotel. The PIP fee is non-refundable. See Articles 6 and 22.
Lender Comfort Letter Processing Fee	Currently \$2,500 but may increase in the future.	Before we issue a Lender Comfort Letter to your lender.	We will only issue a Lender Comfort Letter if you request it on behalf of your lender. We may occasionally waive or reduce this fee.

(1) TYPE OF FEE	(2) AMOUNT	(3) DUE DATE	(4) REMARKS
Processing Fee for "Permitted Transfers"	\$5,000	When you submit transfer consent request.	Applies if you propose "Permitted Transfer" (not a Change of Ownership – see above). See Article 22.
Public Offering or Private Placement Processing Fee	\$5,000 and any additional costs we may incur in reviewing your documents, including reasonable attorneys' fees.	When you or any of your owners submit request for approval of public offering or private placement.	
Re-licensing Fee (not involving a Change of Ownership)	\$25 per guest room/suite multiplied by the number of years in the Re-licensing term.	Before we sign the new Franchise License Agreement.	See Article 6.
Management Fees			
Management Fees	If we or an affiliate enters into a management agreement with you, the terms, including fees, will be established by mutual agreement.	As incurred.	Hilton Management LLC may offer you its management contract. However, you may hire an outside management company with our approval. See Article 18.
Remedies and Damages			
Actual Damages Under Special Circumstances	Varies. See remarks.	On demand.	Under certain circumstances we will charge you actual damages for the termination of your Franchise License Agreement. Actual damages are calculated as set forth in Article 22.
Audit	Varies. See remarks.	On demand.	If audit reveals that you understated or underpaid any payment due us which is not fully offset by overpayments, you must promptly pay deficiency plus interest of 1½% per month or maximum amount permitted by applicable law, whichever is less. If audit reveals that underpayment is willful or for 5% or more of the total amount owed for the period being inspected, you must also reimburse us for all inspection and audit costs.
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 the Entities 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 License 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.

(1) TYPE OF FEE	(2) AMOUNT	(3) DUE DATE	(4) REMARKS
Insurance	See remarks.	On demand.	If you do not obtain or maintain the required insurance or policy limits described in Article 7 and the Manual, then we can (but are not obligated to) obtain and maintain the insurance for you without first giving you notice. If we do so, then you must immediately pay our costs to obtain such insurance. See Article 7.
Liquidated Damages for Premature Termination	Varies. See remarks.	On demand.	If we terminate the Franchise License Agreement because of your default or if you terminate the Franchise License Agreement without cause, you must pay us Liquidated Damages, calculated as set forth in Article 22.
Liquidated Damages for Unauthorized Opening	\$5,000 per day that your hotel is open without authorization and our costs, including attorneys' fees.	On demand.	If you open before we give you authorization in writing to do so, you will owe us Liquidated Damages as described in Column 2. See Article 22.
Pre-Opening Liquidated Damages	Lump sum equal to \$3,600 for each guest room on Rider of the Franchise License Agreement.	On demand.	If we terminate the Franchise License Agreement because of your default prior to opening or you terminate the Franchise License Agreement without cause prior to opening, you must pay us amounts described in column 2. See Article 22.
Service Charges for Overdue Payments	1½% per month or highest percentage permissible by law, whichever is less.	On demand.	You must pay service charges if you do not make any payment to us or our affiliates when due. See Article 22.
Taxes		Upon Demand	If any sales, use, gross receipts or similar tax is imposed upon us for the receipt of any payments you are required to make to us under the Franchise License Agreement, then your must pay this tax to us.
Optional Programs/Miscellaneous Services			
Consultation Fees	Set by us on a project-by-project basis.	When we request.	At your request, we may make consultation and advice services available to you on the same basis as other System hotels.
Optional TMC/Consortia Program (list of participating travel planner accounts may vary depending on negotiations with accounts)	Current room night fee is \$2.50 for each consumed night booked under the TMC/consortia "parity" rate (we pay a portion of the \$2.50 directly to the travel planner account; the remainder is used to fund marketing efforts with travel planner accounts and as a processing charge).	If invoiced, within 15 days of billing. If through ACH, on the 12th business day of each month.	You can elect to opt out of participating in this program. The room night fee is subject to change. You must participate in BOTH or NEITHER of the TMC/Consortia Program and the Pay-On-All-Pay-For Performance Program.
Optional TMC Pay-On-All-Pay-For Performance Program (list of participating travel planner accounts May vary depending on negotiations with accounts)	Current room night fee is \$0.95 for each consumed night booked by a TMC travel planner (we pay a portion of the \$0.95 directly to the TMC; the remainder is used to fund marketing efforts with the TMC and as a processing charge).	If invoiced, within 15 days of billing. If through ACH, on the 12th business day of each month.	You can elect to opt out of participating in this program. The room night fee is subject to change. You must participate in BOTH or NEITHER the TMC/Consortia Program and the TMC Pay-On-All-Pay-For Performance Program.
Optional FedRooms Government and	Current fee is 2.75% of room revenue for each consumed	Billed on TAPS invoice. Due within	The fee is subject to change.

(1) TYPE OF FEE	(2) AMOUNT	(3) DUE DATE	(4) REMARKS
Military Travel Program	stay booked under the FedRooms rate/SRP (we pay the entire fee to FedRooms).	15 days of billing if invoiced. If ACH, on the 15 th of the month.	
Optional Sato Travel Government and Military Travel Program.	Current room night fee is \$2.50 for each consumed night booked under the Sato Travel SRP (we pay a portion of the \$2.50 directly to Sato Travel; the remainder is used to fund marketing efforts with Sato Travel and as a processing charge).	Billed on TAPS invoice. Due within 15 days of billing if invoiced. If ACH, on the 15 th of the month.	The fee is subject to change.
Optional ResMax Program	Optional – not yet determined.	As required by us or our affiliate.	Occasionally we or an affiliate may, but are not obligated to, offer you the option to participate in the ResMax Program (the "Program") or a successor to the Program, consisting of an optional, supplemental service under which reservation calls to your hotel will be referred to an offsite call center.
Optional Revenue Management Consolidated Hotel Center	Annual Cost - \$14,900 to \$35,200.	Within 10 days of billing.	Occasionally we or an affiliate may, but are not obligated to, offer you the option to participate in the Revenue Management Consolidated Hotel Center (the "Center") or a successor to the Center, consisting of an optional, supplemental service under which revenue management functions will be conducted for your hotel, with an emphasis on individual hotel market conditions as well as the goals and objectives of hotel management and ownership.
Paid Search (online search) Program (optional)	Between \$350 and \$1,000 per hotel per month	When you decide to participate	HGI Brand Marketing manages an online, paid search program. The brand pays for all hotel branded search terms. Each hotel will have its hotel name and location in various iterations purchased for them. Hotels can "opt-in" to also own generic, destination search terms most used by consumers seeking accommodations in their market (i.e. hotels in "city", mid-priced hotel "city", hotels near "destination" etc.). These terms would be shared by the participating hotels in the market and billing is apportioned based on each hotel's share of clicks. If there is only one participating hotel in the market, all clicks and costs will be directed to the specific property.
Procurement and Service Fees	If you buy from HSM, you will pay product cost plus a procurement fee of 10%.	Within 10 days of billing.	
Telephone Systems Project Management Fees	\$1,800	Within 30 days of billing.	We may provide you with system bidding and design and coordination of vendors and services.

Note 1. "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), 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. 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 forecasted on the basis of the Gross Rooms Revenue amount you agree upon 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). 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.

The Monthly Royalty Fee and the Monthly Program Fee must be paid to us at the place we designate on or before the 15th day of each month, and must be accompanied by our standard schedule showing the computation of the Monthly Royalty Fee and Monthly Program Fee for the month. There will be an annual adjustment within 90 days after the end of each operating year so that the total Monthly Royalty Fees and Monthly Program Fees paid annually will be the same as the amounts determined by audit. We can require you to transmit the Monthly Royalty Fee and the Monthly Program Fee and all other payments required under the Franchise License 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 occasionally reduce the Monthly Royalty Fee for multi-unit or more experienced licensees, for licensees with whom we have previously dealt, for conversions, or for licensees in other unique circumstances. However, we do not always reduce the Monthly Royalty Fee even for licensees possessing these characteristics, and may freely choose not to reduce your Monthly Royalty Fee, even if you possess some or all of these characteristics. The conversion of Gross Rooms Revenue into U.S. Dollars shall be daily and be based on WSJ.com rates that are reported by Reuters as blended rates by multiple banks that trade in excess of \$1 million daily.

Note 2. We may change the amount of the Monthly Program Fee at any time. The Monthly Program Fee rate will not exceed the current rate plus 1% over the term of the Franchise License Agreement. We do not apply this fee toward the cost, installation or maintenance of the computer reservation services equipment or training for your hotel. 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 offered by us or HWI from time to time 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.

Note 3. You must participate in, and pay all charges related to, our and HWI's marketing programs not covered by Monthly Program Fees, and all guest frequency programs we or HWI require, including the Hilton HHonors 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 HWI 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 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 HHonors® guest reward program operated by Hilton HHonors Worldwide, and airline and rental car company frequent user programs in which HWI participates. HHonors members may accumulate HHonors points with most stays for all eligible dollars spent at participating HHonors hotels. Guests, including non-HHonors members, can obtain frequent flyer mileage credit in one participating airline's frequent flyer program per stay with most stays at participating HHonors hotels. HHonors members may earn both HHonors points and frequent flyer mileage credit for the same stay at participating HHonors hotels. HHonors members may also earn additional HHonors points for using HHonors car rental and/or other partners in conjunction with a stay and may, from time to time, earn additional point and/or mileage bonuses through promotional activity. The only room rates that are not eligible for HHonors point and/or mileage earnings 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 HHonors airline partners or stays booked via Priceline.com, Hotwire or similar booking channels where the hotel brand is unknown at time of purchase. HHonors members may redeem their accumulated points for discounted and free hotel room nights and other rewards.

These basic program fees are assessed on any stay for which a guest (a) earns HHonors points, (b) earns airline mileage and credit or (c) earns both HHonors points and airline mileage credit. Additional HHonors bonus points that HHonors members earn as a result of promotions that your hotel agrees to participate 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 promotion. Similarly, bonus airline mileage credit that guests earn as a result of promotions that your hotel agrees to participate in will result in an additional fee payable by your hotel – amount varies by participating airline partner program. 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 HHonors members. Hotels must allocate a certain percentage of room inventory for free night reward redemption by HHonors members as specified by the HHonors program. Hotels will be reimbursed for these reward redemptions on the same basis as similarly situated other participating hotels as specified by the HHonors program.

ARTICLE 7 OTHER COSTS OF ESTABLISHING THE FRANCHISE

The following chart is an estimate of the direct and indirect costs to be incurred by a typical licensee for the establishment of a franchise hotel under the Licensed Brand. The ranges given in this Article 7 of the Disclosure Document are based on our (and our affiliates') experience derived from operating and franchising hotels within the U.S. and Canada. We cannot guarantee that you will not have additional expenses starting your business, because your costs will depend on factors such as: your management skill and business experience, competition, room occupancy rates reached, and local economic conditions. The dollar amounts listed in this

Article are current as of the date of the Disclosure Document but may have changed since that time. We cannot reasonably estimate the likelihood or magnitude of such changes. In addition, some of the following information has been compiled by us from reports to us from licensees. While we are not aware of any reason to doubt the accuracy of the information, we have not reviewed it to confirm it is accurate. The amounts are stated in U.S. dollars.

Information is provided for a 135-room hotel as this size is standard for Hilton Garden Inns' prototypes for design and layout of a hotel.

YOUR ESTIMATED INITIAL INVESTMENT*

(1) TYPE OF EXPENDITURE	(2) AMOUNT (135 Rooms)	(3) METHOD OF PAYMENT	(4) WHEN DUE	(5) TO WHOM PAYMENT IS TO BE MADE
DEVELOPMENT SERVICES FEE	\$75,000 See Note 1	Lump Sum	With license application	Us
PRODUCT IMPROVEMENT PLAN	\$5,000 per plan See Note 2	Lump Sum	If required, before signing license application	Us
MARKET STUDY	See Note 3	See Note 1	See Note 1	Nationally recognized independent consulting firm
PHASE 1 ENVIRONMENTAL ASSESSMENT	\$0 to \$10,000 See Note 4	As arranged	Before you purchase the land	Engineering or consulting firm
REAL PROPERTY	See Note 5			
CONSTRUCTION/ LEASEHOLD IMPROVEMENTS	\$8,500,000 to \$15,000,000 See Note 6	As agreed between the parties	As agreed between the parties	Contractor/supplier
DESIGNER AND ENGINEERING FEES	\$225,000 to \$500,000	As arranged	Before opening	Architect, engineer or consulting firm
FURNITURE, FIXTURES, EQUIPMENT AND TELEPHONE SYSTEMS	\$1,600,000 to \$2,200,000 See Note 7	As agreed between the parties	As agreed between the parties	Contractor/supplier
INVENTORY AND OPERATING EQUIPMENT	\$120,000 to \$150,000 See Note 8	As Suppliers require	As Suppliers require	Suppliers

* The expenses shown in these charts are for typical new hotels of the type and size shown. If you are converting an existing hotel, your costs will most likely be lower. Your conversion costs will depend on the type, age, physical structure, and condition of your hotel and its furnishings. Due to these variables, we cannot give average conversion costs.

(1) TYPE OF EXPENDITURE	(2) AMOUNT (135 Rooms)	(3) METHOD OF PAYMENT	(4) WHEN DUE	(5) TO WHOM PAYMENT IS TO BE MADE
SIGNS	\$50,000 to \$150,000 See Note 9	As Supplier requires	As Supplier requires	Supplier
COMPUTER SOFTWARE & HARDWARE INSTALLATION	\$30,000 to \$110,000 See Note 10	As Supplier requires	As Supplier requires	Supplier
STAY CONNECTED HIGH SPEED INTERNET PROGRAM	\$38,800 to 49,700 Note 10	Cash, Check or Wire Transfer	45 days before opening	AT&T
COMPUTER HARDWARE	See Note 11			
REQUIRED PRE-OPENING TRAINING	\$5,000 to \$15,000	As arranged	As incurred	Us and suppliers
CONSTRUCTION/RENOVATION EXTENSION FEE	\$10,000 per extension	Lump Sum	If extension requested	Us
INSURANCE	See Note 12	As required	As required	Agent and/or insurer
ORGANIZATIONAL EXPENSE	\$15,000 to \$35,000 See Note 13	As you agree with Accountant or Attorney	As you agree with Accountant or Attorney	Accountant/Attorney
PERMITS AND LICENSES	\$50,000 to \$300,000 See Note 14	As governmental agency requires	As governmental agency requires	Governmental Agency
MISCELLANEOUS PRE-OPENING AND PROJECT MANAGEMENT EXPENSES	\$100,000 to \$500,000 See Note 15	As expenses occur	According to agreed-upon terms	Employees, suppliers of goods and services
CONTINGENCIES	\$315,000 to \$950,000 See Note 16	As contingencies arise	As agreed with contractor/suppliers	Contractor/suppliers
ADDITIONAL FUNDS (working capital for 3 months)	\$200,000 to \$600,000 See Note 17	As expenses occur	Payroll weekly, other purchases according to agreed-upon terms	Employees, suppliers of goods and services
TOTAL	\$11,338,800 to \$20,659,700 See Notes 18 and 19. THESE FIGURES DO NOT INCLUDE REAL ESTATE RELATED COSTS, ANY MARKET STUDIES, ANY CONSTRUCTION EXTENSION FEES, INSURANCE, INTEREST OR THE COST OF IMPROVEMENTS UNDER A CONVERSION, RE-LICENSING OR CHANGE OF OWNERSHIP LICENSE.			

NOTES

1. Table shows Development Services Fee for the hotel size shown. Your Development Services Fee may be greater. (See Article 6 for circumstances where the Development Services Fee will be greater and where we will refund the Development Services Fee). We do not finance any fee.

2. If you apply to convert an existing hotel to a Hilton Garden Inn hotel or apply for a Change of Ownership or other Re-licensing, we charge a PIP fee for the hotel. The PIP fee is non-refundable. In rare situations which probably do not apply to you, we may waive the PIP fee. We occasionally apply the PIP fee towards the payment of your Development Services Fee.

3. For all new Hilton Garden Inn 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 five year operating pro forma from you, based upon the marketing study, showing your anticipated operating results. While we do not require prospective licensees who are converting existing hotels to obtain a market study, occasionally we may encourage a prospective licensee 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. (See Article 7)

4. Before you purchase the land, you should – at a minimum – consider obtaining a Phase 1 environmental assessment to determine the environmental condition of the land. Based on this Phase 1 report, additional investigations and tests may be necessary before you make your purchase decision. Many lenders will require a Phase 1 report before lending purchase money.

5. A typical five-story 135 room Hilton Garden Inn hotel requires a minimum of 3.56 acres, not including setbacks. Based on these minimum land requirements, the cost of land for a new Hilton Garden Inn hotel development generally ranges between \$5,000 and \$20,000 per guest room depending on location, size, land costs in the area, highway accessibility and special assessments, among other factors. If you are converting an existing hotel that you already own or lease, you may have no land costs.

Hilton Garden Inn hotels generally will be located in suburban markets near metropolitan cities and in or near high density office parks, airports and other demand-generating areas. Some Hilton Garden Inn hotels will be located in special urban locations and seasonal vacation markets.

6. The cost of construction varies from site to site depending on the amount and nature of land on which the hotel is built, the type of construction, materials used, union involvement, regional cost variations, competitive conditions and other factors. We must approve the final plans, designs and specifications for your hotel. You must construct your hotel in accordance with approved final plans and the Prototype Drawings and Design and Construction Manual. (See Article 14)

Estimates include the cost of construction, lounges, paving, elevators, site lighting, normal site work for the building, utilities and supporting facilities (indoor/outdoor pool, landscaping, exercise room, etc.).

If you are converting an existing hotel, your costs will most likely be lower, but you must conform guest rooms, public areas and exterior areas to our standards. Your costs will depend on the type and condition of your hotel, its age, physical structure and quality of furnishing. Because there are so many variables involving any particular existing hotel, we can give no average cost.

7. This is an estimate for the total cost of furnishing a 135-room Hilton Garden Inn hotel. The cost of furniture, fixtures and equipment will depend on the number and type of guest rooms (for example, double rooms versus king rooms), and the extent of the food and beverage service offered, the design scheme which is selected and possible other factors. Estimates include the cost of telephone systems, furniture, fixtures and equipment for guest rooms, corridors, restaurants and lounges and all public areas. These estimates do not include the costs of kitchen and laundry equipment, which are included as part of the estimated construction costs.

In a Change of Ownership, Re-licensing or Conversion situation, you will incur costs to bring your existing property into conformity with the System as specified in your Franchise License Agreement. We cannot estimate these costs at this time as they vary significantly based upon the amount, type and physical condition of the hotel's existing property, fixtures, equipment, furnishings, furniture, signage, and similar items.

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. Cost depends on location, type, quantity and size of exterior signs. Your signs must conform to System specifications. If you are converting an existing hotel, you must change the identification to that of a Hilton Garden Inn hotel, change all signs (and highway billboards, if any) and substitute Hilton Garden Inn identification on operating supplies and equipment, including brochures and paper items. 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 Licensed Brand name 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 your Architecture & Construction representatives for a current list. (See Article 14)

10. The "up-front" software costs for the OnQ program are based on the size of the hotel and number of workstations at your hotel. The up-front computer costs are not refundable. In addition to the computer hardware and software requirements and costs described in Article 6 (the required OnQ program), we require you to provide high-speed internet access for all guest rooms and meeting rooms at your hotel in accordance with brand standards. You must purchase and install additional hardware and software to meet this high-speed internet access requirement in addition to the hardware and software for OnQ. The additional hardware, software, and support must meet Hilton Worldwide's requirements and specifications. This hardware will be provided by third parties chosen by Hilton Worldwide, installed by Hilton Worldwide or its agents, and maintained by Hilton Worldwide or its agents. You must also arrange and pay for the ongoing high speed internet service. You must purchase this service from HSS or its designated supplier. We currently estimate that it will cost between \$1,000 and \$4,550 per month. This estimate is based on 135 rooms includes not only HSIA (e.g., the HSIA connection) but also monthly service for the required dial-in-line, 24x7 call center support and

HSIA equipment break-fix maintenance. Your costs will depend on your hotel size, number of meeting rooms, bandwidth usage.

11. Under the OnQ program you do not need to purchase the standard Network Authorized Equipment. (See Article 6) However, if you choose to, you may purchase the hardware required for the OnQ program from a third party vendor, but if you do so, you must pay Hilton Worldwide for all its reasonable expenses in determining that the equipment conforms to its specifications; configuration costs; installation costs; reasonable travel and other expenses of Hilton Worldwide or HSS employees and vendors who perform installation services; necessary communication vehicles (phone lines, network connections); and installation, rescheduling and cancellation fees for connection to communication vehicles. In 2010, costs for work to ensure that hardware from third party vendors met the technical criteria ranged from \$5,000 to \$10,000 depending upon a licensee's location, local connection charges, a franchisee's service agreement with the vendor, and the number of work-stations at the hotel. Computer system fees are not refundable. We are unable to estimate the costs of purchasing the hardware required for the OnQ program from a third-party vendor because the range of costs would be so wide. (See Article 6)

12. 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.

13. Actual cost depends on work done by an accountant and attorney, and standard regional rates.

14. The licenses and permits you must obtain to operate your hotel vary depending upon the state, county or other political subdivision in which the hotel is located.

15. You will incur pre-opening expenses for salaries and wages; personnel training; sales; administrative and general expenses; project management; technical services; advertising; and, opening festivities. Because there are so many variables for an existing hotel, we cannot estimate these pre-conversion expenses for a licensee converting an existing hotel.

16. The term "Contingencies" refers to 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 licensee converting an existing hotel.

17. The estimate of additional funds for the initial period of your hotel business is based on estimated staff salaries and operating expenses for the first three months of operation. The additional funds required will vary by the area and the relative effectiveness of you and your staff. You must provide security deposits for utilities and rent, if any (and possibly for other items).

18. We and our affiliates generally do not finance your initial investment. Normally, you must provide equity capital for at least 20% to 50% of the total initial cost. You may supply the remainder by debt financing, if we approve the financing plan. Banks and other lending institutions may require you to provide equity capital to cover at least 50% to 80% of the total cost. A mortgage is generally necessary to secure financing. Due to variations in the term of debt financing and other market factors and conditions, we cannot estimate the period and amount of loan repayments, the interest rate, or other terms and conditions of any financing.

Our approval of a financing plan depends on a number of factors, including the overall cost of the project, the potential market of the hotel, the total amount to be financed in relation to equity contributions, and the material financial terms of the proposed debt financing.

19. In compiling these estimates we rely on Hilton Worldwide's 50 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 license. If you are converting an existing hotel, your costs will most likely be lower, but you must conform guest rooms, public areas and exterior areas to our standards. Your costs will depend on the type and condition of your hotel, its age, physical structure and quality of furnishing. Because there are so many variables involving any particular existing hotel, we can give no average cost.

ARTICLE 8 ANNUAL OPERATING COSTS

The franchisor does not provide an estimate of annual operating costs. Further, the franchisor does not authorize its salespeople or any of its employees, agents or representatives to provide estimates of operating costs. If you have received such an estimate, please let us know before you sign the Franchise License Agreement.

ARTICLE 9 FINANCIAL PERFORMANCE REPRESENTATIONS

We do not provide projections of earnings, but do provide certain historic performance information for Hilton Garden Inn hotels operating in Canada and the United States (but not its Territories or Possessions) that were open before January 1, 2009 and were in operation on December 31, 2010 ("Mature") and reported data to Smith Travel Research. For 2010, the charts below include information on all Mature Hilton Garden Inn hotels, except as otherwise indicated. All information presented in the charts is for calendar year 2010.

As of December 31, 2010, there were a total of 495 Hilton Garden Inn branded hotels operating in Canada and the US (not including its Territories or Possessions). Of these, 417 were Mature. 12 of the Mature hotels were Company-Managed and 405 were Franchisee-Managed. 1 Mature Franchisee-Managed hotel is not included in the charts below, because information was not available for it.

In this Article 9, 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.

The following charts show Average Room Rate and Average Occupancy for Mature Hilton Garden Inn hotels and the number and percentage of Company-Managed and Franchisee-Managed Mature 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.

Room Rate	2010
Average Room Rate of Mature Hilton Garden Inn hotels	\$112.82
Number and percentage of Mature Company-Managed Hilton Garden Inn hotels which met or exceeded Average Room Rate	5/41.7%
Number and percentage of Mature Franchisee-Managed Hilton Garden Inn hotels which met or exceeded Average Room Rate	129/31.9%

Source: Hilton Worldwide, Inc.

Occupancy	2010
Average Occupancy of Mature Hilton Garden Inn hotels	68.2%
Number and percentage of Mature Company-Managed Hilton Garden Inn hotels which met or exceeded Average Occupancy	10/83.3%
Number and percentage of Mature Franchisee-Managed Hilton Garden Inn hotels which met or exceeded Average Occupancy	196/48.5%

Source: Hilton Worldwide, Inc.

The following charts show the Occupancy Index and RevPAR Index for Mature Hilton Garden Inn hotels and the number and percentage of Company-Managed and Franchisee-Managed Mature hotels that met or exceeded the average. Occupancy Index and RevPAR Index calculations are based on competitive set data provided by Smith Travel Research, Inc., an independent research firm that provides information to the hotel industry. Smith Travel receives information directly from hotel chains or individual hotel properties. We have not audited or independently verified the information provided by Smith Travel. The indices presented are relative to a competitive set that has been identified for Smith Travel Research by each Mature 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. Smith Travel Research 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:

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

Occupancy Index	2010
Average Occupancy Index of Mature Hilton Garden Inn hotels	108.7%
Number and percentage of Mature Company-Managed Hilton Garden Inn hotels which met or exceeded Average Occupancy Index Rate	6/50%
Number and percentage of Mature Franchisee-Managed Hilton Garden Inn hotels which met or exceeded Average Occupancy Index Rate	208/51.5%

Source: Smith Travel Research, Inc. and Hilton Worldwide, Inc.

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:

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

RevPAR Index	2010
Average RevPAR Index of Mature Hilton Garden Inn hotels	121.1
Number and percentage of Mature Company-Managed Hilton Garden Inn hotels which met or exceeded Average RevPAR Index	9/75%
Number and percentage of Mature Franchisee-Managed Hilton Garden Inn hotels which met or exceeded Average RevPAR Index	209/51.7%

Source: Smith Travel Research, Inc. and Hilton Worldwide, Inc.

The following charts show Average Percentage of HHonors contribution to Occupancy and the Average Percentage of Hilton Reservation Service Contribution to Occupancy for Mature Hilton Garden Inn hotels and the number and percentage of Company-Managed and Franchisee-Managed Mature hotels that met or exceeded the average.

The Average Percentage of HHonors Contribution to Occupancy is the percentage of occupancy derived from dividing the total occupied room/suite nights as reported by Mature Hilton Garden Inn hotels to us or to Hilton Worldwide into the number of HHonors-occupied room/suite nights for the hotels (defined as room/suite nights during which an HHonors member occupies a guest room/suite and is awarded HHonors points for the stay). The HHonors-occupied room/suite nights are determined from data reported by the Mature Hilton Garden Inn hotels electronically to Hilton Worldwide through a third-party service provider, who compiles and reports the data to Hilton Worldwide.

Hilton HHonors Contribution to Occupancy	2010
Average Percentage of HHonors Contribution to Occupancy for Mature Hilton Garden Inn hotels	53.1%
Number of Mature hotels Reporting	416
Number of Mature hotels which met or exceeded Average % of HHonors Contribution to Occupancy	231
Percentage of Mature hotels which met or exceeded Average % of HHonors Contribution to Occupancy	55.5%

Source: Hilton Worldwide, Inc.

The Average Percentage of Hilton Reservation Service Contribution to Occupancy is the percentage of occupancy derived from dividing the total occupied room/suite nights as reported by the Mature Hilton Garden Inn hotels to us or to Hilton Worldwide into the number of Hilton Reservation Service-occupied room/suite nights for the hotels (defined as actual arrivals for room/suite nights booked directly through Hilton Reservation, adjusted for reservation cancellations and changes in reserved length of stay before arrival for such room nights, as reported by Hilton Reservations Worldwide to us and to Hilton Worldwide. Hilton Reservation Service-occupied room nights include those originating from Hilton Worldwide's central reservation offices, our websites and those of our Affiliates, and from GDS.

Hilton Reservation Service Contribution to Occupancy	2010
Average Percentage of Hilton Reservation Service Contribution to Occupancy for Mature Hilton Garden Inn hotels	68.2%
Number of Mature hotels Reporting	415*
Number of Mature hotels which met or exceeded Average % of Hilton Reservation Service Contribution to Occupancy	191
Percentage of Mature hotels which met or exceeded Average % of Hilton Reservation Service Contribution to Occupancy	46.0%

* For 2010, 1 Mature Company-Managed Hilton Garden Inn did not report Reservation Service Contribution information.

Source: Hilton Worldwide, Inc.

YOUR FINANCIAL RESULTS ARE LIKELY TO VARY FROM THE RESULTS STATED IN THE FINANCIAL PERFORMANCE REPRESENTATION EVEN IF YOU ARE PURCHASING A MATURE HOTEL, AND THE DIFFERENCES MAY BE MATERIAL.

* * *

You are strongly advised to perform an independent investigation of this opportunity to determine whether or not the franchise may be profitable and to consult your attorney, accountant, and other professional advisors before entering into any agreement with us. You should conduct an independent investigation of the occupancy rates and room rates you will achieve. Our current and former franchisees may be one source of this information. You should construct your own business plan and pro forma cash flow statement, balance sheet, and statement of operations, and make your own financial projections regarding sales, revenues,

costs, customer base, and business development for your Hotel. You should obtain, from a firm with satisfactory experience in appraising and evaluating hotel operations, an independent market study containing projections for sales, costs, income and profits.

Actual results vary between hotels, and we expect that they will vary from franchisee to franchisee. Your results 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

We will make available to you upon 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.

ARTICLE 10 FINANCING ARRANGEMENTS

Other than the development incentive program described below, we do not offer direct or indirect financing for licensees. We do not offer any other financing and do not guarantee your note, lease or other obligations.

We may offer, in our sole discretion, certain development incentives (the “Incentive”) for development and conversion hotels. The Incentive is a loan that is not subject to repayment unless the franchise terminates before the end of the Term (generally the first 20 years of operation of the Hotel) or a Transfer occurs. If a Transfer occurs, you will repay the balance of the Incentive. At each anniversary of the Hotel Opening Date, the repayable amount of the Incentive reduces by 1/20th of the original amount. To receive the Incentive, you and your principals, as co-makers, must sign a development incentive note (the “Note”) in the form attached as Exhibit A-1 when you sign the Franchise License Agreement. We describe the terms of the Note in greater detail below. We may negotiate these incentives when business circumstances warrant. These programs may be modified, limited, extended or terminated at any time without advance notice or amendment of this Disclosure Document.

Any Incentive will be disbursed to you after: (i) you have passed a final credit/financial review with no material adverse changes in the business, legal, litigation, bankruptcy status or finances of the applicant, the guarantors or the project since preliminary approval; (ii) the Hotel opens with our consent; (iii) you have completed any PIP required by the Franchise License

Agreement; and (iv) you have paid the Development Services Fee. The Note bears no interest except in the case of default. We may grant renewals, extensions, modifications, compositions, compromises, releases or discharges of other parties without notice to any guarantor or co-maker. If you transfer the Hotel, you must repay the balance of the Note unless the Transferee and its principals assume the obligation to repay the Incentive and provide us with such other security as we may require in our sole discretion. If you are purchasing an existing Hotel and you assume the obligation to repay the unamortized balance of the Note with our consent, you must repay the balance if the franchise terminates after your purchase of the Hotel.

ARTICLE 11 TRAINING AND ASSISTANCE

HWI offers required training courses to those affiliated with the System for orientation and as part of the certification process. Employees designated to take training must complete the required training to our satisfaction. You must pay the costs for required and optional courses, along with all travel, lodging and other expenses associated with training. HWI may also charge for training materials. Our training programs are listed below.

The following table sets forth the training that we make available as of the date of issuance of this Disclosure Document: Training costs and subjects are subject to change.

TRAINING PROGRAM

Subject	Hours Of Classroom Training	Hours of On the Job Training	Location
Owners Orientation (Note 1a)	24	0	Various Hilton Worldwide designated Locations—typically Memphis Operations Center
General Manager (Note 1b)	32	0	Various Hilton Worldwide designated Locations—typically Memphis Operations Center
OnQ Property Management Training (Note 2)	60	0	On-site
OnQ Rate & Inventory (Note 3)	10-15	0	Online in OnQ Hilton University
Hilton Garden Inn Training Kit (Note 4)	19-23	0	On-site
Director of Sales Orientation (Note 5)	72	0	Hilton Worldwide -designated location
Customer Focused Selling (Notes 6 and 7)	8	0	Web Based/Hilton Worldwide designated location
Brand Conference (Note 8)	2 days	0	A Hilton Garden Inn or other Hilton Worldwide branded hotel, as designated by the Hilton Garden Inn brand
HHonors Training (Note 9)	1-2	0	On-site
OnQ Revenue Management (Note 10)	8-10	0	Online in OnQ Hilton University
CRM Training (Note 11)	1	0	On-site

Subject	Hours Of Classroom Training	Hours of On the Job Training	Location
Reservations Processing Training for Front Desk (Note 12)	1	0	Online in OnQ Hilton University
Revenue Management at Work: An Interactive Workshop (HGI) (Note 13)	16	0	Various Hilton Garden Inn Locations

Note 1a: Owner/Management Orientation. Hilton Worldwide conducts an orientation program for new Hilton Garden Inn hotel owners and their management companies two to three times per year at a Hilton Worldwide designated location. This three-day program provides an introduction to the Hilton Garden Inn philosophy of consistent, focused service and a general overview of our operations, marketing, sales, product development, purchasing, quality assurance and other programs specifically tailored to the Hilton Garden Inn hotel. You and your management company representative (if you are not managing the hotel) must complete this orientation program as soon as possible after your application is approved, but before you begin actual construction of the hotel. There is currently no charge to attend this orientation program. You pay for any travel, lodging and miscellaneous expenses of yourself and your attendees.

Note 1b: General Manager Certification Program (Hilton Garden Inn University). Hilton Garden Inn Hotels provides a general manager certification program at a location designated by Hilton Worldwide. This is a classroom based task-oriented training covering our Brand Support Structure that includes, Revenue Management, Sales and Marketing, Food & Beverage, Quality Assurance, Satisfaction & Loyalty Tracking, and other key HGI Brand Culture components. Your general manager and the operations support representative from your management company must successfully complete this training. The program is 4 days in length. The cost of this training is \$3,400 per participant, which includes overnight accommodations and travel to and from the class. You pay the travel, compensation, living expenses and miscellaneous expenses of those who attend.

Note 2: OnQ Property Management Training. Before the opening of your hotel, all hotel staff that will be utilizing OnQ must first complete their respective self-paced training and provide documentation of a printed certificate.

Under the HITS Agreement, HSS provides, at your cost, services in connection with the start up of OnQ. The number of Systems Implementation Consultants and number of days on site is determined by Hilton Worldwide and is based upon size and type of hotel. (See Articles 6 and 14) As part of these required services, the Hilton Worldwide representative will verify that all front desk staff and management have successfully completed training and have passed the OnQ certification test by at least a minimum score of 80% for the general manager and 80% for the team. If your staff does not attain the minimum score, the opening of your hotel may be delayed and a rescheduling fee of \$2,000, plus travel, may be applied.

Note 3: OnQ Rate & Inventory Management. Before the opening of your hotel, all hotel staff that will be utilizing the OnQ Rate & Inventory Management module must first complete their respective self-paced training, provide documentation of a printed certificate and successfully complete the "simulated operations exercise." Under the HITS Agreement, Hilton Worldwide or HSS provides, at your cost, services in connection with the start-up of OnQ. The number of Systems Implementation Consultants and number of days on site is determined by Hilton Worldwide and is based upon size and type of hotel. (See Articles 6 and 14) As part of these

required services, the Hilton Worldwide or HSS representative will verify that all reservations and revenue management staff have successfully completed training and have passed the OnQ Rate & Inventory Management module certification test by at least a minimum score of 90%. A minimum of three of your management employees per property must certify on the OnQ Rate & Inventory Management module. If your staff does not attain the minimum score, the opening of your hotel may be delayed and a rescheduling fee of \$2,000, plus travel, may be applied.

Note 4: Hilton Garden Inn Training Kit. The General Manager or a designated hotel trainer must successfully understand how to deliver the various portions of the Hilton Garden Inn training kit as soon as possible before or within thirty days of opening or conversion of your hotel. The Ultimate Leader tool is included in the kit to help the Trainer learn how to deliver the training. This program includes the necessary portions to deliver an orientation, Ultimate Service training and line level job skills (Ultimate Skills) and a service based computer game (Ultimate Team Play). Your trainee will receive this information before opening or conversion and must be able to implement the above tools. The Ultimate Service module may be delivered via a self-paced DVD. As a part of the package all employees at your hotel must complete a new employee orientation program within 30 days of the opening or conversion of your hotel. Any new employee hired after the opening of your hotel must also complete an orientation program within the first week of his or her employment. Your orientation program must be an interactive, multimedia program that must include an overview of the Hilton heritage, Brand culture and identity as well as a description of your hotel's features, management team, employment policies and procedures, benefit programs, dress code, work schedules and pay programs, safety and security programs, house rules and regulations. Certification must be completed within 45 days of hire or prior to opening or conversion of the hotel. The Ultimate Service Skills modules must be completed within 60 days of hire. This program is part of the Pre-Opening Kit which costs \$3,500.

Note 5: Director of Sales Orientation. Your Director of Sales must attend a three to four day orientation to our sales and marketing programs, currently held 3 times a year at a location designated by Hilton Worldwide. This training should be completed before the hotel opens or is converted. Hilton Worldwide will offer this orientation periodically based upon demand. The cost of this orientation is currently \$1,300 per participant. There may be nominal annual increases in the cost. In addition, you pay for the wages, living expenses and miscellaneous expenses of those who attend.

Note 6: Customer Focused Selling – Basic. This online course includes 6 eLearning Modules. It is designed to train HGI sales professionals on HGI's overall sales process and provide the basic fundamentals. Participants are challenged, stimulated and educated throughout the online course while developing valuable new skills. The course will take approximately 5-7 hours. This program consists of two phases; 1) Online training modules and 2) A follow up shop call. The cost is \$395.

Note 7: Customer Focused Selling - Advanced. Hilton Garden Inn Customer Focused Selling - Advanced for Director of Sales only. This course will train a Director of Sales on HGI's complete sales process. The curriculum includes completing the 6 e Learning modules and the pre-written exercises before attending the classroom based portion. After completion of the classroom portion a follow-up shop call will be made. The cost is \$1,300.

Note 8: Brand Conference. Brand Conferences are held no more frequently than annually. Your general manager and director of sales must attend the annual brand conference. The conference is conducted by the Hilton Garden Inn brand and costs \$1,200 per participant. You

also pay the travel, compensation, living expenses and miscellaneous expenses of those who attend. Conference program fees and expenses are not refundable. The annual brand conference is mandatory for the general manager and director of sales and may be held at various hotel locations. (See Article 6)

Note 9: HHonors Training. This training program is mandatory for all key management staff and applicable front office personnel and must be completed within 14 days of hire.

Note 10: OnQ Revenue Management Training. This training is mandatory for all employees working in the subject areas within 60 days of hire. A minimum of two of your management employees per property must certify on the OnQ Revenue Management module. There is a fee of \$100 per person for this training.

Note 11: Customer Really Matters (CRM) Training. This training is now a part of the OnQ Property Management training that is available on OnQ Hilton University.

Note 12: Reservations Processing Training for Front Desk. This training is required for all front desk and reservation sales agents. The online course takes about 1 hour to complete and addresses concepts not covered in the OnQ Property Management System training

Note 13: Revenue Management at Work. An Interactive Workshop (HGI). This optional 2 day workshop is designed to help Hilton Garden Inn hotels implement a strategic, thorough Revenue Management program utilizing the tools and resources available through Hilton Worldwide. The hands-on class will allow students to work within their own hotels and complete numerous exercises relevant to daily Revenue Management operations. The fee for this workshop is \$400 for one participant and \$600 for two participants.

Training Schedule

You must complete the required training to our satisfaction as follows: Owner/Management Orientation – as soon as possible after your application is approved, but before your starting actual construction of the hotel; Hilton Garden Inn University – 60 to 120 days before the hotel opens, is converted or upon the turning over of staff; On-Property Systems Training for key personnel – 30 to 60 days before the hotel opens or is converted; Training Program as indicated – Orientation within 7 days, Job Skills Training within 30 days, Training within 60 days of hire as soon as possible after opening or converting; Director of Sales orientation - 30 to 90 days before the hotel opens, as soon as possible after conversion; general manager's Hilton Reservation System training – as soon as possible before the hotel opens or is converted; Customer Focused Selling program – as soon as possible before opening of your hotel, as soon as possible after conversion. Online and web based programming is self-paced. For other training, we will provide the training on an as needed basis.

Instructors and Costs

Our instructors and presenters generally have a minimum of 2 to 5 years experience in the subject taught. Except for Owner/Management Orientation and Reservation System Training described above, there is a charge for the required training programs described above in this Article 11. In all cases, you pay the wages, travel and living expenses of your trainees. (See Article 6)

If you hire a replacement for any of the categories of personnel referred to in this Article 11 who must attend a training program, then that person must successfully complete the appropriate training program. You must pay us our then-current fee for the applicable training program for replacement trainees and for any additional persons you wish to attend a training program.

Instructional Materials

We use a variety of instructional materials in connection with our training programs. These materials include our Manual, CD ROMs, DVDs, online programs, and handbooks. We may modify these materials or use other materials for the training programs.

ARTICLE 12 ADVERTISING INFORMATION

12.1 Advertising Information

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 Licensed Brand hotels (including your hotel), to include your hotel in national or regional group advertising of Licensed Brand hotels and to include your hotel in international, national and regional market programs. (Franchise License Agreement, Paragraph 3.d). We currently advertise using television, radio, magazines, newspapers and direct mail, with predominantly regional and national coverage. We primarily employ a national advertising agency, but may also use other advertising agencies and direct marketing firms.

You may not engage, directly or indirectly, in any cross-marketing or cross-promotion of the hotel with any other hotel, motel or related business without our prior written consent, except for Licensed Brand and "Network" hotels. The "Network" means the network of hotels, inns, conference centers, timeshare properties and other operations which Hilton Worldwide and its subsidiaries and affiliates 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. (Franchise License Agreement, Paragraph 6.a.(13)).

To ensure compliance, an official brand website (www.hgicrc.com) has been set up to provide Official Logo and Ad Templates. Further, all hotel generated ad materials should be submitted to Hilton Garden Inn Marketing (hgi.marketing@hilton.com) for official approval prior to media placement.

HWI may periodically convene an advisory council that advises us on marketing programs, resource development and policies. We will appoint licensees by geography and/or hotel type to serve on the council along with representatives of Hilton-Managed hotels. The advisory council only serves in an advisory capacity, and has no operational or decision-making power. HWI can change or dissolve the advisory council.

We may provide regional and/or local cooperative marketing programs in which you may participate. Participating hotels normally bear their proportionate costs of participation. We have from time to time matched or supplemented the amounts paid by participating licensees, when, in our sole opinion, the cooperative's marketing supports the national marketing objectives of us and HWI.



Our current policy is to form marketing cooperatives whenever a group of licensees wish to get together. The contributions to the cooperatives vary depending on the voluntary contributions of members. Cooperatives may be administered by us, by licensees, or by an advertising agency. The cooperatives do not operate from written governing documents. The cooperatives need not prepare annual or periodic financial statements. If we participate in the cooperative, we can require the cooperative to be formed, changed, dissolved or merged with another cooperative. We cannot guarantee that we will offer any cooperative marketing programs to licensees in the future. Any plan that we offer in the future may differ from the plans we offered to licensees in past years.

In addition, separate from the cooperative marketing program offered by us, we may, from time to time, create marketing programs for specific promotional purposes that may include certain appropriate licensed hotels without charge to the hotel. Selection of hotels, type of hotels and the nature and method of such marketing is determined by us in accordance with our general practices from time to time applicable to System hotels.

We will use your Monthly Program Fee (see Article 6) to pay for various programs to benefit the System, including advertising, promotion, publicity, public relations, market research, and other marketing programs; developing and maintaining Licensed 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 will have the sole right to determine how and when we spend these fees, 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 HWI entity and any of its affiliates. Monthly Program Fees are intended for the benefit of the System, and will not simply be used to promote or benefit any one property or market. We will have no obligation in administering any activities paid by the Monthly Program Fee to make expenditures for you, which 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 licensees 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 licensees. We are not obligated to expend funds in excess of the amounts received from licensees using the System. The Monthly Program Fee does not cover your costs of participating in any optional marketing programs and promotions offered by us or HWI from time to time 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 License Agreement, Paragraph 3.d.)

12.2 Local Advertising

You must advertise and promote your 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 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 by contacting hgi.marketing@hilton.com. You may not begin using the materials until we approve them. You must immediately discontinue your

use of any advertising or promotional materials we reasonably believe is not in the best interest of your hotel or 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 License Agreement, Paragraph 6.a.(7))

12.3 Websites

You may not register, own, maintain or use any domain names, World Wide Web or other electronic communications sites (collectively, "Site(s)"), 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 the hotel are those assigned or otherwise approved by us. You must obtain our prior written approval concerning any third-party Site in which the hotel will be listed, and 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. Therefore, any use of the Marks on the World Wide Web, the Internet, or any computer network/electronic distribution system, 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 to modify our requirements.

You may not (without a legal license or other legal right) post on your Site(s) 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 Site(s) any other information we require in the manner we consider necessary to protect our Marks.

Upon the expiration or termination of the Franchise License Agreement, you must irrevocably assign and transfer to us (or to our designee) all of your right, title and interest in any domain name listings and registrations which contain any references to our Marks, System or Licensed Brand, notify the applicable domain name registrar(s) of the termination of your right to use any domain name or Site(s) associated with the Marks or the Licensed 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 Hilton's Marks or Licensed Brands from any other Site(s) you own, maintain or operate beyond the expiration or termination of the Franchise License Agreement. (Franchise License Agreement, Paragraph 14.f.(7))

ARTICLE 13 ADMINISTRATION OF THE MONTHLY PROGRAM FEE

As noted above, the aggregate of Monthly Program Fees paid to us by licensees do 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 licensees. Accordingly, we are not required to provide any report or breakdown of such a fund.

ARTICLE 14 RESTRICTIONS AND REQUIREMENTS ON PURCHASE AND SALE OF GOODS AND SERVICES

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

All licensees must build, furnish, equip and supply their hotels in accordance with the standards and specifications in our standards manual ("Manual"). We review, modify and implement product standards and specifications. We may periodically modify and update standards and specifications to reflect operational requirements, advances in technology, improved methods of manufacture, new materials and structures, 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 modernize, rehabilitate, renovate, refurbish 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. You are responsible for the costs of implementing all changes required because of modifications to the standards in the Manual. The Manual is our exclusive property and you must return it to us upon request and, in any event, upon termination or expiration of your Franchise License Agreement.

You must comply with our standards regarding the purchase of products and services, including furniture, fixtures, equipment, food, operating supplies, consumable inventories, merchandise for resale to be used at and/or sold from the hotel, in-room entertainment, property management, revenue management, telecommunications and telephone systems, long distance services, signs/environmental graphics, customer satisfaction measurement programs, uniforms, materials with logos, property print advertising, guest assistance programs, computer networking and other computer and technology systems, and any and all other items used in the operation of the hotel (collectively, the "Supplies"), 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 Manual. In some cases, we may require you to purchase a particular brand of product ("Required Brand"), however, you may purchase this Required Brand from any authorized source of distribution. The requirements are generally contained in our manuals, but may be separately issued to you.

14.1 Purchases through Hilton and its Affiliates

You must agree to have installed and to use HWI's proprietary computer business software and hardware, currently OnQ. 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 licensees in 2010. We collected money for the Hilton HHonors program, but we transmitted this money directly to Hilton HHonors, an affiliate of ours, and did not record it as our revenues. Several of our affiliates had revenues during that year from sales to licensees.

Hilton Supply Management ("HSM"), a wholly-owned subsidiary of HWI, is a stockless distributor of hotel furniture, furnishings, fixtures, equipment and supplies, and certain food and beverage supplies. You may, but you are not obligated to, purchase these items from HSM (as we specify). (See Articles 1 and 6) HSM negotiates lower prices with manufacturers and suppliers, and then passes these savings on to licensees when it sells to licensees.

You may purchase the furniture, fixtures, and equipment ("FF&E") and other supplies for your hotel from any source as long as the specifications and standards in the Manual are met. However, 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.

In addition, HSM has various discount agreements with manufacturers and suppliers, under which it receives rebates and allowances based on the total volume purchased from the manufacturer. These volume fees include sales to licensees 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 licensees of certain items, such as coffee, soft drinks, cleaning compounds, and paper products. HSM receives cash discounts for early payment on orders it places with manufacturers and suppliers to fill purchase orders placed with it by licensees.

Suppliers we approve ("PSDP Suppliers") become members of our Primary Supplier Distribution Program ("PSDP"). Each PSDP Supplier pays to HSM an administration fee that is between 0.5% and 5% of purchases by all licensees from the respective PSDP Supplier. If you want to use a product, or a particular brand or model, that has not been specified as having met HWI's 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 30 days to complete. We do not provide any material benefit (such as license renewal or the grant of additional licenses) to a licensee based on a licensee's use of designated or pre-approved suppliers (the Franchise License 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 licensees, as well as the System's demand for those products/services; and (iv) the supplier's ability to service the needs of the System and potential for active participation and support of the PSDP program. If a PSDP Supplier no longer meets our criteria, the PSDP Supplier's name and materials are removed from the PSDP. The revenues collected from rebates, administration fees and purchasing fees are primarily used to offset the cost of establishing the purchasing programs and supporting the expenses of HSM.

14.2 Signage

You must install, display, and maintain signage displaying or containing the Licensed Brand name 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 your Architecture & Construction representative for a current list.

14.3 Reservation Service

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

14.4 Long Distance Services

You must use a telephone carrier approved by us, as your long distance telephone service provider for long distance telephone services billed to guest credit cards or to the guest folio.

14.5 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 and applicable legal requirements related to accessibility/accommodations/facilities for those with disabilities, as further described in the Manual. If requested, you must arrange for us and HWI 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 HWI 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 complete construction of the hotel and before your hotel opens for business, your architect or general contractor must provide us with a certificate stating that the as-built premises complies with all applicable legal requirements relating to accessibility/accommodations/facilities for those with disabilities, as may be further described in the Manual.

From time to time during the term of the Franchise License Agreement and any term extensions, we may require you to make additional expenditures and investments to maintain your hotel in accordance with the System standards in the Franchise License Agreement, Manual and Prototype Drawings and Design and Construction Manual 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 licensees. 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.

14.6 Restrictions on the Sale of Goods and Services

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 either must or may be used, promoted or offered at or in connection with the hotel. You must comply with our requirements regarding Supplies (defined in Article 6), including our specifications for all Supplies and our policies regarding suppliers from whom you purchase Supplies.

You must operate the hotel 24 hours a day every day, except as we may otherwise permit based on special circumstances. You must operate, furnish, maintain and equip the hotel in a clean, safe and orderly manner and in first-class condition in accordance with the provisions of the Franchise License Agreement and the Manual, and in compliance with all applicable laws, enactments, orders and regulations applicable to the management and operation of the hotel or the performance of the terms of the Franchise License Agreement, including maintaining and conducting your business in accordance with sound business and financial practices. You must adopt, use and comply with the standards, requirements, services, products, programs, materials, specifications, policies, methods, procedures, and techniques in the Manual and keep your Manual current at all times. A copy of the Table of Contents of the Manual as of the date of this Disclosure Document is attached as Exhibit I. 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 rooms or suites set forth in the Rider to your Franchise License Agreement or any other significant change (including major changes in structure, design or decor) in the hotel without our prior written approval. Minor redecoration and minor structural changes that comply with our standards and specifications will not be considered significant.

We may periodically require you to modernize, rehabilitate and/or upgrade the 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 the hotel and maintain the hotel in accordance with the Manual. We may make limited exceptions from some of those standards based on local conditions or special circumstances, but 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 hotels using the System, 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 Reservation Service, including any additions, enhancements, supplements or variants which we or the Entities 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 and from your hotel to other hotels unless we designate other reservation services.

You must refer guests and customers, wherever reasonably possible, only to System Hotels and (if and as we direct) any other hotel systems owned, managed or licensed by us and/or the Entities (each, a "Network Hotel"). 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 the hotel premises.

You must participate in, and pay all charges related to, all guest frequency programs we or HWI require, including the Hilton HHonors Worldwide guest reward programs or any successor programs (See Article 6). You must also honor the terms of any discount or promotional programs (including any frequent guest program) that we or HWI 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 guest certificates issued to hotel guests participating in these programs.

International Business Machines Corporation (IBM) and HWI have negotiated an agreement to be used when HWI's owned and/or managed properties provide IBM with meeting services (the "Base Agreement," which will include an applicable Statement of Work or SOW (as defined in the Base Agreement). (Because of the confidential and proprietary nature of the Base Agreement, it is not attached to this Disclosure Document, but may be reviewed on a secure website. Please contact your HWI franchise developer to request information on how to access this secure website. You may also request us to provide you with a paper copy of the Base Agreement.)

We are currently offering you the opportunity to participate in this program with IBM. The program is entirely voluntary. If you decide to participate in the IBM program, IBM will provide you with the specific Statement of Work applicable to the event for which you may contract as part of its proposal for the specific event. The Statement of Work will contain IBM's then-current general terms and its proposed specific terms, including pricing, for the event. You will then have the option to either agree or refuse to contract with IBM for the proposed event. If you sign the Statement of Work for such event, you agree to be bound by the Statement of Work applicable to your event and the then-current Base Agreement.

It will be a default under the Franchise License Agreement if you materially breach the Base Agreement or any Statement of Work that you have agreed to. However, it will not be a default under the Franchise License Agreement or Base Agreement for you to decline to contract with IBM for any proposed event and the Statement of Work for that event.

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. 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.

Hilton Garden Inn hotels offer one restaurant option serving: breakfast (hot, executive), lunch and dinner.

ARTICLE 15 REBATES

Any profits, rebates, discounts or other allowances realized by the Franchisor in respect of purchases of made by the licensee that are required by the franchisor are set out in Article 14.

ARTICLE 16 TRADEMARKS AND COMMERCIAL SYMBOLS

16.1 Trademark Use: Your Rights and Obligations

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 “Hilton Garden Inn” (the “Licensed Brand”). As used in the Franchise License Agreement and this Disclosure Document, the System includes the Marks, including the Principal Mark (“Hilton”). The Marks include the Licensed Brand 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.

You may use the Marks only in connection with the System and only in the manner we designate, as set out in the Franchise License 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 reserve the right to limit what Marks the Licensed Brand of hotel may use.

Your hotel will be initially known by the trade name set forth in the Franchise License Agreement (the “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.

You must operate under and prominently display the Marks in your hotel. You may not adopt any other names in operating your hotel that we do not approve. You also may not use any of the Marks, or the words “Hilton Garden Inn” or “Hilton,” or any similar word(s) or acronyms: (a) in your corporate, partnership, business or trade name except as we provide in the Franchise License Agreement or the Manual; (b) any Internet-related name (including a domain name), except as we provide in the Franchise License Agreement or in the Manual; or (c) any business operated separate from your hotel, including the name or identity of developments adjacent to or associated with your hotel. Any unauthorized use of the Marks will be an infringement of our rights and a material breach of the Franchise License Agreement.

Under the terms of the Franchise License 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. The Franchise License Agreement does not grant you the right to use any other marks owned by us or our affiliates.

16.2 Registration and Ownership of the Trademarks and Other Intellectual Property

Our affiliate HLT IP LLC (“Trademark Owner”) holds the rights to the Marks, including the trademarks and service marks listed in the table below, which are registered in Canada. We entered into a license agreement with HLT IP LLC which grants us the right to use the Marks and other intellectual property in connection with the System in Canada. The term of the agreement between us and HLT IP LLC continues indefinitely so long as each party continues to be an affiliate of HWI. HLT IP LLC has certain enforcement rights in the event 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 HLT IP LLC to terminate the license agreement will not affect your right to use the intellectual property assets licensed to you under the Franchise License Agreement as long as you are in good standing under the Franchise License Agreement. The Marks may from time to time be transferred to another affiliate for administrative purposes, and we will continue to have a license to use the Marks in connection with our franchise business.

Mark	Application/Registration Number	Application/Registration Date	Trademark Owner	Franchisor’s rights to use Trademark (i.e. license/owner)
EVERYTHING. RIGHT WHERE YOU NEED IT.	TMA593831	2003-11-04	HLT IP LLC	License
GARDEN INN	TMA522098	2000-01-24	HLT IP LLC	License
HILTON GARDEN INN & DESIGN	TMA746902	2009-09-03	HLT IP LLC	License
HILTON GARDEN INN	TMA746452	2009-08-27	HLT IP LLC	License
PAVILION PANTRY	TMA671229	2006-08-25	HLT IP LLC	License
TOUT CE DONT VOUS POURRIEZ AVOIR BESOIN. QUAND VOUS EN AVEZ BESOIN.	TMA653708	2005-11-28	HLT IP LLC	License
GREAT NORTH AMERICAN GRILL	TMA643717	2005-07-06	HLT IP LLC	License
GREAT NORTH AMERICAN GRILL & DESIGN	TMA643288	2005-06-29	HLT IP LLC	License
PAVILLON GARDE-MANGER	TMS757987	2010-01-27	HLT IP LLC	License
STAY CONNECTED @ HILTON GARDEN INN	1502903	Application filed 2010-11-05	HLT IP LLC	License

16.3 Protection of the Marks

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 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 License 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 benefit or that of the Trademark Owner.

ARTICLE 17 LICENSES, PERMITS AND AUTHORIZATIONS

The licensee will be required to obtain the following licences, registrations, authorisations or permissions under federal or provincial law or municipal by-law to operate the franchised hotel prior to operating the franchised hotel:

Federal	Provincial	Municipal
GST number	Provincial retail sales tax permit and number	Business licence
Federal income tax number	Provincial income tax number	Sign permit
	Workers' compensation or workplace safety and insurance number	Elevator licence
	Liquor licence	Innkeeper's licence
		Building permit
		Municipal permits for boarding
		Occupancy permit

In addition to the municipal licences listed above, individual municipalities may have additional licensing requirements which the licensee must satisfy. Due to the large number of municipalities in Ontario, New Brunswick, and Prince Edward Island, the franchisor does not provide specific information for each municipality. You must identify and obtain the licences required by the municipality in which the franchised hotel will be located.

In addition to those licences, permits and authorizations identified in this Article 17, the franchisee may be required under other federal or provincial laws or under the by-laws of a municipal or other local authority to obtain licences, registrations, authorizations or other permissions to operate the franchise and the franchisee should make inquiries to determine whether such licences, registrations, authorizations or other permissions are required.

ARTICLE 18 PERSONAL PARTICIPATION IN THE FRANCHISED BUSINESS

As the licensee, whether you are an individual, corporation, limited liability company, partnership or other entity, you are at all times responsible for the management of the hotel's business. You may fulfill this responsibility only by providing (i) qualified and experienced management, satisfactory to us, which may be a third party management company (the "Management Company"), and (ii) a general manager (the "General Manager"), satisfactory to us (collectively, the "Management"), which we have approved in writing at least 6 months before your hotel opens. However, you may not enter into any lease, management agreement or other similar arrangement for the operation of the hotel or any part of the hotel with any person or entity without first obtaining our written consent. To be approved by us as the operator of the hotel, we must consider you, any proposed Management Company and any proposed General Manager to be qualified to manage the hotel. We may refuse to approve you, any proposed Management Company or any proposed General Manager which, 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 License Agreement. We reserve the right to not approve a Competitor (defined below), or any entity that is the exclusive manager for a Competitor through itself or an affiliate, to manage the hotel. If your Management Company becomes a Competitor, or if in our sole judgment your Management Company or General Manager becomes unsuitable to manage your hotel, you will have 90 days to retain a qualified substitute Management Company or General Manager that we approve.

A "Competitor" means any individual or entity that at any time during the license 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 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. A "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.

Any Management Company and General Manager must have the authority to perform all of your obligations under the Franchise License Agreement, including all indemnity and insurance obligations. After we approve the Management Company, we must then approve the individual who will serve as your General Manager and can require the General Manager and other personnel, such as your Director of Sales, to attend our training programs. (See Article 11)

Instead of contracting with a Management Company, you may, with our prior written approval, operate the hotel. If that is the case, you must successfully complete our training program, unless we waive this requirement.

We may determine that you are not qualified to operate the hotel, and if so, we will require you to retain a management company to operate the hotel. Your Management Company must be approved by us.

It is your sole responsibility and obligation to arrange for professional management and operation of your hotel, and our training and approval is intended to familiarize you with basic requirements under the Franchise License Agreement and Manual for operating a Hilton Garden Inn hotel, not to train or guaranty professional management.

After a review of the financial information submitted with your Application and the proposed ownership of the hotel and real property, we determine guarantee requirements. Each required guarantor, who may include the spouse of a participant in the franchise, must sign a Guarantee, by which the guarantor assumes and agrees to discharge certain of the licensee's obligations under the Franchise License Agreement. In addition, we may require you to provide a Guarantee if you or any Equity Owner (as defined in the Franchise License Agreement) pledge or mortgage the hotel or an Equity Interest (as defined in the Franchise License Agreement) for a loan that is made to other borrowers, cross-defaulted to other loans, secured by any other hotel(s) or real estate, and/or is 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 Guarantee from a third party acceptable to us covering all of your obligations under the Franchise License Agreement. A copy of the current form of Guarantee is attached as Exhibit D.

We do not generally require that licensees grant us a security interest in its assets; however, if we offer you an Incentive as described in Article 10, we may require a security interest in certain of your assets as a condition of the Incentive.

If the licensee is a business entity, the general manager need not have any equity interest in the licensee entity.

ARTICLE 19 TERRITORY

We grant licensees a non-exclusive license to operate a Licensed Brand hotel during the term of the Franchise License Agreement at a specified location. There are no provisions in the standard Franchise License Agreement granting licensees a protected area or territory. You may face competition from other licenses, from hotels that we or our affiliates own, manage or franchise, or from other channels of distribution or competitive brands that we or our affiliates control. The standard Franchise License Agreement permits us or the Entities, to own, license or operate any other business of any nature ("Other Businesses"), whether in the lodging or hospitality industry or not and whether under the Licensed Brand, or a competitive brand, or otherwise. We and the Entities have the right to engage in any Other Businesses, even if they compete with your hotel, the System, or the Licensed Brand, and whether we or the Entities start those businesses, or purchase, merge with, acquire, are acquired by, come under common ownership with or associate with, the 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 Licensed Brand, and the Marks, in the Other Businesses. You acknowledge and agree that you have no rights other than the non-exclusive right to use the System in operating a Licensed Brand hotel at the site licensed and subject to the terms under the Franchise License Agreement and that you will not make any claims, demands or damages arising from or related to any of these activities, which 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. The Entities means our present or future Affiliates and direct or

indirect owners. "Other Businesses" means any business activity we or the Entities engage in other than the licensing of your Hotel.

We may, however, agree to give licensees certain specific territorial restrictions (the "Restricted Area Provision") for an area surrounding the licensed hotel and encompassing the immediate competitive market for the hotel as may be agreed upon by the parties (the "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-upon time period, which is shorter than the term of the Franchise License Agreement (the "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 have agreed to give you a Restricted Area Provision in your Franchise License 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 at the time you sign the Franchise License Agreement. The boundaries will vary in size and shape from hotel to hotel. Boundaries will not be 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 the Entities from operating, or authorizing someone else to operate, another System hotel under the Licensed Brand during the Restrictive Period and within the Restricted Area (except as described in Paragraph 3 below).

3. Exclusions from the Restricted Area Provision. The Restricted Area Provision will generally not apply to any products, services or businesses (other than a hotel or motel under the Licensed Brand within the Restricted Area during the specified period), whether now or later constructed, owned, operated, managed, leased, franchised or licensed by us, or an Entity, or any successors to such entities (by purchase, merger, acquisition or otherwise), including, but not limited to, the following: (1) any non-"Hilton"-branded hotels, motels or inns of any kind; (2) except as expressly provided for in any Restricted Area provision, any other hotel under the "Hilton" brand name, including any Hilton full-service hotel or other full-service hotels, any Hilton Suites or other all-suites hotels, any Hilton Garden Inn or other limited service hotels, or any Homewood Suites by Hilton or other extended-stay hotels; (3) any shared ownership properties commonly known as "vacation ownership" or "time-share ownership" or similar real estate properties; (4) any gaming-oriented hotels or facilities; and (5) any hotel or hotels which are members of a chain or group of hotels (provided that such chain or group has or contains a minimum of four or more hotels in operation), all or substantially all, (but in no event less than four hotels) of which are (in a single transaction with a single seller or transferor) after the date of this Disclosure Document, owned, operated, acquired, leased, managed, franchised or licensed by, or merged with, any entity acquired by, or merged with, or joined through a marketing agreement with, us or HWI or any of our affiliates (or the operation of which is transferred to us or an Entity, including any other Network hotels).

4. Restrictive Period. The Restrictive Period will normally be for an agreed-upon time period. Generally, this period will be shorter than the term of the Franchise License Agreement, usually tied to a specified number of years from the date your Application was approved. In some cases, the Restrictive Period may reduce in geographic scope after an agreed-upon 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 Restrictive Area will not affect it and there are no other circumstances when your Restrictive Area may be altered. Historically, we have extended the Restrictive Period for the full term of the Franchise License Agreement; however, we do not intend to do so in the future.

IMPORTANT NOTES: A Restricted Area Provision will not give you protection from previously existing hotels owned, managed or licensed us or an Entity or their predecessors, or from any hotel site for which we or one of our affiliates or its predecessor have approved a franchise license application and/or signed a Franchise License Agreement. 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.

HWI, through its subsidiaries, currently owns the principal marks Hilton, Hilton Garden Inn, Waldorf Astoria, Hampton, Embassy Suites, Homewood Suites, Doubletree, Conrad and Home2 Suites by Hilton, along with variations of these marks and their related guest lodging systems (each a "Hilton Worldwide Brand").

There may currently be franchised or company-owned or managed hotels operating under one or more of these brands situated in or near your area. We and HWI may establish new franchised, company-owned or company-managed hotels operating under one or more of these brands in or near your area.

Guest lodging properties operating through us, our affiliates and affiliates of Blackstone may currently or in the future be located in the market area of HWI's affiliates. Some of our business activities in the lodging industry and related businesses, and those of our affiliates and of Blackstone and its affiliates, may be competitive with your Hotel and the System. We and/or our affiliates and/or Blackstone and/or its affiliates may own, operate, franchise, license, acquire or establish, or serve as franchisee or licensee for, competitive guest lodging facilities or networks anywhere, including but not limited to use of a Hilton Worldwide Brand name alone or coupled with the designation "by Hilton". We and/or our affiliates and/or Blackstone's affiliates and/or funds may also furnish services, products, advice and support to guest lodging facilities, networks, properties or concepts located anywhere, in any manner we, Blackstone or our respective affiliates determine. If your Franchise License Agreement includes a Restricted Area Provision, it will only limit us or our affiliates from establishing a hotel under the Licensed Brand within the Restricted Area. 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. We and/or our affiliates may render services to hotels owned, managed, operated, franchised and/or licensed by Blackstone and/or its affiliates or funds. Further, we and/or our affiliates and/or Blackstone and/or its 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 and that following such activity we may operate, franchise or license those other facilities under any names or marks anywhere regardless of the location of those businesses and/or facilities.

We do not permit the relocation of franchise licensed hotels.

**ARTICLE 20
INFORMATION ON OTHER FRANCHISEES**

20.1 Existing Franchisees

All of the franchisees currently operating a Hilton Gardens Inn hotel in Canada and the US are listed in Exhibit E. Included in this list are all of the licensees currently operating in Ontario, Alberta, Prince Edward Island, New Brunswick and Nova Scotia.

20.2 Franchise Closures – Last Fiscal Year

Exhibit F is a list of the names, last known address and telephone numbers of each licensee (including licensees in Ontario, Alberta, Prince Edward Island, New Brunswick and Nova Scotia, if any) who operated a franchise of the type being offered that has been terminated, cancelled, not renewed, reacquired or otherwise left the system during 2010.

20.3 Franchise Closures – Last Three Fiscal Years

The following chart lists information on franchisees in the franchisor's total operating area which have been terminated, cancelled, not renewed, reacquired by the franchisor or have otherwise left the system in fiscal years 2008 through 2010.

**Table No. 1
Status of Franchised Outlets
For Years 2008 to 2010
Hilton Garden Inn Hotels**

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
U.S.	2008	327	73	0	0	0	0	400
	2009	400	57	0	0	0	0	457
	2010	457	17	0	0	0	0	474
Canada	2008	13	2	0	0	0	0	15
	2009	15	4	0	0	0	0	19
	2010	19	0	0	0	0	0	19
Total	2008	340	75	0	0	0	0	415
	2009	415	61	0	0	0	0	476
	2010	476	17	0	0	0	0	493



**Table No. 2
Status of Company-Owned Outlets
For Years 2008 to 2010
Hilton Garden Inn Hotels**

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
U.S.	2008	2	0	0	0	0	2
	2009	2	0	0	0	0	2
	2010	2	0	0	0	0	2
Canada	2008	0	0	0	0	0	0
	2009	0	0	0	0	0	0
	2010	0	0	0	0	0	0
Total	2008	2	0	0	0	0	2
	2009	2	0	0	0	0	2
	2010	2	0	0	0	0	2

**ARTICLE 21
AGREEMENTS RELATING TO THE FRANCHISE**

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

Franchise License Agreement (with Rider and Attachment A)	Exhibit A
Computer System Agreements (HITS Agreement/HSIA Agreement)	Exhibit B
Franchise Application	Exhibit C
Guarantee of Franchise License Agreement	Exhibit D
Voluntary Termination Agreement	Exhibit G

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

**ARTICLE 22
TERMINATION**

The following chart summarizes the provisions in the Franchise License Agreement and related agreements dealing with the termination of the franchise. These summaries are presented in plain language and do not affect, replace or supersede the cited provisions in the relevant agreement.

22.1 Termination

Document	Section	Summary
Franchise License Agreement	12.a.	If your hotel is condemned, you must give us notice at the earliest possible time. If we determine the condemnation is significant enough to render the continued operation of the Hotel impractical, we may terminate your Agreement. You will take all necessary steps to permit us to participate in any proceedings related to the condemnation. If we determine that the condemnation does not require the termination of the Hotel, then you will make all necessary repairs to make the Hotel to conform to its condition, character and appearance immediately before the condemnation on our required time table.
Franchise License Agreement	12.b.	If your hotel closes due to fire or other casualty, you must give us notice at the earliest possible time, repair or rebuild the hotel according to our standards, commence reconstruction within four months after closing, and reopen the hotel for continuous business operations as soon as practicable (but in any case within one year after closing). If one of us chose to not reopen the hotel, either party can terminate your Agreement upon notice to the other. You will not pay liquidated damages unless you or any of your Affiliates operate or own a controlling interest in another hotel on the site before: (1) the expiration of three years from termination; or (2) the normal expiration of your Agreement, whichever occurs first, in which case you will pay us liquidated damages.
Franchise License Agreement	14.a. Attachment A	We may terminate this 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 the Entities under this Agreement within the cure period set forth in the notice; (2) you fail to comply with any provision of this Agreement, the Manual or any System Standard and do not cure that default within the cure period set forth in the notice; or (3) you do not purchase or maintain insurance required by this Agreement.
Franchise License Agreement	14.b.	We can terminate the Franchise License Agreement immediately upon notice and without opportunity to cure if: <ul style="list-style-type: none"> (1) after curing any material breach of the Agreement or the Standards, you engage in the conduct within any consecutive twenty-four (24) month period; (2) we send you three notices of material default in any twelve (12) month period, regardless of whether the defaults have been cured; (3) you or any Guarantor fail to pay debts as they become due; (4) you make a general assignment for the benefit of Creditors under the <i>Bankruptcy and Insolvency Act</i> or if an application is made against you or any of your creditors under the <i>Companies' Creditors Arrangement Act</i>, or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator or any other officer with similar powers is appointed of or for you or any of your creditors; or commit any act of bankruptcy or insolvency or institute proceedings to be adjudged bankrupt or insolvent; (5) you or any Guarantor lose possession or the right to possession of all or a significant part of the Hotel or Hotel Site, for any reason; (6) you fail to operate the Hotel for five (5) consecutive days; (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; (8) you or any Equity Owners are or have been convicted of an

Document	Section	Summary
		<p>indictable offence or any other offence or conduct, if we determine in our business judgment it is likely to adversely reflect upon or affect the Hotel, the Licensed Brand, the Marks, the System, us and/or any Entity;</p> <p>(9) you conceal revenues, maintain false books and records of accounts, submit false reports or information to us or otherwise attempt to defraud us;</p> <p>(10) you, your Affiliate, or your Guarantor become a Competitor without our prior written consent;</p> <p>(11) you Transfer any interest in yourself, this Agreement, the Hotel or the Hotel Site without consent;</p> <p>(12) you or a Guarantor become a Specially Designated National or Restricted or Blocked Person or are owned or controlled by a Specially Designated National or Restricted or Blocked Person;</p> <p>(13) we discover information involving you or your Affiliates, which, in our business judgment, is likely to adversely reflect upon or affect in any manner, any gaming licenses or permits held by the Entities or the then current stature of any of the Entities with any gaming commission, board, or similar governmental or regulatory agency, or the reputation or business of any of the Entities;</p> <p>(14) any Guarantor breaches its guarantee; or</p> <p>(15) a threat or danger to public health or safety results from the construction, maintenance, or operation of the Hotel.</p>
Franchise License Agreement	14.c	<p><i>If you are in default of this Agreement, we may elect to postpone termination and impose an Interim Remedy, including the suspension of our obligations under this Agreement and/or our or the Entities' obligations under any other of Your Agreements:</i></p> <p>(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.</p> <p>(2) we may disable all or any part of the software provided to you under Your Agreements and/or may suspend any one or more of the information technology and/or network services that we provide or support under Your Agreements;</p> <p>(3) 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 after the date of our notice of default;</p> <p>(4) you agree that our exercise of the right to elect Interim Remedies will not result in actual or constructive termination or abandonment of this Agreement and that our decision to elect 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 elect 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.</p>

Document	Section	Summary
Franchise License Agreement	14.d. and 14.e.	<p>If the franchise agreement terminates prior to the expiration date set forth in the Agreement you will pay us Liquidated Damages. Liquidated Damages for premature termination will be calculated by adding the result of (1) plus the result of (2) where:</p> <p>(1) is calculated by multiplying the average monthly Gross Rooms Revenue of the Hotel for the twenty-four (24) full calendar-month period immediately before the month of termination by the Monthly Royalty Fee percentage under this Agreement, without applying any discount to the standard fee percentage (this product being the "Average Monthly Royalty Fees"), then multiplying the Average Monthly Royalty Fees by thirty-six (36), or by such lesser multiple as would represent the remaining full or partial months between the date of termination and the expiration of the License Term. If the Hotel has been open and operating as a System Hotel for less than twenty-four (24) months, then we will multiply thirty-six (36) by the greater of (i) the Average Monthly Royalty Fees from the date the Hotel opened as a System Hotel through the month immediately before the month of termination, or (ii) the product of the average Monthly Gross Rooms Revenue per Guest Room of all System Hotels in operation in the US and Canada over the twelve (12) full calendar-month period immediately before the month of termination, times the Monthly Royalty Fee percentage under this Agreement (without applying any discount to the standard fee percentage) multiplied by the number of Guest Rooms in the Hotel; and</p> <p>(2) is calculated by multiplying the average monthly Gross Rooms Revenue of the Hotel for the twenty-four (24) full calendar-month period immediately before the month of termination by the Monthly Program Fee percentage under this Agreement, without applying any discount to the standard fee percentage (this product being the "Average Monthly Program Fees"), then multiplying the Average Monthly Program Fees by twelve (12), or by such lesser multiple as would represent the remaining full or partial months between the date of termination and the expiration of the License Term.</p> <p>If the Hotel has been open and operating as a System Hotel for less than twenty-four (24) months, then we will multiply twelve (12) by the greater of (i) the Average Monthly Program Fees from the date the Hotel opened as a System Hotel through the month immediately before the month of termination, or (ii) the product of the average Monthly Gross Rooms Revenue per Guest Room of all System Hotels in operation in the US and Canada over the twelve (12) full calendar-month period immediately before the month of termination, times the Monthly Program Fee percentage under this Agreement (without applying any discount to the standard fee percentage) multiplied by the number of Guest Rooms in the Hotel.</p>

Document	Section	Summary
Franchise License Agreement	14.e.	If: (i) within twelve (12) months of each other, five (5) or more franchise license agreements for the Licensed Brand between yourself (or any of your Affiliates) and us (or any of our Affiliates) terminate before their expiration date either because you (or any of your Affiliates) unilaterally terminate the agreements or because we or any of our Affiliates terminate the agreements as a result of your or your Affiliate's breach or default or (ii) this Agreement terminates automatically or is terminated by us (or any of our Affiliates) following an unapproved Transfer either to a Competitor or to a buyer that converts the Hotel to a Competitor hotel within two (2) years from the date this Agreement terminates. In any of these circumstances, we reserve the right to seek actual damages in lieu of Liquidated Damages.
Franchise License Agreement	14.f. Attachment A	On termination or expiration of this Agreement you will: (1) immediately pay all sums due and owing to us or any of the Entities; (2) immediately cease operating the Hotel as a System Hotel and cease using the System; (3) immediately cease using the Marks, the Trade Name, and any confusingly similar names, marks, trade dress systems, insignia, symbols, or other rights, procedures, and methods. ; (4) immediately cease representing yourself as then or formerly a System Hotel or affiliated with the Licensed Brand or the Network; (5) immediately return all copies of the Manual and any other Proprietary Information to us; (6) immediately 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 (7) irrevocably assign and transfer to us 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; operate beyond the expiration or termination of this Agreement.
HITS Agreement	5(a)	We can terminate if you default and fail to cure your default within 10 days after notice from us.
HITS Agreement	5(b)	You will be deemed in default if you fail to pay us or breach any other material provision of the HITS Agreement.
HITS Agreement	5(c)	Upon termination you must stop using our software and related documents, return all copies to us, and certify to us that you have done so.
HITS Agreement	5(e)	Upon default, instead of terminating, HWI may institute an interim remedy, as described above in the summary of Section 14.a of the Franchise License Agreement.
Franchise Application Agreement	N/A	The Development Services Fee submitted with the Franchise Application Agreement becomes non-refundable upon approval of the application. If the application is not approved, the Development Services Fee, less \$7,500 and without interest, will be returned to you.

Document	Section	Summary
Voluntary Termination Agreement	N/A	The parties agree to terminate the Franchise License Agreement.

22.2 Renewal

The following chart summarizes the provisions in the Franchise License Agreement and the Other Agreements dealing with the renewal of the franchise. These summaries are presented in plain language and do not affect, replace or supersede the cited provisions in the relevant agreement.

Document	Section	Summary
Franchise License Agreement	13	The Franchise License Agreement is non-renewable.
HITS Agreement	8(f)	The HITS Agreement automatically renews after the initial 3 year term for additional 3 year terms unless we notify you otherwise.

22.3 Transfer

The following chart summarizes the provisions in the Franchise License Agreement and the Other Agreements dealing with the transfer of the franchise. These summaries are presented in plain language and do not affect, replace or supersede the cited provisions in the relevant agreement.

Document	Section	Summary
Franchise License Agreement	11.a.	There are no restrictions on our right to assign or transfer.
Franchise License Agreement	11.b.	<p>You must abide by the following prior to any sale, transfer or lease:</p> <ol style="list-style-type: none"> 1. You do not need our consent or notification (i) to pledge or mortgage the hotel assets or Equity Interests to a third-party bank or other commercial lending institution that is not a Competitor as long as you don't pledge the Franchise License Agreement, you (and/or any guarantor of the Franchise License Agreement) are the sole borrower, and the loan is not secured by other hotels or collateral; or (ii) to transfer Equity Interests where there is no change of control and, in the case of Equity Interests that are not publicly traded, all transfers from the date of your agreement total less than 25% of all Equity Interests. 2. We will consent to the following Permitted Transfers provided you submit Permitted Transfer Consent Request with all required information and pay a non-refundable processing fee of \$5,000 (plus, in some cases, an additional processing fee of \$5,000): "Affiliate Transfers," "Family Transfers" and "Brick and Mortar Transfers" (where you retain possession and control of the hotel site and the management control of the hotel operations after the sale or lease). 3. Any proposed transfer that requires our approval

Document	Section	Summary
		<p>and that does not qualify as a Permitted Transfer will be considered a Change of Ownership. If the proposed owner desires to continue to operate the hotel as a Licensed Brand hotel, proposed owner must submit application for new Franchise License Agreement and pay then prevailing Development Services Fee. We may consent to the Change of Ownership at our option, provided certain conditions are met.</p> <p>4. Our prior approval of documentation and payment of \$5,000 processing fee and our other costs is required prior to any Public Offering.</p> <p>5. Any purported transfer or assignment of the Franchise License Agreement that is not in accordance with the terms of the Franchise License Agreement will be null and void and will constitute a breach under your Franchise License Agreement.</p> <p>6. You may not assign or transfer the Franchise License Agreement to a "Restricted Person" or any entity owned or controlled by a Restricted Person.</p>
HITS Agreement	22	<p>We have the right to assign or transfer the HITS Agreement and any of our obligations thereunder to our parent, subsidiary, or affiliated entity. You cannot assign or transfer the HITS Agreement without our written consent.</p>
Guarantee	1	<p>The guarantor's liability under the Guarantee will continue until all of the guarantor's obligation have been satisfied, and will not be affected by a transfer of the Hotel.</p>

**ARTICLE 23
ALTERNATIVE DISPUTE RESOLUTION
(APPLICABLE ONLY IN THE PROVINCE OF ONTARIO)**

23.1 Required Statement

The following statement is required by the Arthur Wishart Act to be included in this Disclosure Document:

"Mediation is a voluntary process to resolve disputes with the assistance of an independent third party. Any party may propose mediation or other dispute resolution process in regard to a dispute under the Franchise License Agreement, and the process may be used to resolve the dispute if agreed to by all parties."

23.2 Dispute Resolution Process

Except as provided below, before the initiation of any legal proceedings by either party, the parties will make a good faith effort to resolve any dispute between them by mediation in the City of Toronto, Ontario, Canada, either through a mutually acceptable mediator or through the mediation service recommended from time to time by the Canadian Franchise Association. No legal proceeding will be commenced by either party until the earlier of sixty (60) days from written notice by one party to the other of a request to initiate mediation, or the mutual

agreement by both parties that mediation has been unsuccessful in resolving the dispute. The parties will share equally in the costs of any mediator or mediation service.

Exclusions: We are not required to comply with the foregoing mediation process to enforce any provisions of the Franchise License Agreement relating to you (i) use of the Marks, (ii) obligations upon termination or expiration of the Franchise License Agreement, (iii) sale or lease, or an attempt to sell or lease, the Hotel or an assignment or an attempt to assign any interest in the Franchise License Agreement or any interest in the Licensee, or (iv) a breach of your confidentiality obligations.

ARTICLE 24
NOTICE OF RESCISSION AND EFFECT OF CANCELLATION IN ALBERTA
(APPLICABLE ONLY IN THE PROVINCE OF ALBERTA)

Notice of Rescission and Effect of Cancellation

Sections 13 and 14 of the *Alberta Franchises Act* are set forth below:

Sec. 13. Failure to Give Disclosure Document.

If a franchisor fails to give a prospective franchisee the Disclosure Document by the time referred to in section 4¹ of the *Alberta Franchises Act*, the prospective franchisee may rescind all the franchise agreements by giving a notice of cancellation to the franchisor or its associate, as the case may be,

(a) no later than 60 days after receiving the Disclosure Document,
or

(b) no later than 2 years after the franchisee is granted the franchise,

whichever occurs first.

Sec. 14. Effect of Cancellation.

(1) A notice of cancellation given under section 13 operates

(a) to cancel the franchise agreements, or

(b) in the case of an agreement that is an offer to purchase, to withdraw the offer to purchase.

The franchisor, or its associate, as the case may be, must, within 30 days of receiving a notice of cancellation under section 13,

¹ Section 4(1) of the *Alberta Franchises Act* provides: A franchisor must give every prospective franchisee a copy of the franchisor's Disclosure Document. Section 4(2) of the *Alberta Franchises Act* provides: The Disclosure Document must be received by the prospective franchisee at least fourteen (14) days before (a) the signing by the prospective franchisee of any agreement relating to the franchise, or (b) the payment of any consideration by the prospective franchisee relating to the franchise, whichever is earlier.

compensate the franchisee for any net losses that the franchisee has incurred in acquiring, setting up and operating the franchised business.

**ARTICLE 25
RIGHT OF ACTION FOR DAMAGES IN ALBERTA
(APPLICABLE ONLY IN THE PROVINCE OF ALBERTA)**

Section 9 of the **Alberta Franchises Act** is as follows:

Sec. 9. Misrepresentation in Disclosure Document.

(1) If a franchisee suffers a loss because of a misrepresentation contained in a Disclosure Document, the franchisee has a right of action for damages against any or all of the following:

- (a) the franchisor;
- (b) every person who signed the Disclosure Document.

If a Disclosure Document contains a misrepresentation, a franchisee who purchases a franchise to which the Disclosure Document relates is deemed to have relied on the misrepresentation.

**ARTICLE 26
ADDITIONAL DISCLOSURE APPLICABLE IN NEW BRUNSWICK PROVINCE ONLY**

Dispute Resolution

Section 8 of the New Brunswick Franchises Act (the “Act”) describes a procedure for mediation of certain disputes between franchisors and franchisees. If either we or our licensee delivers the other a notice of dispute pursuant to subsection 8(1) of the Act, which is optional, we will follow the procedure outlined in Section 8 of the Act and the regulations related to Section 8. Where any step in the procedure is optional, we reserve the right to decline to take that step.

**ARTICLE 27
RECEIPT BY FRANCHISEE**

Receipt by Franchisee

Exhibit J is a detachable receipt.

CERTIFICATE OF FRANCHISOR (NEW BRUNSWICK)
(Disclosure Document Regulation - Franchises Act, ss. 6, 8(2))

This Disclosure Document of which this Certificate forms part

(a) contains no untrue information, representation or statement, whether of a material fact or otherwise;

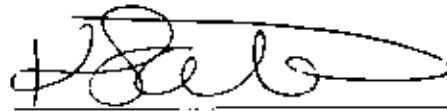
(b) contains all the statements, documents and information required by subsection 5(4) of the *Franchises Act*;

(c) states, in addition, any material fact required by subsection 5(5) of the *Franchises Act*.

DATED at McLean, Virginia, this 7th day of July, 2011.

**HILTON GARDEN INNS INTERNATIONAL
FRANCHISE LLC**

By: _____



Name: Karen Boring Satterlee, Vice President

By: _____



Name: Owen Wilcox, Assistant Secretary

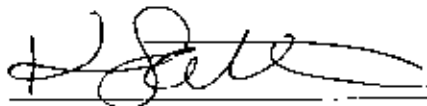
CERTIFICATE OF FRANCHISOR (ONTARIO)

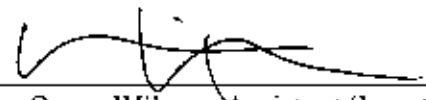
This disclosure document:

- (a) contains no untrue information, representations or statements; and
- (b) includes every material fact, financial statement, statement and other information required by the *Arthur Wishart Act* (Franchise Disclosure), 2000 and the Regulations thereunder.

DATED at McLean, Virginia, this 7th day of July, 2011.

**HILTON GARDEN INNS INTERNATIONAL
FRANCHISE LLC**

By: 
Name: Karen Boring Satterlee, Vice President

By: 
Name: Owen Wilcox, Assistant Secretary



CERTIFICATE OF FRANCHISOR (PRINCE EDWARD ISLAND)

The information provided in this disclosure document, or in any changes made in respect of this disclosure document,

(a) contains no untrue information, representation or statement of a material fact or otherwise;

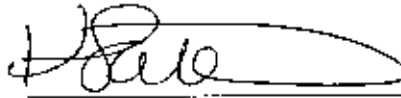
(b) does not omit a material fact that is required to be contained by the Act and the regulations made under it; and

(c) does not omit a material fact that needs to be contained in order for this Disclosure Document not to be misleading.

DATED at McLean, Virginia, this 7th day of July, 2011.

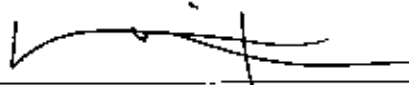
**HILTON GARDEN INNS INTERNATIONAL
FRANCHISE LLC**

By:



Name: Karen Boring Satterlee, Vice President

By:



Name: Owen Wilcox, Assistant Secretary

CERTIFICATE OF FRANCHISOR (ALBERTA)

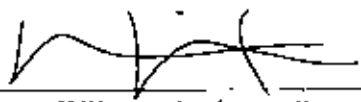
The information provided in this disclosure document, or in any changes made in respect of this disclosure document,

- (a) contains no untrue information of a material fact;
- (b) does not omit to state a material fact that is required to be stated; and
- (c) does not omit to state a material fact that needs to be stated in order for the information not to be misleading.

DATED at McLean, Virginia, this 7th day of July, 2011.

**HILTON GARDEN INNS INTERNATIONAL
FRANCHISE LLC**

By: 
Name: Karen Boring Satterlee, Vice President

By: 
Name: Owen Wilcox, Assistant Secretary

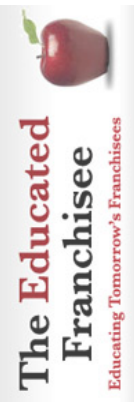


EXHIBIT A



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FRANCHISE LICENSE AGREEMENT

ENTER HOTEL NAME AND PROVINCE HERE

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EXHIBIT A

FRANCHISE LICENSE AGREEMENT

This Franchise License Agreement is dated as of the Effective Date between Hilton Garden Inns International Franchise LLC (“we,” “us,” “our” or “Licensor”) and the licensee entity (“you,” “your” or “Licensee”) set forth in the Rider attached as Attachment B.

INTRODUCTION

We are a subsidiary 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 Licensed Brand. You have expressed a desire to enter into this Agreement with us to obtain a license to use the Licensed Brand in the operation of a hotel at the address or location described in the Rider.

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:

THE AGREEMENT

1. 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 License Agreement, including any exhibits, attachments and addenda.

“**Applicable Laws**” means all public laws, statutes, ordinances, by-laws, orders, rules, regulations, permits, licenses, certificates, authorizations, directions and requirements of all governments and governmental authorities having jurisdiction over the Hotel or over Licensee to operate the Hotel, which, now or hereafter, may apply to the construction, renovation, completion, equipping, opening and operation of the Hotel.

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

“**Change of Ownership Transfer**” means any proposed Transfer that results in a change of Licensee or a change in Control of Licensee, the Hotel, or the Hotel Site and is not otherwise permitted by this Agreement, all as set out in Subparagraph 11.b.(3).

“**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 License 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 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.

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“Construction Work” means all action necessary to perform the development and construction of the Hotel, renovation, furnishing, equipping, and acquisition of supplies and the implementation of the Plans. **[INCLUDE ONLY IF USING ATTACHMENT A FOR NEW DEVELOPMENT]**

“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.

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

“Effective Date” means the Effective Date specified in the Rider.

“Entities” means our present or future Affiliates and direct or indirect owners.

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

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

“Force Majeure” as used in Attachment A means an event causing a delay in your performance of any duties under Attachment A, or any non-performance of such duties, that is not your fault or within your reasonable control. Force Majeure includes, but is not limited to: fire; floods; natural disasters; Acts of God; war; civil commotion; terrorist acts; any governmental act or regulation; and any other similar event beyond your reasonable control. Force Majeure does not include your own financial inability to perform, inability to obtain financing, inability to obtain permits, licenses or zoning variances or any other similar events unique to you or the Hotel, or to general economic downturn or conditions.

“General Manager” has the meaning set forth in Subparagraph 6.c.

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

“Gross Rooms Revenue” has the meaning set forth in Subparagraph 7.b.

“Guarantor” means the person or entity that guarantees your obligations under this Agreement or any of Your 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.

“Hilton Worldwide” means Hilton Worldwide, Inc., a Delaware corporation.

“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.

“Indemnified Parties” means us and the Entities and our respective predecessors, successors and assigns, and the members, officers, directors, employees, managers, and agents of each of us.

“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, but not

EXHIBIT A

limited to, 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 Subparagraph 14.c.

“**License**” has the meaning set forth in Subparagraph 2.a.

“**License Term**” means the period from the Effective Date through the expiration of this Agreement on the date set forth in the Rider, unless terminated earlier under the terms of this Agreement.

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

“**Linked Sites**” has the meaning set forth in Subparagraph 5.d.

“**Liquidated Damages**” has the meaning set forth in Subparagraph 14.d.

“**Management Company**” has the meaning set forth in Subparagraph 6.c.

“**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 Licensed Brand and all other, copyrights, trade marks, trade dress, logos, insignia, emblems, symbols and designs (whether registered or unregistered), slogans, distinguishing characteristics, and trade names used in the System.

“**Monthly Program Fee**” means the fee we require from you in Subparagraph 7.a., which is set forth in the Rider.

“**Monthly Royalty Fee**” means the fee we require from you in Subparagraph 7.a., which is set forth in the Rider.

“**Network**” means the hotels, inns, conference centres, time-share properties and other operations Hilton Worldwide and its subsidiaries own, license, lease, operate or manage now or in the future.

“**Network Hotel**” means any hotel, inn, conference center, time-share property or other similar facility within the Network.

“**Opening Date**” means the day on which we authorize you to make available the facilities, Guest Rooms or services of the Hotel to the general public under the Licensed Brand.

“**Operational Information**” means all information concerning Gross Rooms Revenue, 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 the Entities 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.

“**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

EXHIBIT A

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 product improvement plan.

“**PIP Fee**” means the fee we charge for creating a PIP.

“**Plans**” means your plans, layouts, specifications, and drawings for the Hotel.

“**Pre-Opening Liquidated Damages**” has the meaning set forth in Attachment A. **[INCLUDE ONLY IF USING ATTACHMENT A FOR NEW DEVELOPMENT OR CONVERSION]**

“**Principal Mark**” is the Mark identified as the Principal Mark in the Rider.

“**Privacy Laws**” means any international, national, federal, provincial, state, or local law, code or regulation that regulates the processing of Personal Information in any way, including, but not limited to, national 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, information, systems and knowledge of and experience in the development, operation, marketing and licensing of the System, 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.

“**Quality Assurance Re-Evaluation Fee**” has the meaning set forth in Subparagraph 3.e.

“**Renovation Work**” has the meaning set forth in Attachment A. **[INCLUDE ONLY IF USING ATTACHMENT A FOR CONVERSION, CHANGE OF OWNERSHIP OR RELICENSING]**

“**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.

“**Restricted Area Provision**” has the meaning set forth in the Rider. **[INCLUDE ONLY IF RESTRICTED AREA PROVISION INCLUDED]**

“**Rider**” is attached as Attachment B.

“**Room Addition**” has the meaning set forth in Subparagraph 7.c.

“**Room Addition Fee**” is the fee you must pay when submitting the Room Addition request.

“**Site**” means domain names, the World Wide Web, the Internet, computer network/distribution systems, or other electronic communications sites.

“**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.

EXHIBIT A

“**System**” means the elements, including know-how, that we designate to distinguish hotels operating worldwide under the Licensed 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 Licensed 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 inspecting the Hotel and consulting with you.

“**System Hotels**” means hotels operating under the System using the Licensed Brand name.

“**Trade mark Liquidated Damages**” has the meaning set forth in Attachment A. **[INCLUDE ONLY IF USING ATTACHMENT A FOR NEW DEVELOPMENT OR CONVERSION]**

“**Trade Name**” means the name of the Hotel set forth in the Rider.

“**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 Licensee**” means the proposed new licensee resulting from a Transfer.

“**Your Agreements**” means any other agreement between you and us or any of the Entities related to this Agreement, the Hotel and/or the Hotel Site.

2. Grant of License

a. Non-Exclusive License. We grant to you and you accept a limited, non-exclusive License to use the Marks and the System during the License Term at, and in connection with, the operation of the Hotel in accordance with the terms of this Agreement. You agree to identify and operate the Hotel as a System Hotel in accordance with the Marks, the System and this Agreement only as and when authorized by us. You acknowledge and agree that you are not acquiring any rights other than the non-exclusive right to use the System to operate the Hotel under the Licensed Brand at the Hotel Site under this Agreement and in accordance with the terms of this Agreement.

b. Reserved Rights. This Agreement does not limit our right, or the right of the Entities, to own, license or operate any Other Business of any nature, whether in the lodging or hospitality industry or not, and whether under the Licensed Brand, a competitive brand, or otherwise. We and the Entities have the right to engage in any Other Businesses, even if they compete with the Hotel, the System, or the Licensed Brand, and whether we or the Entities start those businesses, or purchase, merge or amalgamate 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 Licensed 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 dealing, breach of contract, breach of any applicable implied covenant or duty of good faith or fair dealing.

[INCLUDE ONLY IF RESTRICTED AREA PROVIDED]

c. Restricted Area Provision. The Restricted Area Provision is set forth in the Rider.

3. 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 the Entities or through unrelated third parties, in our

EXHIBIT A

sole business judgment. We may require you to make payment for any resulting services or products directly to the provider.

a. 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 all travel, lodging and other expenses you or your employees incur in attending these programs.

b. Reservation Services. We will furnish you with the Reservation Service. This service will be furnished to you on the same basis as it is furnished to other System Hotels, subject to the provisions of Subparagraph 14.c. below.

c. Consultation. We may, at our sole option, offer consultation services and advice in areas such as operations, facilities, and marketing on the same basis as other System Hotels. We may establish fees in advance, or on a project-by-project basis, for any consultation service or advice you request.

d. Marketing. Periodically, we will publish (either in hard copy or electronic form or both) and make available to the traveling public a directory that includes System Hotels, including the 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.

We will use your Monthly Program Fee to pay for various programs to benefit the System, including, but not limited to: (i) advertising, promotion, publicity, public relations, market research, and other marketing programs; (ii) developing and maintaining directories of and Internet sites for System Hotels; (iii) developing and maintaining the Reservation Service systems and support; and (iv) administrative costs and overhead related to the administration or direction of these projects and programs. 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. 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 of the Entities or a third party. 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 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 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. 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.

e. Inspections/Compliance Assistance. We will 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. You will permit us to inspect the Hotel without prior notice to determine if the Hotel is in compliance with the Standards. You will cooperate fully with our representatives during these inspections. You will then take all steps necessary to correct any deficiencies within the times we establish. You may be charged a Quality Assurance Re-Evaluation Fee as set forth in the Standards. You will provide complimentary accommodations for the quality assurance auditor each time we conduct a regular inspection or a special on-site quality assurance re-evaluation

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after the Hotel has failed a regular quality assurance evaluation or to verify that deficiencies noted in a quality assurance evaluation report or PIP have been corrected or completed by the required dates.

f. 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 License 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. The Manual shall at all times remain our exclusive property and shall be returned to us promptly upon request and, in any event, upon termination or expiration of this Agreement. You may not at any time copy, duplicate, record or otherwise reproduce or transcribe the Manual without our prior written consent.

g. 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, and furnishings, which we make available to other System Hotels.

4. Proprietary Rights

You will not contest, either directly or indirectly during the License Term or after termination or expiration of this Agreement: (i) our (and/or any Entities') ownership of, rights to and interest in the System, Licensed Brand, Marks and any of their elements or components, including present and future distinguishing characteristics; (ii) our sole right to grant licenses to use all or any elements or components of the System; (iii) that we (and/or the Entities) are the owner of (or the licensee of, with the right to sublicense) all right, title and interest in and to the Licensed Brand and the Marks used in any form and in any design, alone or in any combination, together with the goodwill they symbolize; and (iv) the validity, ownership of the Marks. You acknowledge that these Marks have acquired a secondary meaning or distinctiveness which indicates that the Hotel, Licensed 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 the applicable Entities), even if you develop them. You agree not to, directly or indirectly, dilute the value of the goodwill attached to the Marks, Licensed Brand or the System. You will not apply for or obtain any trade 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 the Entities for any goodwill associated with your use of the System or the Marks, or any elements or components of the System.

5. Trade Name, Use of the Marks

a. Trade Name. The Hotel will be initially known by the Trade Name set forth in the Rider. We may change the Trade Name, the Licensed 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. You acknowledge and agree that you are not acquiring the right to use any business names, copyrights, trade marks, trade dress, logos, designs, insignia, emblems, symbols, 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.

b. 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 use any of the Marks, or the word "Hilton," or other Network trade marks, trade names or business names, or any similar words or acronyms, in: (i) your corporate, partnership, business or trade name except as we permit under this Agreement or the Standards; (ii) any Internet-related name (including a domain name), except as we permit under this Agreement or in the Standards; or (iii) any business operated separately from the Hotel, including the name or identity of developments adjacent to or associated with the Hotel. You agree that any unauthorized use of the Marks will be an infringement of our rights and a material breach of this Agreement.

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c. Trade Mark Disputes. 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 any applicable Entity in these matters. We do not reimburse your expenses incurred in cooperating with us or the Entities in these matters. 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 the applicable Entity 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, defence 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.

d. Web Sites. You may not register, own, maintain or use 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 must also obtain our prior written approval concerning any third-party Site in which the Hotel will be listed, any proposed links between such Site and any other site ("**Linked Sites**") and any proposed modifications to Sites and Linked Sites. All Sites containing any of the Marks and any Linked Sites must advertise, promote, and reflect on the Hotel and the System in a first-class, dignified manner. 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.

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 (including, but not limited to, video clips, photographs, sound bites, copyrighted text or trade 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 information we require in the manner we deem necessary to protect our Marks.

e. Covenant. You agree, as a direct covenant with us and the Entities, 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 to the Entities. If you engage in such non-compliance or unauthorized and/or improper use of the System or the Marks during or after the License Term, we and any of the applicable Entities, along with the successors and assigns of each, separately or along with each other, will be entitled to both interlocutory and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies we or the Entities may have at law. You consent to the issuance of such interim, interlocutory and permanent injunctions. You must pay all costs and expenses, including legal fees (on a substantial indemnity or solicitor and its own client basis), expert fees, costs and other expenses of litigation that we and/or the Entities may incur in connection with your non-compliance with this covenant.

6. Your Responsibilities

In addition to any other responsibilities and obligations you have under this Agreement, you are responsible for performing the following obligations:

a. Operational and Other Requirements. During the License Term, you must:

- (1) after the Opening Date, operate the Hotel twenty-four (24) hours a day;

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(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 that, although we provide the Standards, you have exclusive day-to-day control of the business and operation of the Hotel and we do not in any way possess or exercise such control;

(3) comply with System Standards, including our specifications for all supplies, products and services, regarding (i) the types and levels of services, amenities and products that must be used, promoted or offered in connection with the Hotel and (ii) the purchase of products and services, including, but not limited to, furniture, fixtures, equipment, food, operating supplies, consumable inventories, merchandise for resale to be used at, and/or sold from, the Hotel, in-room entertainment, computer networking, and any and all other items used in the operation of the Hotel. We may require you to purchase a particular brand of product. Unless we specify otherwise, you may purchase this product 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;

(4) install, display, and maintain signage displaying or containing the Licensed Brand name and other distinguishing characteristics in accordance with Standards we establish for System Hotels;

(5) comply with System Standards for the training of persons involved in the operation of the Hotel, including completion by the General Manager and other key personnel of the Hotel of a training program for operation of the Hotel under the System, at a site we designate. You will pay us for all fees and charges, if any, we require for your personnel to attend these training programs. You will also be responsible for the wages, room, board and travel expenses of your personnel;

(6) purchase and maintain property management, revenue management, in-room entertainment, telecommunications, high-speed internet access, and other computer and technology systems we designate as System-wide (or area-wide) programs based on our assessment of the long-term best interests of System Hotels, considering the interest of the System as a whole;

(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 believe in our business judgment is not in the best interest of the Hotel or System, even if we previously approved the materials;

(8) participate in and pay all charges in connection with (i) all required System guest complaint resolution programs, which programs may include chargebacks to the Hotel for guest refunds or credits, and (ii) 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;

(9) honour 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;

(10) participate in and use, on the terms in this Agreement and in the Standards, the Reservation Service, including any additions, enhancements, supplements or variants we develop or adopt, and honour 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

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reservations referred by or from the Hotel to other Network Hotels will be the Reservation Service or other reservation services we designate;

(11) comply with Applicable Laws and, upon request, give evidence to us of compliance;

(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;

(13) not engage, directly or indirectly, in any cross-marketing or cross-promotion of the Hotel with any Other Hotel or related business, except as outlined in this Paragraph, without our prior written consent, which we may be withhold or condition in our business judgment. 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 Premises, unless we specifically direct you to include advertising or promotion of Other Hotels;

(14) treat as confidential the Standards, the Manual and all other Proprietary Information. You acknowledge and agree that you: (i) 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; (ii) 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; (iii) will maintain the absolute confidentiality of the Proprietary Information during and after the License Term; (iv) will not make unauthorized copies of any portion of the Proprietary Information; and (v) will adopt and implement all procedures we may periodically establish in our business judgment to prevent unauthorized use or disclosure of the Proprietary Information, including restrictions on disclosure to employees and the use of non-disclosure and non-competition clauses in agreements with employees, agents and independent contractors who have access to the Proprietary Information;

(15) not become a Competitor, or permit your Affiliate to become a Competitor, without our prior written consent;

(16) own fee simple title (or long-term ground leasehold interest, provided that such interest has been granted to you by an unrelated third-party ground lessor in an arms length transaction for a term equal to, or longer than, the License Term) to the real property and improvements that comprise the Hotel, or alternatively, at our request, cause the fee simple owner, or other third party acceptable to us, to provide its guarantee covering all of your obligations under this Agreement in form and substance acceptable to us;

(17) maintain legal possession and control of the Hotel and Hotel Site for the term of the Agreement 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 upon our request, provide any additional information we may request related to any alleged default or any subsequent action or proceeding in connection with any alleged default;

(18) refrain from directly or indirectly conducting, or permitting by lease, concession arrangement or otherwise, gaming or casino operations in or connected to the Hotel or on the Hotel Site; without our prior written consent, which we may be withhold or condition in our business judgment;

(19) refrain from directly or indirectly conducting or permitting the marketing or sale of time-shares, vacation ownership, fractional ownership, condominiums or like schemes at, or adjacent to, the Hotel without our written consent, which we may withhold or condition in our business judgment; provided, however, that this restriction will not prohibit you from directly or indirectly conducting time-

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share, 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: (i) you do not use any of the Marks in such sales or marketing efforts; and (ii) you do not use the Hotel or its facilities in such sales and marketing efforts or in the business operations of the adjacent property;

(20) participate in and pay all charges related to our marketing programs (in addition to programs covered by the Monthly Program Fee), all guest frequency programs we require; and any optional programs that you opt into. You must also honour the terms of any discount or promotional programs (including any 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;

(21) 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, we have the option, but not the obligation, to obtain and maintain such insurance without notice to you, and you will immediately upon our demand pay us the premiums and cost we incur in obtaining this insurance;

(22) refrain from sharing the business operations and Hotel facilities with any Other Hotel, without our written consent, which we may withhold or condition in our business judgment;

(23) refrain from 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 the Entities or the then current stature of any of the Entities with any gaming commission, board, or similar governmental or regulatory agency, or the reputation or business of any of the Entities;

(24) notwithstanding anything to the contrary in this Agreement, refrain from engaging in any participation syndication or Transfer of any co-ownership interest in the Hotel or the Hotel Site, other than a Transfer that is otherwise a Permitted Transfer, without our express written permission, which we may withhold at our sole option, and, if we grant such permission, comply with the terms of such permission; and

(25) 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. The information requested may include, but not necessarily be limited to, financial condition, credit information, personal and family background, business background, litigation, indictments, criminal proceedings and the like.

b. Hotel Refurbishment. In addition to the general requirement for you to operate the Hotel according to our Standards, we may periodically require you to modernize, rehabilitate and/or upgrade the Hotel's 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. Nothing in this subparagraph will relieve you from the obligation to maintain acceptable product quality ratings at the Hotel and maintain the Hotel in accordance with the Standards at all times during the License Term. You may not make any change in the number of approved Guest Rooms in the Rider or any other significant change (including major changes in structure, design or decor) in the Hotel without our prior written approval. Minor redecoration and minor structural changes that comply with our Standards will not be considered significant.

c. Staff and Management. You are at all times solely responsible for the management of the Hotel's business. You may fulfill this responsibility by providing: (i) qualified and experienced management, which may be a third-party Management Company; and (ii) a General Manager, each approved by us in writing **IF APPLICABLE** at least six (6) months before the Opening Date (conditional or

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otherwise)]. You agree that we will have the right to communicate directly with the Management Company and managers at the Hotel and that we may rely on the communications of such managers or Management Company as being on your behalf.

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 with any person or entity without our prior written consent. To be approved by us as the operator of the Hotel, you, any proposed Management Company and any proposed General Manager must be qualified to manage the Hotel. We may refuse to approve you, any proposed Management Company or any proposed General Manager which, in our 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 this Agreement. You understand that we reserve the right to not approve a Competitor, or any entity that (through itself or its Affiliate) is the exclusive manager for a Competitor, to manage the Hotel. If the Management Company becomes a Competitor or the Management Company and/or the General Manager resigns or is terminated by you or otherwise becomes unsuitable in our sole business judgment to manage the Hotel at any time during the License Term, you will have ninety (90) days to retain a qualified substitute Management Company and/or General Manager acceptable to us. Any Management Company and/or General Manager must have the authority to perform all of your obligations under this Agreement, including all indemnity and insurance obligations. 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 or General Manager, this Agreement prevails.

[FOR FRANCHISE CHANGE OF OWNERSHIP TRANSACTIONS ONLY:

d. Obligations of Prior Licensee. You acknowledge and agree that you are directly responsible for, and will pay on demand, all fees and charges due and owing us and the Entities related to the prior franchise license agreement for the Hotel if any such fees and charges remain outstanding as of or accrue after the Effective Date of this Agreement.]

7. Fees

a. 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) a Monthly Royalty Fee and a Monthly Program Fee, each of which is set forth in the Rider. The amount of the Monthly Program Fee is subject to change by us. Any change may be established in the Standards, but any increase in the Monthly Program Fee will not exceed the standard rate as of the Effective Date plus one percent (1%) of the Hotel's Gross Rooms Revenue during the License Term.

b. Calculation and Payment of Fees. 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 such other accounting methods as may otherwise be specified by us in the Manual. For the purposes of this Agreement, the conversion rate for Gross Rooms Revenue into U.S. Dollars for hotels utilizing our then current proprietary property management system shall be the daily rate of exchange reported by the Wall Street Journal in New York (or such other reference source as may be specified by us from time to time). For hotels not utilizing our then current proprietary property management system, the conversion of Gross Rooms Revenue into U.S. Dollars shall be based upon the rate of exchange reported by the Wall Street Journal in New York (or such other reference bank as may be specified by us from time to time) for the purchase of U.S. Dollars as of the 15th day of the month, following the month in which the Gross Rooms Revenues were generated.

Gross Rooms Revenue, as used in the calculation of the Monthly Royalty Fee and the Monthly Program Fee under this Agreement, 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), and guaranteed no-show revenue and credit transactions, whether or not collected, at the actual rates charged, less allowances for any Guest Room

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rebates and overcharges, and will not include taxes collected directly from patrons or guests. In the event of fire or other insured casualty that results in a reduction of Gross Rooms 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 Program Fee and forecasted Monthly Royalty Fee (based upon the Gross Rooms Revenue amount agreed upon between you and your insurance company that would have been paid to us in the absence of such casualty; provided however, we have the right, at our request, to participate with you in the determination of the forecasted Gross Rooms Revenue amount for purposes of calculating the Monthly Program Fee and Monthly Royalty Fee. 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. The Monthly Royalty Fee and the Monthly Program Fee will be paid to us at the place and in the manner we designate on or before the fifteenth (15th) day of each month and will be accompanied by our standard schedule setting forth in reasonable detail the computation of the Monthly Royalty Fee and Monthly Program Fee for such month. There will be an annual adjustment within ninety (90) days after the end of each operating year so that the total Monthly Royalty Fees and Monthly Program Fees paid annually will be the same as the amounts determined by audit. We reserve the right to require you to transmit the Monthly Royalty Fee and the Monthly Program Fee 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.

c. Room Addition Fee. If you desire to add or construct additional Guest Rooms at the Hotel at any time after the Opening Date of the Hotel under the Licensed Brand ("**Room Addition**"), before you enter into any agreement to construct the Room Addition or begin constructing the Room Addition, you must: (i) submit to us a written request describing the proposed Room Addition and including any information we may in our business judgment require to consider your request; and (ii) along with your request, pay us a nonrefundable Room Addition Fee equal to the then-prevailing per room Guest Room development fee charged for new System Hotels, multiplied by the number of proposed additional Guest Rooms. We will follow our then-current procedure for processing your Room Addition request. As a condition to our granting approval of your Room Addition Application, we may require you to modernize, rehabilitate or upgrade the Hotel, subject to Subparagraph 6(b) of this Agreement, and to pay us our then prevailing PIP Fee to prepare a PIP to determine the renovation requirements for the Hotel. We may also require you to execute an amendment to this Agreement covering the terms and conditions of the Room Addition, which may include an estoppel and general release of claims against us, the Entities, and related persons.

d. Other Fees. You will timely pay all amounts due us or any of the Entities for any invoices or for goods or services purchased by or provided to you or paid by us or any of the Entities on your behalf, including pre-opening sales and operations training.

e. Taxes. All fees and charges payable to us or any of the Entities under this Agreement, including the development services fee and the Monthly Program Fee (but not the Monthly Royalty Fee), shall be exclusive of any and all withholding, sales, use, excise, consumption, VAT and other similar taxes or duties, levies, fees, assessments of whatsoever nature, including but not limited to goods and services taxes (collectively, "**Taxes**"). The Monthly Royalty Fees payable under this Agreement shall be exclusive of any Taxes, except for withholding taxes that Licensee is legally required to withhold and pay to the relevant tax authority ("**Royalty Withholdings**").

If you are required by any applicable law to make any deduction or withholding on account of Taxes or otherwise, excluding any Royalty Withholdings, from any payment payable to us or any of the Entities under this Agreement, you shall, together with such payment, pay such additional amount as will ensure that we or any of the Entities receives a net amount (free from any deduction or withholding in respect of such additional amount itself) free and clear of any such Taxes or other deductions or withholdings and equal to the full amount which we would otherwise have received as if no such Taxes or other deductions or withholdings, except any Royalty Withholdings) had been required. We or the appropriate Entity may, where appropriate, provide an invoice to you for VAT or any other Taxes,

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deductions or withholdings (excluding Royalty Withholdings) that were deducted or withheld from any payment made to us or any of the Entities under this Agreement, which invoice you must promptly pay. Where appropriate, you shall provide us with a copy of its tax residency certificate or tax exemption documentation or any other required documentation that permits a reduced withholding tax rate to apply for payments to us and you agrees to withhold tax at the applicable reduced withholding tax rate.

You will forward to us, promptly after payment (1) copies of official receipts or other evidence reasonably satisfactory to us showing the full amount of Taxes, including Royalty Withholdings, and/or any other deduction or withholding that has been paid to the relevant tax authority; and (2) a statement in English (in a form we requires) listing the full amount of Taxes, including Royalty Withholdings, and/or any other deduction or withholding that has been paid in local currency and U.S. Dollars. Such tax receipts and statements should be sent to: Withholding Tax Coordinator, Corporate Tax Department, Hilton Worldwide, Inc., 755 Crossover Lane, Memphis, TN 38117, or at such other address that we may designate to you.

f. Application of Fees. We may apply any amounts received from you to any amounts due under this Agreement. Failure to pay any amount when due is a material breach of this Agreement. Such unpaid amounts will accrue a service charge beginning on the first day of the month following the due date of one and one-half percent (1½%) per month or the maximum amount permitted by Applicable Law, whichever is less.

8. Reports, Records, Audits, and Privacy

a. Reports. At our request, you will prepare and deliver to us daily, monthly, quarterly and annual Reports we require, prepared in the form, manner and within the time frame we require. The Reports will contain all Operational Information we require and will be certified as accurate in the manner we require. You will also provide us any additional related Operational Information and Reports and other information we may periodically request and permit us to inspect your books and records at all reasonable times. At least monthly, you will prepare a statement that will include all information concerning the Operational Information. By the fifteenth (15th) day of each month, you will submit to us a statement setting forth the Operational Information for the previous month and reflecting the computation of the amounts then due under Paragraph 7, in the form and detail we require.

b. Maintenance of Records. In a manner and form satisfactory to us and using accounting and reporting Standards we require in our business judgment, you will: (i) prepare on a current basis (and preserve for no less than the greater of four (4) years or our record retention requirements), complete and accurate records concerning Gross Rooms Revenue and all financial, operating, marketing and other aspects of the Hotel; and (ii) 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).

c. Audit. We may require you to have the Gross Rooms Revenue, fees or other monies due to us computed and certified as accurate by a independent chartered accountant. During the License 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 they may be located (or elsewhere if we request). If any inspection or audit reveals that you understated or underpaid any payment due to us that is not fully offset by overpayments, you will promptly pay to us the deficiency plus interest from the date each payment was due until paid at a rate of one and one-half percent (1½%) per month or the maximum amount permitted by Applicable Law, whichever is less. 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

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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.

d. Ownership of Information. All Information and all revenues we derive from such Information will be our property. You may use Information that you acquire from third parties in operating the Hotel, such as Personal Information, at any time during or after the License Term to the extent lawful and at your sole risk and responsibility, but only in connection with operating the Hotel. The Information will become our Proprietary Information which we may use for any reason as we deem necessary, including making a financial performance representation in our franchise disclosure documents or offering circulars.

e. Privacy and Data Protection. You will: (i) comply with all applicable Privacy Laws; (ii) comply with all Standards that relate to Privacy Laws and the privacy and security of Personal Information; (iii) refrain from any action or inaction that could cause us or the Entities to breach any Privacy Laws; (iv) 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 the Entities in compliance with the Privacy Laws; and (v) 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).

9. Indemnity

You must, during and after the License Term, indemnify the Indemnified Parties against, and hold them harmless from, all losses, costs, liabilities, damages, claims, and expenses, including legal fees (on a substantial indemnity or solicitor and its own client basis), expert fees, costs and other expenses of litigation arising out of or resulting from: (i) any claimed occurrence at the Hotel or arising from, as a result of, or in connection with the development, construction or operation of the Hotel (including the design, construction, financing, furnishing, equipment, acquisition of supplies or operation of the Hotel in any way); (ii) any bodily injury, personal injury, death or property damage suffered or claimed by any guest, customer, visitor or employee of the Hotel; (iii) your alleged or actual infringement or violation of any patent, mark, industrial design or copyright or other proprietary right owned or controlled by third parties; (iv) your alleged or actual violation or breach of any contract (including any System-wide group sales agreement), any Applicable Law, or any industry standard; (v) any business conducted by you or a third party in, on or about the Hotel or its grounds; (vi) any other of you or your Affiliates' acts, errors, omissions or obligations, or those of anyone associated or affiliated with you, your Affiliates or the Hotel or in any way arising out of or related to this Agreement; or (vii) your failure to comply with Subparagraph 16.I., including a breach of the representations set forth therein. However, you do not have to indemnify an Indemnified Party to the extent damages otherwise covered under this Paragraph 9 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: (i) theories of imputed or secondary liability, such as vicarious liability, agency, or apparent agency; or (ii) our failure to compel you to comply with the provisions of this Agreement, including compliance with Standards, Applicable Laws or other requirements.

You will also indemnify the Indemnified Parties for any claim for damages by reason of the failure of any contractor, subcontractor, supplier or vendor doing business with you relating to the Hotel to maintain adequate insurance as required in the Standards.

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 actual knowledge of it. At our election, you will defend us and/or the Indemnified Parties against the same or we may elect to assume (but under no circumstance will we be obligated to undertake) the defence and/or settlement of the action, suit, proceeding, claim, demand, inquiry or investigation at your expense and risk. We may obtain separate counsel of our choice if we believe your and our interests may conflict. Our undertaking of

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defence and/or settlement will in no way diminish your obligation to indemnify the Indemnified Parties and to hold them harmless. You will also reimburse the Indemnified Parties upon demand for all expenses, including legal fees, expert fees, costs and other expenses of litigation, the Indemnified Parties incur to protect themselves or to remedy your defaults. Under no circumstances will the Indemnified Parties 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 in no way reduce the amounts recoverable from you by the Indemnified Parties.

Your obligations under this Paragraph 9 will survive expiration or termination of this Agreement.

NOTE TO DRAFTER: PICK APPLICABLE PARAGRAPH 10 AND DELETE THE OTHER PARAGRAPH 10/ DELETE THIS MESSAGE/UPDATE TABLE OF CONTENTS

10. Right of First Offer

Except in the case of a Transfer governed by Subparagraph 11.b.(1) or 11.b.(2), below, if you or an Affiliate that directly or indirectly Controls the Hotel and/or Controls the entity that Controls the Hotel (the "**Controlling Affiliate**") want to Transfer by sale or lease or market for sale or lease all or part of your interest in the Hotel or the Hotel Site, you or the applicable Controlling Affiliate must first give us written notice of your intent to sell or lease the Hotel or Hotel Site or an interest in it (the "**Marketed Interest**"). The notice must describe the Marketed Interest and state the intended sales or lease price (or price range) and all terms and conditions of the proposed sale or lease, and must include all other information regarding the sale or lease that we may require. We or our designee(s) will then have the right during a thirty (30) day period (the "**Option Period**"), which will begin after we receive written notice of intent to sell or lease and copies of all documentation requested by us, to either make an offer or waive our right to make an offer. You or the applicable Controlling Affiliate may not change any of the terms and conditions in the notice during the Option Period without our express written consent and you must deal exclusively with us or our designee(s) for the sale or lease during the Option Period.

If we or our designee make an offer to you or the Controlling Affiliate to purchase or lease the Marketed Interest ("**Our Offer**"), you or the Controlling Affiliate must accept or reject Our Offer in writing within twenty (20) days after you receive it. If Our Offer is for a price equal to or greater than stated in the notice and is upon substantially similar terms and conditions (or terms and conditions more favourable to you or the Controlling Affiliate, as determined by a reasonable seller under the same or similar circumstances), as those stated in the notice, then you or the Controlling Affiliate must accept Our Offer. If you or the Controlling Affiliate accept Our Offer, the parties will enter into an agreement for the purchase or lease of Marketed Interest at the price and on the terms contained in Our Offer within sixty (60) days of your (or the Controlling Affiliate's) written acceptance (the "**60-day Period**"), and the parties will complete the transaction subject to, and in accordance with, the terms and conditions of Our Offer. However, if the parties are unable to reach agreement following good faith negotiations within the 60-day Period, you or the Controlling Affiliate will be deemed to have rejected Our Offer. You or the Controlling Affiliate will not offer the Hotel or Hotel Site to any other party during the 60-day Period. If Our Offer is not accepted within twenty (20) days it is deemed rejected. If we waive our right to make an offer, or if Our Offer is not accepted or is deemed rejected, you or the Controlling Affiliate may, during the period of the two hundred seventy (270) days thereafter (the "**270-day Period**"), sell or lease the Marketed Interest to a third party for a price greater than and/or on more favourable terms than the price and terms stated in Our Offer, but still must comply with the Transfer provisions contained in Paragraph 11 of this Agreement. If you or the Controlling Affiliate propose to sell or lease the Marketed Interest at a lesser price or on terms less favourable to you during the 270-day Period, or to sell or lease the Marketed Interest on any price or terms thereafter, then you must again give us notice of the proposed sale or lease and comply with the provisions of this Paragraph 10.

If you or the 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, then before you or the Controlling Affiliate accept that offer, you must comply with the provisions of this Paragraph 10, as if you had initiated the sale or lease of the Hotel or Hotel Site or an interest in it; provided, however, that notice required under this Paragraph 10 must include the name and full identity of the prospective purchaser or tenant, as the case

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may be, including the names and addresses of the owners of the capital stock, partnership interests, or other proprietary interests of the purchaser or tenant, as well as a copy of the offer received from the third party.

The foregoing right of first offer on out part shall not be considered to have been exercised for the purposes of the *Investment in Canada Act* until the actual time of exercise by us at our option.

[IF ROFO IS INTENTIONALLY DELETED – USE THE FOLLOWING Paragraph 10/DELETE THIS MESSAGE/UPDATE TABLE OF CONTENTS:

10. Notice of Intent to Market

Except in the case of a Transfer governed by Subparagraph 11.b.(1) or 11.b.(2), below, if you or an Affiliate that directly or indirectly Controls the Hotel and/or Controls the entity that Controls the Hotel (the “**Controlling Affiliate**”), want to Transfer by sale or lease or market for sale or lease all or part of your interest in the Hotel or the Hotel Site, you or the applicable Controlling Affiliate must first give us written notice of your intent to sell or lease the Hotel or Hotel Site, concurrent with beginning your marketing efforts.

11. Transfer

a. Our Transfer. We may Transfer this Agreement or any of our rights, obligations, or assets under this Agreement, by operation of law or otherwise, to any person or legal entity without your consent. Any of the Entities may Transfer their ownership rights in us or any of our parents or Affiliates, by operation of law or otherwise, including by public offering, to any person or legal entity without your consent. You acknowledge and agree that this Agreement is a license for the Licensed Brand only and the programs that are unique to the Licensed Brand. Therefore, if we Transfer or assign this Agreement, your right to use any programs, rights or services related to or provided by the Entities or their designees, including the Reservation Service, any guest frequency program not unique to the Licensed Brand, and any Marks (except the principal name identified in the Rider) may terminate. After our Transfer of this Agreement to a third party who expressly assumes our obligations under this Agreement, we will no longer have any performance or other obligations under this Agreement.

b. 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, your officers, directors, partners, members, shareholders or trustees. A Transfer by you of any Equity Interest, or this Agreement, or any of your rights or obligations under this Agreement, or a Transfer by an Equity Owner is prohibited other than as expressly permitted herein. You represent that as of the Effective Date, the Equity Interests are directly and/or indirectly owned as shown in the Rider.

(1) Transfers That Do Not Require Notice to Us or Our Consent. The following Transfers will be permitted, without giving us notice or receiving our consent, as long as they meet the stated requirements.

(a) Privately Held Equity Interests: Less than 25% Change/No Change of Control. An Equity Interest that is not publicly traded may be Transferred without notice to us and without our consent, if after the transaction: (i) less than twenty-five percent (25%) of the Equity Interest in the Licensee (excluding any Transfer under Subparagraph 11.b.(1)(b) below) will have changed hands since the Effective Date of this Agreement; and (ii) any such Transfer will not result in a change of Control of the Licensee, the Hotel or the Hotel Site.

(b) Publicly Traded Equity Interests. A Publicly Traded Equity Interest may be Transferred without notice to us and without our consent if the Transfer does not result in a change in Control of the Licensee, the Hotel or the Hotel Site.

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(2) Other Permitted Transfers. We will permit the types of Transfers listed in this Subparagraph 11.b.(2) ("**Permitted Transfers**"), on the conditions stated, so long as (a) the proposed transferee is not a Specially Designated National or Restricted or Blocked Person (as defined in Subparagraph 16.1.) or a Competitor and (b) you or, if applicable, the transferring Affiliate or Equity Owner: (i) give us sixty (60) days advance written notice of the proposed Transfer (including the identity and contact information for any proposed transferee and any other information we may in our business judgment require in order to review the proposed Transfer and verify compliance with this Paragraph 11; (ii) are not in default under this Agreement or any related agreement; (iii) pay to us a nonrefundable processing fee of Five Thousand Dollars (\$5,000) with the Transfer request; (iv) follow our then-current procedure for processing Permitted Transfers; and (v) execute any documents required by the procedure for processing Permitted Transfers, which may include an estoppel and general release of claims that you or the Equity Owner may have against us, the Entities, and related persons.

(a) **Affiliate Transfer.** You or any Equity Owner named in the Rider as of the Effective Date (or any transferee Equity Owner we subsequently approve) may Transfer an Equity Interest or this Agreement to an Affiliate, as long as: (i) any Transfer of an Equity Interest does not result in a change of Control of the Licensee, the Hotel or the Hotel Site; (ii) in any Transfer of this Agreement to an Affiliate, the Control of the Transferee Licensee is not different from the Control of the transferring Licensee; and (iii) the Transfer otherwise satisfies the conditions in this Subparagraph 11.b.(2).

(b) **Transfers to Family Member or Trust.** If you or any Equity Owner as of the Effective Date (or any transferee Equity Owner we subsequently approve) are a natural person, and desire to Transfer any Equity Interest or this Agreement to a member of your (or any such Equity Owner's) immediate family (i.e. spouse, children, parents, siblings) or to a trust or trusts for your benefit (or the benefit of the Equity Owner or the Equity Owner's immediate family members), we will consent to the Transfer provided that (i) such event does not result in a change of Control of the Licensee, the Hotel or the Hotel Site, and (ii) the Transfer otherwise satisfies the conditions in this Subparagraph 11.b.(2).

(c) **Transfer Upon Death.** Upon the death of a Licensee 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: (i) the Transfer Upon Death is to an immediate family member or to a legal entity formed by such family member(s); and (ii) within one (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 the conditions in this Subparagraph 11.b.(2).

(d) **Bricks and Mortar Transfer.** If you or your Affiliate own the Hotel and/or Hotel Site, you or your Affiliate may Transfer the Hotel and/or the Hotel Site provided that after completion of the transaction, (i) you remain in full compliance with this Agreement and all of its subparts; (ii) you retain the management control of the Hotel operations; and the Transfer otherwise satisfies the conditions in this Subparagraph 11.b.(2).

(e) **Privately Held Equity Interests: 25% or Greater Change/No Change of Control.** You or any Equity Owner as of the Effective Date (or any transferee Equity Owner we subsequently approve) may Transfer an Equity Interest even though, after the completion of such conveyance, twenty-five percent (25%) or more cumulative Equity Interest in Licensee will have changed hands since the Effective Date of this Agreement, so long as (i) such event does not result in a change of Control of the Licensee, the Hotel or the Hotel Site; (ii) you are not then in material default under this Agreement; and (iii) the Transfer otherwise satisfies the conditions in this Subparagraph 11.b.(2).

(3) Change of Ownership Transfer. Any proposed Transfer that is not described in Subparagraph 11.b.(1), 11.b.(2), or 11.b.(5) is a Change of Ownership Transfer. You must give us at least sixty (60) days advance written notice of any proposed Change of Ownership Transfer, including the identity and contact information for any proposed Transferee Licensee or transferee Equity Owner(s) and any other information we may in our business judgment require in order to review and consent to the

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Transfer. The Transferee Licensee must submit to us a Change of Ownership Application accompanied by payment of our then prevailing development services fee. If you are remaining as Licensee, with a change of Control, you or the transferee Equity Owner(s) must submit the Change of Ownership Application and pay the fee. We may also require you or the Transferee Licensee to pay the then prevailing PIP Fee for us to determine the renovation requirements for the Hotel. If we approve the Change of Ownership Transfer, we may require you (if there is no Transferee Licensee), or the Transferee Licensee to pay any other applicable fees and charges we then impose for new Licensed Brand franchise licenses.

We will process the Change of Ownership Application in accordance with our then current procedures, including review of criteria and requirements regarding upgrading of the Hotel, credit, background investigation, operations abilities and capabilities, prior business dealings, market feasibility, guarantees, and other factors we consider relevant in our business judgment. We will have sixty (60) days from our receipt of the completed and signed application to consent or withhold our consent to the transferee Equity Owner(s), the Transferee Licensee and/or Change of Ownership Transfer. During our review process, you authorize us to communicate with the transferee Equity Owner(s), any Transferee Licensee and any other necessary party and to provide to the transferee Equity Owner(s), any Transferee Licensee any information we have about the Hotel and the market in which the Hotel operates.

Our consent to the Change of Ownership Transfer is subject to the following conditions, all of which must be satisfied at or prior to the date of closing the Transfer ("**Closing**"):

- (a) You are not in default of this Agreement or any related agreement;
- (b) We must receive, at or before Closing, payment of all amounts due to us or the Entities through the date of Closing, along with your written agreement to promptly pay any amounts that may become due after Closing related to your operation of the Hotel prior to Closing;
- (c) You, the Transferee Licensee and/or transferee Equity Owner(s) must submit to us all information related to the Transfer that we, in our business judgment, require, including, but not limited to: (i) copies of any Transfer agreements; (ii) copies of organizational documents; (iii) identity and description of the proposed ownership; and (iv) financial statements and business information for all participants in the proposed Transfer;
- (d) You must, if we so request, execute our then-current standard form of voluntary termination agreement, which may include an estoppel and general release, covering termination of this Agreement; and
- (e) You resolve to our satisfaction, or provide adequate security (including security for your continuing indemnity obligations) for, any suit, action, or proceeding pending or threatened against you or us with respect to the Hotel, which may result in liability to us, including outstanding accounts payable to third parties.

We may withhold our consent to any proposed Change of Ownership Transfer if: (i) any of the above conditions are not met to our satisfaction; (ii) you, the Transferee Licensee or transferee Equity Owner(s) do not provide us with information we, in our business judgment, require, in order to review and consent to the Transfer; (iii) you (if there is no Transferee Licensee) or, if applicable, the Transferee Licensee does not agree to execute a new franchise license agreement with us ("**New License**"), which will be on our then current form for the grant of new franchise licenses, contain our then current license terms, and contain upgrading and other requirements, if any, that we impose; (iv) any required Guarantor fails to execute our then-standard form of guarantee of franchise license agreement; (v) you (if there is no Transferee Licensee) or, if applicable, the Transferee Licensee fails to provide evidence that insurance coverage, as required by the New License, will be effective by the date of Closing; or (vi) the Transferee Licensee or a transferee Equity Owner is a Specially Designated National, or Restricted or Blocked Person (as defined in Subparagraph 16.I.) or a Competitor, or otherwise fails to meet our then-current criteria for new licensees or Equity Owners.

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(4) Public Offering or Private Placement. Any public offering, private placement or other sale of securities in the Licensee, the Hotel or the Hotel Site ("**Securities**") requires our consent. All materials required by any Applicable 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. 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 legal fees. Except as legally required to describe the Hotel in the offering materials, you also may not use any of the Marks or otherwise imply our participation or that of Hilton Worldwide or any other Entity in or endorsement of any Securities or any Securities offering. We will 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. Our review of these 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 Applicable Laws.

You may not sell any Securities unless you clearly disclose to all purchasers and offerees that: (i) neither we, nor any Entity, nor any of our or their respective officers, directors, agents or employees, will in any way be deemed an Issuer or underwriter of the Securities, as those terms are defined in applicable securities laws; and (ii) we, the Entities, and our respective officers, directors, agents and employees have not assumed and will not have any liability or responsibility for any financial statements, projections or other financial information contained in any prospectus, offering memorandum or similar written or oral communication. 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 Paragraph 9 of this Agreement.

(5) Other Transactions

(a) Mortgages and Pledges to Lending Institutions. 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, provided that 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 or condition in our business judgment. We will evaluate the proposed mortgage or pledge according to our then-current procedure and standards for processing such requests. As a condition to our consent, we may require, among other things, that you (and/or the Equity Owner) and the lender execute a "lender comfort letter" agreement in a form satisfactory to us that describes our requirements on foreclosure, and may include an estoppel and general release of claims that you or the Equity Owner may have against us, the Entities, and related persons. We may charge a fee for our review of a proposed mortgage or pledge and for the processing of a lender comfort letter.

(b) Commercial Leases. 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.

12. Condemnation and Casualty

a. 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 System Standards and guest expectations impractical, then we may terminate this Agreement upon written notice to you. You will take all necessary

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steps to permit us to participate in the proceeds of an eminent domain proceeding and/or any insurance proceeds applicable to the condemnation. If such taking, in our business judgment, does not require the termination of the Hotel, then you will make all necessary repairs to make the Hotel conform to its condition, character and appearance immediately before such taking, according to plans and specifications approved by us. You will take all measures to ensure that the resumption of normal operations at the Hotel is not unreasonably delayed. If you do not comply with the provisions of this Section 12.a., then you must pay us Liquidated Damages upon termination.

b. Casualty. You must immediately inform us if the Hotel is damaged by fire or other casualty. If the damage or repair requires closing the Hotel, you may choose to repair or rebuild the Hotel according to System Standards, provided you: (i) begin reconstruction within four (4) months after closing; and (ii) reopen the Hotel for continuous business operations as soon as practicable (but in any event no later than one (1) year after the closing of the Hotel), giving us at least thirty (30) days notice of the projected date of reopening. Until we determine that the Hotel can be re-opened as a System Hotel, the Hotel will not promote itself as a System Hotel or otherwise identify itself with any of the Marks without our prior written consent. 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 this Paragraph 12, provided the terminating party gives the other party sixty (60) days written notice, in which case we will not require you to pay Liquidated Damages; provided, however, if after the termination notice and before the expiration of three (3) years thereafter or the natural expiration of the License Term, whichever is earlier, you, or any of your Affiliates, have a controlling interest in and/or operate a hotel at this Hotel Site and that hotel is not operated under a license or franchise from one of the Entities, then you must pay us the Liquidated Damages upon our demand. You will take all necessary steps to permit us to participate in any insurance proceeds applicable to the business interruption due to the casualty.

c. No Extensions of Term. Nothing in this Paragraph 12 will extend the License Term.

13. Term of License. Unless terminated earlier, this Agreement will expire without notice on the date set forth in the Rider. You acknowledge and agree that this Agreement is non-renewable and that this Agreement confers upon you absolutely no rights of license renewal or extension whatsoever following the expiration of the License Term.

14. Termination by Us

a. 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:

(1) You fail to pay us any sums due and owing to us or the Entities under this Agreement within the cure period set forth in the notice;

(2) You fail to comply with any provision of this Agreement, the Manual or any System Standard and do not cure that default within the cure period set forth in the notice; or

(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.

b. Immediate Termination by Us. We may immediately terminate this Agreement upon notice to you and without any opportunity to cure the default if:

(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;

(2) We send you three notices of material default in any twelve (12) month period, regardless of whether the defaults have been cured;

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(3) You or any Guarantor fail to pay debts as they become due or admit in writing your inability to pay your debts severally as they become due.;

(4) You: a) make or are deemed to make a general assignment for the benefit of Creditors under the *Bankruptcy and Insolvency Act* or if a petition is filed against you; or b) are declared or adjudicated bankrupt, or if an application is made against you or any of your creditors under the *Companies' Creditors Arrangement Act*, or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator or any other officer with similar powers is appointed of or for you or any of your creditors; or c) commit any act of bankruptcy or insolvency or institute proceedings to be adjudged bankrupt or insolvent or consents to the institution of such appointment or proceedings;

(5) You or any Guarantor lose possession or the right to possession of all or a significant part of the Hotel or Hotel Site, whether through foreclosure, foreclosure of any lien, trust deed, encumbrance, change, hypothec or mortgage, loss of lease, or for any other reason apart from those described in Paragraph 12;

(6) You fail to operate the Hotel for five (5) consecutive days, unless the failure to operate is due to fire, flood, earthquake or similar causes beyond your control, provided that you have taken reasonable steps to minimize the impact of such events;

(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;

(8) You or any Equity Owners with a controlling Equity Interest are or have been convicted of an indictable offence or any other offence or conduct, if we determine in our business judgment it is likely to adversely reflect upon or affect the Hotel, the Licensed Brand, the Marks, the System, us and/or any Entity;

(9) You conceal revenues, maintain false books and records of accounts, submit false reports or information to us or otherwise attempt to defraud us;

(10) You, your Affiliate, or your Guarantor become a Competitor without our prior written consent;

(11) You Transfer any interest in yourself, this Agreement, the Hotel or the Hotel Site, other than in compliance with Paragraph 11 and its subparts;

(12) You or a Guarantor become a Specially Designated National or Restricted or Blocked Person or are owned or controlled by a Specially Designated National or Restricted or Blocked Person or fail to comply with the provisions of Subparagraph 16.I., including a breach of the representations set forth therein;

(13) Information involving you or your Affiliates, whether provided by you or obtained through our own investigation, discloses facts concerning you or your Affiliates, including your or your Affiliates' respective officers, directors, shareholders, partners or members, 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 upon or affect in any manner, any gaming licenses or permits held by the Entities or the then current stature of any of the Entities with any gaming commission, board, or similar governmental or regulatory agency, or the reputation or business of any of the Entities;

(14) Any Guarantor breaches its guarantee, or any guarantee fails to be a continuing obligation fully enforceable against the person(s) signing the guarantee, or if there is any inadequacy of the guarantee or Guarantor, and the Guarantor fails to provide adequate assurances to us as we may request; or

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(15) a threat or danger to public health or safety results from the construction, maintenance, or operation of the Hotel.

c. Suspension/Interim Remedies by Us. If you are in default of this Agreement, we may elect to postpone termination and impose an Interim Remedy, including the suspension of our obligations under this Agreement and/or our or the Entities' obligations under any other of Your Agreements:

(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.

(2) We may disable all or any part of the software provided to you under Your Agreements and/or may suspend any one or more of the information technology and/or network services that we provide or support under Your Agreements.

(3) 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 after the date of our notice of default.

(4) You agree that our exercise of the right to elect Interim Remedies will not result in actual or constructive termination or abandonment of this Agreement and that our decision to elect 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 elect 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.

d. Liquidated Damages upon Termination. You acknowledge that the premature termination of this Agreement will cause substantial damage to us, the actual amount of which will be difficult to determine. Therefore, if we terminate this Agreement under Subparagraph 14.a. or 14.b. as a result of your breach of this Agreement, or if you owe Liquidated Damages pursuant to Subparagraph 12.b. of this Agreement, or if you unilaterally terminate this Agreement, you will pay us Liquidated Damages for the premature termination of the Agreement. You will owe Liquidated Damages in addition to any outstanding fees and charges owed to us or any of the Entities accruing through the date of termination. Payment of Liquidated Damages is due the earlier of thirty (30) days following termination or the Closing of any Change of Ownership transaction in which a New License is not entered into; except that, if Liquidated Damages become due pursuant to Paragraph 12..a. or 12.b., payment is due thirty (30) days after our demand. Nothing in this Paragraph gives you any right to terminate this Agreement, but provides for the calculation of damages in the event you do so.

You agree that Liquidated Damages are not a penalty and 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 as a System Hotel in compliance with this Agreement for the full License Term, assuming that we would be able to replace the Hotel in the market within a reasonable time.

Liquidated Damages for premature termination will be calculated by adding the result of (1) plus the result of (2) where:

(1) is calculated by multiplying the average monthly Gross Rooms Revenue of the Hotel for the twenty-four (24) full calendar-month period immediately before the month of termination by the Monthly Royalty Fee percentage under this Agreement, without applying any discount to the standard fee percentage (this product being the "**Average Monthly Royalty Fees**"), then multiplying the Average Monthly Royalty Fees by thirty-six (36), or by such lesser multiple as would represent the remaining full or

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partial months between the date of termination and the expiration of the License Term. If the Hotel has been open and operating as a System Hotel for less than twenty-four (24) months, then we will multiply thirty-six (36) by the greater of (i) the Average Monthly Royalty Fees from the date the Hotel opened as a System Hotel through the month immediately before the month of termination, or (ii) the product of the average Monthly Gross Rooms Revenue per Guest Room of all System Hotels in operation in the US and Canada over the twelve (12) full calendar-month period immediately before the month of termination, times the Monthly Royalty Fee percentage under this Agreement (without applying any discount to the standard fee percentage) multiplied by the number of Guest Rooms in the Hotel; and

(2) is calculated by multiplying the average monthly Gross Rooms Revenue of the Hotel for the twenty-four (24) full calendar-month period immediately before the month of termination by the Monthly Program Fee percentage under this Agreement, without applying any discount to the standard fee percentage (this product being the "**Average Monthly Program Fees**"), then multiplying the Average Monthly Program Fees by twelve (12), or by such lesser multiple as would represent the remaining full or partial months between the date of termination and the expiration of the License Term. If the Hotel has been open and operating as a System Hotel for less than twenty-four (24) months, then we will multiply twelve (12) by the greater of (i) the Average Monthly Program Fees from the date the Hotel opened as a System Hotel through the month immediately before the month of termination, or (ii) the product of the average Monthly Gross Rooms Revenue per Guest Room of all System Hotels in operation in the US and Canada over the twelve (12) full calendar-month period immediately before the month of termination, times the Monthly Program Fee percentage under this Agreement (without applying any discount to the standard fee percentage) multiplied by the number of Guest Rooms in the Hotel.

e. Actual Damages Under Special Circumstances. You recognize that the Liquidated Damages described in Subparagraph 14.d. 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, under the following circumstances: (i) within twelve (12) months of each other, five (5) or more franchise license agreements for the Licensed Brand between yourself (or any of your Affiliates) and us (or any of our Affiliates) terminate before their expiration date either because you (or any of your Affiliates) unilaterally terminate the agreements or because we or any of our Affiliates terminate the agreements as a result of your or your Affiliate's breach or default or (ii) this Agreement terminates automatically or is terminated by us (or any of our Affiliates) following an unapproved Transfer either to a Competitor or to a buyer that converts the Hotel to a Competitor hotel within two (2) years from the date this Agreement terminates. In any of these circumstances, we reserve the right to seek actual damages in lieu of Liquidated Damages.

f. Your Obligations upon Termination or Expiration. On termination or expiration of this Agreement you will:

(1) immediately pay all sums due and owing to us or any of the Entities, including any expenses incurred by us in obtaining injunctive relief for the enforcement of this Agreement;

(2) immediately cease operating the Hotel as a System Hotel and cease using the System;

(3) immediately 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;

(4) immediately cease representing yourself as then or formerly a System Hotel or affiliated with the Licensed Brand or the Network;

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(5) immediately return all copies of the Manual and any other Proprietary Information to us;

(6) immediately 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

(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. You will also 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 this Agreement.

15. Relationship of Parties

a. No Agency Relationship. You are an independent contractor. Neither of us is the legal representative or agent of the other or has the power to obligate the other for any purpose. You acknowledge that we do not supervise or direct your daily affairs and that you have exclusive control over your daily affairs. You expressly acknowledge that we have a business relationship based entirely on, and defined by, the express provisions of this Agreement and that no partnership, joint venture, agency, fiduciary or employment relationship is intended or created by reason of this Agreement.

b. Notices to Public 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 Entity's name or using the Marks or any acronyms or variations of the Marks. You will disclose in all dealings with the public, suppliers and third parties that you are an independent entity and that we have no liability for your debts.

16. Miscellaneous

a. Severability and Interpretation. 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. This Agreement will be interpreted without interpreting any provision in favor of or against either of us by reason of the drafting of the provision, or either of our positions relative to the other. 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.

b. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the province in which the Hotel is located and the laws of Canada applicable therein.

c. 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 the Entities or covenants in favor of the Entities, which rights and covenants will run to and be enforceable by the Entities or their successors and assigns) or give rise to liability to a third party, except as otherwise specifically set forth in this Agreement.

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d. Entire Agreement/Amendment/Waiver. You and we acknowledge that each of us wants all terms of this business relationship defined in this written Agreement, and that neither of us wants to enter into a business relationship with the other in which any terms or obligations are subject to any oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth in this Agreement. Therefore, you and we agree that this Agreement and all of its attachments, documents, schedules, exhibits, and any other information specifically incorporated into this Agreement by reference: (i) will be construed together as the entire agreement between you and us in respect to the Hotel and any other aspect of the relationship between you and us; and (ii) will supersede and cancel any prior and/or contemporaneous discussions or writings (whether described as representations, inducements, promises, agreements or by any other term) between you and us. You acknowledge that: (i) no officer, employee, or other servant or agent of ours is authorized to make any representation, warranty, or other promise not contained in this Agreement; (ii) no claims, representations or warranties of earnings, sales, profits, success or failure of the Hotel have been made to you; and (iii) you have not relied on any such communications in entering into this Agreement. No change, termination, or attempted waiver or cancellation of any provision of this Agreement will bind us unless 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, the Entities, and related parties. No failure by us or by any of the Entities 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 Entity's right to demand exact compliance with the terms of this Agreement.

e. Consent; Business Judgment. 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. In no event may you make any claim for money damages based on any claim 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 defence 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.

f. Notices. Notices under this Agreement must be in writing and must be delivered in person, by prepaid overnight commercial delivery service, or by prepaid overnight mail, registered or certified, with return-receipt requested, addressed as follows: notices to us must be sent to us at 7930 Jones Branch Drive, Suite 1100, McLean, VA 22102, ATTN: General Counsel. We will send notices to your address set forth in the Rider. If you want to change the name or address for notice to you, you must do so in writing, signed by you or your duly authorized representative, designating a single address for notice, which may not be a P.O. Box, in compliance with this subparagraph. Notice will be deemed effective upon the earlier of: 1) receipt or first refusal of delivery; 2) one day after posting if sent via overnight commercial delivery service or overnight United States Mail; or 3) three days after placement in the United States mail if overnight delivery is not available to the notice address.

g. General Release. 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 the Entities 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

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whatsoever that has happened, developed or occurred before you sign and deliver this Agreement to us. This release will survive the termination of this Agreement.

h. 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 in case of any breach or threatened breach of the terms and provisions of this Agreement.

i. Economic Conditions Not a Defence. Neither general economic downturn or conditions nor your own financial inability to perform the terms of this Agreement will be a defence to an action by us or one of the Entities for your breach of this Agreement.

j. Representations and Warranties. You warrant, represent and agree that all statements in the your application, submitted to us in anticipation 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:

- (i) you have independently investigated the risks of operating a hotel under the Licensed 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;
- (ii) 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;
- (iii) you have the full legal power authority and legal right to enter into, perform and observe this Agreement;
- (iv) this Agreement constitutes a legal, valid and binding obligation of Licensee 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 Applicable Law;
- (v) if you are a corporation, limited liability company, or other entity, you are, and throughout the License Term will be, duly formed and validly existing, in good standing in the jurisdiction in which you are organized, and are and will be authorized to do business in the jurisdiction in which the Hotel is located;
- (vi) 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.

You hereby indemnify and hold us harmless from any breach of these representations and warranties. These warranties and representations will survive the termination of this Agreement.

k. Counterparts. This Agreement may be signed in counterparts, each of which will be considered an original.

l. Restricted Persons and Anti-bribery Representations and Warranties. You represent and warrant to us and the Entities that you (including your directors and officers, senior management and shareholders (or other persons) having a controlling interest in you), and the owner of the Hotel or the Hotel Site are not, and are not owned or controlled by, or acting on behalf of, any of the following "**Restricted Persons**": (1) the government of any country that is subject to an embargo imposed by the United States government; (2) individuals or entities (collectively, "**Persons**") located in or organized under the laws of any country that is subject to an embargo imposed by the United States government; (3) Persons ordinarily resident in any country that is subject to an embargo imposed by the United States government; or (4) Persons identified from time to time by any government or legal authority under Applicable Laws as a Person with whom dealings and transactions by us or the Entities are prohibited or restricted, including Persons designated on the U.S. Department of the Treasury's Office of Foreign

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Assets Control (OFAC) List of Specially Designated Nationals and Other Blocked Persons (including terrorists and narcotics traffickers); and similar restricted party listings, including those maintained by other governments pursuant to applicable United Nations, regional or national trade or financial sanctions. You will notify us in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties of this Subparagraph 16.l. incorrect.

You further represent and warrant to us and the Entities that you will not directly or indirectly pay, offer, give or promise to pay or authorize the payment of any monies or other things of value to:

- (a) an official or employee of a government department, agency or instrumentality, state-owned or controlled enterprise or public international organization;
- (b) any political party or candidate for political office; or
- (c) any other person at the suggestion, request or direction or for the benefit of any of the above-described persons and entities

if any such payment, offer, act or authorization is for purposes of influencing official actions or decisions or securing any improper advantage in order to obtain or retain business, or engaging in acts or transactions otherwise in violation of any applicable anti-bribery legislation.

m. 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 legal and expert fees, court costs, and all other expenses incurred in enforcing such obligation or in defending against such claim, demand, action, or proceeding.

n. Interest. Any sum owed to us or the Entities by you or paid by us or the Entities 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.

o. Successors and Assigns. The terms and provisions of this Agreement will inure to the benefit of and be binding upon the permitted successors and assigns of the parties.

p. Our Delegation of Rights and Responsibility. In addition to the rights granted to us in Paragraph 3 and Subparagraph 11.a., we reserve the right to delegate to one or more of the Entities 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 Entity, in which case approval by such Entity will be conclusively deemed to be approval by us. During the period of such delegation or designation, any act or direction by such Entity 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 the Entities which operate, license, or otherwise support brands other than the Licensed Brand, exercising or performing on our behalf any or all rights, obligations or requirements under this Agreement or performing shared services on our behalf.

q. Currency. All references to money amounts in this Agreement, unless otherwise specified, shall be in U.S. dollars. Furthermore, all amounts payable hereunder will be paid in U.S. dollars, or such other currency as we direct.

r. Not Withhold Payment. You agree that you shall not on the grounds of the alleged non-performance by us of any of our obligations under this Agreement or under any other agreement between us, withhold payment of any amounts due to us or any of our affiliates.

s. Quebec Rider. The parties hereto confirm that it is their wish that this Agreement, as well as all other documents relating hereto, including all notices, have been and shall be drawn up in the English language only. Les parties aux présentes confirment leur volonté que cette convention, de même que tous les documents, y compris tout avis, qui s'y rattachent, soient rédigés en langue anglaise.

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t. Privacy. You expressly permit us to disclose in our disclosure document or offering circular (whether required by law or made available on a voluntary basis) and other documents required by law, personal information related to you and the Hotel, including your name, any address, telephone number and facsimile number, and sales, revenues, expenses, costs, results of operations, and similar information regarding the Hotel, and any information regarding the non-renewal, closure, expiry or termination of this Agreement. Any such disclosure shall be for the purpose of soliciting prospective franchisees.

17. WAIVER OF JURY TRIAL AND PUNITIVE DAMAGES

a. IF EITHER PARTY INITIATES LITIGATION INVOLVING THIS AGREEMENT OR ANY ASPECT OF THE RELATIONSHIP BETWEEN US (EVEN IF OTHER PARTIES OR OTHER CLAIMS ARE INCLUDED IN SUCH LITIGATION), ALL THE PARTIES WAIVE THEIR RIGHT TO A TRIAL BY JURY.

b. 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 PARAGRAPH 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. THE PARTIES ACKNOWLEDGE THAT LIQUIDATED DAMAGES PAYABLE BY LICENSEE UNDER THIS AGREEMENT (WHETHER PRE-OPENING LIQUIDATED DAMAGES, TRADE MARK LIQUIDATED DAMAGES, OR LIQUIDATED DAMAGES FOR EARLY TERMINATION) ARE NOT PUNITIVE OR EXEMPLARY DAMAGES.

[THIS AGREEMENT CONTINUES WITH AN ATTACHMENT A AND ATTACHMENT B, EACH OF WHICH IS A PART OF THIS AGREEMENT.]



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ATTACHMENT A - PERFORMANCE CONDITIONS: NEW DEVELOPMENT

- A. Consultation.** You or your representatives will meet with us to consult and coordinate with the project manager we assign to you. The meeting will take place within forty-five (45) days after we notify you of approval, and the meeting will be held at a location we select.
- B. Site Control.** Before you begin Construction Work, you must submit to us a copy of the deed or lease to the Hotel Site evidencing your legal access to the Hotel Site for the full License Term.
- C. The Construction Work.** You must take all action necessary to perform the development and construction of the Hotel, renovation, furnishing, equipping, acquisition of supplies and the implementation of the Plans and Designs all in accordance with this Agreement, the approved Plans and Designs, and the Standards we establish for System Hotels, all within the time frames we specify. You will be solely responsible for obtaining all necessary licenses, permits and zoning variances required for the Construction Work. Before you begin the Construction Work, you will submit to us copies of applicable permits, licenses and zoning variances.
- D. Approval of Architect/Engineer/Designer/Contractors.** Before you submit Plans and Designs to us, you will furnish us with resumes and other information we request pertaining to the architect and the interior designer you desire to retain to prepare your Plans and Designs. The Plans and Designs will not be approved until we have approved the architect and/designer who are to prepare the Plans and Designs. Before you begin Construction Work, you will also submit to us resumes and other information we request pertaining to the general contractor and/or any major subcontractors for the Construction Work. Construction Work will not begin until we have approved the contractors, which approval may be conditioned on bonding of the contractors.
- E. Approval of Plans.** On or before the date specified in the Rider for submission of the Plans, you must submit to us your plans, layouts, specifications, and drawings for the Hotel. Construction Work will not begin unless and until we have approved the Plans. You must also submit to us your Designs when we instruct you to do so. Once we approve the Plans and Designs, no change may be made to the Plans or Designs without our advance consent. In approving the Plans and Designs, we do not warrant the depth of our analysis or assume any responsibility for the efficacy of the Plans and Designs or the resulting Construction Work. It is solely your responsibility to ensure your Plans and Designs comply with our then prevailing Standards and with all Applicable Laws.

You are solely responsible for making certain that the Hotel and the Construction Work comply in all respects with all Applicable Laws. We and our Affiliates will have the right to, and you will arrange for us and 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 relating to the Hotel and the Construction Work, and to have access to the Hotel during reasonable business hours to visit the Hotel. However, neither we nor our Affiliates are obligated to participate in progress meetings, or visit the Hotel, and our and our Affiliates' participation and site visits are not to be considered as a representation of the adequacy of the construction, the structural integrity, or the sufficiency of mechanical and electrical systems for the Hotel. Before we approve your Plans, your architect or other certified professional must certify to us that the Plans comply with all Applicable Laws related to accessibility/accommodations/ facilities for those with disabilities. Upon completion of the construction of the Hotel and as a condition to our authorization to open the Hotel, your architect, general contractor or other certified professional must provide us with a certificate stating that the as-built premises comply with all Applicable Laws relating to accessibility/accommodations/facilities for those with disabilities.

The Standards, the Manual, and the approved Plans and Designs, may not be used by you or by any design or construction professional for any hotel or lodging project other than the Hotel.

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- F. Commencement; Completion.** You will begin construction of the Hotel on or before the Construction Commencement Date specified in the Rider and will continue the Construction Work uninterrupted until completed unless delayed by Force Majeure. Notwithstanding any Force Majeure, or any other matter, Construction Work must be completed and the Hotel must be furnished, equipped, and otherwise made ready to open in accordance with this Agreement no later than the Construction Completion Date specified in the Rider.

For the Hotel to be considered under construction by the Construction Commencement Date, you must have begun to pour the concrete foundations for the Hotel (or for partially or fully constructed structures, you must have otherwise satisfied our site-specific criteria for "under construction" which criteria is set forth under the Construction Commencement Date in the Rider and is based on the site-specific circumstances of the structure). Upon our request, you will promptly provide us with evidence that Construction Work has commenced.

Your failure to begin construction by the Construction Commencement Date is a material breach of this Agreement, unless we extend the Construction Commencement Date. If you want to request an extension of the Construction Commencement Date, you must submit a written request before the Construction Commencement Date. If we approve the extension, we will set a new Construction Commencement Date and you must pay us a Ten Thousand Dollar (\$10,000) extension fee. We may condition our approval of an extension on a requirement to update the Plans and Designs.

Your failure to complete the Construction Work by the Construction Completion Date is a material breach of this Agreement, unless we extend the Construction Completion Date. If you want to request an extension of the Construction Completion Date, you must submit a written request before the Construction Completion Date. If we approve the extension, we will set a new Construction Completion Date and you must pay us a Ten Thousand Dollar (\$10,000) extension fee. We may condition our approval of an extension on a requirement to update the Plans and Designs.

We will have the sole right to determine whether the Construction Work has begun and has been completed in accordance with this Agreement, the approved Plans and Designs, and our Standards for System Hotels.

- G. Site Visits.** During the course of Construction Work, you and your architect, engineer, contractors, and subcontractors will cooperate fully with us for the purpose of permitting us to visit the Hotel Site and review the progress of the Construction Work. In addition, you and your contractors, architect and designer will: (i) supply us with samples of construction materials, test borings, corings, supplies, equipment, materials and reports as we may request; and (ii) give our representatives access to the Hotel Site and Construction Work in order to permit us to carry out our site visits.
- H. Progress Reports.** You will submit to us each month (or more frequently if we request) a report showing progress made toward fulfilling the terms of this Agreement.
- I. Acquisition of Equipment, Furnishings, and Supplies.** You will purchase and/or lease and install all fixtures, equipment, furnishings, furniture, signs, computer terminals and related equipment, supplies and other items we require in order to prepare the Hotel for opening as a System Hotel under this Agreement. After Opening, you will replace all these items, at your cost, in accordance with schedules we set in order to assure that the Hotel will meet the Standards for operation we set for the System Hotels.
- J. Costs of Constructing and Equipping the Hotel.** You will bear the entire cost of the Construction Work, including the cost of the Plans and Designs, professional fees, licenses, permits, equipment, furniture, furnishings and supplies.

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- K. Insurance During Construction.** In addition to the insurance coverage required under this Agreement, during the course of Construction Work, you will maintain or will cause the general contractor to maintain Builder's Risk coverage for the replacement value of the Hotel, which policies must name us and the Entities as additional insureds. This coverage must be evidenced by an original certificate of insurance, submitted to us at least thirty (30) days before you begin Construction Work and thereafter any time before a change is made in the coverage. Before the Opening Date, you will submit to us a certificate of insurance evidencing the other types of insurance we require under this Agreement.
- L. Limitation of Liability.** We will have no liability or obligation with respect to design and construction of the Hotel. We have furnished to you that portion of the Manual which contains the technical Standards to assist you in completing the Construction Work. You acknowledge you have studied these Standards and satisfied yourself that the Hotel can be designed, furnished and equipped in accordance with these Standards and that you and your design and construction consultants and contractors have the necessary resources and skills to do so. The Manual does not encompass the architectural, structural, mechanical or electrical safety, adequacy, integrity or efficiency of the design or compliance with Applicable Laws. We do not undertake to approve the Hotel as complying with those or with governmental requirements or as being safe for guests or other third parties and we have no responsibilities in these areas. You must indemnify us with regard to compliance with these matters to the extent provided in Paragraph 9 of this Agreement.
- M. Trade marks.** During the planning and Construction Work phases of the Hotel, you will have the right, so long as this Agreement is in effect to: (i) place a sign on the Hotel Site, at your sole expense, advising the general public that a System Hotel is under construction, which sign will be in accordance with our plans and specifications for System Hotels; (ii) advertise and promote the development and opening of the Hotel in the media; (iii) purchase, from vendors approved by us, operating supplies and equipment bearing the Marks required for the operation of the Hotel; and (iv) purchase, from vendors approved by us, and install the permanent Licensed Brand signage required for the operation of the Hotel. Once we authorize the Hotel to open (conditionally or otherwise), you may use the Marks and the System in the operation of the Hotel, consistent with the terms and conditions of this Agreement.
- N. Staffing.** Before the Opening Date, you will, at your cost, hire a staff to operate the Hotel, and train that staff, all in accordance with the Standards and such other instructions as we may furnish to you.
- O. Opening.** The Hotel will be considered open on the Opening Date. You will not open the Hotel unless and until you receive our written authorization to do so. We will only authorize the Hotel to open when we, in our sole business judgment, are satisfied that: (i) you have complied with all the terms and conditions in this Agreement; (ii) your staff has received adequate training and instruction; (iii) you have a certificate of occupancy for the Hotel, issued by the licensing authority for the jurisdiction where the Hotel is located; and (iv) all fees and charges you owe to us or the Entities have been paid. Opening the Hotel before we authorize you to open will constitute unauthorized use of our Marks and a material breach of this Agreement. Recognizing the difficulty of ascertaining damages for such a breach, you must pay us, as Trade mark Liquidated Damages, solely for the damage to our Marks and not as a penalty, Five Thousand Dollars (\$5,000) per day to compensate us for the damage to our Marks. You must reimburse us for our costs, including legal fees (on a substantial indemnity or solicitor and its own client basis), expert fees, costs and other expenses of litigation incurred in enforcing our rights. These Trade mark Liquidated Damages do not limit any other remedies we may have, at law or in equity.
- P. Compliance/Investigation.** You will give us at least fifteen (15) days advance notice that, in your opinion, you have complied with all the terms and conditions of this Agreement and the Hotel is ready to open (conditionally or otherwise). 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 (conditional or otherwise) of the

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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.

- Q. Conditional Opening.** Notwithstanding Paragraph O above, we may, in our sole business judgment, conditionally authorize you to open and operate the Hotel as a System Hotel (“**Conditional Opening**”) even though you have not fully completed the Construction Work or otherwise complied with the terms of this Agreement, if you are meeting your performance obligations under this Agreement and if you agree to fulfill all remaining terms of this Agreement, including any attachment, on or before the completion date set forth in the Rider, or any extension we approve. Our determination as to whether to authorize a Conditional Opening will be final and binding.
- R. Performance of Agreement.** You must satisfy all of the terms and conditions of this Agreement, and equip, supply, staff 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.
- S. Termination Before the Opening Date.** Your failure to satisfy the terms of this Agreement, including your failure to begin or complete the Construction Work in accordance with the Plans, the Standards and our requirements (including the milestone and completion dates) will constitute a material breach of your obligations under this Agreement which, if not cured within the time specified in the notice of breach, will entitle us to terminate the Agreement before Opening.
- T. Pre-Opening Liquidated Damages.** If we terminate this Agreement either:
- before you begin the Construction Work, and, within one (1) year after such termination, you or any Guarantor (or your or any Guarantor’s Affiliates) then, directly or indirectly: (a) enter into a franchise, license and/or management agreement for; and/or (b) begin construction or commence operation of a hotel, motel, inn, or similar facility at the Hotel Site under a Competing Brand name; or
 - after you begin the Construction Work, but before the Opening Date (unless failure to complete is due solely to Force Majeure)
- then you will be liable to us for Pre-Opening Liquidated Damages equal to Three Thousand Six Hundred Dollars (\$3,600), multiplied by the number of approved Guest Rooms, (the “**Pre-Opening Liquidated Damages**”). You must pay the entire Pre-Opening Liquidated Damages to us in one lump sum upon demand. Since the actual amount of damage to us is difficult to determine, the Pre-Opening Liquidated Damages represent liquidated damages for the future Monthly Royalty Fees and Monthly Program Fees we will lose as a result of the additional time necessary for us to develop an alternative site in the market. You will remain liable for all other obligations and claims under the Agreement, including obligations following termination under Subparagraphs 5.d., 5.e., and 14.f. and Paragraph 9 of this Agreement.
- U. Termination after Opening of the Hotel.** Termination of this Agreement after the opening of the Hotel (conditionally or otherwise) is governed by Paragraph 14 of this Agreement.

(Remainder of page left intentionally blank.)

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ATTACHMENT A - PERFORMANCE CONDITIONS: CHANGE OF OWNERSHIP OR RE-LICENSING

- A. Consultation.** You or your representative(s) will meet with us to consult and coordinate with the project manager we assign to you. The meeting will take place within forty-five (45) days after we notify you of approval, and the meeting will be held at a location we select.
- B. Renovation Work.** The PIP is attached to this Agreement as Exhibit ___ and incorporated in this Attachment A. You will perform the renovation and/or construction work and purchase the items described on the PIP (the “**Renovation Work**”) on or before the completion date specified in the Rider. The Renovation Work will include your purchasing and/or leasing and installing all 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 Standards and any other equipment, furnishings and supplies as we may require for you to operate the Hotel. You will be solely responsible for obtaining all necessary licenses, permits and zoning variances required for the Hotel. Before you begin the Renovation Work, you will submit to us copies of all applicable permits, licenses and zoning variances, at our request.
- C. Approval of Architect/Engineer/Designer/Contractors.** Before you submit Plans and Designs to us, you will furnish us with resumes and other information we request pertaining to the architect and/or interior designer you desire to retain to prepare your Plans and Designs. The Plans and Designs will not be approved until we have approved the architect and designer who are to prepare the Plans and Designs. Before Renovation Work, you will also submit to us resumes and other information we request pertaining to the general contractor and/or any major subcontractors for the Renovation Work. Renovation Work will not begin until we have approved the contractors, which approval may be conditioned on bonding of the contractors.
- D. Approval of Plans and Designs.** On or before the date specified in the Rider for submission of the Plans, you must submit to us your Plans for the Renovation Work, including any proposed changes to the Hotel’s Designs. We may supply you with representative prototype Guest Room and public area plans and schematic building plans as a guide for preparation of the Plans and Designs. Renovation Work will not begin unless and until we have approved the Plans and Designs. Before we approve the Plans and Designs, we may require you to submit to us the existing plans, equipment, layouts, specifications, drawings and designs for the Hotel. Once we approve the Plans and Designs, no change may be made to the Plans and Designs without our advance consent. In approving the Plans and Designs, we do not warrant the depth of our analysis or assume any responsibility for the efficacy of the Plans and Designs or the resulting Renovation Work. You will cause the Hotel Renovation Work to be in accordance with this Agreement, the approved Plans and Designs, the Standards and the PIP. It is solely your responsibility to ensure your Plans and Designs comply with our then-prevailing Standards and with all Applicable Laws.

You are responsible for making certain that the Hotel and the Renovation Work complies in all respects with all Applicable Laws. We and our Affiliates will have the right to, and you will arrange for us and 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 relating to the Hotel, and to have access to the Hotel during reasonable business hours to visit the Hotel and observe the Renovation Work. However, neither we nor our Affiliates are obligated to participate in progress meetings, or to visit the Hotel and the Renovation Work, and our and our Affiliate’s participation and site visits are not to be considered as a representation of the adequacy of the construction, the structural integrity, or the sufficiency of mechanical and electrical systems for the Hotel. Before we approve your Plans, your architect or other certified professional must certify to us that the Plans comply with all Applicable Laws relating to accessibility/ accommodations/ facilities for those with disabilities. Within ten (10) days after completion of the Renovation Work, your architect, general contractor or other certified professional must provide us with a certificate

EXHIBIT A

stating that the as-built premises comply with all Applicable Laws relating to accessibility/ accommodations/ facilities for those with disabilities.

The Standards, the Manual and the Plans and Designs may not be used by you or any design or construction professional for any hotel project other than the Hotel.

- E. Commencement; Completion.** You will begin the Renovation Work on or before the Renovation Commencement Date specified in the Rider and will continue the Renovation Work uninterrupted, unless delayed by Force Majeure. Notwithstanding any Force Majeure, or any other matter, the Renovation Work must be completed and the Hotel must be furnished, equipped, and comply with this Agreement no later than the Renovation Work Completion Date specified in the Rider.

We will have the sole right in our business judgment to determine whether the Renovation Work has begun and has been completed in accordance with this Agreement, the approved Plans and Designs, the Standards and the PIP.

- F. Site Visits.** During the course of Renovation Work, you and your architect, designer, contractors, and subcontractors will cooperate fully with us for the purpose of permitting us to visit the Hotel and review the progress of the Renovation Work. In addition, you and your contractors, architect and designer will supply us with samples of construction materials, supplies, equipment, materials and reports as we may request and give our representatives access to the Hotel Site and Renovation Work in order to permit us to carry out our site visits.

- G. Progress Reports.** You will submit to us upon our request a report showing progress made toward fulfilling the terms of this Agreement.

- H. Acquisition of Equipment, Furnishings, and Supplies.** You will purchase and/or lease and install all fixtures, equipment, furnishings, furniture, signs, computer terminals and related equipment, supplies and other items we require in order to assure that the Renovation Work is completed under this Agreement, and, if applicable, to open or re-open as a System Hotel.

- I. Cost of Construction and Equipping the Hotel.** You will bear the entire cost of the Renovation Work, including the cost of the Plans and Designs, professional fees, licenses, permits, equipment, furniture, furnishings and supplies.

- J. Limitation of Liability.** We will have no liability or obligation with respect to design and construction of the Hotel. We have furnished to you that portion of the Manual which contains the technical Standards to assist you in completing the Renovation Work. You acknowledge you have studied these Standards and satisfied yourself that the Hotel can be designed, furnished and equipped in accordance with these Standards and that you and your design and construction consultants and contractors have the necessary resources and skills to do so. The Manual does not encompass the architectural, structural, mechanical or electrical safety, adequacy, integrity or efficiency of the design or compliance with Applicable Laws. We do not undertake to approve the Hotel as complying with these or with governmental requirements or as being safe for guests or other third parties and we have no responsibilities in these areas. You must indemnify us with regard to compliance with these matters to the extent provided in Paragraph 9 of this Agreement.

- K. Conditional Authorization.** We may conditionally authorize you to continue to operate the Hotel as a System Hotel even though you have not fully completed the Renovation Work and otherwise complied with the terms of this Agreement. Under certain circumstances, we may suspend services to the Hotel (including reservation services) while the Renovation Work is being performed by you.

- L. Performance of Agreement.** You must satisfy all of the terms and conditions of this Agreement and equip, supply, staff and otherwise make the Hotel ready to continue to operate under our Standards. As a result of your efforts to comply with the terms and conditions of this Agreement,

EXHIBIT A

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 terminate this Agreement because you have not complied with the terms and conditions of this Agreement.

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ATTACHMENT A - PERFORMANCE CONDITIONS: CONVERSION

- A. Consultation.** You or your representative(s) will meet with us to consult and coordinate with the project manager we assign to you. The meeting will take place within forty-five (45) days after we notify you of approval, and the meeting will be held at a location we select.
- B. Site Control.** Before you begin Renovation Work, you must submit to us a copy of the deed or lease to the Hotel Site evidencing your legal access to the Hotel Site for the full License Term.
- C. The Renovation Work.** The PIP is attached to this Agreement as Exhibit ___ and incorporated in this Attachment A. You will perform the renovation and/or construction work and purchase the items described on the PIP (the “**Renovation Work**”) on or before the completion date specified in the Rider. The Renovation Work will include your purchasing and/or leasing and installing all 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 Standards and other equipment, furnishings and supplies as we may require for you to operate the Hotel. You will be solely responsible for obtaining all necessary licenses, permits and zoning variances required for the Hotel. Before you begin the Renovation Work, you will submit to us copies of all applicable permits, licenses and zoning variances, at our request.
- D. Approval of Architect/Engineer/Designer/Contractors.** Before you submit Plans and Designs to us, you will furnish us with resumes and other information we request pertaining to the architect and the interior designer you desire to retain to prepare your Plans and Designs. The Plans and Designs will not be approved until we have approved the architect and designer who are to prepare the Plans and Designs. Before Renovation Work, you will also submit to us resumes and other information we request pertaining to the engineer, general contractor and/or any major subcontractors for the Renovation Work). Renovation Work will not begin until we have approved the contractors, which approval may be conditioned on bonding of the contractors.
- E. Approval of Plans and Designs.** On or before the date specified in the Rider for submission of the Plans, you must submit your Plans for the renovation of the Hotel to us. We may supply you with representative prototype Guest Room and public area plans and schematic building plans as a guide for preparation of the Plans and Designs. Renovation Work will not begin unless and until we have approved the Plans. You must also submit your Designs to us when we instruct you to do so. Once we approve the Plans and Designs, no change may be made to the Plans and Designs without our advance consent. In approving the Plans and Designs, we do not warrant the depth of our analysis or assume any responsibility for the efficacy of the Plans and Designs or the resulting Renovation Work. You will cause the Renovation Work to be in accordance with this Agreement, the approved Plans and Designs, the Standards and the PIP. It is solely your responsibility to ensure your Plans comply with our then prevailing Standards and with all Applicable Laws.

You are solely responsible for making certain that the Hotel and the Renovation Work comply in all respects with all Applicable Laws. We and our Affiliates will have the right to, and you will arrange for us and our Affiliates to, participate in all progress meetings during the Renovation Work, to have access to all contract and construction documents relating to the Hotel and the Renovation Work, and to have access to the Hotel during reasonable business hours to visit the Hotel and observe its renovation, completion, furnishing and equipping. However, neither we nor our Affiliates are obligated to participate in progress meetings, or visit the Hotel, and our and our Affiliates' participation and site visits are not to be considered as a representation of the adequacy of the construction, the structural integrity, or the sufficiency of mechanical and electrical systems for the Hotel or the Renovation Work. Before we approve your Plans, your architect or other certified professional must certify to us that the Plans comply with all Applicable Laws relating to accessibility/accommodations/facilities for those with disabilities. Upon completion of the Renovation Work and as a condition to our authorization to open the Hotel, you

EXHIBIT A

architect, general contractor or other certified professional must provide us with a certificate stating that the as-built premises comply with all Applicable Laws relating to accessibility/accommodations/facilities for those with disabilities.

The Standards, the Manual, and the approved Plans and Designs may not be used by you or by any design or construction professional for any hotel or lodging project other than the Hotel.

- F. Commencement; Completion.** You will begin the Renovation Work on or before the Renovation Commencement Date specified in the Rider and will continue the Renovation Work uninterrupted until completed, unless delayed by Force Majeure.

Upon our request, you will promptly provide us with evidence that the Renovation Work has commenced. Notwithstanding any Force Majeure, or any other matter, the Renovation Work must be completed and the Hotel must be furnished, equipped, and comply with this Agreement no later than the Renovation Work Completion Date specified in the Rider.

Your failure to complete the Renovation Work in accordance with this Agreement on or before the Renovation Work Completion Date is a material breach of this Agreement, unless we extend that date. If you want to request an extension of the Renovation Work Completion Date, you must submit a written request before the Renovation Work Completion Date. If we approve the extension, we will set a new Renovation Work Completion Date and you must pay us a Ten Thousand Dollar (\$10,000) extension fee.

We will have the sole right to determine whether the Renovation Work has begun and been completed in accordance with this Agreement, the approved Plans and Designs, the Standards and the PIP.

- G. Site Visits.** During the course of Renovation Work, you and your architect, designer, contractors, and subcontractors will cooperate fully with us for the purpose of permitting us to visit the Hotel and review the progress of the Renovation Work. In addition, you and your contractors, architect and designer will: (i) supply us with samples of construction materials, supplies, equipment, materials and reports as we may request; and (ii) give our representatives access to the Hotel Site and Renovation Work in order to permit us to carry out our site visits.
- H. Progress Reports.** You will submit to us each month (or more frequently if we so request) a report showing progress made toward fulfilling the terms of this Agreement.
- I. Acquisition of Equipment, Furnishings, and Supplies.** You will purchase and/or lease and install all fixtures, equipment, furnishings, furniture, signs, computer terminals and related equipment, supplies and other items we require in order to assure that the Renovation Work is completed under this Agreement and the Hotel is ready to open as a System Hotel.
- J. Cost of Construction and Equipping.** You will bear the entire cost of the Renovation Work, including the cost of the Plans and Designs, professional fees, licenses, permits, equipment, furniture, furnishings and supplies.
- K. Insurance During Conversion.** In addition to the insurance coverage required under this Agreement, during the course of Renovation Work, you will maintain or will cause the general contractor to maintain Builder's Risk coverage for the replacement value of the Hotel, which policies must name us and the Entities as additional insureds. This coverage must be evidenced by an original certificate of insurance, submitted to us at least thirty (30) days before you begin Renovation Work and thereafter any time before a change is made in the coverage. Before the Opening Date, you will submit to us a certificate of insurance evidencing the other types of insurance we require under this Agreement.

EXHIBIT A

- L. Limitation of Liability.** We will have no liability or obligation with respect to design and construction of the Hotel. We have furnished to you that portion of the Manual which contains the technical Standards to assist you in completing the Renovation Work. You acknowledge you have studied these Standards and satisfied yourself that the Hotel can be designed, furnished and equipped in accordance with these Standards and that you and your design and construction consultants and contractors have the necessary resources and skills to do so. The Manual does not encompass the architectural, structural, mechanical or electrical safety, adequacy, integrity or efficiency of the design or compliance with Applicable Laws. We do not undertake to approve the Hotel as complying with these or with governmental requirements or as being safe for guests or other third parties and we have no responsibilities in these areas. You must indemnify us with regard to compliance with these matters to the extent provided in Paragraph 9 of this Agreement.
- M. Trade marks.** During the Renovation Work, you will have the right, so long as this Agreement is in effect to: (i) place a sign on the Hotel Site, at your sole expense, advising the general public that a System Hotel is under construction or renovation, which sign will be in accordance with our plans and specifications for System Hotels; (ii) advertise and promote the development and opening of the Hotel in the media; (iii) purchase, from vendor(s) approved by us, operating supplies and equipment bearing the Marks required for the operation of the Hotel; and (iv) purchase, from vendor(s) approved by us, and install the permanent Licensed Brand signage required for the operation of the Hotel. Once we authorize the Hotel to open (conditionally or otherwise) as a System Hotel, you may use the Marks and the System in the operation of the Hotel consistent with the terms and conditions of this Agreement. Upon opening, you will stop using all other names, symbols, trade marks or trade logos other than those used and associated with the System.
- N. Staffing.** Before the Opening Date, you will, at your cost, hire a staff to operate the Hotel and train that staff, all in accordance with the Standards and such other instructions as we may furnish to you.
- O. Opening.** The Hotel will be considered open on the Opening Date. You will not open the Hotel unless and until you receive our written authorization to do so. We will only authorize the Hotel to open when we, in our sole business judgment, are satisfied that: (i) you have complied with all the terms and conditions in this Agreement; (ii) your staff has received adequate training and instruction; (iii) you have a certificate of occupancy for the Hotel, issued by the licensing authority for the jurisdiction where the Hotel is located; and (iv) all fees and charges you owe to us or the Entities have been paid. Opening the Hotel before we authorize you to open will constitute unauthorized use of our Marks and a material breach of this Agreement. Recognizing the difficulty of ascertaining damages for such a breach, you must pay us, as Trade mark Liquidated Damages, solely for the damage to our Marks, and not as a penalty, Five Thousand Dollars (\$5,000) per day to compensate us for the damage to our Marks. You must also reimburse us for our costs, including legal fees (on a substantial indemnity or solicitor and its own client basis), expert fees, costs and other expenses of litigation incurred in enforcing our rights. These Trade mark Liquidated Damages do not limit any other remedies we may have, at law or in equity.
- P. Compliance/Investigation.** You will give us at least fifteen (15) days advance notice that, in your opinion, you have complied with all the terms and conditions of this Agreement and the Hotel is ready to open (conditionally or otherwise). 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 (conditional or otherwise) 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.
- Q. Conditional Opening.** Notwithstanding Paragraph O above, we may, in our sole business judgment, conditionally authorize you to open and operate the Hotel as a System Hotel

EXHIBIT A

("Conditional Opening") even though you have not fully complied with the terms of this Agreement, if you are meeting your performance obligations under this Agreement and if you agree to fulfill all remaining terms of this Agreement, including any attachment, on or before the completion date set forth in the Rider or any extension we approve. Our determination as to whether to authorize a Conditional Opening will be final and binding.

R. Performance of Agreement. You must satisfy all of the terms and conditions of this Agreement and equip, supply, staff 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.

S. Termination Before the Opening Date. Your failure to satisfy the terms of this Agreement, including your failure to begin or complete the Renovation Work in accordance with the Plans, the Standards and our requirements (including the milestone and completion dates) will constitute a material breach of your obligations under this Agreement which, if not cured within the time specified in the notice of breach, will entitle us to terminate the Agreement before the Opening Date.

T. Pre-Opening Liquidated Damages. If we terminate this Agreement either:

1. before you begin the Renovation Work, and, within one (1) year after such termination, you or any Guarantor (or your or any Guarantor's Affiliates) then, directly or indirectly: (a) enter into a franchise, license and/or management agreement for; and/or (b) begin construction or conversion to, or commence operation of, a hotel, motel, inn, or similar facility at the Hotel Site under a Competitor brand name; or
2. after you begin the Renovation Work, but before the Opening Date (unless the failure to complete is due solely to Force Majeure)

then you will be liable to us for Pre-Opening Liquidated Damages equal to Three Thousand Six Hundred Dollars (\$3,600), multiplied by the number of approved Guest Rooms (the "**Pre-Opening Liquidated Damages**"). You must pay the entire Pre-Opening Liquidated Damages to us in one lump sum upon demand. Since the actual amount of damage to us is difficult to determine, the Pre-Opening Liquidated Damages represent liquidated damages for the future Monthly Royalty Fees, Monthly Food and Beverage Fees and Monthly Program Fees we will lose as a result of the additional time necessary for us to develop an alternative site in the market. You will remain liable for all other obligations and claims under the Agreement, including obligations following termination under Subparagraphs 5.d., 5.e., and 14.f. and Paragraph 9 of this Agreement.

U. Termination after Opening of the Hotel. Termination of this Agreement after the opening of the Hotel (conditionally or otherwise) is governed by Paragraph 14 of this Agreement.

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EXHIBIT A

ATTACHMENT B -
RIDER TO FRANCHISE LICENSE AGREEMENT

Effective Date: **[INSERT DATE OF APPLICATION APPROVAL OR DATE THE CHANGE OF OWNERSHIP OR RELICENSING OCCURS]**

Licensor Name: **HILTON GARDEN INNS INTERNATIONAL FRANCHISE LLC, a Delaware limited liability company**

Licensed Brand: **Hilton Garden Inn (excluding any other brands or product lines containing "Hilton" or the "by Hilton" tagline in the name)**

Initial Approved Hotel Name (Trade Name):

Principal Mark in Licensed Brand: **Hilton**

Licensee 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: **[Due fifteen (15) months from the Effective Date]**

Construction Work Completion Date: **[Due thirty (30) months from the Effective Date]**

Renovation Commencement Date:

Renovation Work Completion Date:

You agree that the [Construction] [Renovation] Commencement Date and [Construction] [Renovation] Work Completion Date may be extended by written notice from us in our business judgment.

Expiration of License Term:

[New Construction – [at month end twenty-two (22) years from Effective Date]

[Conversions - ten (10) to twenty (20) years from [Opening] [Effective Date] or such other License Term we may approve]

[Change of Ownership - Remaining License Term under the existing franchise license agreement or such other License Term we may approve]

EXHIBIT A

Monthly Program Fee: **Four and three-tenths percent (4.3%) of the Hotel's Gross Rooms Revenue for the preceding calendar month.**

Monthly Royalty Fee: **Five and one-half percent (5.5%) of the Hotel's Gross Rooms Revenue for the preceding calendar month.**

Additional Requirements/Special Provisions [Paragraph #]:

[ADD ONLY IF APPLICABLE:

- **Restricted Area Provision**

Notwithstanding the provisions of Paragraph 2 of this Agreement, **from the Effective Date until midnight on the day before the ___ anniversary of the [Effective Date, i.e. _____, 20__] [Opening Date, but in no event later than _____ 20__ [NOTE: DATE SHOULD BE CONSTRUCTION OR RENOVATION WORK COMPLETION DEADLINE DATE PLUS # OF YEARS IN THE RESTRICTIVE PERIOD]]** (the "**Restrictive Period**"), neither we nor any of the Entities will open, or allow to open, a hotel or motel under the Licensed Brand, as such name may be changed by us from time to time, within the **Restricted Area** (described below). 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 Licensed Brand hotel as of the Effective Date ("**Existing Hotel**"). The term Existing Hotel also includes any hotel located or to be located within the Restrictive Area that replaces such Existing Hotel under the Licensed Brand.

The restrictions also do not apply to: (1) any hotel(s) or motel(s) under brands other than the Licensed Brand; (2) any hotel(s) or motel(s) that will not begin operating under the Licensed Brand until after the expiration of the Restrictive Period; (3) any gaming-oriented hotels or facilities using the Licensed Brand; (4) any shared ownership properties (commonly known as "vacation ownership" or "time share ownership" or similar real estate properties) under the Licensed Brand; and (5) any 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 the Entities, 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 Licensed Brand name or any other name.

Restricted Area as used in this provision means the area located within the following boundaries:

[BOUNDARIES TO BE DETERMINED BY LICENSOR]

[FOR CONVERSION ONLY:

- **Existing Third-Party Agreement.** You acknowledge and agree that (i) your right to operate the Hotel under the Licensed Brand will not become effective until after the existing third-party franchise (or similar) agreement for this Hotel, if any, has terminated or expired and (ii) you are solely responsible for ensuring that any such agreement has terminated or expired on or before the Opening Date.

[FOR RE-LICENSING ONLY:

- **Amendment and Restatement.** This Agreement hereby replaces that certain franchise license agreement dated as of [DATE] [along with any applicable amendments, addenda, riders, supplemental agreements and assignments] (collectively, the "**Original License Agreement**") by and between us (or our Affiliate) and you (or your Affiliate) with respect to the Hotel. Upon execution of this Agreement by the parties, the Original License Agreement will be superseded and have no further force or effect as of the Effective Date of this Agreement except for those provisions expressly intended to survive its termination or expiration. To the extent that there are outstanding obligations to us or the Entities under the Original License Agreement, you acknowledge and agree that you are

EXHIBIT A

directly responsible, jointly and severally, for all such obligations under the Original License Agreement existing at or accruing after the execution of this Agreement.

[FOR COO OR RE-LICENSING IF HOTEL IS ALREADY OPERATING UNDER THE LICENSED BRAND:

- All references in this Agreement to the "Opening Date" will mean the "Effective Date."

Your Ownership Structure:

See Attached Schedule 1

[TO BE ADDED IF LICENSEE'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

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.

LICENSEE:

[INSERT LICENSEE ENTITY],
a [INSERT TYPE OF ENTITY]

LICENSOR:

HILTON GARDEN INNS INTERNATIONAL
FRANCHISE LLC,
a Delaware limited liability company

By: _____

By: _____

Name: _____

Name: _____
Authorized Signatory

Title: _____

Executed on: _____

Executed on: _____



EXHIBIT A

SCHEDULE 1

Your Ownership Structure:

<u>Name (Shareholder, Partner, Member, and Manager)</u>	<u>Nature of Ownership Interest</u>	<u>% Interest</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____



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SCHEDULE 2

Ownership Structure of Affiliate Fee Owner or Lessor/Sublessor of the Hotel or Hotel Site:

<u>Name (Shareholder, Partner, Member, and Manager)</u>	<u>Nature of Ownership Interest</u>	<u>% Interest</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____



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[INSERT ADDITIONAL TEXT HERE: I.E., ADDENDA, RAB, PIP]



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DEVELOPMENT INCENTIVE NOTE

\$ _____

McLean, Virginia

Date: _____

FOR VALUE RECEIVED, the undersigned (“Maker”) promises to pay to the order of _____, a Delaware limited liability company (“Holder”), the principal sum of (\$ _____) which amount shall bear no interest unless Maker defaults or this Note is accelerated. The principal amount will be disbursed by Holder to Maker, and Maker will become subject to the obligation to repay or discharge this Note, when and if Maker opens the Hotel in accordance with the Franchise License Agreement, as described below. On each anniversary of the Hotel’s Opening Date, one-twentieth 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 be canceled and discharged when the principal is completely forgiven. If this Note is accelerated and is not paid within ten (10) days after it is due, the outstanding principal balance shall bear simple interest at a rate equal to the lesser of eighteen percent (18%) per annum or the highest rate allowed by applicable law from its due date until paid. 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, ATTN: General Counsel, or at such other place as Holder may direct by written notice to Maker, if a Termination of the Franchise License Agreement between Maker and Holder occurs for any reason or a Transfer occurs and the transferee does not assume Maker’s obligation under this Note in a writing acceptable to Holder prior to the closing of the Transfer. If such Termination or Transfer occurs, the outstanding, unamortized principal balance of this Note shall be immediately due and payable without further notice, demand or presentment. Any payments shall be first applied to any accrued interest and then to principal. Maker has the right to prepay this Note, in whole or in part, at any time, without premium or penalty. Prepayments of principal will be applied without notation on this Note.

This Note is issued pursuant to the Franchise License Agreement between Holder and Maker for the operation of a _____ Hotel (the “Hotel”) to be located at _____. All terms not defined herein shall have the same definition as in the Franchise License Agreement. If the Franchise License Agreement terminates before the Hotel opens and Holder does not disburse the Development Incentive to Maker, then this Note will be deemed discharged and neither party will have any further obligation to the other under this instrument. 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. 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, 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 instrument, grant extensions, renewals, releases, discharges, compositions and compromises with any party liable on this Note, with or without notice to or the consent of, or discharging or affecting the obligations of any other party liable under this instrument. 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. 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.

IN WITNESS WHEREOF, the undersigned have executed this instrument effective on the date hereof.

Maker

Witness

Co-Maker

Witness

Co-Maker

Witness



EXHIBIT B



Hosted by www.educatedfranchisee.com
A Free, Community-Based Project

Canada

HILTON SYSTEMS SOLUTIONS, LLC
HILTON INFORMATION TECHNOLOGY SYSTEM AGREEMENT

Address For Notices to Customer

Customer Name:%LegalEntity%
Attention:%PrimaryContactName%
Address:%PrimaryContactAddress1%
%PrimaryContactAddress2%
%PrimaryContactCity%, %PrimaryContactState%
%PrimaryContactZip%

Address Of Customer's Site

Site Name:%PropertyName%
Attention:%GMName%
Address:%PropertyAddress1%
%PropertyAddress2%, %GMSuite%
%PropertyCity%, %PropertyState% %PropertyZip%

Address For Notices to Hilton Systems Solutions, LLC

Division: Hilton Garden Inn
Attention: Dir. OnQ® Deployment Planning – Randy Kanaya
Address 755 Crossover Lane
Memphis, TN 38117

On the terms and conditions set forth herein, Hilton Systems Solutions, LLC, a Delaware limited liability company ("HSS") and %LegalEntity% (the "Customer"), as either the owner of a property managed by an affiliate of HSS or as a licensed franchisee of an affiliate of HSS, hereby enter into this Hilton Information Technology System Agreement (the "Agreement" or the "HITS Agreement") wherein HSS agrees to license or sublicense to Customer certain Proprietary Software and Certified Third Party Software, as such terms are defined herein, and may provide certain equipment ("Authorized Equipment") as described herein that is leased, licensed or purchased by Customer for the operation of HSS's OnQ® technology. Such software and equipment needed for the operation of HSS's OnQ® technology are collectively referred to herein as the "Information System". The Customer agrees that such licenses or sublicenses of software and any such equipment transferred to Customer is subject to the terms and conditions of the Agreement and the additional terms, conditions, and additional programs contained in the schedules (the "Schedules") attached hereto:

- Schedule A: Information System Software Licensed / Services Provided
- Schedule B: System Cost and Payment Terms
- Schedule C: Software Maintenance / Cost and Payment Terms
- Schedule D: Authorized Equipment Description / Purchase Terms and Conditions
- Schedule E: Authorized Equipment Maintenance / Cost and Payment Terms
- Schedule F: Microsoft Participation Agreement
- Schedule G: Certified Third Party Software / Additional Terms and Conditions
- Schedule H: Subsequent Purchase of Additional Equipment, Software and Services
- Schedule I: Joinder to Preferred Retailer
- Schedule J: Intentionally Omitted
- Schedule K: Joinder to Preferred Services Provider
- Schedule L: Intentionally Omitted
- Schedule M: Intentionally Omitted
- Schedule N: Intentionally Omitted
- Schedule O: Intentionally Omitted
- Schedule P: Intentionally Omitted
- Schedule Q: Hilton Garden Inn Refresh Program Agreement
- Schedule R: Intentionally Omitted
- Schedule S: Intentionally Omitted
- Schedule T: Intentionally Omitted
- Schedule U: Intentionally Omitted
- Schedule V: Intentionally Omitted
- Schedule W: Intentionally Omitted

For the purposes of this Agreement, the "Authorized Equipment" shall mean any equipment listed on Schedule D.
Effective Date: The effective date ("Effective Date") shall be the date signed by HSS.

CUSTOMER: %LegalEntity%

HILTON SYSTEMS SOLUTIONS, LLC

By: %HotelApproverSignature%

By: %HiltonApproverSignature%

Print Name: %HotelApproverName%

Print Name: Randy Kanaya

Title: %HotelApproverTitle%

Title: Director – OnQ™ Deployment Planning

Date: %HotelApprovedDate%

Date: %HiltonApprovedDate%



TERMS AND CONDITIONS

1. System Cost. The System Cost (the "System Cost") includes the proprietary software licensed from HSS (the "Proprietary Software") and the license or sublicense ("license") of certain third party software tested to work on the Information System with Authorized Equipment and installed by HSS's Preferred Services Provider (the "Certified Third Party Software"), any related fees for equipment and software installation and any training services to be provided. The System Cost and the payment schedule and terms are set forth in Schedule "B". In addition to the System Cost specified in Schedule "B" for all software provided by HSS hereunder, all transportation, handling, rigging and insurance charges from the shipping point to destination shall be borne by Customer. Customer acknowledges that HSS or its affiliates and subsidiaries may derive revenues and/or other material consideration on all or a portion of the System Cost or for the license of software, the sale or lease of equipment or the provision of services relating to this Agreement.

2. Master Agreements. HSS or its designee may, from time to time, without warranty or representation of any kind, negotiate with an outside vendor, a master computer equipment purchase agreement or a master software license agreement (the "Master Agreements") and provide certain purchase opportunities for Customer to purchase Authorized Equipment from a preferred retailer (the "Preferred Retailer"), to lease Authorized Equipment from a preferred lessor (the "Preferred Lessor"), to engage providers of computer software and systems services, such as site survey, implementation, installation and maintenance support (the "Preferred Services Provider" or "PSP") or to license software pursuant to the terms of the Master Agreements, Customer may be required to execute a joinder to these Master Agreements (Schedules I and K) and in such event Customer shall have direct privity of contract with such vendor, shall be bound by the terms thereof as they apply to Customer and its purchases, leases or licenses hereunder, and Customer shall be directly and solely responsible for such purchases, leases and licenses.

HSS DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES IN REGARD TO THE PREFERRED RETAILERS, THE PREFERRED LESSORS OR THE PREFERRED SERVICES PROVIDERS, THEIR AGREEMENTS, PRODUCTS AND/OR SERVICES AND SHALL HAVE NO LIABILITY WHATSOEVER FOR THE TERMS AND CONDITIONS THEREOF, PERFORMANCE OF ANY OBLIGATIONS OR OTHER AGREEMENTS THEREUNDER, ANY EQUIPMENT PURCHASED, LEASED, OR INSTALLED, ANY SERVICES PERFORMED, ANY USE OF ANY SOFTWARE, OR ANY SOFTWARE LICENSED OR SUBLICENSED PURSUANT THERETO.

3. Customer Cooperation. Customer shall provide HSS and its affiliates, subsidiaries and third party vendors 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.

4. Notices. Except as otherwise specified herein, all notices, requests, demands or communications required hereunder shall be in writing, delivered personally or sent by first class U.S. mail or by a nationally reputable overnight courier service, postage and other fees prepaid, to Customer and HSS at the addresses first set forth above (or at such other addresses as shall be given in writing by either of the parties to the other in accordance with this Section). All notices, requests, demands or communications shall be deemed effective upon delivery or three (3) days following deposit in the U. S. mail or effective one (1) business day following delivery to a nationally reputable overnight courier service in accordance with this Section. Additional notices may be required by the Schedules attached hereto.

5. Termination of Agreement.

(a) HSS shall have the right, without limiting any of its other rights or remedies, to terminate this Agreement upon ten (10) days prior written notice to Customer in the event of a Customer default (as defined in Section 5(b) below) or in the event Customer ceases to be a licensed franchisee of the applicable subsidiary of Hilton Worldwide, Inc. ("HWI") through Customer's license agreement ("License Agreement") or otherwise entitled to operate a hotel, timeshare, steamboat or cruise line using the name "Hilton" or any other registered trademark or tradename of HWI or its subsidiaries pursuant to the terms of a written management agreement (the "Management Agreement") between Customer and HWI or any of HWI's subsidiaries. The License Agreement and the Management Agreement are collectively referred to herein as the "Brand Agreements." The Master Agreements and the Brand Agreements are collectively referred to herein as the "Other

Agreements.” For purposes of this Agreement, an affiliate hotel operating pursuant to an affiliation agreement shall be included in the term “licensed franchisee” during conversion and rebranding.

(b) For purposes hereof, a default by Customer shall be deemed to occur if Customer shall fail to pay all or any portion of any amounts due and payable hereunder or shall breach any other material provision of this Agreement or the Schedules attached hereto and such breach shall continue uncured for a period of ten (10) days after receipt of written notice thereof from HSS.

(c) Upon any termination of this Agreement, Customer shall immediately cease all use of the Information System and promptly return any and all copies of Proprietary Software, Certified Third Party Software and any related documentation to HSS. Within five (5) business days following such termination, an officer of Customer shall certify in writing to HSS that all such copies and documentation have been returned to HSS. In the event of a termination before the expiration of twelve (12) full calendar months, Customer shall pay HSS's then current termination fee. HSS shall have no obligation to provide any maintenance or other services to Customer following any termination of this Agreement.

(d) All representations, promises, warranties and obligations of Customer shall survive the termination of this Agreement.

(e) In the event of a Customer default, as defined in Section 5(b) above, instead of immediately and completely terminating this Agreement pursuant to Section 5(a) above, HSS shall have the right to postpone complete termination for such period of time as HSS, in its sole discretion, may determine, and HSS and/or its affiliates and subsidiaries shall have the right during such period of time to exercise one or more of the following interim remedies (each an “Interim Remedy”):

(i) Disable all or any part of the Information System available to Customer and/or suspend any one or more of the services provided or supported under this Agreement, or any Schedule hereto.

(ii) Charge Customer for the cost relating to any equipment, equipment maintenance, software, software maintenance, information technology, network and/or other services which were previously provided under this Agreement to Customer at no additional charge other than the fees Customer paid under this Agreement, or any Schedule hereto; charge Customer for all costs related to such suspending, disabling, and, if defaults are cured as required, re-enabling, together with the intervention or administration fees set forth in the Standards Manuals; and charge Customer for any equipment, equipment maintenance, software, software maintenance, information technology, network and/or other services HSS and/or its affiliates and subsidiaries, in their sole discretion, determine to provide Customer after complete termination and/or the imposition of any Interim Remedy (each, an “Information Technology Recapture Charge”). An Information Technology Recapture Charge may, at HSS's and/or its affiliate's or subsidiary's sole option, take the form of one or more specific dollar amounts and/or a percentage increase to any of the fees which are based on a percentage of any of Customer's revenues under this Agreement, or any Schedule hereto (a “Percentage Fee”). If an Information Technology Recapture Charge consists of one or more specific dollar amounts, then Customer must pay each such amount immediately upon demand or as may be otherwise specified. If an Information Technology Recapture Charge consists of an increase to a Percentage Fee, Customer must pay the increased Percentage Fee when and as provided for the underlying applicable fee in each such agreement. Customer understands and agrees that such increases may be levied in any Percentage Fee notwithstanding any other provision of any such agreement.

(iii) Suspend and withhold performance of any one or more of its other obligations under this Agreement, or any Schedule hereto.

Customer shall not be entitled to any compensation, refund or reduction in charges by reason of the exercise of any Interim Remedy by HSS and/or its affiliates and subsidiaries.

Customer acknowledges and agrees that postponement of complete termination and/or the exercise of any Interim Remedy shall not constitute or result in actual or constructive termination or abandonment of this Agreement,

or any Schedule hereto, or a waiver or release of any right to terminate in accordance with Section 5(a) above. Any one or more of the Interim Remedies may be exercised at any time and from time to time, in such order and for such periods as HSS and/or its affiliates and subsidiaries may determine.

If, after any Interim Remedy is imposed but before HSS exercises its reserved right to terminate this Agreement (as provided above), Customer completely cures to HSS's satisfaction the subject default, then HSS may either elect to terminate this Agreement despite Customer's untimely cure, or, at HSS's sole option, elect not to terminate this Agreement; if the latter, HSS will withdraw the Interim Remedy on a going-forward basis.

(f) The remedies provided in this Section 5 are cumulative and in addition to all other rights and remedies available to HSS and/or its affiliates and subsidiaries by contract, at law or in equity, and no liability whatsoever shall accrue to any of them by reason of exercise of any such rights or remedies or the consequences thereof.

6. Price Change, Delivery Expense, Taxes and Payment in U.S. Dollars.

(a) All Authorized Equipment and Certified Third Party Software to be purchased, leased, or sublicensed is contingent upon availability, and the price is subject to change by the manufacturer, the licensor or the Preferred Retailer.

(b) Unless specified otherwise herein, Customer hereby assumes the expense of delivery and in-transit insurance for the Authorized Equipment.

(c) Unless otherwise provided in the Agreement, all fees, costs, charges and any other amounts payable by Customer to HSS or to any Preferred Retailer, Preferred Lessor or Preferred Services Provider pursuant to the terms of this Agreement shall be exclusive of any and all withholding, sales, use, property, excise, gross receipts, consumption, GST, QST, VAT and other similar country, federal, state, municipal or local taxes or duties, levies, fees and assessments of whatsoever nature (collectively, "Taxes"). Customer shall pay all Taxes resulting from this Agreement, including but not limited to, the provision of Authorized Equipment, the license of Proprietary Software or Certified Third Party Software, or the provision of services. If Customer is required by any applicable law to make any deduction or withholding on account of Taxes or otherwise from any payment payable to HSS or any Preferred Retailer, Preferred Lessor or Preferred Services Provider under this Agreement, Customer shall, together with such payment, pay such additional amount as will ensure that HSS or any of such other entities receives a net amount (free from any deduction or withholding in respect of such additional amount itself) free and clear of any such Taxes or other deductions or withholdings and equal to the full amount which HSS or any such other entities would otherwise have received if no such Taxes or other deductions or withholdings had been required. HSS or the appropriate Preferred Retailer, Preferred Lessor or Preferred Services Provider may, where appropriate, provide an invoice to Customer for Taxes, deductions or withholdings that were deducted or withheld from any payment made to HSS or any other entities under this Agreement, which invoice Customer must promptly pay. Promptly after payment of Taxes, Customer shall forward the following to HSS: (1) copies of official receipts or other evidence reasonably satisfactory to HSS showing the full amount of Taxes and/or any other deduction or withholding that has been paid to the relevant tax authority; and (2) a statement in English (in a form HSS requires) listing the full amount of Taxes and/or any other deduction or withholding that has been paid in local currency and U.S. Dollars. Such tax receipts and statements should be sent to: Withholding Tax Coordinator, Corporate Tax Department, Hilton Worldwide, Inc., 755 Crossover Lane, Memphis, TN 38117, or at such other address that HSS may designate to Customer.

(d) Unless otherwise specified by HSS in writing, Customer shall make all payments in United States dollars to HSS or any other entity designated by HSS.

7. Precedence. The terms and conditions of Customer's use of the Information System shall be governed exclusively by this Agreement, notwithstanding the terms of any product order that may be submitted by Customer to HSS. In the event of any inconsistency between this Agreement and any product order or similar document submitted by or on behalf of Customer to HSS, or in the event of any additional terms contained in any such product order or similar document submitted by or on behalf of Customer to HSS, the terms of this Agreement shall control, and any additional or inconsistent terms contained in any such order or other document shall be deemed stricken from such

order unless specifically and expressly agreed to in writing by an authorized officer of HSS. To the extent of any inconsistent terms and conditions between the Schedules attached hereto and these terms and conditions, the terms and conditions of the attached Schedules shall control. In the event of any conflict between the terms of this Agreement and the terms of the Brand Agreements (including the Standards and/or Operating Manual(s) (the "Standards Manuals")), the terms of the Brand Agreements shall govern.

8. Software. HSS shall provide Customer with copies of certain Proprietary Software listed on Schedule A attached hereto and, in HSS's sole discretion, license certain Certified Third Party Software described in this Agreement (collectively, the "Software") and install the Software on the Authorized Equipment described in Schedule D. Installation shall be deemed complete upon certification by the installer that the Software has been properly installed. With respect to the Certified Third Party Software licensed hereunder, Customer's rights shall be governed by any terms and conditions attached to or specified on Schedule G and by any such third party software vendor's standard license agreement. Customer may be required to execute a separate license agreement directly with one or more of such third party software vendors. With respect to the Microsoft software, Customer's license shall also be governed by the Microsoft Participation Agreement attached hereto as Schedule F. With respect to the Proprietary Software licensed hereunder to Customer and with respect to any Certified Third Party Software licensed hereunder, for which there is no standard or separate third party vendor software license agreement attached to or specified herein, the terms of Customer's software license (the "Software License") shall be as follows:

- (a) The Software License shall be personal, non-exclusive and non-transferable.
- (b) The Proprietary Software and the Certified Third Party Software may be used by Customer solely on the Authorized Equipment and solely for Customer's own internal hotel operations relating to the management of its hotel and/or resort and for its guest and ancillary services at Customer's Site listed on page 1 hereof. Except for a single program copy of Certified Third Party Software which may be maintained by Customer solely for archival back-up purposes, Customer shall not reproduce the Proprietary Software, the Certified Third Party Software or any related documentation. Customer shall not reverse assemble, reverse compile or otherwise attempt to reverse engineer any of the Proprietary Software or any of the Certified Third Party Software.
- (c) Customer shall not permit any of the Proprietary Software or Certified Third Party Software to be accessed by or used on any equipment other than the Authorized Equipment.
- (d) Recognizing the confidential and proprietary nature of the Proprietary Software and the Certified Third Party Software, Customer agrees to maintain such software in confidence and not to disclose any of such software or related documentation to any third party nor permit such software and related documentation to be used or accessed by anyone other than Customer's employees. Customer shall not be provided machine readable object code or source code.
- (e) No legal or equitable title to or ownership of any of the Proprietary Software or any of the Certified Third Party Software or any proprietary rights therein are transferred to Customer hereunder other than the limited Software License specified herein.
- (f) Unless otherwise specified in this Agreement, the initial term of the Software License granted to Customer with respect to any of the Proprietary Software or the Certified Third Party Software shall be three (3) years from the Effective Date of this Agreement. Thereafter, this Software License shall be automatically extended by HSS for additional three (3) year terms, unless HSS notifies Customer to the contrary.

9. No Warranties/Limited Warranties.

(a) HSS MAKES NO WARRANTIES AS TO ANY CERTIFIED THIRD PARTY SOFTWARE, ANY AUTHORIZED EQUIPMENT OR TO ANY SERVICES PROVIDED BY THE PREFERRED SERVICES PROVIDERS. THE SOLE WARRANTIES PROVIDED TO CUSTOMER, IF ANY, WITH RESPECT TO THE CERTIFIED THIRD PARTY SOFTWARE, AUTHORIZED EQUIPMENT OR SERVICES PROVIDED BY THE PREFERRED SERVICES 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 THIRD PARTY VENDOR, HSS SHALL, 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) PROVIDED THAT CUSTOMER NEITHER ATTACHES NOR USES THIRD PARTY EQUIPMENT AND/OR INTERFACES WITH THE AUTHORIZED EQUIPMENT WHICH HAVE NOT BEEN CERTIFIED BY HSS AS MEETING HSS'S SPECIFICATIONS NOR INSTALLS OTHER THIRD PARTY SOFTWARE OR NON-HSS PROPRIETARY SOFTWARE ON THE EQUIPMENT, HSS REPRESENTS AND WARRANTS THAT THE AUTHORIZED EQUIPMENT LISTED ON SCHEDULE D WILL RUN THE PROPRIETARY SOFTWARE PURSUANT TO THE TERMS HEREOF. HSS'S OBLIGATIONS HEREUNDER SHALL NOT APPLY TO ANY ERRORS, DEFECTS OR PROBLEMS CAUSED IN WHOLE OR IN PART BY (i) ANY MODIFICATIONS OR ENHANCEMENTS MADE TO ANY OF THE PROPRIETARY SOFTWARE OR THE CERTIFIED THIRD PARTY SOFTWARE BY CUSTOMER OR ANY THIRD PERSON OR ENTITY OTHER THAN HSS; (ii) ANY SOFTWARE PROGRAM, EQUIPMENT, FIRMWARE, PERIPHERAL OR COMMUNICATION DEVICE USED IN CONNECTION WITH THE AUTHORIZED EQUIPMENT OR THE PROPRIETARY SOFTWARE 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) ANY DEFECT OR FAILURE TO OPERATE IN ACCORDANCE WITH MANUFACTURER'S, DISTRIBUTOR'S OR PUBLISHER'S SPECIFICATIONS THEREFORE OF ANY AUTHORIZED EQUIPMENT OR CERTIFIED THIRD PARTY SOFTWARE; (v) THE FAILURE OF CUSTOMER TO SCHEDULE REGULAR PREVENTIVE MAINTENANCE IN ACCORDANCE WITH STANDARD HSS PROCEDURES; (vi) FORCES OR SUPPLIES EXTERNAL TO THE INFORMATION SYSTEM, INCLUDING WITHOUT LIMITATION THOSE REASONS SET FORTH IN THE FORCE MAJEURE SECTION BELOW; (vii) THE NEGLIGENCE OF CUSTOMER OR ANY OTHER THIRD PERSON OR ENTITY. ANY CORRECTIONS PERFORMED BY HSS FOR ANY SUCH ERRORS, DIFFICULTIES, OR DEFECTS SHALL BE FIXED, IN HSS'S SOLE DISCRETION, AT HSS'S THEN CURRENT TIME AND MATERIAL CHARGES. HSS SHALL BE UNDER NO OBLIGATION, HOWEVER, TO FIX ANY SUCH CUSTOMER OR EXTERNALLY CAUSED ERRORS, DEFECTS OR PROBLEMS.

(c) EXCEPT AS SPECIFICALLY PROVIDED IN THIS SECTION 9, HSS DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE INFORMATION SYSTEM, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NONINFRINGEMENT, DESIGN, ACCURACY, CAPABILITY, SUFFICIENCY, SUITABILITY, CAPACITY, COMPLETENESS, AVAILABILITY, COMPATIBILITY, OR ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE. HSS DOES NOT WARRANT THAT THE INFORMATION SYSTEM OR THE SERVICES PROVIDED HEREUNDER WILL BE CONTINUOUSLY AVAILABLE, UNINTERRUPTED OR ERROR-FREE, THAT DEFECTS WILL BE CORRECTED, THAT THE INFORMATION SYSTEM WILL BE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS, OR WILL BE ACCURATE OR COMPLETE. HSS DOES NOT WARRANT OR MAKE ANY REPRESENTATIONS REGARDING THE USE OF, OR THE RESULTS OF, THE INFORMATION SYSTEM IN TERMS OF ITS CORRECTNESS, ACCURACY, RELIABILITY, OR OTHERWISE. THE PROVISIONS OF THIS SECTION 9 STATE THE ENTIRE LIABILITY OF HSS AND THE SOLE AND EXCLUSIVE REMEDIES OF CUSTOMER FOR ANY BREACH OF ANY WARRANTY FOR THE INFORMATION SYSTEM OR SERVICES PROVIDED PURSUANT TO THIS AGREEMENT.

10. Proprietary Rights Notices. Customer shall not remove or obscure any copyright, trademark or confidentiality notices or marks affixed to any Software.

11. Infringement Claims.

(a) HSS shall not be liable in connection with any claim of infringement of intellectual property rights, including, but not limited to, copyright, patent, trade secret, trademark, service marks, trade names, trade dress, logos, artist rights, droit moral, privacy, publicity or rights under other intellectual property laws (collectively,

“Intellectual Property Rights”) if Customer has modified any of the Proprietary Software or the Certified Third Party Software, combined any such software or related material with or into any other programs, data, devices, components or applications and such infringement would not have occurred without such modification or combination. Further, HSS shall have no liability hereunder if such liability arose or was incurred in whole or in part because of any access, use, copying, distribution, modification or other exploitation of the Information System beyond the scope permitted under this Agreement.

(b) Pursuant to Title 17, United States Code, Section 512(c)(2), if Customer receives notice of a claimed copyright infringement (or other Intellectual Property Right infringement), Customer shall promptly submit a notification (in accordance with Title, 17, United States Code, Section 512(c)(3)) to the following Designated Agent (or any other individual hereinafter designated by HSS):

Service Provider(s): Hilton Worldwide, Inc.
Name of Agent Designated to Receive Notification of Claimed Infringement: Barbara L. Arnold
Full Address of Designated Agent to Which Notification Should be Sent: Hilton Worldwide, Inc., Legal Department, 755 Crossover Lane, Memphis, Tennessee 38117
Telephone Number of Designated Agent: (901) 374-5099
Email Address of Designated Agent: Barbara.Arnold@Hilton.Com

If Customer has not received a notice of an Intellectual Property Right infringement but believes that Customer's data or other files accessed, used, saved, stored or backed-up on the Information System infringes any Intellectual Property Rights, Customer shall promptly notify the Designated Agent listed above.

2. Additional Services. Any services provided by HSS to Customer at Customer's request in addition to the services which HSS is obligated to perform pursuant to the express terms of Schedule A (the "Additional Services") shall be billed to Customer by HSS at its standard rates then in effect or as otherwise agreed in writing by HSS and Customer and shall be due and payable by Customer within fifteen (15) days from the date of invoice.

13. Limitations of Liability and Exclusions of Damages.

(a) THE REMEDIES EXPRESSLY PROVIDED IN THIS AGREEMENT CONSTITUTE CUSTOMER'S SOLE AND EXCLUSIVE REMEDIES. IN NO EVENT SHALL 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 SHALL 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.

(b) CUSTOMER ACKNOWLEDGES THAT ITS USE OF THE INFORMATION SYSTEM, INCLUDING, BUT NOT LIMITED TO, THE USE, SAVING, STORING OR BACKUP OF CUSTOMER'S DATA AND OTHER FILES RELATING TO CUSTOMER'S OPERATION, AND/OR CERTAIN OTHER CUSTOMER DATA AND FILES AS MAY BE UTILIZED ON THE INFORMATION SYSTEM IS NOT WITHOUT RISK AS TO LIMITATIONS, FAILURE AND/OR INTERRUPTION. FOR INSTANCE, THERE COULD BE A FAILURE OR INTERRUPTION OF CUSTOMER'S ACCESS TO OR ANY USE OF THE INFORMATION SYSTEM FOR AN INDETERMINATE PERIOD OF TIME DEPENDING UPON THE NATURE AND SEVERITY OF THE EVENT CAUSING THE FAILURE OR INTERRUPTION. 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. CUSTOMER HEREBY ACKNOWLEDGES AND AGREES THAT NEITHER HSS NOR ANY SUCH THIRD PARTY PROVIDER SHALL BE RESPONSIBLE OR LIABLE TO CUSTOMER FOR ANY DELAYS, FAILURES, OR INTERRUPTIONS IN THE ACCESS TO OR ANY USE OF THE INFORMATION SYSTEM

DUE TO, BUT NOT LIMITED TO, THE REASONS SET FORTH IN THE FORCE MAJEURE SECTION BELOW.

(c) 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"), THE DIGITAL MILLENNIUM COPYRIGHT ACT (THE "DMCA") OR OTHER 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 SHALL NOT BE LIABLE FOR ANY INCONVENIENCE OR DISRUPTION TO THE CUSTOMER CAUSED BY SUCH MEASURES.

(d) ELECTRONIC COMMUNICATIONS PRIVACY ACT NOTICE (18 U.S.C. §§ 2701-2711): HSS MAKES NO GUARANTY OF CONFIDENTIALITY OR PRIVACY OF ANY DATA OR OTHER FILES TRANSMITTED ON OR THROUGH THE INFORMATION SYSTEM. HSS WILL NOT BE LIABLE FOR THE PRIVACY OF ANY DATA OR OTHER FILES TRANSMITTED ON OR THROUGH THE INFORMATION SYSTEM.

(e) 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 SHALL BE RESPONSIBLE OR LIABLE TO CUSTOMER FOR ANY SUCH ACTIONS TAKEN BY HSS OR THE THIRD PARTY PROVIDER.

14. Limitations on Actions. No action, regardless of form, arising out of the transactions under this Agreement, other than an action for nonpayment, or for billing errors may be brought by either party hereto more than one (1) year after the cause of action has occurred.

15. Third Party Claims. The Released Parties, as defined in Section 16, shall 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 the Information System, or, without limitation, any of the other products or services provided under this Agreement or the Schedules attached hereto. Customer shall be responsible for, and Customer agrees to indemnify the Released Parties and hold them harmless from and with respect to, any loss or damage (including without limitation attorneys' fees, costs and expenses) which arise out of Customer's access to or any use of the Information System or any of the other products or services provided under this Agreement or the Schedules attached hereto, including, but not limited to, infringement of any Intellectual Property Rights.

16. Estoppel and Release. Customer hereby (i) certifies to HSS and its subsidiaries and affiliates that this Agreement, the Master Agreements and all other agreements relating to Customer's Site listed on page 1, (collectively, the "Agreements") are each 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 the passage of time, giving of notice or otherwise become a Claim, currently exists or has existed against HSS or its subsidiaries or affiliates under the Agreements; (ii) fully and forever releases, discharges, and agrees to indemnify, defend, and hold harmless HSS and its subsidiaries and affiliates and each of their respective former and present owners, and each of such entities'

officers, employees, directors, shareholders, alter egos, affiliates, partners, representatives, agents, attorneys, successors and assigns (collectively, the "Released Parties"), from any and all Claims, demands, liens, actions, suits, causes of action, obligations, controversies, debts, costs, attorneys' 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 or may have existed, or which do exist or which hereafter can, shall or may exist, based on any facts, events, or omissions occurring from any time on or prior to the execution of this Agreement which arise out of, concern, pertain, or relate in any way to the Agreements (the "Released Claims"). Customer acknowledges that there is a possibility that subsequent to the execution of this Agreement, Customer will discover facts or incur or suffer claims which were unknown or unsuspected at the time this Agreement was executed, and which if known by Customer at that time may have materially affected Customer's decision to execute this Agreement. Customer hereby acknowledges and agrees that by reason of this Agreement and the release contained in this Agreement, it is assuming any risk of such unknown facts and such unknown and unsuspected claims. Customer has been advised of the existence of Section 1542 of the California Civil Code ("Section 1542"), which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

Notwithstanding such provision, this release shall constitute a full release in accordance with its terms. Customer knowingly and voluntarily waives the provisions of Section 1542, as well as any other statute, law, or rule of similar effect (or in any state having similar statutes governing releases). In connection with such waiver and relinquishment, Customer hereby acknowledges it is aware 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 herein. Nevertheless, it is the intention of Customer, through this Agreement, and with the advice of its counsel, to fully and finally settle and release all such matters, and all claims relative thereto, which do now exist, may exist or have existed between and among the parties hereto. Customer hereby acknowledges that it has been advised by its legal counsel and understands and acknowledges the significance and consequences of this release and of this specific waiver of Section 1542 and other such laws.

17. Entire Agreement/Prior Agreements. This Agreement and the Schedules attached hereto constitute the entire understanding and agreement between Customer and HSS with respect to the transactions contemplated herein and, except for the Brand Agreements as noted in Section 7, supersede any and all prior or contemporaneous oral or written communications with respect to the subject matter hereof. No other agreements, covenants, representations or warranties, express or implied, oral or written, have been made by either party to the other with respect to the subject matter hereunder. There being no expectations to the contrary between the parties hereto, no usage of trade or other regular practice or method of dealing between the parties hereto shall be used to modify, interpret, supplement or alter in any manner any express terms of this Agreement or the Schedules attached hereto. Neither this Agreement nor the Schedules attached hereto shall be modified, amended or in any way altered except by an instrument in writing signed by an authorized representative of HSS and by an authorized representative of Customer. Without limiting the generality of the foregoing, this Agreement supersedes and terminates any prior or existing HMS, HPMS1, HPMS2, System 21® and Hilton Information Technology System Agreements. Nothing in this Section 17 disclaims any representation made in the Franchise Disclosure Document provided to the Customer.

18. Cumulative Remedies. No remedy available to HSS hereunder or relating hereto shall be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No waiver of any provision of this Agreement or any Schedule attached hereto or any rights or obligations of either party hereunder shall be effective, except pursuant to a written instrument signed by the party or parties waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such writing.

19. Force Majeure. Neither HSS, the Preferred Retailer, the Preferred Lessor nor the Preferred Services Provider shall be responsible for delays or failures in performance hereunder resulting from any act of God, fire, flood, lightning strikes, tornadoes, earthquakes or other disasters, riots, civil commotion, terrorism, acts of war, labor disputes, strikes, lockouts, epidemics, governmental regulations imposed after the fact, network failure, communication line, power, air conditioning or humidity control failures, or any other occurrence beyond their reasonable control.

20. Severability. If any provision hereof is found invalid or unenforceable pursuant to judicial decree or decision, the remainder of this Agreement shall remain valid and enforceable according to its terms. Without limiting the foregoing, it is expressly understood and agreed that each and every provision of this Agreement and the Schedules attached hereto which provide for a limitation of liability, disclaimer of warranties, or exclusion or limitation of damages or other remedies is intended by the parties to be severable and independent of any other provision and to be enforced as such. Further, it is expressly understood and agreed that if any remedy hereunder is determined to have failed of its essential purpose, all limitations of liability and exclusions of damages or other remedies set forth herein shall remain in effect.

21. No Joint Venture. Nothing contained herein shall be deemed or construed as creating a joint venture or partnership between HSS and Customer. Neither party is, by virtue of this Agreement, authorized as an agent or legal representative of the other.

22. Assignment. This Agreement shall be binding upon and inure to the benefit of the parties' respective successors and assigns permitted hereunder. Customer understands and acknowledges that HSS anticipates that it may arrange for one or more third parties to provide certain services which HSS is obligated to provide to Customer hereunder. Customer further expressly agrees that HSS may assign or transfer this Agreement and/or any of its rights and duties hereunder to any parent, subsidiary or affiliated entity or any entity which acquires all or substantially all of HSS's operating assets, or into which HSS is merged or reorganized pursuant to any plan of merger or reorganization. Customer shall not have the right or power to assign or transfer this Agreement or any interest herein without HSS's prior written consent, which consent may be withheld in the sole and absolute exercise of HSS's discretion.

23. Counterparts. This Agreement may be executed in one or more counterparts each of which shall constitute one and the same instrument.

24. Applicable Law, Consent to Jurisdiction, Equitable Relief and Waiver of Jury Trial. This Agreement shall be governed by, and shall be construed, interpreted and enforced in accordance with the laws of the State of New York, except for Section 16 which shall be governed by California Law. This Agreement will be enforced in accordance with the following:

The parties to this Agreement agree that any claim, suit, action or proceeding, brought by either party, arising out of or relating to this Agreement or the relationships created hereby, any breach of this Agreement, and any and all disputes between HSS and Customer, whether sounding in contract, tort or otherwise, shall be submitted for adjudication exclusively 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 Fairfax County, Virginia. Each party: (i) waives any objection which it may have that such court is not a convenient forum for any such adjudication; (ii) agrees and consents to the personal jurisdiction of such court; and (iii) agrees that process issued out of such court or in accordance with the rules of practice of such court shall be properly served if served personally or served by certified mail or other form of substituted service as provided under the rules of practice of such court.

The parties hereto acknowledge and agree that any party's remedy at law for any breach or threatened breach of this Agreement which relates to requiring that the breaching party take any action or refrain from taking any action would be inadequate and such breach or threatened breach shall be per se deemed as causing irreparable harm to such party. Therefore, in the event of such breach or threatened breach, the parties hereto agree that in addition to any available remedy at law, including, but not limited to, monetary damages, an aggrieved party shall be entitled to obtain equitable relief in the form of specific enforcement, temporary restraining order, temporary or permanent injunction, or any other equitable remedy that may then be available to the aggrieved party.

Should venue be rejected by the U.S. District Court for the Eastern District of Virginia, in Alexandria, Virginia or a court of competent jurisdiction in Fairfax County, Virginia, then any litigation arising out of or related to this Agreement or the relationships created hereby, any breach of this Agreement, and any and all disputes between HSS and Customer, whether sounding in contract, tort, or otherwise, will instead be submitted to and resolved exclusively by a court of competent jurisdiction located in the City and State of New York, New York. Customer agrees and consents to such personal jurisdiction and venue in this substitute jurisdiction and waives and agrees never to assert,

move or otherwise claim that this substitute venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including asserting any claim under the judicial doctrine of forum non conveniens).

TO THE EXTENT EITHER PARTY INITIATES LITIGATION INVOLVING THIS AGREEMENT OR ANY ASPECT OF THE RELATIONSHIP BETWEEN THEM (EVEN IF OTHER PARTIES OR OTHER CLAIMS ARE INCLUDED IN SUCH LITIGATION), ALL THE PARTIES WAIVE THEIR RIGHT TO A TRIAL BY JURY. THIS WAIVER WILL APPLY TO ALL CAUSES OF ACTION THAT ARE OR MIGHT BE INCLUDED IN SUCH ACTION, INCLUDING CLAIMS RELATED TO THE ENFORCEMENT OR INTERPRETATION OF THIS AGREEMENT, ALLEGATIONS OF STATE OR FEDERAL STATUTORY VIOLATIONS, FRAUD, MISREPRESENTATION, OR SIMILAR CAUSES OF ACTION, AND IN CONNECTION WITH ANY LEGAL ACTION INITIATED FOR THE RECOVERY OF DAMAGES BETWEEN OR AMONG HSS AND CUSTOMER OR BETWEEN OR AMONG ANY OF THEIR OWNERS, AFFILIATES, OFFICERS, EMPLOYEES OR AGENTS.

25. Attorneys' Fees. In the event of any suit, action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, the prevailing party thereunder shall be entitled to recover reasonable attorneys' and paralegals' fees (for negotiations, trials, appeals and collection efforts) and court costs incurred in connection therewith in addition to any other relief to which such party may be entitled. The prevailing party shall be the party that prevails on its claim whether or not an award or judgment is entered in its favor.

26. No Reproduction. Customer acknowledges that the Proprietary Software (excluding any third party software used in operating the Information System) comprising the Information System is subject to certain Intellectual Property rights owned or held by HSS and/or its affiliates or subsidiaries and that the information contained therein is proprietary to HSS and/or its affiliates or subsidiaries. Customer agrees not to reproduce, nor duplicate, nor reuse, in whole or in part, any Software, documentation or materials comprising the Information System in any manner (whether directly or in creating a new use or otherwise) without the prior written consent of HSS. This prohibition against reproduction also applies to the duplication and/or transmission of any related materials supplied by HSS.

27. Confidentiality.

(a) Customer shall maintain the confidential nature of the information contained in the materials which are provided for its use at the Customer's Site (the "Site") also referred to herein as Customer's Hotel (the "Hotel") under this Agreement and the Schedules attached hereto. Customer agrees not to provide or otherwise make available the Software or documentation comprising the Information System to any person or entity other than Customer's employees at the Site without prior written consent of HSS. Customer further agrees to take all reasonable steps and precautions necessary to protect the Information System or any of the software or information contained therein from unauthorized use or disclosure by its agents, employees, or other third parties.

(b) Customer hereby represents and warrants that it will not share with nor enter into any agreement or understanding with any competitors, including any other Hilton hotel (other than a Hilton hotel owned by the same owner), to share or exchange information concerning prices, bids, or terms or conditions of sale.

(c) Customer further agrees that it shall maintain the confidential nature of the information contained in the Proprietary Software and the Certified Third Party Software and related materials together with all of the information HSS and/or its affiliates and subsidiaries may obtain from Customer or about Customer or about the Customer's Site or its guests under this Agreement, or under any agreement ancillary to this Agreement, or otherwise related to this Agreement and agrees that such information is HSS's and/or its affiliates' and subsidiaries' proprietary and confidential information. All revenues related thereto will be HSS's and/or its affiliates' and subsidiaries' property. However, Customer may at any time during or after the term of this Agreement use to the extent lawful, and at its sole risk and responsibility, any information that Customer acquires from third parties in operating Customer's Site, such as guest data. The information will become HSS's and/or its affiliates' and subsidiaries' confidential and proprietary information which HSS and/or its affiliates and subsidiaries may use for any reason as it deems necessary or appropriate, in its sole discretion. Customer agrees not to provide or otherwise make available any of the information to any person or entity other than Customer's employees at Customer's Site.

28. Surviving Obligations. All representations, promises, warranties, and obligations of Customer shall survive the termination of this Agreement. In the event that Customer makes improper use of the rights granted herein, the parties agree that HSS and/or its affiliates and subsidiaries would suffer irreparable damage, and HSS shall have the right to obtain an injunction to prevent such misuses and to protect its rights in the Information System, including, but not limited to, the Software and the documentation or information contained therein or any use thereof. Such right to injunctive relief shall be cumulative and in addition to any other right or remedy at law to which HSS may be entitled. In the event HSS shall employ legal counsel to enforce its rights hereunder, HSS shall be entitled, in addition to any other damages, to recover reasonable attorneys' fees and costs.



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SCHEDULE A

INFORMATION SYSTEM SOFTWARE LICENSED / SERVICES PROVIDED

Software Item:

Proprietary Software

OnQ® Interface Software:	%Sys21InterfaceSW%
Call Accounting	%CallAccounting%
PBX	%PBX%
Voice Messaging	%VoiceMail%
Point Of Sale	%POS%
Movie Only Billing	%MovieSystem%
TV Services (Express Checkout, Movies, etc.)	%VideoCheckOut%
Mini-Bar Posting	%MiniBarPosting%
Credit Card Authorization & Settlement	%CreditCard%
High Speed Internet	%INetCallAccounting%
PPIC	%PPIC%
Electronic Key	%ElectronicKey%
Energy Management	%EnergyMgmt%

"X" – Denotes requested interfaces

Documentation Item:

Implementation

- Site Survey Recap
- OnQ® Proposal
- OnQ® Implementation Guide
- OnQ® Installation Guide

Training Manuals

- Pre-Conversion Training Material
- Proprietary Software CBT
- Proprietary Software On-line Coach

Training Item:

As described below, Customer's personnel must demonstrate an acceptable level of proficiency in the operation of the Information System before Customer will be permitted to implement or use the Information System. These are summaries of some current requirements; however, more exact requirements may be set forth in the applicable Brand and/or Standards Manual(s) and subject to change by HSS from time to time as set forth in the License Agreement and such Manuals.

Information System Planning Workshop

In order to assist Customer with acquiring necessary planning information regarding implementation of the Information System, HSS periodically conducts implementation training either by telephone or during sessions conducted in Memphis. This implementation training is designed to equip the Hotel's personnel with the skills necessary to operate, train employees and plan for implementation of the Information System. Customer's general manager (or HSS approved designee) is required to participate in this training along with other management staff (designated by HSS) to begin execution of the plan for implementation of the Information System.



Hotel Employee Training

The Information System currently contains a complete self-paced computer based training (“CBT”) function which each employee of the Hotel will use to become proficient in the Information System’s functionality. The management of the Hotel is responsible for ensuring that all employees who have responsibilities related to the front desk will be certified in the appropriate CBT modules prior to the implementation of the Information System, or within ten (10) days of employment, as the case may be.

Proficiency to be Demonstrated

Customer’s General Manager (“GM”) shall be certified in the Information System’s operations procedures, or a new GM shall become certified within sixty (60) days of assuming the general manager’s position, as the case may be. All Hotel staff must successfully complete certification training as a prerequisite to receiving permission from HSS’s installation team to complete the implementation of the Information System. A minimum passing score for the General Manager or General Manager designee (for hotels over 300 rooms) is eighty percent (80%) with eighty percent (80%) or the combined average of the management team and eighty percent (80%) for the combined average of the team members who are principal users of the Information System.

Installation Services Item:

HSS May Use Third Party Designee to Provide Services Hereunder

From time to time during the term of the Agreement, HSS may elect to enter into a business relationship with one or more third party vendors to provide some or all of the goods and services to be delivered to Customer under the provisions of the Agreement. Such services may include, but not be limited to, the procurement and configuration of the Authorized Equipment and Certified Third Party Software, the installation of same at the Hotel, and the maintenance of the Authorized Equipment and Certified Third Party Software at the Hotel on an ongoing basis following installation. Customer agrees to pay invoices rendered by the third party vendors in accordance with the terms thereof as if they were rendered directly by HSS, and if Customer fails to do so, it shall be considered a default hereunder. At the present time, HSS has entered into an agreement in such capacity to use the Preferred Retailer, Preferred Lessor and/or the Preferred Services Provider whose joinder(s) is (are) attached to the Agreement and made a part hereof.

Implementation:

As set forth in this Schedule A below, HSS (or its designee) will provide certain services for Customer’s Authorized Equipment listed on Schedule D and related Certified Third Party Software. These are summaries of some current requirements; however, more exact requirements may be set forth in the applicable Brand and/or Standards Manual(s) and are subject to change by HSS or HWI or their affiliate or subsidiary from time to time as set forth in the License Agreement and such Manuals.

HSS will provide the services (the “On-Site Services”) of Systems Implementation consultants. The number of consultants is to be determined by HSS based upon size and type of the Hotel. The number of consultants on-site at the Hotel and the person-days on-site for these consultants are listed on Schedule B – Cost of the Installation Services. The number of days will be determined by HSS in its sole discretion. These consultants will:

- (i) work with the Hotel’s management to build the Hotel’s database, including the verification of the proper functioning of the Software;
- (ii) provide procedural support for the property management system to the Hotel’s management;
- (iii) work with the Hotel’s management to adapt their use of the Information System to meet the Hotel’s requirements;
- (iv) support the Hotel’s staff in their use of the Information System through the Hotel’s management;
- (v) 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.);
- (vi) install or approve the installation of equipment to meet the requirements of the Hotel, HSS and the manufacturer of the Authorized Equipment;



- (vii) work with third party vendors to meet the technical criteria for interface communications; i.e., central reservations, call accounting, energy management, pay movies, high speed internet access, etc.;
- (viii) administer a trial run of the Information System to verify that the front desk staff and audit staff have been trained properly (the minimum passing score for the General Manager or General Manager designee (if applicable) is 80%, and 80% for the combined average of the management group and primary employee user group);
- (ix) verify that all front desk staff and Hotel's management have successfully completed the Information System Guided Tour & Training;
- (x) identify and address operational problems that involve the Information System; and
- (xi) formulate and present recommendations that maximize efficient use of the Information System.

Installation

Whether Customer elects to purchase the Authorized Equipment listed on Schedule D from the Preferred Retailer or lease such Authorized Equipment from the Preferred Lessor, HSS (or its designee as the case may be) will coordinate the installation of such Authorized Equipment at the Hotel.

(i) Customer or HSS, in HSS's discretion, will obtain and maintain throughout the term hereof, at Customer's cost, the necessary communication vehicles (e.g., two dedicated telephone lines, one for direct communication between HSS and the Hotel for the purpose of dialing up Customer's Authorized Equipment to diagnose Information system problems and the other to diagnose wide area network trouble), together with such other equipment as is reasonably necessary for the operation of the Authorized Equipment, including without limitation, network access including wide area network connections to the Central Reservation System and Internet via frame relay and/or dial-up connections, routers, and CSU/DSU equipment. Customer shall maintain for the term of this Agreement, at Customer's cost, all necessary communication links, including a modem and dial-up telephone line and a facsimile machine or other electronic communications capability mutually acceptable to Customer and HSS.

(ii) Customer shall 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 shall furnish any electrical connections and dedicated phone lines which may be required by HSS and shall 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.

(iii) Any delay in shipment and installation of such Authorized Equipment or Certified Third Party Software, including delays by communications vendors, Preferred Retailers, Preferred Lessors, Preferred Services Providers or any other retailers or lessors, 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 shall 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.

(iv) If Customer elects to purchase such Authorized Equipment from another retailer or lessor, it shall be installed at the Hotel on a date mutually agreed to by HSS and Customer following HSS's (or its designee's) determination that it conforms to HSS's specifications and testing procedures and can be configured with the Software.

Software Installation

If Customer purchases the Authorized Equipment listed on Schedule D from HSS or the Preferred Retailer, the Preferred Retailer or HSS will install the Software and any related software as described in this Agreement on the Authorized Equipment and HSS (or its designees) will complete the installation at the Hotel, as applicable, on the agreed upon installation date. If Customer does not purchase such Authorized Equipment from the Preferred Retailer, HSS or its designee 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 shall be as set out above and in this Agreement, and Customer hereby agrees to permit the Preferred Retailer or HSS (or their designees) to install any and all other Software Modules on the Authorized Equipment in or at the Hotel, as provided for herein.

If Customer purchases such Authorized Equipment from a retailer other than the Preferred Retailer, Customer shall pay for configuring the Authorized Equipment purchased from such retailer, with the Software. The additional

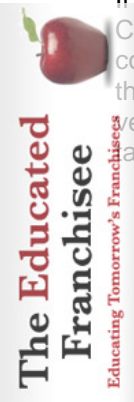
cost for such configuration shall be as shown on Schedule B. Customer shall also be responsible for shipping and shipping related costs to and from HSS or its designee for such configuration.

Cost of On-Site Services/Travel Expenses

The cost of all On-Site Services (including the cost of the Systems Implementation Consultants) are shown on Schedule B. In addition to paying the cost of all On-Site Services, Customer shall reimburse HSS for any travel expenses incurred by HSS (or its designee), including without limitation, those shown on Schedule B.

Third Party Interface Testing and Connectivity

If Customer requires the implementation of any OnQ® Interface software for connectivity to third party systems, Customer shall 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.



SCHEDULE B

SYSTEM COST AND PAYMENT TERMS

Cost of the Software License Fees

Customer shall pay HSS, Preferred Retailer, Preferred Services 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 to Customer by third parties or installed on the Authorized Equipment listed on Schedule D at the Hotel (the "License Fee"). The License Fee may be prorated to reflect the installation of some, but not all of the Proprietary Software Modules; however, Customer agrees to pay for the License Fees according to the schedule set forth below.

Proprietary OnQ® Software License	\$%System21SWFee%
Proprietary OnQ® Interface Software Licenses	\$%System21LicenseFee%
OnQ® Virus and CAL Licenses	\$%System21VirusSW%

If additional Hotel guest rooms (or suites) are added or constructed by Customer for Customer's Hotel at any time after the Effective Date of the Agreement, Customer will pay the cost of additional License Fees based upon the increase in such rooms. Currently, the cost of the License Fees per additional room is \$120.00.

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 Retailer.

Authorized Equipment (as described in Schedule D) and Certified Third Party Software (as listed in Schedule D and described in Schedule G, as applicable)	\$%System21HWFee%
Kiosk Hardware and Installation Fee	\$%Kiosk%
Standard Upgrade Fee	\$%StandardUpgradeFee%
Standard Plus Software License Fees	\$%StandardPlusSoftwareFee%

*Note: The cost to configure equipment obtained by Customer from a non-preferred retailer, to be included here, when applicable.

Cost of Training and Training Manual

The cost of the Training 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 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 OnQ® 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%
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There is currently no additional charge for the CBT training modules which are included within the software.

Information System Planning Workshop	\$%System21PlanningWS%
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Educating Tomorrow's Franchisees

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.
\$

General Manager Leadership Program: \$%SalesTrainingFee%
For ES/HH/HIS/HW/DT/DC (N/A for other brands):

Pre-Opening Materials
For ES/HH/HIS/HW/DT/DC (N/A for other brands): \$%GMTrainingFee%

Cost of the Installation Services

The cost of the 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 Service Provider Fee: \$%ServicesPreferred%
Training Room Network Installation, as applicable)
(includes travel expenses)

Project Management, Contracting and Sales fee ("PMCS Fee") \$%ServicesPMCS%

Site Survey (includes travel expenses) \$%HHCSiteSurvey%

Installation Support Fee \$%InstallSupport%

Implementation on-site services: (inclusive of travel for US and PR -
Travel expenses to be billed at actual per guidelines below for others) \$%ImplementationFee%

Executive Briefing and Change Management \$%DevRecovery%

Email Setup Fee: \$%Email%

Hi Tech Fee: \$%HiTechFee1%

Firewall Equipment and Configuration and/or Converged Network Install \$%Firewall%

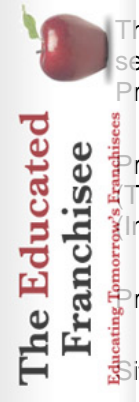
Cost of Travel Expenses/Per Diem/Rescheduling

Customer shall pay for or promptly reimburse any out-of-pocket travel expenses actually incurred by HSS or 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's representatives' stay at the Hotel);

tips;

taxes; and

miscellaneous expenses (including phone, internet, laundry, etc.).

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 shall 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: HSS requires that its representatives be on-site for the Hotel's implementation of the Information System. Once HSS's representatives are on-site, any delays in the Hotel's implementation will result in additional expense to Customer. If HSS's representatives stay at the Hotel beyond the number of person-days to be provided as set forth above, whether on account of a delayed opening caused by Hotel or at Customer's request, Customer will be required to pay HSS (or its designee) currently \$700 per representative per day for each such additional day, plus such representatives' additional travel expenses. If a delay in implementation of the Information System caused solely by the Hotel necessitates the departure and re-scheduling of HSS's representatives, in addition to the fee set forth above, Customer will be required to pay a re-scheduling fee, currently \$2000.00, plus such representatives' 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.

If Customer attaches or uses third party equipment and/or interfaces with the Authorized Equipment listed on Schedule D which have not been certified or approved by HSS as meeting HSS's specifications or installs other third party non-HSS proprietary software which has not been certified or approved by HSS as meeting HSS's specifications on the equipment, the Information System may need to be reconfigured, and the entire cost of the reconfiguration shall be borne by Customer.

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 shall be payable within fifteen days of Customer's receipt of same.

Notes: All fees indicated are exclusive of applicable taxes (see Agreement section entitled "Taxes"). Unless otherwise specified by HSS in writing, Customer shall make all payments in United States dollars to HSS or any other party designated by HSS in its sole discretion.

Customer shall 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

Customer shall purchase and replace, from any source, paper, ribbons and such other operating supplies as shall be required for the operation of the Authorized Equipment.

SCHEDULE C

SOFTWARE MAINTENANCE / COST AND PAYMENT TERMS

1. General. HSS shall provide Customer with maintenance and support for a term of one (1) year (with annual renewals at the option of HSS) commencing upon execution hereof, for the Proprietary Software, specifically excluding any maintenance and support of any Certified Third Party Software (as described in the Agreement section designated "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 (collectively "Certified Software"), is not warranted for use on the Authorized Equipment, as set forth in Schedule D. 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 shall have no further obligations to provide any software maintenance services to Customer hereunder.

Software Maintenance.

(a) Customer acknowledges and understands that HSS is unable to modify the Certified Third Party Software. With respect to the Certified Third Party Software, HSS does not provide support. 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 shall, 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, provided Customer has paid all software maintenance and other fees and satisfied all other obligations under this Agreement and under the License Agreement with HWI or its affiliate or subsidiary, HSS shall supply Customer with access to any standard enhancements, improvements, updates, and/or modifications to the Proprietary Software 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, shall be HSS's sole and exclusive property and shall be deemed part of the Proprietary Software hereunder and shall 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 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 shall provide HSS with all information, data and other required materials necessary for HSS to reproduce any problem identified by Customer. Customer shall 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. If service personnel incur travel, lodging, meal, or any other out of pocket expenses in furnishing the maintenance services hereunder, Customer shall pay for or promptly reimburse HSS for same, subject to reasonable documentation of such expenses. Customer shall also pay for all telephone toll charges incurred in providing maintenance and support hereunder.
6. Exclusions. HSS's obligations hereunder shall 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 or Certified Third Party Software 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 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 shall be fixed, in HSS's sole discretion, at HSS's then current time and material charges. HSS shall be under no obligation, however, to fix any such Customer or externally caused errors, defects or problems.

7. Proprietary Rights. Any changes, improvements, additions, and/or modifications to any of the Proprietary Software which are licensed by HSS to Customer, and all proprietary rights therein, including without limitation, all Intellectual Property Rights, shall be HSS's sole and exclusive property, and all such software shall be subject to the terms and conditions of the Agreement.

8. 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.

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. Customer shall 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 shall 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. HSS has no obligation to maintain or repair any software other than the Proprietary Software, nor to repair or replace any expendable or consumable components such as ribbons, paper, toner cartridges, print wheels, drums, batteries, or diskettes.

11. Cost and Payment Terms. Annual Cost of Software Maintenance \$%AnnualSWMaint%. Payments will be calculated from the Start Date ("Start Date"), which shall be the shipment date of the Authorized Equipment listed on Schedule D to Customer's Hotel. Payable in monthly installments of \$%MonthlySWMaint%. The monthly payment amount will be due in advance and will be billed by HSS or its designee. 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 Software Maintenance cost on an annual basis to reflect increases or decreases in such cost internally and from the Preferred Retailers of such services and to reflect the addition or construction of additional guest rooms (or suites) by Customer for Customer's Hotel.



SCHEDULE D

AUTHORIZED EQUIPMENT DESCRIPTION / PURCHASE TERMS AND CONDITIONS

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"); and (ii) any additional equipment authorized by HSS for use at Customer's hotel, over and above the Network Authorized Equipment (the "Standard Plus Equipment"). All Authorized Equipment is listed on this Schedule D.

Authorized Equipment Purchase

Except as provided otherwise in this Schedule D, Customer may purchase the Authorized Equipment listed on this Schedule D from the Preferred Retailer who may provide a joinder agreement with Customer (Schedule I) 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 Retailer, 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. The additional cost for such certification will be shown on Schedule B. Customer shall also be responsible for the shipping and shipping related costs to and from HSS or its designee for such certifications, including without limitation those shown on Schedule B.

Authorized Equipment As Personal Property/Insurance Requirements

In addition to any other specific purchase terms required by the Preferred Retailer, the following purchase terms and conditions shall apply to any Authorized Equipment obtained from a Preferred Retailer or HSS. The Authorized Equipment will be at all times, personal property which shall 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 Retailer the total sum for the Authorized Equipment as required hereunder, the Authorized Equipment shall remain the property of the Preferred Retailer, and title shall remain with the Preferred Retailer, 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 shall 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 shall name HSS as an additional insured. For so long as this obligation remains in effect, Customer shall 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 shipment of the Authorized Equipment from the Preferred Retailer's or Preferred Lessor's Configuration Center, 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 Retailer'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.

AUTHORIZED EQUIPMENT

NETWORK AUTHORIZED (PROGRAM FUNDED) EQUIPMENT:

%NetAuthEquip1%

STANDARD PLUS (HOTEL FUNDED) EQUIPMENT:

%StdPlusEquip1%

PURCHASE TERMS AND CONDITIONS

For Purchase Terms and Conditions, see Schedule I, Preferred Retailer Joinder Agreement, and any attachments to Schedule I, all of which are incorporated herein by reference.

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SCHEDULE E

AUTHORIZED EQUIPMENT MAINTENANCE / COST AND PAYMENT TERMS

1. Maintenance for the Authorized Equipment. Customer must take all steps necessary to provide all necessary maintenance services for the Authorized Equipment listed on Schedule D 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 Services Provider or the PSP) with whom HSS has arranged to provide maintenance services ("Equipment Maintenance") for the Authorized Equipment listed on Schedule D provided that such Authorized Equipment, if not purchased from the Preferred Retailer, is first certified as being suitable for Equipment Maintenance, at the expense of Customer, by either HSS (or its designee) or the PSP. For such services, the Customer shall pay as set forth in this Schedule E (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 PSP and Equipment Maintenance is necessary, Customer will notify HSS, which in turn will notify the PSP to dispatch a PSP 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 Services Provider shall be responsible for any maintenance or support of Non-maintained Equipment.

The following Authorized Equipment shall be designated Non-maintained Equipment:

OptOutMaint%

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 shall 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 shall 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 (the "Refreshment Program"), Customer will be responsible for and will pay for all fees and costs for the replacement or refreshment of the Authorized Equipment listed on Schedule D 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 PSP 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) shall be the same as the terms and conditions of this Schedule E, including, but not limited to, the imposition of termination fees as described hereinafter. 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 PSP is terminated) prior to the third anniversary of the Start Date, which shall be the shipment date of the Authorized Equipment listed on Schedule D to Customer's Hotel, Customer shall pay to HSS a termination fee which is designed to reimburse the PSP 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 PSP under this Agreement. If such termination occurs during the first year following the Start Date, the termination fee shall be in the amount of \$3600.00. If such termination occurs during subsequent years following such Start Date, the termination fee shall be as follows:

During second year - \$2,600

During third year - \$1,300

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Thereafter - \$1,200

Provided, however, if this Agreement is terminated, or if the Customer's use of the PSP is terminated after a Customer Refresh of Authorized Equipment listed on Schedule D, the termination fee shall 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

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 in 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 shall have no further obligations to provide any equipment maintenance services to Customer hereunder.

Equipment Maintenance will be provided for Customer's Hotel located at %PropertyAddress1%, %PropertyAddress2%, %PropertyCity%, %PropertyState%, %PropertyZip%.

7. Cost and Payment Terms. Annual Cost of Equipment Maintenance for Authorized Equipment listed on Schedule D \$%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 PSP shall 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 shall 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 PSP shall 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 PSP has any obligation to maintain or repair any equipment other than the Authorized Equipment listed on Schedule D, 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 shall not move or perform maintenance services on any of such Authorized Equipment without HSS's or PSP's prior written consent.

9. Cooperation. Customer shall provide HSS or PSP with all information, data and other required materials necessary to reproduce any problem identified by Customer. Customer shall 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 listed on Schedule D 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 PSP 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 shall pay for or promptly reimburse HSS for same, subject to reasonable documentation of such expenses. Customer shall also pay for all telephone toll charges incurred in providing maintenance and support hereunder. Typical travel expenses include, without limitation, the following:

round-trip airfare (due to frequent scheduling changes HSS may not be able to purchase airfare 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 PSP's representatives' stay at the Hotel);

tips;

taxes; and

miscellaneous expenses (including phone, laundry, etc.).

11. Exclusions. The obligation of HSS or the PSP to provide Equipment Maintenance hereunder shall 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 shall be fixed, in HSS's or PSP's discretion, at the then applicable current time and material charges. Neither HSS nor the PSP shall be under any obligation, however, to fix any such Customer or externally caused errors, defects or problems.



Microsoft Enterprise Agreement Number:	8416402
Microsoft Select Enrollment Number:	62932896

SCHEDULE F

PARTICIPATION AGREEMENT

This Participation Agreement ("Participation Agreement") is entered into by the party signing below ("you") for the benefit of the Microsoft affiliate ("Microsoft") and HSS ("HSS" defined as the customer in the agreements with Microsoft) and shall be enforceable against you (as the "Customer Affiliate" of HSS) by Microsoft or HSS in accordance with its terms. You acknowledge that Microsoft and HSS have entered into the Microsoft Enterprise Agreement and/or Microsoft Select Enrollment Agreement referenced above (the "agreements"), 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 HSS or Microsoft, 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.

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 agreements; 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:

- 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;
- Rent, lease, lend or host products, except where Microsoft agrees by separate agreement;
- 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 BUT NOT LIMITED TO 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.

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 Microsoft's responsibilities with respect to third party patent or copyright infringement claims, Microsoft's obligation to defend such claims will not be subject to the preceding limitation, but Microsoft's liability to pay damages awarded in any final adjudication (or settlement to which it consents) will be. 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.

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.

- g. **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.
- h. **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 15 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.

i. **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 shall be deemed to be a breach of this Participation Agreement and shall be grounds for immediate termination of all rights granted hereunder.

Dated as of the ____ day of ____, 20__.

CUSTOMER AFFILIATE:

By

Name

Title

Date



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SCHEDULE G

CERTIFIED THIRD PARTY SOFTWARE / ADDITIONAL TERMS AND CONDITIONS

Attached to this Schedule, when applicable, are License or Sublicense Agreements from providers of certain Certified Third Party Software. The terms and conditions of those agreements are incorporated herein by reference. Some of these agreements are required to be signed by Customer.

Separate License or Sublicense Agreements for Certified Third Party Software (attached)*:

Those to be signed by Customer are marked ("Please Sign").



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SCHEDULE H

SUBSEQUENT PURCHASE, LEASE, USE, LICENSE OR SUBLICENSE OF EQUIPMENT, SOFTWARE AND/OR SERVICE

Date: %CreationDate%

INNCODE: %InnCode%

Name of Customer: %PrimaryContactCompany%

Address of Customer: %PrimaryContactContractAddress1%, %PropertyCity%, %PropertyState%, %PrimaryContactZip%

Dear: %Salutation%

This Letter Agreement ("Letter Agreement") confirms your request to purchase, lease or use of, or license or sublicense of additional equipment, software and/or services in order to add options, features and/or systems ("Additions") to the Information System, and shall constitute an amendment to the existing Hilton Information Technology System Agreement previously entered into between %LegalEntity% ("Customer") and Hilton Systems Solutions, LLC ("HSS") dated %HotelApprovedDay%, %HotelApprovedMonth%, %HotelApprovedYear% the "Agreement").

is agreed that you will pay for the Additions and that you will be billed by the applicable vendor for the Additions as listed below. The effective date of billing on the new items shall be the date the new equipment is shipped, the date upon which you obtain use of the software, and/or the date upon which you request additional services, whichever is earliest.

%StdPlusEquip6%

Total: %StdPlusTotal%

Total Maintenance:

%StdPlusMaintTotal%

QTY	ITEM OF EQUIPMENT/SOFTWARE/SERVICES	PRICE	MONTHLY MAINT.
TOTAL PRICE			

The prices shown above exclude taxes, insurance and shipping.

Upon HSS's receipt of a copy of this Letter Agreement signed by a duly authorized representative of Customer, the Agreement shall 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 shall 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 shall be binding upon Customer without the necessity of any further action by HSS. This Letter Agreement shall be effective as of the date inserted by Customer below.

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's receipt of the executed Letter Agreement, you will be advised of the shipment and installation dates.

The Educated Franchise
Educating Tomorrow's Franchisees
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If you have any questions, please contact me at %PSAConsultantPhone%

Sincerely,

By: %PSAConsultantName%

Hilton Systems Solutions, LLC

Accepted and Agreed:

Customer Name:: %LegalEntity%

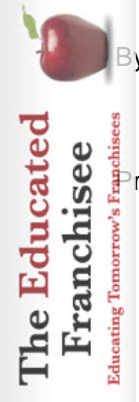
By: %HotelApproverSignature%
Signature

Print Name and Title: %HotelApproverName%,
%HotelApproverTitle%

Effective Date: %HotelApprovedDay%,
%HotelApprovedMonth%,
%HotelApprovedYear%

By: %HiltonApproverSignature%
Authorized Signature

Print Name: Randy Kanaya



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SCHEDULE I
JOINDER TO PREFERRED RETAILER

The undersigned HSS Customer is acting as an HSS Affiliate ("HSS Affiliate") to acquire products under the terms of the HSS OnQ® Technology Deployment Program Statement of Work, including the Master Products and Services Agreement (the "Agreement") between HWI and International Business Machines Corporation ("Preferred Retailer"). As such HSS Affiliate, the undersigned joins in the Agreement for the limited purpose of acknowledging and agreeing to be bound by and receive the benefits of the terms of the Agreement to the extent of the rights, duties and responsibilities of an HSS Affiliate provided therein.

IN WITNESS WHEREOF, the HSS Affiliate, acting through its duly authorized officer or representative, has executed this joinder, this %HotelApprovedDay% day of %HotelApprovedMonth%, %HotelApprovedYear%.

HSS AFFILIATE:

Company: %HiltonApprovedName%

Title: %HiltonApprovedTitle%

Address for Notices to HSS Affiliate under the Agreement

%PropertyAddress1%
%PropertyAddress2%
%PropertyCity%, %PropertyState% %PropertyZip%



ATTACHMENT I (1)

PREFERRED RETAILER'S ADDITIONAL TERMS AND CONDITIONS

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SCHEDULE J

(INTENTIONALLY OMITTED)



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SCHEDULE K

JOINDER TO PREFERRED SERVICES PROVIDER

The undersigned HSS Customer is acting as an HSS Affiliate ("HSS Affiliate") to acquire services under the terms of the HSS OnQ® Technology Deployment Program Statement of Work, including the Master Products and Services Agreement (the "Agreement") between HWI and International Business Machines Corporation (the "Preferred Services Provider"). As such HSS Affiliate, the undersigned joins in the Agreement for the limited purpose of acknowledging and agreeing to be bound by and receive the benefits of the terms of the Agreement to the extent of the rights, duties and responsibilities of the HSS Affiliate as provided therein.

IN WITNESS WHEREOF, the HSS Affiliate, acting through its duly authorized officer or representative, has executed this Joinder, this %HotelApprovedDay% day of %HotelApprovedMonth% , %HotelApprovedYear% .

HSS AFFILIATE:

%LegalEntity%

By: %HotelApproverName%

Its: %HotelApproverTitle%

Address for Notices to HSS Affiliate under the Agreement:

%PropertyAddress1%

%PropertyAddress2%

%PropertyCity% , %PropertyState% %PropertyZip%



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SCHEDULE L

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SCHEDULE M

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SCHEDULE N

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SCHEDULE O

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SCHEDULE P

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SCHEDULE Q

HILTON GARDEN INN REFRESH PROGRAM AGREEMENT

This Hilton Garden Inn refresh Program Agreement (this "Refresh Program Agreement") is entered into as of the %HotelApprovedDay% day of %HotelApprovedMonth%, %HotelApprovedYear% between HSS 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 %PropertyAddress1%, %PropertyAddress2%, %PropertyCity%, %PropertyState%.

In connection with the new Hilton 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 Garden Inn brand division hotel), HSS is willing to make certain benefits available to Customer for the above Hotel under the Hilton Garden Inn Refresh Program ("Garden Inn Refresh Program") on the terms, conditions and limitations hereinafter set forth.

For good, valuable and sufficient consideration, Customer hereby enters into this Refresh Program Agreement, and HSS and Customer agree as follows:

Customer's Benefits.

- a) Equipment Transferred to Customer. HSS shall transfer to Customer at Customer's Hotel that portion of the Authorized Equipment (as described in Schedule D of the HITS Agreement) needed, as determined solely by HSS, for the network operation of the Proprietary Software, such equipment more specifically described on Attachment (1) attached to and forming part of this Refresh Program Agreement being hereinafter called the "Network Authorized Equipment," together with shipping and transportation costs on such equipment. HSS hereby transfers to Customer such Network Authorized Equipment subject to the terms, conditions and limitations set forth in this Refresh Program Agreement. The Network Authorized Equipment 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 Refresh Program Agreement, without additional license fee.
- 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 (as described in Schedule D of the HITS Agreement). Under the 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.
- c) Equipment Maintenance Fees. Customer's maintenance fees, during the term of this Refresh Program Agreement relative to the equipment maintenance on Network Authorized Equipment, will be covered by a separate program under the Garden Inn Brand unless Customer has indicated in Schedule E that it has declined to use a PSP for such maintenance and such equipment has been designated as Non-maintained Equipment in Schedule E. Customer will pay separately for all maintenance fees relative to the equipment maintenance on Standard Plus. Travel expenses, per diem fees and related costs for any on-site equipment maintenance will be billed separately to and payable by Customer.

d) Software Maintenance Fees. Customer's software maintenance fees relative to six (6) Proprietary Software interfaces and the OnQ® Core Modules (listed in this schedule) will be covered by a separate program under the Garden Inn Brand. All other Software maintenance fees will be payable by Customer as provided in the HITS Agreement. Travel expenses, per diem fees and related costs for any on-site software maintenance will be billed separately to and payable by Customer.

e) Electronic Mail. License fees for electronic mail is limited to that necessary to enable three (3) Hilton Garden Inn Brand designated accounts and two (2) optional accounts for use by Customer's Hotel

2. Customer's Obligations. Customer shall:

(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 Services Provider for the Hilton Garden Inn Refresh Program.

(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 withholding, sales, use, excise, gross receipts, consumption, GST, QST, VAT and other similar country, federal, state, municipal or local taxes or duties, levies, fees and assessments incident to Network Authorized Equipment. Customer agrees to pay all personal property taxes associated with software licensed and equipment provided under this Refresh Program 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 and all Standard Plus Equipment being used by Customer's Hotel on its Network at the time of installation by HSS's designee of the Network Authorized Equipment under the Refreshment Program. HSS's designee, at HSS's expense, will provide for de-installation 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. The return to Customer's lessor of all such de-installed equipment in accordance with Customer's current lease terms is the sole responsibility of Customer. Customer shall be 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 unit tape cartridge 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.

3. Customer's Conditions. All benefits provided Customer herein and all obligations of HSS under this Refresh Program 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 HSS, HWI or any of their affiliates or subsidiaries, or any Brand division, including, but not limited to, this Refresh Program Agreement, the HITS Agreement and Customer's License Agreement with HWI or its affiliate or subsidiary.

(b) Customer continues to make all other payments to HSS's Preferred Lessors, Preferred Retailers or Preferred Services Providers under any applicable agreements and does not become in default under such agreements.

(c) Customer's Hotel remains in the Garden Inn Brand division (after conversion and rebranding if applicable).

(d) Customer executes the HITS Agreement contemporaneously with this Refresh Program Agreement.

(e) Customer's participation and continued cooperation with HSS in the Hilton Garden Inn Refresh 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 Garden Inn Brand Hotel.

4. Termination. HSS may terminate all of its obligations under this Refresh Program Agreement at HSS's option: (a) Immediately without notice in the 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 Refresh Program Agreement shall constitute a default by Customer under the HITS Agreement, and, in such event, HSS may exercise any of its rights provided under Section 5 of the HITS Agreement. Any default by Customer under the HITS Agreement, shall constitute a default and breach of condition by Customer under this Refresh Program Agreement. Termination of the HITS Agreement will result in termination of this Refresh Program Agreement. HSS may terminate this Refresh Program Agreement without terminating the HITS Agreement, whereupon the HITS Agreement shall be construed and enforced as if this Refresh Program Agreement had never been entered into (subject to accrued rights and obligations).

Upon termination of this Refresh Program Agreement, Customer will be required to pay HSS for the unpaid cost of any Network Authorized Equipment transferred to Customer and/or to pay for any termination penalties or removal costs relative to the Network Authorized Equipment that is transferred to Customer pursuant to this Refresh Program Agreement. 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 Refresh Program Agreement, HSS shall pass on to Customer, and Customer shall 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 an installation of Network Authorized Equipment ("Refresh Costs") then Customer shall also reimburse HSS for the unamortized value (on a monthly basis over a thirty-six (36) month period) as to such Refresh costs.

In addition, Customer shall pay to HSS a termination fee which is designed to reimburse HSS in part for unamortized or otherwise unrecovered costs of the Certified Third Party Software and the Preferred Services Provider's Equipment Maintenance Fees under this Refresh Program Agreement. If such termination or if Customer's use of the Preferred Services Provider occurs following the shipment date of the Network Authorized Equipment to Customer's Hotel ("Start Date") and prior to the first Refresh of Network Authorized Equipment, the termination fee shall be as follows:

0.45% of the average of monthly Gross Room Revenue (as defined in Customer's Franchise License Agreement) over the last three (3) calendar months of operation prior to Customer's termination for each calendar month remaining of Customer's initial thirty-six (36) month period.

Provided, however, if this Refresh Program Agreement is terminated, or if Customer's use of the Preferred Services Provider is terminated after a Refresh of Network Authorized Equipment, the termination fee shall depend upon the period elapsed after the Start Date applicable to shipment of the Network Authorized Equipment for each successive Refresh as follows:

0.45% of the average of monthly Gross Room Revenue (as defined in Customer's Franchise License Agreement) over the last three (3) calendar month sof operation prior to Customer's termination for each calendar month remaining after Customer's Refresh but prior to the lapsing of thirty-six (36) months following such Refresh.

Property of Customer. The Network Authorized Equipment shall become the property of Customer, subject to the terms and conditions set forth in this Refresh Program Agreement, upon shipment of the Network Authorized equipment from the IBM Configuration Center. Customer assumes the expense of delivery and in-transit insurance for the Network Authorized Equipment.

Additional Equipment/Software. Any and all additional Authorized Equipment ("Standard Plus Equipment") may be purchased by Customer from a Preferred Retailer or leased from a Preferred Lessor under the Standard Plus Leasing Program Lease (the "Standard Plus Lease"). 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 at Customer's cost from HSS or a Preferred Services Provider.

7. **Defined Terms.** All capitalized terms used in this Refresh Program Agreement which are not specially defined in this Refresh Program Agreement shall 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 Refresh Program Agreement is a schedule to the HITS Agreement and that this Refresh Program Agreement and its performance by the parties are a part of the transactions contemplated by the HITS Agreement. Upon each Refresh of Network Authorized Equipment, the terms and conditions applicable to any equipment transferred to Customer or, software or services provided for or pursuant to the Refresh shall be the same as the terms and conditions of this Refresh Program Agreement, including, but not limited to, the termination fees described herein; and, except for such termination fees (as specified above), all terms and provisions hereof (including those incorporated by reference below) shall apply as if this Refresh Program Agreement was executed on the Start Date for each such Refresh. In the event of conflict between the provisions of this Refresh Program Agreement and the provisions of the HITS Agreement, the provisions of this Refresh Program Agreement shall prevail. Except as modified herein, all provisions of the HITS Agreement applicable to the Authorized Equipment, Proprietary Software, Certified Third Party Software and Services are applicable to the equipment, software, and services described herein or provided hereunder, including, but not limited to, Sections 8 (Software), 9 (No Warranties/Limited Warranties), 10 (Proprietary Rights Notices), 11 (Infringement Claims) and 15 (Third Party Claims) and (except as herein modified) the Schedules pertaining to the Authorized Equipment, the Software and the Services. Where HSS is providing equipment, software or services instead of such items being provided by a Preferred Retailer or Preferred Services Provider, HSS shall be entitled to all of the protections and the limitations of warranties, liabilities and damages as if HSS were such Preferred Retailer or Preferred Services Provider. The following additional Sections of the HITS Agreement are hereby made applicable to this Refresh Program Agreement and incorporated herein by reference, as fully as if repeated herein verbatim: Sections 13 (Limitations of Liability and Exclusions of Damages); 14 (Limitations on Actions); 16 (Estoppel and Release); 17 (Entire Agreement/Prior Agreements); 18 (Cumulative Remedies); 19 (Force Majeure); 20 (Severability); 21 (No Joint Venture); 22 (Assignment); 23 (Counterparts); 24 (Applicable Law, Consent to Jurisdiction and Equitable Relief); 25 (Attorneys' Fees); 26 (No Reproduction); 27 (Confidentiality); and 28 (Surviving Obligations).

Except as the context may otherwise require, all references to "this Agreement" in these incorporated provisions shall, for purposes of this Refresh Program Agreement, be construed to include this Refresh Program Agreement.

9. Notices. The provisions of Section 4 of the HITS Agreement shall apply to all notices, requests, demands and other communications under this Refresh Program Agreement.

10. Counterparts. This Refresh Program Agreement may be executed in one or more counterparts, each of which shall constitute one and the same instrument. Effective Date: The effective date ("Effective Date") shall be the date signed by HSS.



CUSTOMER: %LegalEntity%

HILTON SYSTEMS SOLUTIONS, LLC

By: %HotelApproverSignature%
Authorized Signature

By: %HiltonApproverSignature%
Authorized Signature

Print Name: %HotelApproverName%

Print Name: Randy Kanaya

Title: %HotelApproverTitle%

Title: Director – OnQ® Deployment Planning

Date: %HotelApprovedDate%

Date: %HiltonApprovedDate%

ATTACHMENT Q (1)

NETWORK AUTHORIZED (PROGRAM FUNDED) EQUIPMENT

%NetAuthEquip1%



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SCHEDULE R

(INTENTIONALLY OMITTED)

SCHEDULE S

(INTENTIONALLY OMITTED)

SCHEDULE T

(INTENTIONALLY OMITTED)

SCHEDULE U

(INTENTIONALLY OMITTED)

SCHEDULE V

(INTENTIONALLY OMITTED)

SCHEDULE W

(INTENTIONALLY OMITTED)



AT&T HIGH SPEED INTERNET ACCESS AGREEMENT

This AT&T High Speed Internet Access Agreement (this "**HSIA Agreement**") is entered into as of the _____ day of _____, 201____, between AT&T Wi-Fi Services (an Affiliate of AT&T Corp. on behalf of itself and AT&T) ("**AT&T**") and _____, (the "**Customer**") for Customer's hotel (the "**Hotel Property**") known as (_____) and located at _____, _____, _____. If Customer is subject to a HSIA Schedule and Joinder, the terms and conditions of this HSIA Agreement shall become effective on the first day of the first full calendar month after this HSIA Agreement is either (a) received by AT&T after it has been electronically executed by Customer or (b) signed by Customer and returned to AT&T ("Executed"). If Customer is not a party to a HSIA Schedule and Joinder, the terms and conditions of this HSIA Agreement shall become effective on the date that this HSIA Agreement is Executed.

Reference is hereby made to that certain Custom Service Order Attachment (including its Exhibits) for High Speed Internet Access Related Service(s) (the "Stay Connected Attachment") made between Hilton Worldwide, Inc. ("Hilton") and AT&T Corp. which governs the provision, purchase and use of certain services, equipment and other products for the provision of high speed internet access at the Hilton family of hotels, all as further described therein, and in the statement of Work ("SOW") attached thereto. For further clarification, the Stay Connected Attachment consists of the terms and Conditions (including the cover page thereto and all appendices to such Stay Connected Attachment), and the SOW (including Exhibits referenced therein), which together constitute an Attachment to the Master Agreement between Hilton and AT&T Corp. (collectively, the "Master Agreement").

*** If Customer would like any Stay Connected Program related documents relevant to this HSIA Agreement, please contact the Hilton brand representative. ****

The "HSIA Solution" means the local area network infrastructure at a Hotel Property used to provide high speed internet access to End Users, pursuant to the Stay Connected Attachment, through a proprietary AT&T network management device ("NMD"), and employing Wi-Fi compliant access points ("APs"), other HSIA Equipment and wired Ethernet internet access LAN equipment. The HSIA Solution shall meet Hilton's Stay Connected Program-related Brand Standards (the "Stay Connected Program Standards").

The HSIA Solution provided under this HSIA Agreement excludes the actual Internet access (i.e., the WAN and local access connections) used to connect the Hotel Property and its guests to the Internet. Customer shall procure the Internet access separately.

For good, valuable and sufficient consideration, Customer and AT&T hereby enter into this HSIA Agreement, and AT&T and Customer agree as follows:

1. Customer's Benefits and Obligations.

(a) Equipment Fees and Charges for New Installations of the HSIA Solution.

If Customer does not have a HSIA Solution installed as of the Effective Date, AT&T will submit a quote (the "Installation Quote") to Customer implementing the required new HSIA Solution design in accordance with the Stay Connected Attachment (the "New HSIA Solution"). Such quote shall include an estimate of the taxes and travel expenses incurred by AT&T to perform the installation work, all of which shall be billed to, and paid by, the Customer in accordance with this HSIA Agreement. Customer will have up to forty-five (45) days to review the Installation Quote (the "Quote Review Period") and notify AT&T of Customer's acceptance or rejection of the initial Installation Quote. If the Installation Quote is unacceptable to Customer, (i) Customer must notify AT&T in writing of Customer's concerns prior to the end of the Quote Review Period and (ii) Customer and AT&T will negotiate in good faith to resolve the matter and finalize the Installation Quote. If Customer does not notify AT&T in writing of its acceptance or rejection of the initial Installation Quote prior to the end of the Quote Review Period, the Installation Quote shall be deemed accepted and approved by Customer as of the last day of the Quote Review Period. If Customer and AT&T are unable to agree on a final Installation Quote within thirty (30) days after Customer notifies AT&T of its rejection of AT&T's initial Installation Quote, either party on written notice to the other party (and Hilton) may terminate this Agreement without termination-related liability being incurred by either party. Upon any such termination, Customer shall not be relieved of its obligation to pay AT&T for the site survey performed by AT&T to prepare the Installation Quote. Customer also

acknowledges that after any termination of this Agreement by AT&T or Customer pursuant to this Section 1(a), AT&T may, as a condition of providing HSIA services to Customer under a subsequent agreement, require Customer to obtain a new site survey.

A Customer-approved Installation Quote shall be referred to as an "Installation Order", which shall become part of this Agreement. Pursuant to the Installation Order, Customer will obtain by its purchase from AT&T for use by the Customer certain Equipment to allow for the installation and operation of the New HSIA Solution in conformance with the Stay Connected Program Standards (the "HSIA Equipment"). The fees and costs for the HSIA Equipment shall be set forth in the Installation Order. In addition, Customer will pay for shipping, taxes and transportation of the HSIA Equipment identified in the Installation Order. All fees and costs due hereunder will be billed to Customer by AT&T and Customer shall be responsible for paying all costs in the Installation Order in accordance with this HSIA Agreement. No additional or supplemental terms or conditions in the Installation Quote or Installation Order shall apply; however, the Installation Quote will include order and service-specific detail that is specific to the conditions at a particular Hotel.

(b) Procurement, Configuration and Installation of HSIA Equipment Fees and Costs for New HSIA Solutions.

The HSIA Equipment will be procured and configured for Customer and installed at the Hotel Property by AT&T or its authorized Affiliate or subcontractor, all in accordance with the Stay Connected Attachment. Customer will be responsible for payment of all fees and costs due hereunder for procurement and installation services relative to the HSIA Equipment as set forth in the Installation Order. Any pre-installation infrastructure work to be performed by Customer or its designee to accommodate the New HSIA Solution, and any core drilling, firewall penetration, wiring chase installations and lift rental required for the New HSIA Solution, are the responsibility of Customer and are not included in the fees and costs in the Installation Order. If Customer contracts with AT&T for such pre-installation infrastructure work, such fees and costs will be billed separately.

As part of the installation of a New HSIA Solution, AT&T shall provide project management services, and Customers shall be required to pay AT&T a project management fee of \$1,800.00 for such project management services.

(c) Software License.

Customer will obtain by its purchase or by its licensing from AT&T for use by the Customer a software license for certain Software needed for the operation of the HSIA Solution, including authentication and landing page software (collectively, the "HSIA Software"). Customer may be required to execute a separate license agreement directly with one or more of such third party software vendors or agree to terms and other requirements or restrictions imposed by the manufacturer, supplier or publisher. Customer must comply with all such terms and other requirements or restrictions, and is deemed to accept them upon use of the HSIA Software. The fees and costs for the HSIA Software License(s) are included within the Installation Order as part of the HSIA Equipment purchase price.

(d) Maintenance and Support and Associated Fees and Costs.

AT&T will provide Customer with Equipment maintenance and/or break/fix support (collectively, the "Maintenance Services") for the HSIA Equipment and HSIA Software installed at the Hotel Property and for any other HSIA devices for which AT&T is required under the Stay Connected Attachment to provide maintenance and support (the "Other Internet Equipment"), all such equipment and software collectively herein referred to as "Maintained Systems." AT&T reserves the right to increase the fees and costs for Maintenance Services to reflect the addition or construction of additional Guest Rooms (or suites) or in-scope Meeting Rooms at the Hotel Property. All such fees and costs due hereunder, [together with any travel expenses, per diem fees and related costs for Extraordinary Maintenance]¹ on Maintained System(s) will be billed to, and paid by, Customer. For Customer requests for in-room maintenance on the Maintained Systems, the Customer will be required to provide an escort to the AT&T representative while servicing Guest Rooms. AT&T

¹ Travel expenses/per diems and related costs for equipment maintenance and/or break/fix are only imposed under very limited conditions (generally when the maintenance was required as a result of the negligence or willful actions of Customer/Hotel as set forth in the Stay Connected Attachment).

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June 2011 (Canada)

will not have any obligation to maintain or repair any equipment or software other than the Maintained Systems, nor to repair or replace any cables, cords, expendable, consumable, lost or stolen components, whether or not defined as Maintained Systems. Customer shall not move or perform maintenance services on any of such Maintained Systems without AT&T's prior written consent. Customer shall maintain for the term of this HSIA 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 Maintenance Services remotely.

Support services and software maintenance for the HSIA Solution will also be made available by AT&T and considered part of the Maintenance Services. Maintenance Services provide 7x24x365 HSIA Solution trouble call handling by the AT&T Support Center (the "ASC"), provision of a toll-free 800 number for trouble calls to the ASC from End Users or Hotel Property staff, provision of standard in-room Guest collateral instructions; and provision of a standard landing page with some space available for the Hotel Property and/or Brand customization as directed or approved by Hilton.

Maintenance Services will not be provided for any temporary, periodic or other non-permanent installations in the Hotel Property, and AT&T does not accept responsibility for such temporary, periodic or other non-permanent equipment or software.

HSIA Solution support services are for the support of Customer's Guest Rooms and public areas included within Meeting Rooms (as defined in the Stay Connected Attachment).

The monthly fee for Maintenance Services and other support services generally described above shall be: \$3.50 per Guest Room per month (Price excludes taxes). Support shall be provided by AT&T for the Radware equipment used for circuit load balancing (the "LBO") which may be installed at the Hotel Property (if the option has been ordered from Hilton by the Customer). The monthly support fee for the LBO support is \$____ [to be inserted at the time the contract is completed for the Customer].

(e) Maintenance Exclusions.

The obligation of AT&T to provide Maintenance Services on Maintained Systems hereunder shall 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 the Maintained Systems by Customer or any third person or entity other than AT&T or its designee except pursuant to Section 1(j) or as permitted under Section 2(e); (ii) any software program, hardware, cables, cords, firmware, peripheral or communication device or software which is not within the scope of the Stay Connected Program or permitted by the Stay Connected Program Standards; (iii) the failure of Customer to follow the most current instructions promulgated by AT&T or any third-party vendor from time to time with respect to the proper use of the Maintained Systems; (iv) any such Maintained System that is non-repairable, taken out of service or for which any such Maintained Systems or parts for same are no longer manufactured or reasonably available provided, that Customer has received advance notice that such device would become unavailable at least eleven (11) months in advance; (v) forces or supplies external to such Maintained Systems, including without limitation power surges, lighting strikes, power failures, or air condition or humidity control failures; or (vi) the negligence of Customer or any other third person or entity. Any such corrective work performed by AT&T on site shall be treated as "Extraordinary Maintenance." All invoices for Extraordinary Maintenance shall be submitted to Customer with adequate detail including Hilton property ID, property Brand and Class, and description of the work; travel cost (unit price, rate, total); shipping costs; equipment and total costs; and any other costs or expenses to be billed to, and due from, Customer that are attributable to Extraordinary Maintenance. AT&T will only provide and provision such

Extraordinary Maintenance after the associated quote has been agreed upon by Customer (verbal approval by Customer while an AT&T technician is on site shall be sufficient and subsequently confirmed in writing).

(f) Site Survey for New HSIA Solution Installations.

Customer shall determine with AT&T a mutually agreeable date for the site survey required for AT&T to design and prepare an Installation Quote for a New HSIA Solution in accordance with the Stay Connected Program Standards, where a HSIA Solution is not installed at the Hotel Property as of the Effective Date (the "Site Survey"). In preparation for the Site Survey, Customer will provide AT&T with information and documentation

relative to the Hotel Property as requested by AT&T, including, but not limited to, hotel drawings, room locations and wiring diagrams. If AT&T performs on-site services during the Site Survey, the Customer is responsible for providing (i) timely access to the Hotel Property and (ii) subject to availability, complimentary Guest Room nights as needed for AT&T Personnel to perform the Site Survey. A Hotel Property representative shall 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 the Site Survey are shown below.

Site Survey \$ **[To be filled in at contact from Exhibit RC]**

(Price excludes taxes, travel and related expenses, and possible on-site fees and costs.)

(g) Out of Scope Services Fees and Costs.

At the request of a representative of the Customer, AT&T may provide (as agreed upon by AT&T and the Customer) Out of Scope Services applying the applicable T&M Rates. Customer shall be responsible for payment of all fees and costs for such Out of Scope Services (including, as applicable, any travel expenses, per diem fees and related costs for any on-site services) as agreed upon by the parties and set forth in a purchase order. A duly authorized representative of the Customer will execute and submit to AT&T's representative a purchase order to arrange for Out of Scope services with AT&T. "Out of Scope Services" mean additional services and products provided by AT&T that relate to the installation of the New HSIA Solutions, implementation of a HSIA Refresh or approved MACDs where such additional products or services are not otherwise within the Base Scope of Work.

(h) Certain Installation Responsibilities.

In the event Customer confirms the scheduled installation date provided by AT&T for the New HSIA Solution (if applicable), but does not complete the required pre-installation work or upgrades on time at the Hotel Property and installation of the New HSIA Solution is, as a result, delayed and/or needs to be rescheduled, Customer will be responsible for the Site Not Ready Fee. Customer shall, subject to availability, provide AT&T Personnel complimentary Guest Room nights at the Hotel for the installation team for the duration of the on-site installation of the New HSIA Solution. Customer shall provide the services of a Customer representative to provide escort and access to Guest Rooms during pre-arranged periods for the purpose of Guest Room installation and testing. Inability to access Guest Rooms due to lack of Customer personnel availability may result in extra costs (at actual additional travel costs incurred plus T&M Rates applied to additional hours) for the additional time any on-site AT&T Personnel are required to remain at the Hotel Property beyond the original scheduled installation window. Inability to locate any HSIA Equipment that has been shipped to and verified as received by the Hotel Property or, if applicable, any existing Hotel Property equipment that was identified in the Site Survey and integrated into the HSIA Solution, resulting in lost time for AT&T's installation, may result in a Site Not Ready Fee.

AT&T uses or may use non-union labor; however, should union labor be required at Customer's Hotel Property, the following shall apply:

Customer shall notify AT&T (prior to or during the Site Survey) of union suppliers available and qualified to perform work where use of union labor is required by any collective bargaining agreement in effect at the Hotel Property ("Union Rules"). AT&T shall, as required by the Union Rules employ (on a subcontractor basis) contractors from union labor suppliers designated by Customer, and shall comply with any Union Rules or other applicable collective bargaining agreements required to deliver the Services. AT&T will include the additional fee for union labor in the Installation Quote, and thus the quoted installation fees at the Hotel Property will include union labor. Notwithstanding the foregoing, AT&T notes that responsibilities or tasks that require specialized training may require accommodation or allow exemption from union-installation as permitted by union rules. AT&T may raise this issue and ascertain in a particular case whether it is exempt without violating the spirit or terms of this paragraph.

(i) Training of Hotel Employees.

Customer commits to complete training of employees in all relevant involved departments of the Hotel Property as to the HSIA Solution prior to the completion of the installation by AT&T. Customer will assure that

such staff of the Hotel Property attend the HSIA Solution training, and Customer will assure that new employees of the Hotel Property have the HSIA Solution training appropriate for their position, such training to be performed by the staff of the Hotel Property.

(j) Guest and Meeting Rooms.

Customer has certain responsibilities associated with keeping the HSIA Solution online and operational. The Customer or its designated Hotel Property representative will render reasonable assistance and will use reports generated by AT&T to maintain Guest Rooms and Meeting Rooms in a state of readiness and to notify AT&T in the event that the staff of the Hotel Property is unable to correct suspected problems using self-help tools and procedures covered in AT&T's training of the Hotel Property staff. The Hotel Property staff is also responsible for ensuring that cables are available in the Hotel Property's Guest Rooms and that any Guest Room equipment is plugged in and connected every day. The Hotel Property staff is also responsible for initial placement and ongoing replenishment of marketing collateral in Guest Rooms in accordance with the Stay Connected Program Standards. If the Hotel Property has both wired and wireless HSIA Solution capabilities, Customer's staff is also responsible for ensuring that (a) there is a sufficient number of pull-through Ethernet bridges (also known as "Guest Access Devices," or "GADs") available (refer to the applicable Hilton Brand Standards for required counts) and (b) other Hilton-approved Stay Connected Program physical collateral (consistent with the applicable Hilton Brand Standards) is deployed in the Hotel Property(ies).

(k) Network Security.

Each of Hilton and AT&T reserves the right, upon reasonable and prudent investigation, to temporarily bar access at the Hotel Property to the HSIA Solution network if Hilton or AT&T reasonably determines that the Hotel Property's network or equipment may infect such network with a virus, that Internet access from the Hotel Property is in violation of the applicable acceptable use policy governing use of the Internet service provider's services ("AUP"), the Digital Millennium Copyright Act (the "DMCA") or other governmental law or regulation or that the network or equipment of the Hotel Property may cause other immediate harm to the integrity of such network. Hilton and AT&T shall not be liable for any inconvenience or disruption to the Hotel Property caused by such reasonable network security measures. In the event Hilton or AT&T finds it necessary to bar access to the network, Hilton or AT&T shall immediately notify the Hotel Property prior to taking such action (unless impracticable), but in any event, in a reasonable time after the initiation of the security measure unless otherwise provided in the applicable AUP. In addition, Customer shall, subject to applicable laws and regulations, provide reasonable assistance as requested by AT&T in enforcing its EUA License Documents (as defined in the Stay Connected Attachment) and in cooperating with law enforcement agencies if AT&T is responding to a subpoena or judicial order to identify an end-user at a particular time and location.

(l) Delay by Customer.

If AT&T's representatives are on-site for services related to the Hotel Property's implementation of the New HSIA Solution or any HSIA Refresh and delays are caused or requested by Customer, Customer may be required to pay AT&T the Site Not Ready Fee. If a delay in implementation of the HSIA Solution caused or requested by Customer necessitates the departure from the Hotel and re-scheduling of AT&T's representatives, Customer will be required to pay to AT&T the Site Not Ready Fee. The re-scheduled date will be determined based on the needs of the Hotel as well as the availability of AT&T's representatives.

(m) Remediation.

If Hilton notifies Customer that it must remediate its HSIA Solution to meet the Stay Connected Program Standard, Customer shall submit a remediation request for quote to AT&T and AT&T shall, applying the HSIA Equipment pricing under the Stay Connected Attachment, prepare and present to Customer a remediation quote. Upon acceptance of such quote, AT&T shall implement the agreed upon HSIA Solution remediation and Customer shall pay the fees set forth in the approved remediation quote.

(n) Refreshment.

To comply with the Stay Connected Program Standards, the parties anticipate that certain HSIA Systems will be required to be replaced or refreshed (the "HSIA Refresh") as reasonably and collaboratively determined by

AT&T and Hilton, starting after the initial installation of the HSIA Equipment. Customer shall be responsible for payment of all fees and costs for new HSIA Equipment and new HSIA Software as well as for the procurement and installation services relating to the HSIA Refresh as of the date of such refreshment. AT&T shall be responsible for obtaining, delivering, configuring and installing the HSIA Systems as required to perform the HSIA Refresh as approved by the Hilton Hotel.

(o) Conference Space and Meeting Rooms.

Meeting rooms (conference rooms that are 10,000 square feet or less, hereinafter "Meeting Rooms") are in scope for Maintenance Services and support, unless Customer notifies AT&T to exclude any such Meeting Rooms from the services. All other conference facilities are out of scope of this HSIA Agreement.

(p) Credit Card Processing.

AT&T will provide credit card processing services to Customer if Customer (a) charges guests for Internet access in Guest Rooms or Meeting Rooms and (b) allows the guests to pay for such access using credit cards as permitted by the applicable Hilton brand standards. As part of the credit card services, AT&T will collect and accurately process such credit card charges, and remit to Customer (offsetting against any amounts past due from Customer) all such fees on a monthly basis, after deduction of applicable taxes and any related credit card transaction and/or processing fees actually imposed (without mark up of any kind by AT&T or its Affiliates). To the extent that AT&T collects funds under this section, it will collect required taxes, and remit them to the appropriate authorities as required by the applicable tax code. AT&T will also use reasonable efforts, in cooperation with Customer, to dispute any consumer charge back claims where appropriate and consistent with the bank network or credit card association dispute rules and policies.

(q) Hotspot Program.

The Hotel Property will participate in the AT&T Hotspot Program, which allows AT&T to make available free access (subject to bandwidth and other feature restrictions, if any, reasonably imposed by Hilton or Customer) to the Internet via Wi-Fi over the HSIA equipment and facilities at the Hotel Property for AT&T Hotspot Customers who access the HSIA Solution at the Hotel Property. The benefits and obligations associated with the Hotel Property's participation in the AT&T Hotspot Program are further described in the SOW.

(r) Billing and Invoicing.

Within ten (10) days after the last day of each month, AT&T shall mail Customer an invoice for:

1. monthly recurring charges for the following calendar month (for example, December would be invoiced in November); and
2. one-time charges and/or non-recurring project charges to be invoiced for the month or from the preceding 60 days; and
3. billing associated with Hotel Property activation-related Services shall be billed on an ongoing basis no later than sixty (60) days after the related expense is incurred.

AT&T shall provide a paper copy of a detailed invoice to Customer for the charges it incurs each month.

For purposes of clarity, the first monthly invoice will cover the first month (or partial month) of services plus the subsequent month of service (billed in advance).

2. Customer's Additional Obligations.

Customer shall:

- (a) Pay any and all applicable state or local sales, use, gross receipts, excise or similar taxes and surcharges levied by a duly authorized taxing authority on Customer's payments hereunder. Customer shall be responsible for payment of all personal property taxes associated with its use of HSIA Systems provided hereunder, as applicable.

(b) Pay for any and all de-installation, transportation and disposal costs of any and all HSIA Equipment being used at the Hotel Property at the time of installation or upon a HSIA Refresh by AT&T.

(c) Preserve and protect the HSIA Equipment and HSIA Software from loss, damage or theft and if any such loss, damage or theft should occur, Customer shall replace and install such HSIA Equipment and HSIA Software at its own expense, if AT&T determines that the lost, damaged or stolen HSIA Equipment is necessary for the operation of the HSIA Solution in conformance with the Stay Connected Program Standards and the Stay Connected Attachment.

(d) Make no repairs nor perform any services not authorized by AT&T or Hilton to the HSIA Equipment.

(e) Not add to or remove (or allow any third party to do the same) any equipment or software connected to, or part of, the HSIA Solution without prior specific written permission of Hilton or AT&T.

(f) Pay invoices of AT&T in accordance with their terms no later than forty five (45) days after the invoice date, and in U.S. dollars for all transactions in the U.S or Canada.

(g) Customer will review and familiarize itself and will comply with the terms and conditions of applicable HSIA Software licenses, including, but not limited to, Cisco
http://www.cisco.com/en/US/products/prod_warranties_listing.html

(h) Cooperate with AT&T as to any credit inquiries permitted hereunder.

(i) Not enter into any arrangement that is likely to interfere or adversely affect AT&T's rights hereunder.

(j) Ensure that the Hotel Property where services are provided have a suitable and safe work environment, and are free of hazardous materials in accordance with applicable law. AT&T may, in its sole discretion, refuse to perform installation, maintenance or other services at the Hotel Property if Customer fails to fulfill this requirement.

(k) Customer agrees to provide AT&T with thirty (30) days' written notice of any renovation, remodeling, work on fixtures, PBX or wiring or other work that may affect the HSIA Solution, and agrees to use good faith efforts to minimize the disruption of availability of the HSIA Solution during such work.

3. Customer's Conditions.

All benefits provided Customer herein and all obligations of AT&T under this HSIA Agreement are expressly subject to and conditioned upon the following:

(a) The Hotel Property remains a Hilton Hotel (after conversion and rebranding, if applicable).

(b) Customer's reasonable cooperation and assistance with Hilton and AT&T in its/their conducting, overseeing and/or managing the Stay Connected Program.

(c) Customer allows the removal and future replacement or refreshment of the HSIA Equipment and the HSIA Software at such time and in such manner as may be mutually determined by Hilton and AT&T in their sole discretion.

(d) If applicable, Customer must complete the Hotel Property's conversion and rebranding as a Hotel Property in a Brand division of Hilton or any of its Affiliates.

(e) Customer will cooperate in AT&T's credit approval process and shall provide appropriate security deposits as may be determined by AT&T in accordance with the Stay Connected Attachment.

(f) Customer acknowledges that the Network Management Device ("NMD") supplied by AT&T is not available

for purchase by Customer and remains AT&T's sole property under all circumstances. Customer shall not, nor shall it permit any third party to, disassemble, decompile or reverse engineer the NMD such that the technical details of the operation of the NMD or AT&T-owned equipment may be discovered.

4. AT&T's Additional Obligations.

AT&T shall be responsible for the following:

(a) AT&T shall provide the Maintenance Services and other support for the HSIA Solution in accordance with this HSIA Agreement and the Stay Connected Attachment.

(b) AT&T will invoice Customer monthly for all services provided hereunder.

(c) AT&T will provide Customer with service level quality assurances and remedies described below.

1. AT&T shall promptly correct and remediate all Chronic Performance Issues. "Chronic Performance Issue" means the occurrence of any two or more of the following (each a "Triggering Event") per month for more than three (3) consecutive months:
 - a. The first time connect rate at the Hotel Property falling below 97.00%. First time connect rate will be calculated as follows: $1 - (\text{total connectivity related tickets at the Hotel Property for a given month} / \text{the sum of HSIA End Users at such Customer Hotel Property for such month})$.
 - b. The number of tickets per 100 users at the Hotel Property exceeds 1.5 (for Customer hotel properties that charge guests for HSIA services) or 3.0 (for Customer hotel properties that do not charge guests for HSIA services). Tickets per 100 users will be calculated as follows: $(\text{the sum of all support tickets related to the Services provided by AT\&T for the Hotel Property in a month} / \text{the total number of HSIA End Users at such property for such month}) * 100$.
 - c. The average number of tickets per room per year at a hotel property as measured monthly and annualized exceeds 1.5 (for Customer hotel properties that charge guests for HSIA services) or 2.0 (for Customer hotel properties that do not charge guests for HSIA services). Tickets per room per year will be calculated as follows: $(\text{the number of tickets related to the Services provided by AT\&T at the Customer hotel property in the month} / \text{the total number of Guest Rooms at such hotel property}) * 12$.
 - d. 10% or more of the tickets at the Hotel Property in a month indicating slowness or connectivity issues.
 - e. AT&T failing to notify the Hotel Property within 24 hours that the peak utilization of the property's Internet circuit during the Daily Peak Measurement Periods (as defined in the SOW attached to and made part of the Stay Connected Attachment) in any three consecutive calendar days has exceeded 80%.
2. On a monthly basis, AT&T will report its performance against each of the Triggering Events above to the Customer for each hotel property for which the Customer has a HSIA Solution covered by this HSIA Agreement.
3. *Intentionally left blank*
4. AT&T shall provide the Customer with a credit for each month during which a Chronic Performance Issue occurs in an amount equal to the support fee of \$3.50 multiplied by the total number of Guest Rooms at each Hotel Property that was affected by the Chronic Performance Issue. Such credits shall be reflected on AT&T's monthly invoice(s) to the Customer in the month(s) following any month during which a Chronic Performance Issue occurs. For the avoidance of doubt and by way of example, if the Hotel Property experiences 2 or more Triggering Events in January, February, March and April of a given year, and AT&T does not correct all of the

Triggering Events until July of that year (so that each of the months of January through June had two (2) or more Triggering Events), the Customer would be entitled to credits calculated in accordance with this paragraph for the months of April (the fourth consecutive month of two (2) or more Triggering Events, and thus the first month in which the Chronic Performance Issue occurs), May, and June and reflected on AT&T's invoices to the Customer in June, July and August (because billing is in arrears).

5. AT&T shall be relieved of its obligation to provide the credits described in paragraph four (4) of this Section 4(c) if AT&T reasonably demonstrates that (i) the Chronic Performance Issue was caused by any of the following; (ii) such Chronic Performance Issue would have occurred notwithstanding any AT&T failure to perform in accordance with this HSIA Agreement; and (iii) except with respect to items a, b or c below, AT&T used commercially reasonable efforts to avoid the Chronic Performance Issue notwithstanding the occurrence of any of the following, and further provided that AT&T shall not be required to make any out-of-pocket expenditures in connection with such commercially reasonable efforts with respect to item d:
 - a. Customer's material breach of this HSIA Agreement;
 - b. Hilton's material breach of the Stay Connected Attachment;
 - c. Negligence, willful misconduct or violations of law by Hilton or the Customer;
 - d. Service or resource reductions requested or approved by the Customer and agreed to by the parties; provided that AT&T has previously notified the Customer in writing that the implementation of such request would, more likely than not, result in a Chronic Performance Issue;
 - e. Events covered by the force majeure provisions of this HSIA Agreement (including any such provisions incorporated by reference to the HSIA Schedule and Joinder);
 - f. Any service degradations or failures that are caused by or result from activities of the ISP providing the circuit to the Hotel Property;
 - g. Except where indicated in the Stay Connected Attachment to the contrary, Services performed during the execution of the Hilton/AT&T disaster recovery plan in response to disasters declared by Hilton or AT&T pursuant to the Stay Connected Attachment;
 - h. Customer's failure to upgrade an over-utilized Internet circuit or equipment for which the Customer has responsibility under this HSIA Agreement at the Hotel Property, where AT&T has informed the Customer of such over-utilization.
6. In the event of a conflict between the provisions of this Section 4(c) and any other provision of this HSIA Agreement, including, without limitation, any provisions pertaining to limitations of liability, regardless of whether such conflicting provisions are included directly in this HSIA Agreement or incorporated into this HSIA Agreement by reference to another document, the provisions of this Section 4(c) shall control.
7. Customer's rights and remedies in this Section 4(c) shall not be deemed or construed to be a sole and exclusive remedy or in derogation of any other rights and remedies Customer has under this HSIA Agreement.
8. Notwithstanding subsection (7) of this Section 4(c), no specific failure by AT&T of a provision of this Section 4(c) will be deemed to be a material breach in the absence of a showing by Customer of material breach of an obligation other than the obligation to meet the requirements of this Section 4(c).

5. Termination and Termination Fees.

(A) AT&T may terminate this HSIA Agreement, including all obligations of AT&T under this HSIA Agreement, at AT&T's option: (a) upon thirty days prior written notice to Customer in the event of a material breach of Customer's obligations or conditions set forth herein which default is not cured within the notice period, or (b) in accordance with Section 6 of this HSIA Agreement (below).

(B) Should Customer terminate this HSIA Agreement prior to the termination or expiration of the Stay Connected Attachment, other than for AT&T's material uncured breach of this HSIA Agreement, Customer shall pay to AT&T the following early termination fee: \$3,000.00. The parties acknowledge that damages that will be suffered by AT&T are difficult to prospectively predict, and that the termination fee set forth herein represents a reasonable pre-estimate of such damages, and is not a penalty.

(C) This HSIA Agreement, including all obligations of AT&T and Customer under this HSIA Agreement (other than of Customer to pay any fees to AT&T incurred prior to such termination) shall terminate effective immediately upon termination of the Stay Connected Attachment.

(D) In the event Customer ceases to be a licensed franchisee of Hilton or its affiliates or subsidiaries or otherwise entitled to operate a hotel, timeshare, steamboat or cruise line using the name "Hilton" or any other registered trademark or trade name of Hilton or its Affiliates or subsidiaries pursuant to the terms of a written agreement (the "Management or License Agreement") between Customer and Hilton or its affiliates or subsidiaries, Customer is obligated to make every effort to immediately cease its use of the HSIA Solution services and to remit all outstanding payments to AT&T. Upon notice of Customer's (or Hilton's) intent to terminate Hotel's Management or License Agreement, Customer will notify AT&T of the termination date upon which Customer must cease use of the HSIA Solution under this HSIA Agreement.

(E) Customer may terminate this HSIA Agreement, including all obligations of Customer under this HSIA Agreement (other than to pay for services rendered by AT&T prior to the time of termination): upon thirty (30) days prior written notice to AT&T in the event of a material breach of AT&T's obligations which default is not cured within the notice period.

Effect of Termination

Upon notice of termination by either party, the steps required of Customer include:

(A) General Obligations.

1. Paying the amounts detailed below at the specified times;
2. Making immediate arrangements to replace any Hilton-provisioned, pre-existing circuit with a circuit of Customer's own choosing;
3. Immediately removing all Hilton Stay Connected Program Guest Room collateral (tent cards, hockey puck card inserts, and Guest Service Directory pages); and
4. Remitting final payment to AT&T for all invoiced services, HSIA Equipment and HSIA Software provided hereunder.

(B) Hotel Property De-Flagging.

Upon termination of this HSIA Agreement under Section 5(D) above, this HSIA Agreement shall be deemed terminated by Customer without cause; and Customer shall be liable to AT&T for the early termination fees set forth in Section 5 hereof unless (a) the termination of this HSIA Agreement is the result of a Major Divestiture that includes the Hotel Property or (b) Customer agrees to and does enter into an AT&T Wi-Fi Services contract on a form acceptable to AT&T for HSIA support services within sixty (60) days following the date that the termination of this HSIA Agreement becomes effective.

7. Defined Terms.

All capitalized terms used in this HSIA Agreement which are not specially defined in this HSIA Agreement shall have the meaning ascribed to such terms in the Stay Connected Attachment.

8. Order of Priority; Incorporation by Reference.

In addition to and not in derogation of the obligations of the parties under this HSIA Agreement, all duties and obligations of a Participating Entity set forth in the Stay Connected Attachment (including without limitation as set forth in the SOW and the exhibits thereunder) shall apply to Customer, and Customer shall be entitled to all rights and privileges accorded to a Participating Entity under the Stay Connected Attachment. In the event of conflict between the provisions of this HSIA Agreement (including any Attachments or any other agreements incorporated by reference) and the provisions of any other agreement between AT&T (or any of its Affiliates) and Customer, the provisions of the HSIA Agreement shall prevail. In the event of conflict or inconsistency between the provisions of this HSIA Agreement and the Stay Connected Attachment, the provisions of the Stay Connected Attachment shall prevail.

9. Assignment and Transfer.

In the event of a transfer, sale or change of ownership of Hotel Property, this HSIA Agreement shall, subject to Section 3(a), be assigned to and assumed by new owner/transferee or else Customer shall be liable to pay to AT&T the early termination fee set forth herein; AT&T has the right to refuse consent to such transfer only as set forth specifically in this paragraph (below). Even if assigned to and assumed by the new owner/transferee, Customer shall nevertheless be obligated to pay AT&T in full for all outstanding balances as of the date of the transfer unless new owner/transferee pays such balances by the due date for payment. Customer agrees to provide AT&T with written notice of the transfer, sale or change of ownership of the Hotel Property at least 30 days prior to such event, and to comply with AT&T's credit check policies. If the new owner/transferee does not meet AT&T's credit standards, and the Hotel Property remains a Hilton Hotel, AT&T may impose an additional security deposit requirement (but only consistent with the provisions of the Stay Connected Attachment). If the new owner/transferee does not qualify as a Hilton Hotel, the HSIA Agreement shall terminate pursuant to Section 5(D) at the time of the transfer and Customer shall be liable for payment of the early termination fee set forth herein, unless transferee agrees to and does enter into an AT&T Wi-Fi services contract on a form acceptable to AT&T for HSIA support services no later than concurrently with the date of the purported transfer.

10. Notices; Sharing with Hilton.

Notices to Customer shall be sent to the following address: _____ [if left blank, then to the address set forth in the first paragraph of this Agreement].

AT&T's notice address is: AT&T Wi-Fi Services, 4509 Freidrich Lane, Bldg. 3, Suite 300, Austin, TX 78744 Attn: Legal Department.

AT&T may, without prior notice or consent of Customer, share with and disclose to Hilton this HSIA Agreement, all correspondence/contracts related to HSIA, along with any data and information related to or resulting from use of or access to the HSIA Solution.

11. Counterparts.

This HSIA Agreement may be executed in one or more counterparts, each of which shall constitute one and the same instrument.

12. Responsibility for Delays; Additional Hotel Responsibilities.

Customer shall, at no cost to AT&T: (i) make available space in its wiring closet, any telecommunications access points, including all available fiber or twisted pair copper wiring, rooftop, Guest Rooms and other areas reasonably necessary to provision the services, for installation, operation and maintenance of the equipment necessary for AT&T to effect its obligations under the Agreement; (ii) provide a means for ingress and egress to this space as necessary to effectuate AT&T's obligations hereunder; (iii) provide AT&T with sufficient electrical power and access to power outlets as necessary for AT&T to power its equipment in order to perform its obligations pursuant to the Agreement (including without limitation, access to dedicated and unswitched 110V / 20 amp power at each main distribution frame (MDF) unless an alternative power source is defined in the Installation Quote, intermediate distribution frame (IDF), mechanical or electrical closet, or wireless access point location where the installation of powered AT&T network equipment is required, and in each Guest Room in which powered equipment is installed). All unplanned installation or other costs incurred by AT&T as a result of any change orders post Site Survey or any breach of the responsibilities in this section shall be billed to Customer.

AT&T is not responsible for any delays due to Customer's failure to perform any necessary upgrades (e.g., core drilling, wiring chase installations, etc.) specified in the Installation Quote and/or **Appendix AHR**, delay in circuit delivery for reasons outside AT&T's control, weather, power outages, Acts of God, acts of terrorism, riot, war or criminality of unrelated third parties, or any other similar reason not within AT&T's control or if Customer fails to make timely payments of any amounts due AT&T hereunder as provided in AT&T's invoices.

13. General Terms and Conditions

(A) Confidentiality. The parties agree that the functions and operations of AT&T's HSIA Solution, facts regarding the equipment and materials related thereto, the manner of operation thereof, and the terms of this Agreement, all constitute the proprietary and confidential information of AT&T. Customer shall not disclose confidential information of AT&T to any third party. AT&T will not disclose any non-public information pertaining to Customer, its employees or business operations.

(B) Entire Agreement/Prior Agreement. The Stay Connected Attachment in conjunction with this HSIA Agreement constitutes the entire understanding and agreement between Customer and AT&T with respect to the transactions contemplated herein and supersedes any and all prior or contemporaneous oral or written communications with respect to the subject matter hereof. If Customer receives HSIA services or products from AT&T or any of its Affiliates under a separate agreement between AT&T and Customer directly ("Legacy Agreement"), such Legacy Agreement shall be deemed expired (and is deemed to be amended, fully restated and entirely novated hereby), without liability to either party, as of the Effective Date (any amounts owed to AT&T under the Legacy Agreement shall be timely paid to AT&T). No other agreements, covenants, representations or warranties, express or implied, oral or written, have been made by either party to the other with respect to the subject matter hereunder. This Agreement may only be modified or amended in any way by an instrument in writing signed by an authorized representative of AT&T and an authorized representative of Customer.

(C) Force Majeure. Nonperformance by either party (other than by Customer in payment of any amounts owed to AT&T under this Agreement) shall be excused to the extent that performance is rendered impossible by any cause reasonably beyond the control of the non-performing party.

(D) Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be severable, and this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by such illegal, invalid, or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

(E) No Joint Venture. Nothing contained herein shall be deemed or construed as creating a joint venture or partnership between AT&T and Customer. Neither party is, by virtue of this Agreement, authorized as an agent or legal representative of the other.

(F) *Intentionally left blank.*

(G) Applicable Law, Consent to Jurisdiction and Equitable Relief

This HSIA Agreement shall be governed by, and shall be construed, interpreted and enforced in accordance with, the laws of the State of New York.

The parties to this HSIA Agreement agree that any claim, suit, action or proceeding, brought by either party, arising out of or relating to this Agreement or the transactions contemplated hereby shall be submitted for adjudication exclusively in any New York state or federal court sitting in the City and State of New York, and each of the parties hereto expressly agrees to be bound by such selection of jurisdiction and venue for purposes of such adjudication. Each party: (i) waives any objection which it may have that such court is not a convenient forum for any such adjudication; (ii) agrees and consents to the personal jurisdiction of such court with respect to any claim or dispute arising out of or relating to this HSIA Agreement or the transactions contemplated hereby; and (iii) agrees that process issued out of such court or in accordance with the rules of practice of such court shall be properly served if served personally or served by certified mail or other form of substituted service, as provided under the rules of practice of such court.

(H) No Warranties/Disclaimers

EXCEPT AS EXPRESSLY SET FORTH HEREIN, CUSTOMER ACKNOWLEDGES AND ACCEPTS THAT AT&T MAKES NO WARRANTIES WHATSOEVER, EXPRESS, IMPLIED OR STATUTORY IN CONNECTION WITH THE PRODUCTS AND SERVICES PROVIDED UNDER THIS AGREEMENT. CUSTOMER ALSO ACKNOWLEDGES AND ACCEPTS THAT AT&T SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE RELATED TO THE SERVICES OR PRODUCTS PROVIDED HEREUNDER.

CUSTOMER AND AT&T AGREE THAT IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER, OR ANY THIRD PARTY, FOR ANY INDIRECT, PUNITIVE, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT (INCLUDING LOSS OF PROFITS, USE, DATA, OR OTHER ECONOMIC ADVANTAGE), HOWEVER IT ARISES, WHETHER FOR BREACH OF THIS AGREEMENT, INCLUDING BREACH OF WARRANTY, OR IN TORT EVEN IF SUCH PARTY HAS PREVIOUSLY BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

FOR DIRECT DAMAGES ARISING OUT OF THIS AGREEMENT, EACH PARTY'S LIABILITY SHALL BE LIMITED TO PROVEN DIRECT DAMAGES AND SHALL NOT EXCEED THE TOTAL AMOUNTS PAID OR PAYABLE BY CUSTOMER HEREUNDER.

4. No Recourse Against Hilton except to the extent that it or an Affiliate is a signatory to this HSIA Agreement.

Both the Customer and AT&T hereby agree that nothing in this HSIA Agreement creates any obligations on Hilton (including, for purposes of this Section 14, its Affiliates except in the event that an Affiliate is a signatory to this HSIA Agreement). Neither Customer nor AT&T may seek to enforce any rights or remedies arising under this HSIA Agreement against Hilton except in the event that an Affiliate is a signatory to this HSIA Agreement in which case such Affiliate shall be subject to the same liabilities as any Customer. In no event shall Hilton have any liability whatsoever hereunder except in the event that an Affiliate is a signatory to this HSIA Agreement in which case such Affiliate shall be subject to the same liabilities as any Customer, whether in contract, tort (including, without limitation negligence), warranty or any other legal or equitable grounds, for any damage, loss, profit or revenues by the either Customer or AT&T (including any of its Affiliates) or for any direct, consequential, indirect, special, punitive or exemplary damages suffered by Customer or AT&T, that arise out of this HSIA Agreement.

CUSTOMER:

AT&T [AT&T Wi-Fi Services]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

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APPENDIX AHR

Additional Hotel Responsibilities

[Note: When completing New Hotel Agreements, this exhibit may be modified for a particular Hotel Property to address any special physical conditions at the Hotel Property, as long as such modification is not inconsistent with the Stay Connected Attachment, including without limitation, the SOW and its exhibits, including without limitation Exhibits I and C, and do not introduce additional legal terms and conditions]

The following describes typical Customer responsibilities in connection with the Services. However, additional or alternative responsibilities may be identified in the Installation Quote and shall be binding on the Customer upon acceptance of the Installation Quote.

Installation of CAT6 cable for Wireless Access Points (WAPs). The CAT6 will be terminated in the MDF/IDF in a patch panel installed in the rack that will house the HSIA equipment. The patch panel will be labeled so the location of the radio can be easily identified. The radio end of the cable will be terminated with a biscuit RJ45 jack. The length of the CAT6 runs will not exceed 300 feet, inclusive of service loop and patch cables.

Installation of] CAT6 cable for Meeting Rooms as required. The CAT6 will be terminated in the MDF/IDF in a patch panel installed in the rack that will house the HSIA equipment. The length of the CAT6 runs will not exceed 300 feet, inclusive of service loop and patch cables.

If the Customer decides on a wired and/or wireless solution, then the site is responsible for all necessary cabling, including installation of CAT6 cabling for guest rooms and for the wireless radios (WAP's). Floor 1 cabling will terminate in the Floor 1 MDF. All other cabling will terminate in each respective floor's IDF. All cabling will terminate in a labeled patch panel so the rooms and radio locations can be easily identified. The radio end of the cable shall be terminated with a biscuit jack with a service loop. The in-room cabling shall be terminated in a standard wall plate. The Customer's cabling vendor is responsible for termination of the cabling and for labeling the patch panels. Ethernet cable runs cannot exceed 300 feet, including service loop, and WAP cable (for WAP drops), or the signal will degrade.

- Site must provide secure storage for all networking equipment.
- The Customer is responsible for cutting and installing a 12" x 12" access panel in the corridor ceiling drywall or in the soffit to place the wireless radios. We assume there is 8" to 12" of clearance between the ceiling drywall and the floor above. If suspended ceilings are installed at the location specified for the wireless radio, the radio will be installed above the suspended ceiling tile, or in existing access panels in the "bullnose". If access panels cannot be cut into the hard ceiling the property may consider cutting and installing access panels in the drywall corridor wall (the space between the corridor wall and the guest room wall). The radio is 10" x 10" x 3" deep and can be mounted vertically [this may result in the necessary deployment of more APs vs. horizontal (recommended) deployment] so 3" of space is needed between the walls. The Customer can install a wood beam between the studs to secure the radio.
- The Installation Quote does not include enclosures for wireless access points.
- Provide a cabling port map and testing results (including copper/fiber certification test reports) for all current wired and new cable connections to be utilized for HSIA program, including Uplinks, AP locations, guest room wired connections, business center, meeting room connections and any non HSIA devices using the HSIA network. All HSIA cabling (new and existing) must be clearly labeled using the room number at station and patch panel terminations. This must be completed prior to the arrival of the engineer. If the cabling installation, or any portion of the work described in this section is not fully completed prior to the arrival of the AT&T installation team, additional costs may be incurred by Customer as calculated in Section 1(h) of the Agreement
- Patch and paint any penetrations needed for structured cabling that is not covered by or not visible to guests.

- Unless otherwise specified, any cabling and/or cabling terminations for Wireless Access Points shall not be placed in plain view. Cabling vendors shall make every reasonable effort to secure and to enclose fully any WAP cabling and terminations.
- Lift for cable runs and/or WAPs if necessary. Lift must include a full body harness with lanyard.
- Wherever required, site must provide protection for flooring.
- Customer shall provide a picture of each patch panel, rack, new equipment location, and a cable at a typical AP mounting location.
- Provide and install all necessary floor and/or wall mount racks and patch panels CAT6 in the MDF and IDFs.
- Customer is responsible for providing industry standard 19" equipment racks (EIA 310-D, CEA-310-E, IEC 60297) for mounting and securing of LAN equipment in MDF and IDFs. Rack shall have adequate space to accommodate specified equipment, cable management, and patch panel, with a suggested minimum of 7RMU. AT&T recommends 1RMU of cable management for every unit of patch panel. Customer's cabling vendor may derive the rack space requirements by referring to the hardware list of selected design within the material shared with the vendor by AT&T pursuant to the SOW. Any questions regarding aggregate rack space requirements may be addressed with AT&T.

Wall-mounted equipment racks shall be installed upon backer board such that the installation will support the maximum load value of the rack.

Where required, AT&T will provide accessory post mounts for supporting UPS units (greater than or equal to 2RMU of UPS).

Patch panels shall terminate any twisted pair and/or fiber optic connections specified within each MDF or IDF. Rack shall be mounted in accordance with Hilton-approved cabling standards and in conformance with applicable local code.

- If racks are not present or are deemed inadequate when the installation team arrives, any delays thereby caused or new equipment thereby required may incur additional costs to Customer calculated as set forth in Section 1(h) of the Agreement.
- Terminate all CAT6 wiring from the guest and meeting rooms in patch panels installed in above mentioned rack(s) that will house the HSIA equipment.

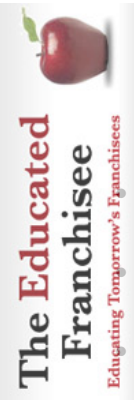


EXHIBIT C

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INSTRUCTIONS FOR SUBMITTAL OF FRANCHISE LICENSE APPLICATION

To submit a franchise license application (“Application”):

- Have an Authorized Signer for the Applicant (defined below) access the current Franchise Disclosure Document (“**Disclosure Document**”) for the applicable brand through the E-Disclosure procedure (not currently applicable in the Province of Ontario) and complete the procedure by clicking “Submit” on the Electronic Receipt page. Or, if Applicant received a paper version of the Disclosure Document, have an Authorized 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 (“**Developer**”).
- Complete the Application (please type or print) and have the Authorized Signer(s) for the Applicant sign and date the Application Letter. **Note: If the Applicant is an entity, the entity must be in existence at the time it signs and submits the Application Letter.**

Attach the supporting documents/information requested in the Application and summarized on the attached checklist, and submit the entire package along with the development services fee (“**Development Services Fee**”) described below to your Developer.

NOTE: APPLICANT SHOULD NOT SIGN OR SUBMIT THE APPLICATION OR PAYMENT OF THE DEVELOPMENT SERVICES FEE UNTIL AT LEAST THE DAY AFTER THE 14TH FULL CALENDAR DAY AFTER THE DATE APPLICANT RECEIVED THE DISCLOSURE DOCUMENT IN PAPER FORM OR THROUGH THE E-DISCLOSURE PROCEDURE.

Authorized Signers: Authorized Signers for the Receipt and Application Letter include the following:

<u>Applicant</u>	<u>Signer (s)</u>
Individual(s):	Each Individual
Corporation	President, Vice President or other Authorized Officer
General Partnership	Each General Partner
Limited Partnership	Any General Partner
Limited Liability Company	Managing Member(s), Authorized Member(s), or Manager(s)
Trust	Trustee(s)
Estate	Executor/Executrix, Administrator/Administratrix

Development Services Fee: Payment of the Development Services Fee must be made when Applicant submits its Application. The Development Services Fee becomes non-refundable upon our approval of the Application.

For a **New Development, Conversion and Change of Ownership** Application, please calculate your Development Services Fee as follows (all fees are in US Dollars):

Conrad®	\$75,000
Doubletree®/Doubletree® Suites with “by Hilton” designation	MINIMUM \$75,000, plus \$300 per guest room/suite over 250 guest rooms/suites
Embassy Suites®	MINIMUM \$75,000, plus \$300 per suite over 250 suites
Hampton Inn/Hampton Inn & Suites®	MINIMUM \$65,000, plus \$450 per guest room/suite over 100 guest rooms/suites
Hilton®	MINIMUM \$85,000, plus \$300 per guest room/suite over 275 guest rooms/suites
Hilton Garden Inn®	MINIMUM \$75,000, plus \$450 per guest room/suite over 150 guest rooms/suites
Homewood Suites by Hilton®	MINIMUM \$60,000, plus \$450 per guest room/suite over 150 guest rooms/suites
Home2 Suites by Hilton®	\$50,000
Waldorf Astoria®	\$75,000

For a **Relicensing** Application (not involving a Change of Ownership), please calculate your Development Services Fee as follows:

Hampton Inn, Hampton Inn & Suites, Hilton Garden Inn, Homewood Suites by Hilton, and Home2 Suites by Hilton: \$25 per guest room/suite multiplied by the number of years in the Relicensing term. This fee is in addition to any Property Improvement Plan (“**PIP**”) fee.

Hilton, Doubletree/Doubletree Suites by Hilton, and Embassy Suites: \$15 per guest room/suite multiplied by the number of years in the Relicensing term. This fee is in addition to any PIP fee.

Conrad and Waldorf Astoria: \$75,000. This fee is in addition to any PIP fee.

APPLICATION CHECKLIST – REQUIRED ITEMS

FOR THE APPLICATION TO BE COMPLETE, THE FOLLOWING ITEMS MUST BE INCLUDED:

- Disclosure Document Receipt **signed and dated** or **submitted electronically** by an Authorized Signer for the Applicant (see instructions on page 1).
- Application Letter, and if Applicant is an individual, the Canada Addendum to Franchise License Application for Applicant Individual, both signed and dated no earlier than the day after the **14th full calendar day** following the date that Applicant received the Disclosure Document, along with the remaining completed Application pages. Example: If you receive the Disclosure Document on January 1st, then the earliest you may submit the Application Letter will be fifteen days after that date on January 16th.
- Check (or wire transfer) for the Development Services Fee dated no earlier than the day after the **14th full calendar day** following the date the Applicant receives the Disclosure Document. Example: If you receive the Disclosure Document on January 1st, then the earliest you may submit the Development Services Fee will be fifteen days after that date on January 16th.
- Current financial statements (less than a year old) for Applicant; its controlling shareholders, partners or members; and each 25% or greater owner of Applicant.
- Upon request, completed Participant Information form(s) (see pages 12 through 15) **signed and dated** for Applicant, each individual/entity with a 25% or greater direct or indirect ownership interest in Applicant, and each individual/entity with a controlling interest in Applicant, i.e. general partner, managing member, etc.
- Copies of Organizational Documents (including all amendments) for **Applicant** entity and each of its **principal entities**, including general partner(s), managing member(s), controlling shareholders or similar direct and indirect controlling interests, as follows:

Private Corporation:	Articles of Incorporation (with filing stamp or certification from the jurisdiction of incorporation)
Limited Liability Company:	Articles of Organization (with filing stamp or certification from the jurisdiction of formation) and signed Operating Agreement
Limited Partnership:	Certificate of Limited Partnership (with filing stamp from the jurisdiction of formation) and signed Partnership Agreement
General Partnership:	Signed Partnership Agreement
Trust:	Signed Trust Agreement
Estate:	Letters Testamentary/of Administration (where applicable)
- Completed Ownership Structure Form (see page 7) for Applicant, its underlying ownership entities and the fee title holder or lessor/sublessor of the Hotel/Hotel Site if related to Applicant.
- If available, or upon request, market study.
- Site Control Document and all amendments (e.g. recorded deed, recorded ground lease, recorded purchase option, binding letter of intent, binding purchase agreement).
- Site Plan, Aerial and Location Map with site identified (consult your Developer for site plan requirements) - not required for a **Change of Ownership** application for an existing hotel.
- List of hotels owned or managed by the management company.

CONVERSION PROJECTS In addition to the above, include the following items:

- Conversion Indemnity Letter (if applicable)
- Interior/Exterior Photographs
- 3 Years' Hotel Operating Statistics

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APPLICATION LETTER

_____ ("Location") _____ ("Applicant")

BRAND (check one):

- | | | |
|---|---|---|
| <input type="checkbox"/> Conrad® | <input type="checkbox"/> Hampton Inn®* | <input type="checkbox"/> Homewood Suites by Hilton® |
| <input type="checkbox"/> Doubletree® by Hilton | <input type="checkbox"/> Hampton Inn & Suites®* | <input type="checkbox"/> Home2 Suites by Hilton® |
| <input type="checkbox"/> Doubletree® Suites by Hilton | <input type="checkbox"/> Hilton® | <input type="checkbox"/> Waldorf Astoria® |
| <input type="checkbox"/> Embassy Suites®* | <input type="checkbox"/> Hilton Garden Inn® | |

*May include "by Hilton" tag line at sole discretion of Licensor

This letter (the "Application Letter") is furnished to the applicable franchise licensing subsidiary of Hilton Worldwide, Inc. ("HWI") for the brand selected above and its successors and assigns (each, "Licensor") in order to induce Licensor to process an application for a license to operate a hotel under the brand selected above at the Location designated above. The Applicant understands that Licensor is relying on the information provided in the application and all documents submitted by the Applicant and co-owners in connection with or in support thereof, including, but not limited to, this application letter, all hereinafter referred to as the "Application". Applicant agrees to supply such additional information, statements or data as may be requested by Licensor. The Applicant represents, understands and acknowledges that:

1. All information contained in the Application is true and correct as of the date set forth below and that the information contained in this Application is complete and not misleading due to an omission of any material information. The Applicant will inform Licensor promptly of any material change in any of the information furnished in the Application. The Applicant has the authority to submit the Application and to enter into the other documents contemplated thereby, including, without limitation, a franchise license agreement ("License"). Neither the submission of the Application nor the execution of such other documents (including the License) will conflict with the terms of any agreement(s) to which Applicant is a party or by which the Applicant is bound. The Applicant has not been induced by Licensor to terminate or breach any agreement with respect to the Location.

2. Information concerning the system for the brand selected above ("System"), including, without limitation, the Disclosure Document (if required under applicable law), has been made available to the Applicant. The Applicant is familiar with the System and its requirements and is applying for the form of License contained in the Disclosure Document.

3. Licensor does not enter into oral agreements or understandings with respect to Licenses or matters pertaining to the granting of a License, and as of the date set forth below there are no oral agreements or understandings whatsoever between the Applicant and Licensor with respect to any proposed License.

4. Payment of the Development Services Fee is enclosed with the Application. If the Application is not approved, or if Applicant withdraws the Application before it is approved, the Development Services Fee will be returned, without interest, less \$7,500.00 for time and expenses incurred by Licensor in processing the Application. **ONCE THE APPLICATION IS APPROVED, THE DEVELOPMENT SERVICES FEE IS NON-REFUNDABLE (EVEN IF APPROVAL IS CONDITIONED ON APPLICANT PROVIDING ADDITIONAL INFORMATION).** Provided, however, for a **Change of Ownership** Application, if we approve the Application, and the approved change of ownership does not occur, then we will refund the Development Services Fee without interest, less \$7,500.00. Licensor reserves the sole right to approve or disapprove the Application for any reason it may determine in its business judgment. If the Application is approved, Applicant must provide any additional information requested, meet any additional requirements and sign the License within the time period Licensor specifies or Licensor may terminate the proposed hotel project and retain the Development Services Fee. The Development Services Fee may be invested, combined with other funds or otherwise used as Licensor, at its discretion, deems appropriate.

5. Applicant authorizes credit bureaus, financial institutions, companies and individuals to disclose to Licensor, any and all information for the use of Licensor and its affiliates for the purpose of conducting any necessary credit and/or background investigations. Licensor will comply with any applicable laws in conducting such credit and/or background investigations. The Applicant (jointly and severally if applicable)



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agrees to indemnify and defend Licensor, HWI., and their respective subsidiaries and affiliates, and the officers, directors, employees, agents, representatives, successors and assigns of each (collectively, the "Hilton Worldwide Indemnitees") and to hold them harmless from all losses in connection with the Application and the Location, including breach of any representations, undertakings or warranties contained herein and all claims, demands, suits, causes of action, liabilities, losses or otherwise, incurred (including legal and accounting fees and expenses), and including claims as a result of Licensor processing the Application and/or approving a License. Each Hilton Worldwide Indemnitee will 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 will 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. Licensor may rely on any information, statement or notice from the Applicant pertaining to the Location or License without having to investigate or ascertain the accuracy of any fact or allegation in the notice.

6. This Application Letter may be executed in counterparts, each of which shall be deemed an original, which together shall constitute one and the same instrument. This Application Letter must be signed by the authorized signer(s) for the Applicant (see Instructions page for required signatures) and the undersigned represents and warrants that he/she has the authority to sign this Application Letter. Please make as many copies as needed.

7. 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. The parties hereto confirm that it is their wish that the Application has been and shall be drawn up in the English language only. *Les parties aux présentes confirment leur volonté que le document intitulé « Application », de même que tous les documents, y compris tout avis, qui s'y rattachent, soient rédigés en langue anglaise.*

FOR INDIVIDUAL APPLICANT

Signature: _____

 Print name: _____

 Date (required): _____

FOR BUSINESS ENTITY APPLICANT

Name of Entity: _____

 By (Signature): _____

 Print Name &
 Title: _____

 Date (required): _____



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**CANADA ADDENDUM
TO THE
FRANCHISE LICENSE APPLICATION
FOR APPLICANT INDIVIDUAL**

The provisions in this Canada Addendum to Franchise License Application for Applicant Individual (“**Addendum**”) supersede and replace any conflicting provisions in the Application if Applicant is an individual and the Application is for a hotel located or to be located in Canada, and amend the Application by including the provisions below as if such language was stated in its entirety in the Application. Except to the extent herein specifically stated, the provisions of the Application shall be unmodified and in full force and effect.

1. In accordance with the *Personal Information Protection and Electronic Documents Act* (Canada), any consumer credit reporting legislation, and any similar federal, provincial or local statutory or common laws or regulations, the Applicant expressly authorizes Licensor, HWI and/or their respective representatives, owners, partners, parents, subsidiaries, affiliates, successors and assigns, and each of such entities’ officers, directors, representatives, agents and employees (collectively referred to as “**Hilton Worldwide**”) to collect, use and disclose the Applicant’s personal information to and from the references named in the Application, any credit reporting agency, any law enforcement agency (federal/provincial/local) and any person, association, firm, company, financial institution, court system, personnel agency or credit bureau (collectively, “**References**”) and for Hilton Worldwide to use such information for the purpose of evaluating the Application and assessing the Applicant’s creditworthiness from time to time, including conducting any credit and/or background investigations. The Applicant acknowledges that the Application requests a Canada social insurance number; however this information is optional and Applicant is not required to provide his/her social insurance number to Hilton Worldwide, but if he/she does, it will be used to match References information.

2. The Applicant hereby expressly authorizes any References to disclose and release to Hilton Worldwide any information, including, but not limited to, information concerning the Applicant’s education, employment history, financial transactions, credit payment history, civil record, criminal conviction record, legal proceedings or judgments or any other record or report requested by Hilton Worldwide for the purpose of evaluating the Application and assessing the Applicant’s credit worthiness. In that regard, this document shall constitute and be deemed to be “written instructions” and “consents” pursuant to any applicable privacy, personal information and consumer reporting acts or similar legislation.

3. The Applicant understands and agrees that Hilton Worldwide will maintain the personal information it receives about him/her from the Application and References in one or more files that will be available only to Hilton Worldwide and its authorized employees, mandataries or agents who need to access such information for the purpose of evaluating the Application or assessing the Applicant’s creditworthiness or for the performance of their duties or mandates under this Addendum.

4. The Applicant understands that he/she has the right to access and rectify the information that Hilton Worldwide maintains about him/her in its file(s), and in order to exercise this right he/she may contact HWI’s Director of Corporate Compliance.

FOR INDIVIDUAL

Signature: _____

Print name: _____

Date (required): _____



HILTON WORLDWIDE FRANCHISE LICENSE APPLICATION

APPLICANT

NAME OF APPLICANT (your name may not include any of our marks or any variations/initials thereof): _____

State in which Applicant's principal business address (or if Applicant is an individual, permanent residence) is located: _____

Type: Corporation Limited Partnership General Partnership Limited Liability Company
 Individual Trust Other (specify)

Birth or Formation Information: Date: (Month/Day/Yr) State/Province, Country: U.S. Social Sec.# (last 4 digits only)/ Canada SIN#((Optional)/Gov't ID#: _____

PRINCIPAL CORRESPONDENT

FOR OFFICIAL NOTICES

FOR DAY-TO-DAY COMMUNICATIONS

Name:		Name:	
Street Address:		Street Address:	
City, State Zip/Postal Code		City, State Zip/Postal Code	
Telephone #:		Telephone #:	
Fax #:		Fax #:	
Email:		Email:	

MANAGEMENT INFORMATION

THE PROPOSED HOTEL WILL BE MANAGED BY:

A General Manager who will be employed by the Applicant

The General Manager will be: _____

A Management Group under a Management Agreement with the Applicant

Company Name and Contact: _____

Address: _____

Telephone: _____ Fax: _____ Email: _____

Attachments: (1) List of Hotels owned or managed by the management group

LIST ALL HOTELS OWNED AND/OR OPERATED BY APPLICANT AND ITS EQUITY OWNERS

(attach additional pages if necessary)

Owner/Operator Name	Brand/Property Name, City/State	Description of Interest	% Equity



OWNERSHIP STRUCTURE OF APPLICANT ENTITY

INSTRUCTIONS: Please provide a complete breakdown of the owners of the Applicant Entity and any related entity that holds/will hold fee title to the Hotel site. If these owners are other legal entities, please include a breakdown of their underlying ownership. That means you should provide the name and description/percentage of ownership interest of all individuals who own and/or control these entities. Copy this form as needed to provide multiple structures.

Example:

Entity/Person's Name	Canada SIN#*/U.S. Soc Sec # (last 4 digits only)/Gov't ID #:	Description Of Interest	% Interest	Business Address & Telephone
XYZ Corp.	12-3456789	General Partner	1%	XYZ Corp. Address/Phone John Doe Address/Phone Jane Doe Address/Phone
- John Doe, President 50%	1234			
- Jane Doe, Shareholder 50%	5678			
ABC, L.L.C.	23-4567891	Limited Partner	99%	ABC, L.L.C. Address/Phone BDC, Inc. Address/Phone
- BDC, Inc., its managing member 25%	34-5678912			
- Bill Davis, President 100%	9012			
Davis Family Trust, member	same as above			Trust Contact Address/Phone
- Bill Davis, Trustee 25%				
- Bill Davis, Jr. Beneficiary 100%				
Davis, member	same as above			Bill Davis Address/Phone

* Optional

ENTITY NAME: _____

OWNERSHIP STRUCTURE

(provide additional pages if necessary)

Entity/Person's Name	Canada SIN#(Optional)/ U.S. Soc Sec # (last 4 digits only)/Gov't ID #:	Description of Interest	% Interest	Business Address & Telephone

Attachments: (1) Copies of recorded formation and governing documents of Applicant and its controlling entities (e.g., Articles of Incorporation, Partnership Agreement, Operating Agreement, etc.)
 (2) Upon request, completed Individual or Business Entity Participant Information Forms



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HOTEL/SITE LOCATION

Street Address*: _____

* If no street address, provide coordinates or other location description:

City, State/Province _____ Country: _____ Zip/Postal Code: _____

BRAND (check one):

- Conrad®
- Doubletree® by Hilton
- Doubletree® Suites by Hilton
- Embassy Suites®*
- Hampton Inn®*
- Hampton Inn & Suites®*
- Hilton®
- Hilton Garden Inn®
- Homewood Suites by Hilton®
- Home2 Suites by Hilton®
- Waldorf Astoria®

* May include, in Licensor's sole discretion, the "by Hilton" tagline

Development Type: New Development Conversion Change of Ownership Relicensing
(new-build/adaptive reuse)

HOTEL FACILITIES, SITE, BUILDING INFORMATION

Total guest units: _____ # of Guest Rooms: _____ # of Guest Suites: _____ # Stories: _____

Year built: _____ Meeting space: Yes _____ sq. ft. No Ballroom: Yes _____ sq. ft. No

Condominium Residences: Yes # _____ Residential Rental Program: Yes No

Shared Facilities? Yes No If Yes, Describe:

Food & Beverage facilities (outlets, capacity, meals served, operated/leased, current/planned brand names)

Other Retail outlets (type, operated/leased, current/planned brand names):

Pool (indoor/outdoor/N/A): _____

Other amenities: _____

Total square footage of site: _____

Zoned for hotel development? Yes No

Maximum height allowed by zoning code: _____

Feet: _____ Stories: _____

Site/development restrictions? Yes No

Please explain (attach additional pages if necessary):

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HOTEL AFFILIATION (for **New Development/Conversion** applications only)

Has there ever been a franchise, branded management, affiliation or similar agreement pertaining to this hotel or site? Yes No

Explain: _____

If the hotel is currently affiliated with a hotel chain, what chain? _____

Hotel's current name: _____ Original opening date: _____

Attachments: Conversion Indemnity Letter (if applicable)



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HOTEL SITE CONTROL/OWNERSHIP

Applicant's Site Control: [] Owned by Applicant
[] Leased to Applicant
[] Optioned to Applicant
[] Under purchase contract by Applicant
[] Other (specify)

If Hotel or Hotel site is currently owned by someone other than Applicant, please indicate:

Fee owner name:
Address:
City, State/Province: Country:
Zip/Postal Code: Telephone #:
Related to Applicant?: [] No [] 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:
Address:
City, State/Province: Country:
Zip/Postal Code: Telephone #:
Related to Applicant?: [] No [] Yes*
(describe):

*If yes, provide complete ownership structure of related entity that will be fee owner (see form on page 6)

- Attachments: (1) Site Control Document
(2) Site Plan (New Development/Conversion only)
(3) City Maps and Aerial Photograph with site identified
(4) If applicable, complete ownership structure of related entity that will be the fee owner/lessor/sublessor

DEADLINES ASSOCIATED WITH APPLICATION

(such as option deadline, purchase deadline, etc.)

Three horizontal lines for entering deadline information.



NEW DEVELOPMENT PROJECT COSTS

ESTIMATED PROJECT COSTS – NEW CONSTRUCTION:

Land: \$US _____ \$US _____ per room
 Construction: \$US _____ \$US _____ per room
 FF&E: \$US _____ \$US _____ per room
 Other: \$US _____ \$US _____ per room
 TOTAL \$US _____ \$US _____ per room

ESTIMATED PROJECT COSTS – CONVERSION:

Purchase price/ current mkt. value (estimate): \$US _____ \$US _____ per room
 Renovation/upgrade: \$US _____ \$US _____ per room
 Other: \$US _____ \$US _____ per room

Forecasted Construction/Renovation Start Date: _____

Forecasted Construction/Renovation Completion Date: _____

OPERATING PROJECTIONS:

Assumptions	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
% Occupancy					
Avg. Daily Rate (\$US)					

LOAN INFORMATION:

Do you have a loan or loan commitment for this project? [] No [] Yes

Name of proposed/existing lender(s): _____

Loan Amount(s): _____ Percentage equity: _____

Loan Description: _____

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 If yes, please describe below:

- Attachments:**
- (1) Market or Feasibility Study, if available or upon request
 - (2) For Conversion projects – 3 years’ operating statistics
 - (3) Financial statements for Applicant, its controlling shareholders, partners or members, and each individual and entity with a 25% or greater direct or indirect ownership interest in the Applicant



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INDIVIDUAL PARTICIPANT INFORMATION

INSTRUCTIONS: Upon request, Applicant may be required to provide the personal and business information requested below, and such additional information which Licensor may require, for each of the following individuals, as applicable: (1) each individual with a 25% or greater direct or indirect ownership interest in Applicant, and (2) each individual with a controlling interest in Applicant, i.e. general partner(s), managing member(s), etc., regardless of ownership interest. Personal information provided by Applicant to Hilton Worldwide pursuant to this request will be considered confidential.

Name of Individual:

(Full first name) (Middle name/initial) (Last name) (Former name/alias, if applicable)

U.S. Social Security # (Required, if applicable)/ Canada SIN# (Optional)/or Govt. ID #:

Sex [] Male [] Female

Birth Information:

Date: ___/___/___ **City/State/Province:** _____ **Country:** _____
mo day yr

Home Address/Dates:

(For last 10 years, attach separate sheet if necessary)

Telephone #:

Fax #: _____

Employer/Address/Position/Dates

(For last 10 years, attach separate sheet if necessary)

Relationship to Applicant:

% Ownership of Applicant:

(i.e. Shareholder, Officer, General Partner, Managing Member, limited partner, member etc.)

References (name, address, telephone number) - include one bank/financial, one business & one personal:

1. _____
2. _____
3. _____

LITIGATION HISTORY, CERTIFICATIONS, INDEMNIFICATION AND RELEASE

A. Have you or any legal entity in which you have been an officer, director, member or partner (or in which you have held a management position or ownership interest greater than 10%) ever (i) been a defendant in civil litigation alleging fraud, deceit or similar claims, (ii) been convicted of a criminal offense or have a charge currently pending, (iii) filed for protection from creditors under applicable bankruptcy laws, (iv) been a defaulting party in a foreclosure proceeding, or (v) been the subject of disciplinary action with respect to the suspension or revocation of, a professional or gaming license? (___) **NO** (___) **YES** If yes, please provide details:

B. I certify that to the best of my knowledge the statements contained in this Individual Participant Information form are true and complete and nothing has been withheld affecting my reputation and credit standing. In accordance with the Personal Information Protection and Electronic Documents Act (Canada), any consumer credit reporting legislation, and any similar federal, provincial or local statutory or common laws or regulations, I expressly authorize Licensor, Hilton Worldwide, Inc. ("HWI") and/or its representatives, owners, partners, parents, subsidiaries, affiliates, successors and assigns and each of such entities' officers, directors, agents and employees (collectively, "Hilton Worldwide") to disclose, use and collect my personal information to and from the above-named references, any credit reporting agency, any law enforcement agency (federal/provincial/local) and any person, association, firm, company, financial institution, court system, personnel agency or credit bureau (collectively, "References") and for Hilton Worldwide to use such information for the purpose of conducting any necessary credit and/or background investigations. I acknowledge that I am not required to provide my Canadian social insurance number to Hilton Worldwide, if applicable, but if I do, it will be used to match References information.

I further expressly authorize such References to disclose and release to Hilton Worldwide, any information that is requested including, but not limited to, information concerning my education, employment history, financial transactions, credit payment history, civil record, criminal conviction record, legal proceedings or judgments or any other record or (000011-999987 00181488.DOCX; 2)

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report. In that regard, this document shall constitute and be deemed to be "written instructions" pursuant to any applicable consumer reporting act or such similar legislation.

I understand that my personal information will be available to Hilton Worldwide personnel and to their authorized employees, mandataries, agents and representatives who need to access such information for the purpose of evaluating the Application or assessing my creditworthiness or for the performance of their duties or mandates under this Application. I understand I have a right to access and rectify my personal information contained in the property file and in order to exercise this right I may contact HWI's Director of Corporate Compliance.

The parties hereto confirm that it is their wish that this document entitled *Individual Participant Information*, along with all other documents attached hereto shall be drawn up in the English language only. *Les parties aux présentes confirment leur volonté que le document intitulé Individual Participant Information, de même que tous les documents, y compris tout avis, qui s'y rattachent, soient rédigés en langue anglaise.*

I hereby release, indemnify, defend and hold harmless Licensor, Hilton Worldwide, and their respective subsidiaries and affiliates, and the officers, directors, employees, agents, representatives, successors and assigns of each and any and all other persons or entities, including without limitation those providing information, from any and all liability for losses, claims, injuries, liabilities, and damages of whatever kind or nature, whether known or unknown, including without limitation those based upon defamation, invasion of privacy, and rights of publicity and personality, against any or all of them which may at any time arise or accrue to me or my heirs, successors, parents, subsidiaries, assigns, officers, directors, employees, agents or other persons or entities claiming by or through me, on account of the provision of such information or reliance on such information or on other information gathered pursuant thereto and hereto. I hereby authorize this Individual Participant Information Form, indemnity and release to be shown and delivered to such persons, with a copy of this Individual Participant Information Form, indemnity and release to be as valid as the original.

This document 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: _____



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BUSINESS ENTITY PARTICIPANT INFORMATION

INSTRUCTIONS: Upon request, this form may be required for Applicant entity and each related entity with a 25% or greater direct or indirect ownership interest in Applicant, and/or a controlling interest in Applicant, i.e. general partner, managing member, etc., regardless of ownership interest.

Entity Name: _____ ("Entity")
(Mo/Day/Yr)

Formation Information: **Date:** ___/___/___ **State/Province:** _____ **Country:** _____ **Gov't ID:** _____

Address: _____

Telephone #: _____ **Fax #:** _____

Relationship to Applicant: _____ **% Ownership of Applicant:** _____
(i.e. Shareholder, General Partner, Limited Partner, Managing Member, Member, etc.)

References (name, address, telephone number) - include one bank/financial reference & one business:

LITIGATION HISTORY, CERTIFICATIONS, INDEMNIFICATION AND RELEASE

A. Has the above referenced Entity or an affiliate of the Entity (or in which the Entity has held a management position or ownership interest greater than 10%) ever (i) been a defendant in civil litigation alleging fraud, deceit or similar claims, (ii) been convicted of a criminal offense or have a charge currently pending, (iii) filed for protection from creditors under applicable bankruptcy laws, (iv) been a defaulting party in a foreclosure proceeding, or (v) been the subject of disciplinary action with respect to the suspension or revocation of, a professional or gaming license? () **NO** () **YES** **If yes, please provide details:**

B. The undersigned hereby certifies that the statements contained in this Business Entity Participant Information form are true and complete and nothing has been withheld affecting the reputation and credit standing of the Entity. In accordance with the Privacy Act, Freedom of Information Act, the Fair Credit Reporting Act, and any similar federal, state or local statutory or common laws or regulations, the undersigned authorizes the above-named references, any credit reporting agency, any law enforcement agency (federal/state/local) and any person, association, firm, company, financial institution, court system, personnel agency or credit bureau to furnish and release to Hilton Worldwide, Inc. and/or its representatives, owners, partners, parents, subsidiaries, affiliates, successors and assigns, and each of such entities' officers, directors, agents, and employees, (collectively, "Hilton Worldwide"), any information that is requested including, but not limited to, information concerning the business and credit history, financial transactions, civil and criminal conviction records, legal proceedings or judgments or any other record or report, and Hilton Worldwide to request, obtain and use such information for the purpose of conducting any necessary credit and/or background investigations.

C. The undersigned hereby releases, indemnifies, defends and holds harmless Licensor, Hilton Worldwide, and their respective subsidiaries and affiliates, and the officers, directors, employees, agents, representatives, successors and assigns of each and any and all other persons or entities, including without limitation those providing information, from any and all liability for losses, claims, injuries, liabilities, and damages of whatever kind or nature, whether known or unknown, including without limitation those based upon defamation, invasion of privacy, and rights of publicity and personality, against any or all of them which may at any time arise or accrue to the undersigned or its successors, parents, subsidiaries, assigns, officers, directors, employees, agents or other persons or entities claiming by or through it, on account of the provision of such information or reliance on such information or on other information gathered pursuant thereto and hereto. The undersigned authorizes this Business Entity Participant Form, indemnity and release to be shown and delivered to such persons, with a copy of this Business Entity Participant Form, indemnity and release to be as valid as the original.



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D. The undersigned represents and warrants that he/she has the authority to sign this form on behalf of the Entity.

E. This document 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.

BUSINESS ENTITY NAME: _____

By: _____
(Signature)

Print Name/Title: _____ Date: _____



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EXHIBIT D

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EXHIBIT D

GUARANTEE OF LICENSE AGREEMENT – [FOR ALL PROVINCES, EXCEPT QUEBEC]

[Hotel Name]

THIS DOCUMENT AFFECTS AND WAIVES IMPORTANT RIGHTS OF THE PERSONS AND ENTITIES SIGNING IT.

THIS GUARANTEE OF LICENSE AGREEMENT (the "**Guarantee**") is made by _____, a _____ (together with its successors and permitted assigns, "**Guarantor**"), as of the ____ day of _____, _____, in connection with that certain Franchise License Agreement dated as of _____, _____, (as amended, restated, extended, supplemented, replaced, continued or renewed from time to time, the "**License Agreement**"), by and between _____, a Delaware limited liability company (together with its successors and permitted assigns, ("**Licensor**") and _____, a _____ (together with its successors and permitted assigns, "**Licensee**") covering that certain [NAME OF HOTEL] located or to be located at [STREET ADDRESS], [PROVINCE] (the "**Hotel**"). **[Note to drafter: The province in which the hotel is situated must be included in the description of the hotel. This form of guarantee cannot be used where multiple hotels are contemplated in more than one province.]**

OPTION 1:

WHEREAS, Guarantor has represented that it owns all right, title and interest in the real property and improvements comprising (or that will comprise) the Hotel;

REPLACE PRECEDING WITH THE FOLLOWING IF GUARANTOR IS BENEFICIAL OWNER AND BARE TRUSTEE IS RECORD OWNER:

WHEREAS, Guarantor has represented that it is the beneficial owner of all right, title and interest in the real property and improvements comprising (or that will comprise) the Hotel;

OPTION 2:

WHEREAS, Guarantor has represented that [Licensee] [Guarantor] has entered into a [NAME OF THE AGREEMENT], dated as of [DATE] to acquire [all right, title, and interest] [a long-term ground leasehold interest] in the real property and improvements comprising (or that will comprise) the Hotel;

REPLACE PRECEDING WITH THE FOLLOWING IF GUARANTOR IS BENEFICIAL OWNER AND BARE TRUSTEE IS RECORD OWNER:

WHEREAS, Guarantor has represented that Licensee, as bare trustee for the benefit of Guarantor, is the registered title holder of the real property and improvements comprising (or that will comprise) the Hotel;

[WHEREAS, Guarantor has represented that it has a direct or indirect controlling ownership interest in, or is an affiliate of, Licensee;]

WHEREAS, Licensor would not have entered into the License Agreement absent Guarantor's commitment to deliver this Guarantee; and

WHEREAS, Guarantor acknowledges that it will receive considerable benefits as a result of Licensee holding the License Agreement.

NOW, THEREFORE, for good and valuable consideration, including, but not limited to, the execution of the License Agreement by Licensor, the Guarantor agrees as follows:

EXHIBIT D

1. **Guarantee of Payment and Performance.** Guarantor hereby unconditionally and irrevocably guarantees to the Licensor, its successors and assigns, the following: (i) the full and prompt payment of all sums owed by Licensee to Licensor, and to Licensor's affiliates, under or arising in connection with the License Agreement, including, but not limited to, all fees and charges, interest, default interest, and other costs and fees (including, without limitation, legal costs in connection with enforcement of the License Agreement); and (ii) the performance of all other obligations of Licensee arising under the License Agreement; in each case, at any time and from time to time, present and future, direct and indirect, absolute and contingent, matured or not, and whether the Licensee is bound alone or with another or others, (items (i) and (ii) are hereinafter collectively referred to as the "**Obligations**").

Guarantor's liability under this Guarantee is a guarantee of payment and performance of the Obligations. This Guarantee shall be a continuing guarantee, shall cover all of the Obligations, and shall apply to and secure any ultimate balance due or remaining unpaid to Licensor. Guarantor's liability hereunder shall continue until all Obligations have been satisfied in full and shall not be limited or affected in any way by transfer of the Hotel, any bankruptcy, any disability or other defense of Licensee or any other guarantor or pledgor. This Guarantee shall not be determined or affected, or Licensor's rights under this Guarantee prejudiced by, the termination of any of the Obligations by operation of law or otherwise, including without limitation, the bankruptcy, insolvency, dissolution or liquidation of Licensee or Guarantor, any change in the name, business, powers, capital structure, constitution, objects, organization, directors or management of Licensee or Guarantor, with respect to transactions occurring either before or after such change. This Guarantee shall bind and extend to the liabilities of the person or persons for the time being and from time to time carrying on the business now carried on by either Licensee or Guarantor, notwithstanding any reorganization of Licensee or Guarantor or the amalgamation of Licensee or Guarantor with one or more other corporations (in this case, this Guarantee shall extend to the liabilities of the resulting corporation and, for purposes of this Guarantee, the terms "Licensee" and "Guarantor" shall include such resulting corporation) or any sale or disposal of Licensee's or Guarantor's business in whole or in part to one or more other persons and all of such liabilities shall be included in the Obligations.

Upon default under the License Agreement by Licensee and notice of such default from Licensor to Guarantor, Guarantor will immediately make each payment and perform each Obligation under the License Agreement, without any requirement that Licensor first send a notice of default to Licensee under the License Agreement, and Guarantor hereby waives any and all rights it may otherwise have under statutory or common law relating to any notice requirements thereunder.

If any or all of the Obligations are not duly paid by Licensee and are not recoverable under the first paragraph of this clause 1 for any reason whatsoever, Guarantor will, as a separate and distinct obligation, indemnify and save harmless Licensor from and against all losses, costs, expenses and damages resulting from the failure of Licensee to pay and perform any Obligations.

2. **Waivers of Certain Rights and Defenses.** Guarantor agrees that the manner in which Licensor may now or subsequently deal with Licensee, Guarantor or any additional guarantor or pledgor, or any security (or any collateral subject to the security) or other guarantee in respect of the Obligations shall have no effect on Guarantor's continuing liability under this Guarantee. Guarantor hereby waives any and all rights to require Licensor to (a) proceed against Licensee or any other guarantor or pledgor, or (b) pursue any other right or remedy for Guarantor's benefit, and agrees that Licensor may proceed against Guarantor for the Obligations guaranteed herein without taking any action against Licensee or any other guarantor or pledgor. Guarantor agrees that Licensor may exercise, in its sole discretion, any or all rights and remedies available to it against Licensee or any other guarantor or pledgor, without impairing Licensor's rights and remedies in enforcing this Guarantee, under which Guarantor's liabilities shall remain independent and unconditional. Guarantor agrees that Licensor's exercise of certain of such rights or remedies may affect or eliminate Guarantor's right of subrogation or recovery against Licensee and that Guarantor may incur a partially or totally nonreimbursable liability under this Guarantee.

EXHIBIT D

3. **Additional Waivers.** No failure or delay on Licensor's part in exercising any power or privilege hereunder shall impair any such power, right or privilege or be construed as a waiver thereof or an acquiescence therein. In addition, Guarantor waives each of the following, to the fullest extent permitted by law:

- (a) any defence based upon:
 - (i) the unenforceability or invalidity of all or any part of the Obligations, or any other security, including any other guarantee, or any failure of Licensor to take proper care or act in a commercially reasonable manner in respect of any security for the Obligations or any collateral subject to the security, including in respect of any disposition of such collateral;
 - (ii) any act or omission of Licensee or any other person, including Licensor, that directly or indirectly results in the discharge or release of Licensee or any other person or any of the Obligations or any security for the Obligations; or
 - (iii) Licensor's present or future method of dealing with Licensee, any additional guarantor or pledgor, or any other security (or any collateral subject to the security), including any other guarantee;
- (b) any right (whether now or hereafter existing) to require Licensor, as a condition to the enforcement of this Guarantee:
 - (i) to accelerate the Obligations or proceed and exhaust any recourse against Licensee or any other person;
 - (ii) to realize on any security that it holds;
 - (iii) to marshal the assets of either Licensee or Guarantor; or
 - (iv) to pursue any other remedy that Guarantor may not be able to pursue itself and that might limit or reduce Guarantor's burden;
- (c) presentment, demand, protest and notice of any kind including, without limitation, notices of default and notice of acceptance of this Guarantee;
- (d) all suretyship defences and rights of every nature otherwise available under the laws of the Province in which the Hotel is located, and the laws of any other jurisdiction; and
- (e) all other rights and defences (legal or equitable) the assertion or exercise of which would in any way diminish the liability of Guarantor under this Guarantee.

4. **Licensor's Right to Act.** Licensor has the right to deal with Licensee, the documents creating or evidencing the Obligations and the security (or any collateral subject to the security) now or subsequently held by Licensor (including, without limitation, all modifications, extensions, replacements, amendments, renewals, restatements, and supplements to such documents or security) as Licensor may see fit including, without limitation, to:

- (a) grant time, renewals, extensions, indulgences, releases and discharges to Licensee;
- (b) take new or additional security, including without limitation, other guarantees;
- (c) discharge or partially discharge any or all existing security;

EXHIBIT D

- (d) elect not to take security from Licensee or not to perfect security;
- (e) cease or refrain from, or continuing to, giving credit or making loans or advances to, or otherwise dealing with Licensee;
- (f) accept partial payment or performance from Licensee or otherwise waive compliance by Licensee with the terms of any documents or security;
- (g) assign any such document or security to any person or persons;
- (h) deal or dispose in any manner (whether commercially reasonably or not) with any security (or any collateral subject to the security) or other guarantee for the Obligations; or
- (i) apply all dividends, compositions and moneys at any time received from Licensee or others or from the security upon such part of the Obligations,

in each case, without notice to Guarantor or any additional guarantor or pledgor and without in any way affecting, relieving, limiting or lessening Guarantor's or additional guarantor's liability under this Guarantee.

5. Guarantee Made with Full Knowledge. Guarantor has had the opportunity to review the matters contemplated by the License Agreement, including the remedies Licensor may pursue against Licensee in the event of a default under the License Agreement, and Licensee's financial condition and ability to perform under the License Agreement. Guarantor further agrees that it is not relying on the Licensor in respect of all or any information with respect to the transactions under or related to the License Agreement or this Guarantee and that Licensor has no duty to disclose to Guarantor any information pertaining to Licensee or to notify Guarantor of Licensee's default under the License Agreement.

6. Guarantee Continues if Payments are Avoided or Recovered from Licensor. Guarantor's obligations hereunder shall continue and remain in full force and effect, regardless of whether any payment or performance of any of the Obligations has been made and where such payment or performance is avoided, recovered, rescinded or must otherwise be returned upon the occurrence of any action or event, including the insolvency or bankruptcy of Licensee or otherwise, or the recovery directly or indirectly from Licensor as a preference, fraudulent transfer or otherwise, irrespective of any notice of revocation given by Guarantor prior to such avoidance or recovery, all as though such payment had not been made.

7. Information Requests. Upon Licensor's request, Guarantor will promptly deliver to Licensor complete and current financial statements and tax returns and such other financial information about Guarantor as Licensor may reasonably request. Upon Licensor's request, Guarantor further agrees to promptly provide all information that Licensor reasonably requests about Guarantor, including its beneficial owners, officers, directors, shareholders, partners or members. The information requested may include, but not necessarily be limited to, financial condition, credit information, personal and family background, business background, litigation, indictments, criminal proceedings and the like.

8. Changes, Waivers, Revocations and Amendments in Writing. No terms or provisions of this Guarantee may be changed, waived, revoked or amended without Licensor's prior written consent. Should any provision of this Guarantee be determined by a court of competent jurisdiction to be unenforceable, all of the other provisions shall remain effective. This Guarantee embodies the entire agreement among the parties hereto with respect to the matters set forth herein, and supersedes all prior agreements among the parties with respect to the matters set forth herein. No course of prior dealing among the parties, no usage of trade, and no parol or extrinsic evidence of any nature shall be used to supplement, modify or vary any of the terms hereof. There are no conditions to the full effectiveness of this Guarantee.

EXHIBIT D

Licensor is willing to enter into its then-current standard form termination of guarantee agreement in order to release Guarantor from future obligations under this Guarantee upon the following conditions: (i) Licensor receives evidence satisfactory to Licensor, in its sole discretion, that Licensee owns legal and beneficial title to the real property on which the Hotel is or will be sited (i.e., a conformed copy of the deed submitted for recording or like document bearing recording information) or that Licensee is a tenant under a long-term ground lease with an unrelated third party ground lessor in an arms length transaction for a term equal to, or longer than, the term of the License Agreement, (ii) Licensor receives a written request by Guarantor to enter Licensor's standard form termination of guarantee agreement, (iii) Licensee has not been in default at any time twenty-four (24) months prior to the date of Guarantor's request for termination of this Guarantee; and (iv) Licensee, at the time of Guarantor's request to terminate this Guarantee, is in good standing under the License Agreement.

9. Postponement of Claims and Subrogation

- (a) All debts and claims against Licensee now or subsequently held by Guarantor and all of Guarantor's rights of subrogation (all such debts, claims and rights, the "**Claims**") shall be for Licensor's security and, as between Guarantor and Licensor, the Claims are postponed to the repayment and performance of the Obligations. Until all of the Obligations shall have been satisfied in full, any money that Guarantor receives in respect of any such Claims shall be received by Guarantor in trust for Licensor and shall be paid immediately to Licensor to be applied against, or held as security for, payment of the Obligations, all without prejudice to and without in any way affecting, relieving, limiting or lessening Guarantor's liability under this Guarantee.
- (b) As security for and for the purpose of giving effect to the postponement of the Claims, Guarantor assigns, transfers and sets over to Licensor all of the Claims and irrevocably constitutes and appoints Licensor to be Guarantor's attorney in the name of and on behalf of Guarantor to collect, and enforce or prove any such Claims, and for that purpose to execute and do in the name and on behalf of Guarantor, all deeds, documents, transfers, assignments, assurances and things, and to commence and prosecute, at Licensor's election and in Licensor's sole discretion, any or all proceedings which may appear to Licensor to be necessary or desirable.
- (c) In the event of the bankruptcy, winding up or distribution of assets of Licensee, Guarantor or any additional guarantor or pledgor, Licensor's rights shall not be affected or impaired by its omission to prove its claim in full or otherwise and it may prove such claim as it sees fit and may refrain from proving any claim in its sole discretion; and it may but shall not be obliged to prove in respect of the Claims assigned as a debt owing to it by Licensee and Licensor shall be entitled to receive all amounts payable in respect of the Claims, such amounts to be applied on such part or parts of the monies payable from time to time on account of the Obligations as Licensor shall in its absolute discretion see fit until all of the Obligations shall have been paid in full and thereafter Guarantor shall be entitled to the balance, if any, of such amounts; all of which Licensor may do without in any way affecting, relieving, limiting or lessening Guarantor's liability to Licensor under this Guarantee.
- (d) Guarantor acknowledges and agrees that it shall not have any rights of subrogation or indemnification unless it pays the Obligations in full. Guarantor shall not prove a claim in the bankruptcy of Licensee unless and until the Obligations are repaid in full.
- (e) Licensor shall have no duty, obligation or liability as a result of the assignment of the Claims to Licensor to protect, preserve or to ensure that the Claims do not become prescribed by statute or otherwise invalidated or rendered unenforceable.

EXHIBIT D

10. **Other Guarantees.** This Guarantee is in addition to the guarantees of any other guarantors and any and all of Guarantor's other guarantees of Licensee's liabilities to Licensor. This Guarantee shall in no way limit or lessen any other liability, howsoever arising, Guarantor may have for the payment of any other obligation of Licensee to Licensor. The rights and remedies provided in this Guarantee are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights or remedies provided by law.

11. **Demand.** Licensor may make demand in writing to Guarantor at any time and from time to time, each such written demand to be accepted by Guarantor as complete and satisfactory evidence of non-payment or non-performance of the Obligations by Licensee. Guarantor shall pay to Licensor such amount or amounts payable under this Guarantee immediately upon such written demand.

12. **Representations and Warranties.** The following representations and warranties shall be continuing representations and warranties so long as any Obligations shall remain unpaid or unperformed:

(a) Guarantor has the requisite power to execute, deliver and perform the terms and provisions of this Guarantee and has taken all necessary [corporate/partnership/company] actions to authorize the execution, delivery and performance by it of this Guarantee. This Guarantee is a valid, binding and legally enforceable obligation of Guarantor in accordance with its terms.

(b) The execution and delivery of this Guarantee are not, and the performance of this Guarantee will not be, in contravention of, or in conflict with, any agreement, indenture, or undertaking to which Guarantor is a party or by which it or any of its property is or may be bound or affected.

(c) [Guarantor owns all right, title and interest in the real property and improvements comprising (or that will comprise) the Hotel.] **OR** [Either Guarantor or Licensee, will, upon closing of the [NAME OF AGREEMENT FROM FIRST RECITAL] own [all right, title, and interest] [a long-term ground leasehold interest] in the real property and improvements comprising (or that will comprise) the Hotel].

REPLACE PRECEDING (c) WITH THE FOLLOWING IF GUARANTOR IS BENEFICIAL OWNER AND BARE TRUSTEE IS RECORD OWNER:

(c) [Guarantor owns all beneficial right, title and interest in the real property and improvements comprising (or that will comprise) the Hotel.] [Licensee, as bare trustee for the benefit of Guarantor, is the registered owner of the real property and improvements comprising (or that will comprise) the Hotel].

(d) Guarantor has a direct or indirect controlling interest in, or is an affiliate of, Licensee.

[ADD THE FOLLOWING ONLY FOR CORPORATE GUARANTEE AND HOTEL OR GUARANTOR INCORPORATED IN NEWFOUNDLAND:

(e) Guarantor is, and having granted this Guarantee continues to be, able to pay its liabilities as they become due.

(f) The realizable value of the assets of Guarantor after granting this Guarantee is and continues to be greater than the aggregate of the liabilities and the stated capital of all classes of shares in the Guarantor.]

13. Additional Provisions.

(a) If there is more than one Guarantor named herein, any reference to Guarantor will mean any one and all of them, and the singular will include the plural. All obligations of each such Guarantor to Licensor of whatever nature are hereby jointly and severally guaranteed by each Guarantor. Licensor may assign this Guarantee without in any way affecting Guarantor's liability. Licensor shall endeavor to

EXHIBIT D

give Guarantor notice of such assignment, but the failure to do so shall not affect Guarantor's liability or Licensor's assignment of this Guarantee. This Guarantee shall inure to the benefit of Licensor and its successors and assigns and shall bind Guarantor and Guarantor's heirs, executors, administrators, successors and assigns.

(b) If more than one person has signed this Guarantee it shall be the joint and several obligation of all such persons, and Guarantor shall hold harmless, defend, protect and indemnify Licensor from any actions, causes of action, liabilities, damages, losses and fees (including legal costs on a solicitor and the solicitor's own client basis) and all other claims of every nature which may arise as result of any dispute between or among any of Guarantor and any other persons or entities.

(c) Any notices, requests and demands to be made hereunder shall be in writing and will be effective on the earlier of (i) the day it is sent by facsimile with a confirmation of receipt; or (ii) (ii) one business day after it is sent by next business day delivery service; or (iii) the third business day after it is sent by first-class or certified mail or other form of express delivery to the appropriate party at the following single address, or such other single address as may be designated by the party to be notified (which, in no event, is a P.O. Box).

If to Licensor: [Licensor Name]
7930 Jones Branch Drive
Suite 1100
McLean, VA 22102
Attention: General Counsel

If to Guarantor: _____

Phone: () _____
Fax: () _____

Notice to Guarantor is deemed given if (1) delivered in writing by one of the delivery methods set forth above and (2) addressed to the Guarantor at the address set forth above. If Guarantor wants to change the address set forth above, Guarantor shall notify Licensor in writing in accordance with the delivery procedure set forth in this Subparagraph.

(d) If Guarantor is a partnership, limited liability company or other unincorporated association, its liability shall not be affected by changes in the name of the entity or in its membership.

(e) This Guarantee is executed in accordance with, and pursuant to, the terms of the License Agreement and any default hereunder shall be a default under the License Agreement.

(f) Guarantor represents and warrants to Licensor that Guarantor, including its directors and officers, senior management and shareholders (or other persons) having a controlling interest in Guarantor, is not itself nor is it owned or controlled by or acting on behalf of, any of the following "Restricted Persons": (1) the government of any country that is subject to an embargo imposed by the United States government; (2) individuals or entities (collectively, "**Persons**") located in or organized under the laws of any country that is subject to an embargo imposed by the United States government; (3) Persons ordinarily resident in any country that is subject to an embargo imposed by the United States government; or (4) Persons identified from time to time by any government or legal authority under applicable laws as a Person with whom dealings and transactions by Licensor are prohibited or restricted, including Persons designated on the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) List of Specially Designated Nationals and Other Blocked Persons (including terrorists and narcotics traffickers); and similar restricted party listings, including those maintained by other governments pursuant to applicable United Nations, regional or national trade or financial sanctions.



EXHIBIT D

Guarantor agrees that it will notify Licensor in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties of this Subparagraph 10.(f) incorrect.

Guarantor further represents and warrants to Licensor that Guarantor will not directly or indirectly pay, offer, give or promise to pay or authorize the payment of any monies or other things of value to:

- (i) an official or employee of a government department, agency or instrumentality, state-owned or controlled enterprise or public international organization;
- (ii) any political party or candidate for political office; or
- (iii) any other person at the suggestion, request or direction or for the benefit of any of the above-described persons and entities

if any such payment, offer, act or authorization is for purposes of influencing official actions or decisions or securing any improper advantage in order to obtain or retain business, or engaging in acts or transactions otherwise in violation of any applicable anti-bribery legislation.

(g) Guarantor agrees that any and all deposits, general or special, term or demand, provisional or final, matured or unmatured, and any other indebtedness at any time owing by Licensor to Guarantor or for the credit or account of Guarantor, may be set-off and applied by Licensor at any time and from time to time, without notice (such notice being expressly waived by Guarantor), against and on account of the Obligations even if any of them are contingent or unmatured.

(h) Guarantor shall pay each of the Obligations in the applicable currencies of the Obligations free and clear and without deduction for any present or future taxes, charges or withholdings of any kind, unless such taxes, charges or withholdings are required by law to be deducted or withheld (the "**Taxes**"). If Guarantor is so required to deduct or withhold any Taxes, Guarantor will pay such additional amounts ("**Additional Amounts**") as may be necessary so that the net amount received by Licensor after such deduction or withholding (including in respect of Additional Amounts) will not be less than the amount Licensor would have received if such Taxes had not been deducted. In addition, Guarantor shall indemnify and save harmless Licensor for the full amount of Taxes paid by Licensor, as appropriate, and pay liability (including penalties, interest and expenses) arising from or with respect to the Taxes.

[ADD THE FOLLOWING IF THE GUARANTOR OWNS A BENEFICIAL INTEREST IN THE HOTEL AND THE LICENSEE IS A BARE TRUSTEE:

(i) Notwithstanding anything to the contrary contained in Subparagraph 11.b.(1) of the License Agreement, Guarantor may not transfer any of its legal and beneficial interest in the real property and improvements comprising (or that will comprise) the Hotel without prior written notice to Licensor, and Licensor's express written permission, subject to and in accordance with the applicable Transfer provisions of the License Agreement and the provisions of Subparagraph 6.a.(34) of the License Agreement.]

14. Judgment Currency

(a) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due to Licensor under this Guarantee in any currency (the "**Original Currency**") into another currency (the "**Other Currency**"), the parties to this Guarantee agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures Licensor could purchase the Original Currency with the Other Currency on the Business Day preceding that on which final judgment is paid or satisfied.

(b) The obligations of Guarantor in respect of any sum due in the Original Currency from it to Licensor under this Guarantee shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by Licensor of any sum adjudged to be so due in such Other Currency, Licensor may in accordance with normal banking procedures purchase the

EXHIBIT D

Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to Licensor in the Original Currency, Guarantor shall, as a separate obligation and notwithstanding any such judgment, indemnify Licensor against such loss, and if the amount of the Original Currency so purchased exceeds the sum originally due to Licensor in the Original Currency, Licensor shall remit such excess to Guarantor.

15. **Governing Law and Dispute Resolution.** This Guarantee is made under and shall be governed by and construed in accordance with the laws of the Province of in which the Hotel is located and the federal laws of Canada applicable therein. Guarantor irrevocably submits to the non-exclusive jurisdiction of the courts of competent jurisdiction in the Province in which the Hotel is located in respect of any action or proceeding relating in any way to this Guarantee.

16. **WAIVER OF JURY TRIAL.** TO THE EXTENT EITHER PARTY INITIATES LITIGATION INVOLVING THIS GUARANTEE OR ANY ASPECT OF THE RELATIONSHIP BETWEEN SUCH PARTIES (EVEN IF OTHER PARTIES OR OTHER CLAIMS ARE INCLUDED IN SUCH LITIGATION), ALL THE PARTIES WAIVE THEIR RIGHT TO A TRIAL BY JURY. THIS WAIVER WILL APPLY TO (A) ALL CAUSES OF ACTION THAT ARE OR MIGHT BE INCLUDED IN SUCH ACTION, INCLUDING CLAIMS RELATED TO THE ENFORCEMENT OR INTERPRETATION OF THIS GUARANTEE, (B) ALLEGATIONS OF PROVINCIAL OR FEDERAL STATUTORY VIOLATIONS, FRAUD, MISREPRESENTATION, OR SIMILAR CAUSES OF ACTION, AND (C) ANY LEGAL ACTION INITIATED FOR THE RECOVERY OF DAMAGES BETWEEN OR AMONG THE PARTIES OR BETWEEN OR AMONG ANY OF THE PARTIES' OWNERS, AFFILIATES, OFFICERS, EMPLOYEES OR AGENTS.

THE UNDERSIGNED GUARANTOR ACKNOWLEDGES THAT IT WAS AFFORDED THE OPPORTUNITY TO READ THIS DOCUMENT AND THE LICENSE AGREEMENT CAREFULLY AND TO REVIEW IT WITH A LAWYER OF ITS CHOICE BEFORE SIGNING IT. GUARANTOR ACKNOWLEDGES HAVING READ AND UNDERSTOOD THE MEANING AND EFFECT OF THIS DOCUMENT BEFORE SIGNING IT.

IN WITNESS WHEREOF, the parties have executed this Guarantee, which has an effective date as of the date first written above.

GUARANTOR:

_____,
a _____

By: _____

Name: _____

Title: _____

LICENSOR:

_____,
a Delaware limited liability company

By: _____

Name: _____

Authorized Signatory

EXHIBIT D

IF PERSONAL GUARANTEE IN ALBERTA, ADD FOLLOWING NOTARY BLOCK (AS A SEPARATE PAGE):

Form

Guarantees Acknowledgment Act (Section 3)

CERTIFICATE OF NOTARY PUBLIC

I HEREBY CERTIFY THAT:

1 _____ of _____ in the Province of _____, the guarantor in the guarantee dated _____ made between _____ and _____, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he had executed the guarantee;

2 I satisfied myself by examination of him that he is aware of the contents of the guarantee and understands it.

GIVEN at _____ this _____ day of _____, 20____ under my hand and seal of office.

(SEAL)

A Notary Public in and for

STATEMENT OF GUARANTOR

I am the person named in this certificate.

(Signature of Guarantor)



EXHIBIT E

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EXHIBIT E

HILTON GARDEN INN

LIST OF FRANCHISES

As of December 31, 2010, franchised hotels were in operation at the following locations in Canada:

Goldencare Holdings, Ltd Calgary-Airport, Alberta, Canada 2335 Pegasus Road, N.E. Calgary, T2E 8C3 403-717-1999	1719187 Ontario Inc. Toronto Airport West/Mississauga, Ontario 1870 Matheson Blvd Mississauga, L4W 0B3 905-361-6300
Springfield Hotels (Halifax) Inc Halifax Airport, Nova Scotia, Canada 200 Pratt & Whitney Drive Enfield, B2T 0A2 902-873-1400	Silver Hotels (YYZ) Inc. Toronto Airport, Ontario, Canada 3311 Caroga Drive Mississauga, L4V 1A3 905-678-0041
1507952 Ontario, Inc. Kitchener/Cambridge, Ontario, Canada 746 Old Hespeler Road Cambridge, N3H 5L8 519-620-8936	92 Peter Street Inc. Toronto Downtown, Ontario, Canada 92 Peter Street Toronto, M5V 2G5 416-593-9200
IHG-Harilela Hotels, Ltd Montreal Airport, Quebec, Canada 7880 Cote-De-Liesse Montreal, H4T 1E7 514-788-5120	Alfa Hoteliers Inc. Toronto/Ajax, Ontario, Canada 500 Beck Crescent Ajax, L1Z 1C9 905-686-9400
9170-4767 Quebec Inc. Montreal Centre-ville, Quebec, Canada 380 Sherbrooke St. West Montreal, H3A 0B1 514-840-0010	InnVest Hotels LP Toronto/Burlington, Ontario, Canada 985 Syscon Road Burlington, L7L 5S3 905-631-7000
SMJR Holdings, Ltd. Niagara-on-the-Lake, Ontario, Canada 500 York Road Niagara-on-the-Lake, L0S 1J0 905-984-4200	1293446 Ontario Inc. Toronto/City Centre, Ontario, Canada 200 Dundas Street East Toronto, M5A 4R6 416-362-7700
Bona Building & Management Company, LTD Ottawa Airport, Ontario, Canada 2400 Alert Road Ottawa, K1V 1S1 613-288-9001	1392275 Ontario, Inc. Toronto/Markham, Ontario, Canada 300 Commerce Valley Dr. East Thornhill, L3T 7X3 905-709-8008
101015943 Saskatchewan Ltd Saskatoon Downtown, SK, Canada 90-22nd Street E Saskatoon, S7K 3X6 306-244-2311	Royal Equator, Inc. Toronto/Mississauga, Ontario, Canada 100 Traders Boulevard Mississauga, L4Z 2H7 905-890-9110

EXHIBIT E

Marquee Hotels, Oakville Inc. (fka Marquee
Hotels LTD)
Toronto/Oakville, Ontario, Canada
2774 South Sheridan Way
Oakville, L6J 7T4
905-829-1145

Platinum Investments Ltd
West Edmonton, Alberta, Canada
17610 Stony Plain Road
Edmonton, T5S 1A2
780-443-2233

1406284 Ontario Inc.
Toronto/Vaughan, Ontario, Canada
3201 Highway 7
Vaughan, L4K 5Z7
905-660-4700



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EXHIBIT E

HILTON GARDEN INN

LIST OF FRANCHISES

As of December 31, 2010, franchised hotels were in operation at the following locations in the United States:

ALASKA

Apple Six Services Anchorage I, LLC
Anchorage, AK
4555 Union Square Drive
Anchorage, AK 99503
907-729-7000

ALABAMA

Apple Seven Services Southeast, L.P.
Auburn/Opelika, AL
2555 Hilton Garden Drive
Auburn, AL 36830
334-502-3500

Stonegate HG, LLC
Birmingham SE/Liberty Park, AL
2090 Urban Center Parkway
Birmingham, AL 35242
205-503-5220

Hanuman, LLC
Birmingham/Lakeshore Drive, AL
520 Wildwood Circle Drive North
Birmingham, AL 35209
205-314-0274

Trussville Development LLC
Birmingham/Trussville, AL
3230 Edwards Lake Parkway
Birmingham, AL 35235
205-655-5222

Apple Nine Hospitality Management, Inc.
Dothan, AL
171 Hospitality Lane
Dothan, AL 36303
334-6717676

Huntsville Hotel Partners, LLC
Huntsville South/Redstone Arsenal, AL
301 Boulevard South SW
Huntsville, AL 35802
256-881-4170

Apple Seven Services Southeast, L.P.
Huntsville/Space Center, AL
4801 Governors House Drive
Huntsville, AL 35805
256-430-1778

Budget Inn of Daphne, Inc.
Mobile East Bay/Daphne, AL
29546 North Main Street
Daphne, AL 36526
251-625-0020

Image Mobile Hotels, Inc
Mobile West I-65/Airport Blvd., AL
828 W. I-65 Service Road South
Mobile, AL 36609
251-544-6000

Apple Seven Services Southeast, L.P.
Montgomery East, AL
1600 Interstate Park Drive
Montgomery, AL 36109
334-272-2225

CRR Hospitality, LLC
Orange Beach, AL
23092 Perdido Beach Boulevard
Orange Beach, AL 36561
251-974-1600

Ascent Hospitality, L.L.C.
Oxford/Anniston, AL
280 Colonial Drive
Oxford, AL 36203
256-831-0083

Gopinath, LLC
Tuscaloosa, AL
800 Hollywood Blvd.
Tuscaloosa, AL 35405
205-722-0360

ARKANSAS

Vishwakarta, LLC
Bentonville, AR
2204 S.E. Walton Blvd
Bentonville, AR 72712
479-464-7300



EXHIBIT E

Allied Lodging, Inc.
Conway, AR
805 Amity Road
Conway, AR 72032
501-329-1444

NE Arkansas Hospitality, LLC
Jonesboro, AR
2840 South Caraway Road
Jonesboro, AR 72401
870-931 7727

McCain Lodging Inc.
North Little Rock, AR
4100 Glover Lane
North Little Rock, AR 72117
501-945-7444

ARIZONA

HAN Corporation
Flagstaff, AZ
350 West Forest Meadows St.
Flagstaff, AZ 86001
928-226-8888

Gateway Hotel LLC
Phoenix Airport North, AZ
3838 East Van Buren Street
Phoenix, AZ 85008
602-306-2323

Monterey Bay Hospitality, LLC
Phoenix Airport, AZ
3422 E. Elwood St
Phoenix, AZ 85040-1626
602-470-0500

Pinnacle Campus Hotel, LLC
Phoenix North/Happy Valley, AZ
1940 West Pinnacle Peak Road
Phoenix, AZ 85027
623-434-5556

D.H. Ventures, LLC
Phoenix/Avondale, AZ
11460 West Hilton Way
Avondale, AZ 85323
623-882-3351

Pacific Hospitality Trust/Phoenix Hotel, LLC
Phoenix/Midtown, AZ
4000 N. Central Avenue
Phoenix, AZ 85012
602-279-9811

Scottsdale Lodging Investors, LLC
Scottsdale North/Perimeter Center, AZ
8550 East Princess Drive
Scottsdale, AZ 85255-5469
480-515-4944

CSM Scottsdale, LLC
Scottsdale Old Town, AZ
7324 East Indian School Road
Scottsdale, AZ 85251
480-481-0400

Apple Nine Hospitality Management, Inc.
Tucson Airport, AZ
6575 South Country Club Road
Tucson, AZ 85706
520-741-0505

YUMA RIVERFRONT HOTEL OWNERS, L.P.
Yuma/Pivot Point, AZ
310 N Madison Ave
Yuma, AZ 85364
928-783-1500

CALIFORNIA

Garden Grove Lodging, LLC
Anaheim/Garden Grove, CA
11777 Harbor Blvd
Garden Grove, CA 92840
714-703-9100

Apple Six Hospitality Management, Inc.
Arcadia/Pasadena Area, CA
199 North Second Avenue
Arcadia, CA 91006
626-574-6900

Apple Six Hospitality Management, Inc.
Bakersfield, CA
3625 Marriott Drive
Bakersfield, CA 93308
661-716-1000

Mian Horizon Financial Corp.
Calabasas, CA
24150 Park Sorrento
Calabasas, CA 91302
818-591-2300

Wave Crest Resorts III, LLC
Carlsbad Beach, CA
6450 Carlsbad Blvd
Carlsbad, CA 92011
760-476-0800

EXHIBIT E

Fresno Lodging, LLC
Clovis, CA
520 West Shaw Ave
Clovis, CA 93612
559-299-2203

Cupertino Hospitality Associates, LLC
Cupertino, CA
10741 North Wolfe Road
Cupertino, CA 95014
408-777-8787

Gateway Hotel Group, L.L.C.
Fairfield, CA
2200 Gateway Court
Fairfield, CA 94533
707-426-6900

Apple Six Hospitality Management, Inc.
Folsom, CA
221 Iron Point Road
Folsom, CA 95630
916-353-1717

Sierra Hotel Group, LLC
Fontana, CA
10543 Sierra Avenue
Fontana, CA 92337
909-822-7300

Paragon, LLC
Gilroy, CA
6070 Monterey Road
Gilroy, CA 95020
408-840-7000

Apple Six Hospitality Management, Inc.
Irvine East/Lake Forest, CA
27082 Towne Center Drive
Foothill Ranch, CA 92610
949-859-4000

Diva Hospitality Group, Inc
Livermore, CA
2801 Constitution Drive
Livermore, CA 94550
925-292-2000

Hotel Adventures LLC
Los Angeles Montebello, CA
801 N. Via San Clemente
Montebello, CA 90640
323-724-5900

RB Monterey LLC
Monterey, CA
1000 Aguajito Road
Monterey, CA 93940
831-373-6141

Camino Real Group, LLC
Mountain View, CA
840 E. El Camino Real
Mountain View, CA 94040
650-964-1700

Reneson Napa LLC
Napa, CA
3585 Solano Avenue
Napa, CA 94558
707-252-0444

Lewelling Hotels, Inc.
Oakland/San Leandro, CA
510 Lewelling Boulevard
San Leandro, CA 94579
510-346-5533

Heritage Inn of Rancho Cucamonga, Inc
Ontario/Rancho Cucamonga, CA
11481 Mission Vista Drive
Rancho Cucamonga, CA 91730
909-481-1800

Wyche Oak Park Apartments, Inc.
Oxnard/Camarillo, CA
2000 Solar Drive
Oxnard, CA 93030
805-983-8600

HAS Holdings, LLC
Palm Springs/Rancho Mirage, CA
71-700 Highway 111
Rancho Mirage, CA 92270
760-776-9700

HilVentures, L.P.
Palmdale, CA
1309 W. Rancho Vista Blvd
Palmdale, CA 93551
661-998-2000

Win-River Hotel Corporation
Redding, CA
5050 Bechelli Lane
Redding, CA 96002
530-226-5111



EXHIBIT E

Apple Six Hospitality Management, Inc.
Roseville, CA
1951 Taylor Road
Roseville, CA 95661
916-773-7171

Apple Eight Hospitality Management, Inc.
Sacramento-South/Natomas, CA
2540 Venture Oaks Way
Sacramento, CA 95833-3200
916-568-5400

Geweke VI, LP
Sacramento/Elk Grove, CA
9241 Laguna Springs Drive
Elk Grove, CA 95758
916-691-1900

Ashika, LLC
San Bernardino, CA
1755 S Waterman Ave
San Bernardino, CA 92408
909-806-4040

Torrey Suites L.P.
San Diego/Del Mar, CA
3939 Ocean Bluff Ave
San Diego, CA 92130
858-720-9500

Apple Seven Hospitality Management, Inc.
San Diego/Rancho Bernardo, CA
17240 Bernardo Center Drive
San Diego, CA 92128
858-676-1660

Apple Six Hospitality Management, Inc.
San Francisco-Airport North, CA
670 Gateway Blvd
South San Francisco, CA 94080
650-872-1515

765 Airport Boulevard, LP
San Francisco-Airport/Burlingame, CA
765 Airport Blvd.
Burlingame, CA 94010
650-347-7800

APF Emeryville Leaseco Inc.
San Francisco/Oakland Bay Bridge, CA
1800 Powell Street
Emeryville, CA 94608
510-658-9300

Apple Six Hospitality Management, Inc.
San Jose/Milpitas, CA
30 Ranch Drive
Milpitas, CA 95035
408-719-1313

BridgePointe Hotel Group, LLC
San Mateo, CA
2000 Bridgepointe Circle
San Mateo, CA 94404
650-522-9000

417 Aviation Blvd., LLC
Sonoma County Airport, CA
417 Aviation Blvd
Santa Rosa, CA 95403
707-545-0444

MMHI Operator, Inc.
Valencia at Six Flags, CA
27710 The Old Road
Valencia, CA 91355-1053
661-254-8800

JSAK Victorville Partnership, LP
Victorville, CA
12603 Mariposa Road
Victorville, CA 92395
760-952-1200

COLORADO

Powers Inn, LLC
Colorado Springs Airport, CO
2035 Aerotech Drive
Colorado Springs, CO 80916
719-622-0300

IA Urban Hotels Colorado Springs TRS,
L.L.C.
Colorado Springs, CO
1810 Briargate Parkway
Colorado Springs, CO 80920
719-598-6866

5280 Lodging, LLC
Denver Downtown, CO
1400 Welton Street
Denver, CO 80202
303-603-8000

RBK Denver Tech LLC
Denver Tech Center, CO
7675 East Union Ave.
Denver, CO 80237
303-770-4200



EXHIBIT E

Gateway Hotel, LLC
Denver-Airport, CO
16475 East 40th Circle
Aurora, CO 80011
303-371-9393

CPI-Sage Hotels Lessee, LLC
Denver-South/Meridian, CO
9290 Meridian Boulevard
Englewood, CO 80112
303-824-1550

Cherry Creek Lodging, LLC
Denver/Cherry Creek, CO
600 S. Colorado Blvd.
Denver, CO 80246
303-754-9800

Apple Seven Hospitality Management, Inc.
Denver/Highlands Ranch, CO
1050 Plaza Drive
Highlands Ranch, CO 80126
303-683-4100

Summit Hotel Properties, LLC
Fort Collins, CO
2821 East Harmony Road
Fort Collins, CO 80528
970-225-2900

CONNECTICUT

KF (Danbury), LLC
Danbury, CT
119 Mill Plain Road
Danbury, CT 06811
203-205-2000

Barclay Hospitality Services, Inc.
Hartford North/Bradley Intl Arpt, CT
555 Corporate Drive
Windsor, CT 06095
860-688-6400

HERSHA PRA TRS, Inc.
Hartford South/Glastonbury, CT
85 Glastonbury Boulevard
Glastonbury, CT 06033
860-659-1025

MCRS Milford Tenant LLC
Milford, CT
291 Old Gate Lane
Milford, CT 06460
203-783-9988

Groton Hospitality, LLC
Mystic/Groton, CT
224 Gold Star Highway
Groton, CT 06340
860-445-6800

Widewaters New Castle Norwalk Company,
LLC
Norwalk, CT
560 Main Avenue
Norwalk, CT 06851
203-523-4000

Widewaters New Castle Shelton Company,
LLC
Shelton, CT
25 Old Stratford Road
Shelton, CT 06484
203-447-1000

DISTRICT OF COLUMBIA

IA Urban Hotels Washington DC Franklin
TRS, L.L.C.
Washington DC Downtown
815 14th Street N.W.
Washington, DC 20005
202-783-7800

DELAWARE

Dr. Mukesh A. Patel
Dover, DE
1706 N. DuPont Hwy
Dover, DE 19901
302-674-3784

FLORIDA

Boca Lodging, LLC
Boca Raton, FL
8201 Congress Avenue
Boca Raton, FL 33487
561-988-6110

Embassy Investment V, LLC
Daytona Beach-Airport, FL
189 Midway Avenue
Daytona Beach, FL 32114
386-944-4000

EXHIBIT E

Miramar Lodging, LLC
Fort Lauderdale SW/Miramar, FL
14501 Hotel Road
Miramar, FL 33027
954-438-7700

COED-Stirling Road, LLC
Fort Lauderdale/Hollywood Arpt, FL
180 SW 18th Avenue
Dania, FL 33004
954-924-9204

FMA Hospitality LP I
Fort Myers Airport/FGCU, FL
16410 Corporate Commerce Way
Fort Myers, FL 33913
239-210-7200

ENN Leasing Company, Inc.
Ft. Myers, FL
12600 University Drive
Fort Myers, FL 33907
239-790-3500

MHG of Gainesville, Florida #3, LLC
Gainesville, FL
4075 SW 33rd Place
Gainesville, FL 32608
352-338-1466

San Marco Hotel Partners, L.L.C.
Jacksonville Downtown/Southbank, FL
1201 Kings Avenue
Jacksonville, FL 32207
904-396-6111

Ashford TRS Pool II LLC
Jacksonville JTB/Deerwood Park, FL
9745 Gate Parkway North
Jacksonville, FL 32246
904-997-6600

Embassy Investment IV, LLC
Jacksonville-Airport, FL
13503 Ranch Road
Jacksonville, FL 32218
904-421-2700

Akhil Hospitality, LLC
Jacksonville/Orange Park, FL
145 Park Avenue
Orange Park, FL 32073
904-458-1577

Sawgrass Hotel Partners, Ltd
Jacksonville/Ponte Vedra, FL
45 PGA Tour Boulevard
Ponte Vedra Beach, FL 32082
904-280-1661

Lake Mary Hotel Associates, L.P.
Lake Mary, FL
705 Currency Circle
Lake Mary, FL 32746
407-531-9900

Beechwood Lakeland Hotel, LLC
Lakeland, FL
3839 Don Emerson Drive
Lakeland, FL 33811
863-647-0066

36th Street Two, LLC
Miami Airport West, FL
3550 NW 74th Ave
Miami, FL 33122
305-629-7701

CPI-Sage Hotels Lessee, LLC
Orlando at Seaworld International, FL
6850 Westwood Boulevard
Orlando, FL 32821
407-354-1500

Buffalo Orlando I, LLC
Orlando International Dr. North, FL
5877 American Way
Orlando, FL 32819
407-363-9332

LAXMI Augusta National Hotel, Ltd
Orlando-Airport, FL
7300 Augusta National Drive
Orlando, FL 32822
407-240-3725

Avista Properties VII, Inc.
Orlando-East UCF, FL
1959 N. Alafaya Trail
Orlando, FL 32826
407-992-5000

MPK Investments, Inc.
Orlando/Lake Buena Vista, FL
11400 Marbella Palm Ct.
Orlando, FL 32836
407-239-9550



EXHIBIT E

Gardens Pointe Development LLC
Palm Beach Gardens, FL
3505 Kyoto Gardens Drive
Palm Beach Gardens, FL 33410
561-6945833

Palm Coast Investors of Duluth, LLC
Palm Coast/Town Center, FL
55 Town Center Boulevard
Palm Coast, FL 32164
386-586-2463

Panama City Hospitality Group, LLC
Panama City, FL
1101 US Highway 231
Panama City, FL 32405
850-392-1093

Cobbletel, LLC
Pensacola Airport/Medical Center
1144 Airport Boulevard
Pensacola, FL 32504
850-479-8900

PSL Hotel Investors, LLC
Port St. Lucie/PGA Village, FL
8540 Commerce Centre Drive
Port Saint Lucie, FL 34986
772-871-6850

THI IV Sarasota SHGI Lessee, LLC
Sarasota-Bradenton Airport, FL
8270 N Tamiami Trail
Sarasota, FL 34243
941-552-1100

Embassy Investments - St Augustine Beach
LLC
ST. AUGUSTINE BEACH, FL
401 A1A Beach Boulevard
Saint Augustine, FL 32080
904-471-5559

Apple Eight Hospitality Management, Inc.
TALLAHASSEE CENTRAL, FL
1330 Blirstone Road
Tallahassee, FL 32301
850-893-8300

Apple Six Hospitality Management, Inc.
Tallahassee, FL
3333 Thomasville Road
Tallahassee, FL 32308
850-385-3553

MHG of Tampa-Westshore, Florida #3, LLC
Tampa Airport/Westshore, FL
5312 Avion Park Drive
Tampa, FL 33607
813-289-2700

S.A.I.L. Hotel Properties, LLC
TAMPA NORTHWEST/OLDSMAR, FL
4052 Tampa Road
Oldsmar, FL 34677
813-891-9990

Crescent Park Hotel, LLC
Tampa Southeast
4328 Garden Vista Drive
Riverview, FL 33578
813-626-6610

GI Tampa Opco, Inc.
Tampa-East/Brandon, FL
10309 Highland Manor Drive
Tampa, FL 33610
813-626-6700

GI Tampa North OPCO, Inc.
TAMPA-NORTH, FL
13305 Tampa Oaks Blvd
Temple Terrace, FL 33637
813-342-5000

IA Orchard Hotels Tampa TRS, L.L.C.
Tampa-Ybor Historic District, FL
1700 East 9th Avenue
Tampa, FL 33605
813-769-9267

RLJ III - HG West Palm Beach Airport
Lessee, LLC
West Palm Beach Airport, FL
1611 Worthington Road
West Palm Beach, FL 33409
561-472-5956

GEORGIA

Albany Holdings, LLC
Albany, GA
101 S Front Street
Albany, GA 31701
229-888-1590

Classic City Hotel Company
Athens Downtown, GA
390 East Washington Street
Athens, GA 30601
706-353-6800

EXHIBIT E

Airport Developments, LLC
Atlanta Airport North, GA
3437 Bobby Brown Parkway
East Point, GA 30344
404-477-6600

Millennium Atlanta Airport Hotel, LLC
Atlanta Airport/Millennium Center, GA
2301 Sullivan Road
College Park, GA 30337
404-766-0303

Legacy Pavilion, LLC
Atlanta Downtown, GA
275 Baker Street
Atlanta, GA 30313
404-577-2001

NDR Enterprises at Stonecrest, LLC
Atlanta East/Stonecrest, GA
7890 Mall Ring Road
Lithonia, GA 30038
678-526-1000

Barclay Hospitality Services, Inc.
Atlanta North/Alpharetta, GA
4025 Windward Plaza
Alpharetta, GA 30005
770-360-7766

Vision Atlanta Kennesaw, LLC
Atlanta NW/Kennesaw Town Center, GA
895 Cobb Place Boulevard
Kennesaw, GA 30144
678-322-1140

Garden Hospitality VI, LLLP
Atlanta NW/Wildwood, GA
3045 Windy Hill Road
Atlanta, GA 30339
770-953-8850

Shree Vinayak, LLC
Atlanta South/McDonough, GA
95 Highway 81 West
McDonough, GA 30253
678-827-7200

Deep Hospitality, LLC
Atlanta West/Lithia Springs, GA
110 Interstate West Parkway
Lithia Springs, GA 30122
770-949-8980

Noble Invst-Sugarloaf LLC
Atlanta-Gwinnett/Sugar Loaf, GA
2040 Sugarloaf Circle
Duluth, GA 30097
770-495-7600

Garden Hospitality III
Atlanta-North/Johns Creek, GA
11695 Medlock Bridge Road
Duluth, GA 30097
770-476-1966

Garden Hospitality V, L. P.
Atlanta-Northpoint, GA
10975 Georgia Lane
Alpharetta, GA 30022
678-566-3900

CPI-Sage Hotels Lessee, LLC
Atlanta-Perimeter Center, GA
1501 Lake Hearn Drive
Atlanta, GA 30319
404-459-0500

Apsilon Management - Peachtree City LLC
Atlanta/Peachtree City, GA
2010 North Commerce Drive
Peachtree City, GA 30269
678-827-8400

Dr. Harinderjit Singh
Augusta, GA
1065 Stevens Creek Road
Augusta, GA 30907
706-739-9990

Cartersville Paradise Group, Inc.
Cartersville, GA
24 Liberty Drive
Cartersville, GA 30121
770-382-9787

Cascade Hotels, LLC
Columbus, GA
1500 Bradley Lakes Boulevard
Columbus, GA 31904
706-660-1000

Empire Lodging Investment Group, Inc.
Gainesville, GA
1735 Browns Bridge Road
Gainesville, GA 30501
770-532-3396



EXHIBIT E

Apple Seven Services Southeast, L.P.
Macon/Mercer University, GA
1220 Stadium Drive
Macon, GA 31204
478-741-5527

NP Savannah Ventures II, LLC
Savannah Historic District, GA
321 West Bay Street
Savannah, GA 31401
912-721-5000

NP Savannah Midtown, LLC
Savannah Midtown, GA
5711 Abercorn Street
Savannah, GA 31405
912-652-9300

Apple Eight Services Savannah, Inc.
Savannah/Airport, GA
80 Clyde E. Martin Drive
Savannah, GA 31408
912-964-5550

Hilgard, LLC
Tifton, GA
201 Boo Drive
Tifton, GA 31793
229-382-8484

A & M Hospitalities, L.L.C.
Valdosta, GA
1702 Gornto Drive
Valdosta, GA 31601
229-219-1011

Legendary Hospitality, L.L.C.
Warner Robins, GA
207 North Willie Lee Pkwy
Warner Robins, GA 31093
478-971-1550

IOWA

Cyclone Holdings, LLC
Ames, IA
1325 Dickinson Ave
Ames, IA 50014
515-233-8000

Orchestrated Management Associates II, LLC
Des Moines/Urbandale, IA
8600 Northpark Drive
Johnston, IA 50131
515-270-8890

Dubuque Casino Hotel, LLC
Dubuque Downtown, IA
1801 Greyhound Park Drive
Dubuque, IA 52001
563-585-5200

23rd Street Hotel Associates, LLC
Omaha East/Council Bluffs, IA
2702 Mid America Drive
Council Bluffs, IA 51501
712-309-9000

MLRH, LLC
Sioux City Riverfront, IA
1132 Larsen Park Road
Sioux City, IA 51103
712-255-4200

Great Plains Lodging VI, LLC
West Des Moines, IA
205 South 64th Street
West Des Moines, IA 50266
515-223-0571

IDAHO

Glen & Peggy Black Family, LP
Boise Spectrum, ID
7699 West Spectrum Street
Boise, ID 83709
208-376-1000

Eagle River Hotel, LLC
Boise/Eagle, ID
145 E. Riverside Drive
Eagle, ID 83616
208-938-9600

B & T HOTELS II, LLC
Idaho Falls, ID
700 Lindsay Blvd
Idaho Falls, ID 83402
208-522-9500

GI-Twin Falls, LLC
Twin Falls, ID
1741 Harrison Street North
Twin Falls, ID 83301
208-733-8500



EXHIBIT E

ILLINOIS

Addison Hotels L.L.C.
Addison, IL
551 North Swift Road
Addison, IL 60101
630-691-0500

Illini Hospitality LLC
Champaign/Urbana, IL
1501 S. Neil Street
Champaign, IL 61820
217-352-9970

HFP Hotel Owner I, LLC
Chicago Downtown/Magnificent Mile, IL
10 E. Grand Avenue
Chicago, IL 60611
312-595-0000

Barclay Hospitality Services, Inc.
Chicago North Shore/Evanston
1818 Maple Avenue
Evanston, IL 60201
847-475-6400

Chicago River Road Lodging Associates,
LLC
Chicago O'Hare Airport, IL
2930 South River Road
Des Plaines, IL 60018
847-296-8900

RLJ II-HG Midway Lessee, LLC
Chicago/Midway Airport, IL
6530 S. Cicero Avenue
Bedford Park, IL 60638
708-496-2700

Tinley Inn, LLC
Chicago/Tinley Park, IL
18335 LaGrange Rd
Tinley Park, IL 60487
708-429-2266

Charles F. Keller
Effingham, IL
1301 Avenue of Mid America
Effingham, IL 62401
217-540-7777

CPI-Sage Hotels Lessee, LLC
Hoffman Estates, IL
2425 Barrington Road
Hoffman Estates, IL 60195
847-277-7889

Riverstone Hotel Partners, LLC
Kankakee, IL
455 Riverstone Parkway
Kankakee, IL 60901
815-932-4444

Apple Nine Hospitality Management, Inc.
Lake Forest/Mettawa, IL
26225 North River Woods Boulevard
Lake Forest, IL 60045
847-735-8374

Apple Nine Hospitality Management, Inc.
Naperville/Warrenville, IL
28351 Dodge Drive
Warrenville, IL 60555
630-393-3223

Rockford Lodging Investors II, LLC
Rockford, IL
7675 Walton Street
Rockford, IL 61107
815-229-3322

Apple Nine Hospitality Management, Inc.
Schaumburg, IL
1191 Woodfield Road
Schaumburg, IL 60173
847-524-0455

Tres Amigos Properties, LLC
Springfield, IL
3100 S. Dirksen Parkway
Springfield, IL 62703
217-529-7171

St. Charles Hotel, LLC
St. Charles, IL
4070 East Main Street
Saint Charles, IL 60174
630-584-0700

D & D Lodging, L.L.C.
St. Louis Shiloh/O'Fallon, IL
360 Regency Park Drive
O'Fallon, IL 62269
618-624-4499

INDIANA

RLJ II - HG Bloomington Lessee, LLC
Bloomington, IN
245 North College Avenue
Bloomington, IN 47403
812-331-1335



EXHIBIT E

Chesterton Gardens, Limited Partnership
Chesterton, IN
501 Gateway Boulevard
Chesterton, IN 46304
219-983-9500

J Enterprises Inn of Edinburgh, LLC
Columbus/Edinburgh, IN
12210 N Executive Dr
Edinburgh, IN 46124
812-526-8600

Jai Shree Krishna, LLC
Elkhart, IN
3401 Plaza Court
Elkhart, IN 46514
574-970-4444

Encore Hotel Partners I of Evansville, LLC
Evansville, IN
220 Eagle Crest Drive
Evansville, IN 47715
812-476-4000

Coventry Hospitality, LLC
Fort Wayne, IN
8615 US 24 West
Fort Wayne, IN 46804
260-435-1777

Reagan Express Hotel Partners, LLC
Indianapolis Airport, IN
8910 Hatfield Dr.
Indianapolis, IN 46231
317-856-9100

First IND, LLC
Indianapolis Downtown, IN
10 East Market Street
Indianapolis, IN 46204
317-955-9700

Hamilton Hotel Partners, LLC
Indianapolis Northeast/Fishers, IN
9785 North by Northeast Blvd
Fishers, IN 46037
317-577-5900

Choice Inn of Claybrooke Commons, LLC
Indianapolis South/Greenwood, IN
5255 Noggle Way
Indianapolis, IN 46237
317-888-4814

Meridian Hotel Partners, LLC
Indianapolis/Carmel, IN
13090 Pennsylvania Street
Carmel, IN 46032
317-581-9400

Intech Hotel Partners, LLC
Indianapolis/Northwest, IN
6930 Intech Blvd
Indianapolis, IN 46278
317-288-6060

Ascent Hospitality, Inc.
Merrillville, IN
7775 Mississippi St
Merrillville, IN 46410
219-769-7100

The Inn at Saint Mary's Partners, LP
South Bend, IN
53995 Indiana State Route 933
South Bend, IN 46637
574-232-7700

Terre Haute Hotel Partners, LLC
Terre Haute, IN
750 Wabash Avenue
Terre Haute, IN 47807
812-234-8900

Wabash Landing Hotel Associates, LLC
West Lafayette Wabash Landing, IN
356 East State Street
West Lafayette, IN 47906
765-743-2100

KANSAS

KCK Hotel Group, LLC
Kansas City/Kansas, KS
520 Minnesota Avenue
Kansas City, KS 66101
913-342-7900

FCH Overland Park, LLC
OVERLAND PARK, KS
5800 College Boulevard
Overland Park, KS 66211
913-345-2661

RB Wichita LLC
WICHITA, KS
2041 North Bradley Fair Parkway
Wichita, KS 67206
316-219-4444



EXHIBIT E

KENTUCKY

BG Lodging, LLC
Bowling Green, KY
1020 Wilkinson Trace
Bowling Green, KY 42103
270-781-6778

FCLC Lexington, LLC
Lexington, KY
1973 Plaudit Place
Lexington, KY 40509
859-543-8300

Gleneagles Hotel Company, LLC
Lexington/Georgetown, KY
110 Grandstand Drive
Georgetown, KY 40324
502-863-0099

Central Avenue Hotel Associates, LLC
Louisville Airport, KY
2735 Crittenden Drive
Louisville, KY 40209
502-637-2424

ENN Leasing Company, Inc.
Louisville-East, KY
1530 Alliant Avenue
Louisville, KY 40299
502-297-8066

Fenley HG, LLC
Louisville/Northeast, KY
9850 Park Plaza Avenue
Louisville, KY 40241
502-423-0018

LOUISIANA

FWH Baton Rouge, LLC
Baton Rouge Airport, LA
3330 Harding Boulevard
Baton Rouge, LA 70807
225-357-6177

Apple Nine Hospitality Management, Inc.
Lafayette/Cajundome, LA
2350 West Congress Street
Lafayette, LA 70506
337-291-1977

RLJ III - HG New Orleans Convention
Center Lessee, LLC
New Orleans Convention Center, LA
1001 S. Peters Street
New Orleans, LA 70130
504-525-0044

EFL Hotel Operating Company, LLC
New Orleans French Qtr/Ctl Bus Dist, LA
821 Gravier Street
New Orleans, LA 70130
504-324-6000

Williams Kenner Hotel Associates, LLC
New Orleans-Airport, LA
4535 Williams Boulevard
Kenner, LA 70065
504-712-0504

Prince Preferred Hotels Shreveport LLC
Shreveport, LA
5971 Financial Plaza
Shreveport, LA 71129
318-686-0148

Apple Nine Hospitality Management, Inc.
West Monroe, LA
400 Mane Street
West Monroe, LA 71291
318-398-0653

MASSACHUSETTS

IA Urban Hotels Burlington TRS, L.L.C.
Boston/Burlington, MA
5 Wheeler Road
Burlington, MA 01803
781-272-8800

Capstar Waltham Lessee, LLC
Boston/Waltham, MA
420 Totten Pond Road
Waltham, MA 02451
781-890-0100

Plymouth Hotel Investment, LLC
Plymouth, MA
Four Home Depot Drive
Plymouth, MA 02360
508-830-0200

Paul C. and Peter Picknelly (to form LLC)
Springfield, MA
800 Hall of Fame Avenue
Springfield, MA 01105
413-886-8000



EXHIBIT E

Fargo Management, LLC
Worcester, MA
35 Major Taylor Boulevard
Worcester, MA 01608
508-753-5700

MARYLAND

Nitin Patel, Pankaj Patel, Sandip Patel,
Jaydip Pa
Aberdeen, MD
1050 Beards Hill Road
Aberdeen, MD 21001
410-272-1777

Apple Eight Hospitality Management, Inc.
Annapolis, MD
305 Harry S. Truman Parkway
Annapolis, MD 21401
410-266-9006

Harbor East Parcel B-Hotel, LLC
Baltimore Inner Harbor, MD
625 S. President Street
Baltimore, MD 21202
410-234-0065

HHC TRS Baltimore LLC
Baltimore Washington Airport, MD
1516 Aero Drive
Linthicum, MD 21090
410-691-0500

BPG Hotel XIII Owner LLC
Baltimore/Arundel Mills, MD
7491-A New Ridge Road
Hanover, MD 21076
410-878-7200

Columbia Investors Group, Inc.
Columbia, MD
8241 Snowden River Parkway
Columbia, MD 21045
410-750-3700

Frederick Hotel Partners, LLC
Frederick, MD
7226 Corporate Court
Frederick, MD 21703
240-566-1500

Kent Narrows Properties, LLC
Kent Island, MD
3206 Main Street
Grasonville, MD 21638
410-827-3877

Red Run Lodging, LP
Owings Mills, MD
4770 Owings Mills Blvd
Owings Mills, MD 21117
410-654-0030

Fallsgrove Hotel Associates, LLC
Rockville-Gaithersburg, MD
14975 Shady Grove Road
Rockville, MD 20850
240-507-1800

Apple Nine Hospitality Management, Inc.
Silver Spring North, MD
2200 Broadbirch Drive
Silver Spring, MD 20904
301-622-3333

Solomons Hotel Partners, LLC
Solomons, MD
13100 Dowell Road
Dowell, MD 20629
410-326-0303

St. Charles Hospitality, LLC
Waldorf, MD
10385 O'Donnell Place
Waldorf, MD 20603
240-222-0000

MD Shamin Hospitality, LLC
Washington DC/Greenbelt, MD
7810 Walker Drive
Greenbelt, MD 20770
301-474-7400

Bethesda Hotel Associates, LLC
Washington, DC/Bethesda, MD
7301 Waverly Street
Bethesda, MD 20814
301-654-8111

Tayside Properties, LLC
White Marsh, MD
5015 Campbell Boulevard
Baltimore, MD 21236
410-427-0600



EXHIBIT E

MAINE

RiverWatch, LLC
Auburn Riverwatch, ME
14 Great Falls Plaza
Auburn, ME 04210
207-784-4433

Dublin 5, LLC
Bangor, ME
250 Haskell Road
Bangor, ME 04401
207-262-0099

Dover Properties, LLC
Freeport Downtown, ME
5 Park Street
Freeport, ME 04032
207-865-1433

Olympia Equity Investors V, LLC
Portland Downtown Waterfront, ME
65 Commercial Street
Portland, ME 04101
207-780-0780

Widewaters New Castle Portland Company,
LLC
Portland-Airport, ME
145 Jetport Boulevard
Portland, ME 04102
207-828-1117

MICHIGAN

Detroit Airport Hotel Limited Partnership
Detroit-Metro Airport, MI
31800 Smith Road
Romulus, MI 48174
734-727-6000

Southfield Grand Hospitality, Inc.
Detroit-Southfield, MI
26000 American Drive
Southfield, MI 48034
248-357-1100

DHG Associates, LP
Detroit/Downtown, MI
351 Gratiot Avenue
Detroit, MI 48226
313-967-0900

Apple Nine Hospitality Management, Inc.
Detroit/Novi, MI
27355 Cabaret Drive
Novi, MI 48377
248-348-3840

JPMM Hospitality, LLC
Plymouth, MI
14600 N. Sheldon Road
Plymouth, MI 48170
734-354-0001

MINNESOTA

F&P Hotel Group, LLC
Mankato Downtown, MN
20 Civic Center Plaza
Mankato, MN 56001
507-344-1111

First Global, LLC
Minneapolis Downtown, MN
1101 4th Avenue South
Minneapolis, MN 55404
612-339-6633

HGIE, LLC
Minneapolis-Eagan, MN
1975 Rahnclyff Court
Eagan, MN 55122
651-686-4605

HGIB, LLC
Minneapolis/Bloomington, MN
5140 American Blvd West
Bloomington, MN 55437
952-831-1012

FCH Eden Prairie, LLC
Minneapolis/Eden Prairie, MN
6330 Point Chase
Eden Prairie, MN 55344
952-995-9000

Maple Grove Lodging Investors, LLC
Minneapolis/Maple Grove, MN
6350 Vinewood Lane
Maple Grove, MN 55311
763-509-9500

Forstrom and Torgerson HS, LLC
Minneapolis/St. Paul-Shoreview, MN
1050 Gramsie Road
Shoreview, MN 55126
651-415-1956



EXHIBIT E

GAC Development LLC
Rochester-Downtown, MN
225 South Broadway
Rochester, MN 55904
507-285-1234

SP Hotels LLC
St. Paul City Center, MN
411 Minnesota Street
Saint Paul, MN 55101
651-291-8800

First NFB, LLC
St. Paul/Oakdale, MN
420 Inwood Avenue
Oakdale, MN 55128
651-735-4100

MISSISSIPPI

Naldev Dancing Rabbit, LLC
Choctaw, MS
13240 Highway 16 West
Choctaw, MS 39350
601-389-6600

CPX Gulfport OPAG, LLC
Gulfport, MS
14108 Airport Rd
Gulfport, MS 39503
228-863-4996

Ramkrupa of America, Inc.
Hattiesburg, MS
133 Plaza Dr
Hattiesburg, MS 39402
601-261-3770

King Edward Tenant LLC
Jackson/Downtown, MS
235 West Capitol Street
Jackson, MS 39201
601-353-5464

Mississippi Management, Inc.
Jackson/Madison, MS
320 New Mannsdale Road
Madison, MS 39110
601-420-0442

Encore/Neelam Hotel Interests, LLC
Jackson/Pearl, MS
438 Riverwind Drive
Pearl, MS 39208
601-933-1174

MA, Inc.
Memphis/Southaven, MS
6671 Towne Center Loop
Southaven, MS 38671
662-349-0277

Queen City Properties, Inc
Meridian, MS
109 US Highway 11 and 80
Meridian, MS 39301
601-485-3506

Certified Hospitality Corporation
Starkville, MS
975 HWY 12 East
Starkville, MS 39759
662-615-9664

Master Hospitality Development Services,
LLC
Tupelo, MS
363 East Main Street
Tupelo, MS 38804
662-718-5500

MISSOURI

KCP Hospitality Inc.
Columbia, MO
3300 Vandiver Drive
Columbia, MO 65202
573-814-5464

IHP Limited Partnership
Independence, MO
19677 East Jackson Drive
Independence, MO 64057
816-350-3000

SC Joplin 32, LLC
Joplin, MO
2644 East 32nd Street
Joplin, MO 64804
417-206-6700

NorthPark Partners Hotel, LLC
St. Louis Airport, MO
4450 Evans Place
Saint Louis, MO 63134
314-521-6444

Chesterfield Grove Hotel Partnership, LLC
St. Louis/Chesterfield, MO
16631 Chesterfield Grove Rd
Chesterfield, MO 63005
636-532-9400



EXHIBIT E

WingHaven Hotel Partners, LLC
St. Louis/O'Fallon, MO
2310 Technology Dr.
O'Fallon, MO 63368
636-625-2700

MONTANA

JWT Hospitality Group Billings, LLC
Billings, MT
2465 Grant Road
Billings, MT 59102
406-655-8800

Bozeman Lodging Investors LLC
Bozeman, MT
2023 Commerce Way
Bozeman, MT 59715
406-582-9900

Russell Country Investors, LLC
Great Falls, MT
2520 14th Street SW
Great Falls, MT 59404
406-452-1000

Kalispell Hotel LLC
Kalispell, MT
1840 Highway 93 South
Kalispell, MT 59901
406-756-4500

Western Hospitality Group, L.P.
Missoula, MT
3720 North Reserve Street
Missoula, MT 59808
406-532-5300

NEBRASKA

West Omaha Hotel Associates, LLC
Omaha West, NE
17879 Chicago Street
Omaha, NE 68118
402-289-9696

Omaha Downtown Lodging Investors II, LLC
Omaha-Downtown/Old Market Area, NE
1005 Dodge Street
Omaha, NE 68102
402-341-4400

NEVADA

Foothill Development Company, LLC
Elko, NV
3650 East Idaho Street
Elko, NV 89801
775-777-1200

Sunway Nevada, LLC
Las Vegas Strip South, NV
7830 South Las Vegas Boulevard
Las Vegas, NV 89123
702-453-7830

Kent O. Clausen, Mary H. Clausen, Cal A. Clause
Las Vegas/Henderson, NV
1340 West Warm Springs Road
Henderson, NV 89014
702-322-9000

CPX South Meadows Gateway OPAG, LLC
Reno, NV
9920 Double R Boulevard
Reno, NV 89521
775-850-9700

NEW HAMPSHIRE

Roedel Partners of Manchester, LLC
Manchester Downtown, NH
101 South Commercial Street
Manchester, NH 03101
603-669-2222

Parade Hotel, LLC
Portsmouth-Downtown, NH
100 High Street
Portsmouth, NH 03801
603-431-1499

NEW JERSEY

Bridgewater Hotel, LLC
Bridgewater, NJ
500 Promenade Boulevard
Bridgewater, NJ 08807
732-271-9030

44 New England Management Company
Edison/Raritan Center, NJ
50 Raritan Center Parkway
Edison, NJ 08837
732-225-0900



EXHIBIT E

Hamilton Commons Associates, LP
Hamilton, NJ
800 Route 130
Hamilton, NJ 08690
609-585-6789

Parkway Lodging Realty, L.L.C.
Lakewood, NJ
1885 Rt 70
Lakewood, NJ 08701
732-262-5232

Edgewood Partners, LLC
Mount Holly/Westampton, NJ
111 Hancock Lane
Westampton, NJ 08060
609-702-1600

Ridgefield Park Lodging Associates, LLP
Ridgefield Park, NJ
70 Challenger Road
Ridgefield Park, NJ 07660
201-641-2024

NJ Rockaway, LLC
Rockaway, NJ
375 Mount Hope Avenue
Rockaway, NJ 07866
973-328-0600

Townley Place Secaucus LLC
Secaucus/Meadowlands, NJ
875 Route 3 East Service Road
Secaucus, NJ 07094
201-864-1400

NEW MEXICO

New Omni Hospitality, LLC
Albuquerque Uptown, NM
6510 Americas Parkway
Albuquerque, NM 87110
505-944-0300

New Primetime Hospitality, LLC
Albuquerque-Airport, NM
2601 Yale Boulevard SE
Albuquerque, NM 87106
505-765-1000

ENN Rio Rancho, L.L.C.
Albuquerque-North/Rio Rancho, NM
1771 Rio Rancho Blvd.
Rio Rancho, NM 87124
505-896-1111

NEW ABQ, LLC
Albuquerque/Journal Center, NM
5320 San Antonio Drive NE
Albuquerque, NM 87109
505-314-0800

Las Cruces Hotel Limited Partnership
Las Cruces, NM
2550 Don Roser Drive
Las Cruces, NM 88011
575-522-0900

NEW YORK

Albany Mid-Town Hotel, LLC
Albany Medical Center, NY
62 New Scotland Avenue
Albany, NY 12208
518-396-3500

IA Winston Hotels Albany TRS, L.L.C.
Albany-Airport, NY
800 Albany Shaker Rd.
Albany, NY 12211
518-464-6666

Albany Hotel Associates, L.P.
Albany/SUNY Area, NY
1389 Washington Ave.
Albany, NY 12206
518-453-1300

Genesee Lodging Associates, LLC
Buffalo Airport, NY
4201 Genesee Street
Cheektowaga, NY 14225
716-565-0040

BFH, LLC
Elmira/Corning, NY
35 Arnot Road
Horseheads, NY 14845
607-795-1111

Apple Seven Hospitality Management, Inc.
Islip/Macarthur Airport, NY
3485 Veterans Memorial Highway
Ronkonkoma, NY 11779
631-738-7800

Cascade Plaza, LLC
Ithaca, NY
130 E. Seneca Street
Ithaca, NY 14850
607-277-8900



EXHIBIT E

Melville Equity Partners, LLC
Melville, NY
1575 Round Swamp Road
Plainview, NY 11803
516-755-5552

Tri-Murti Associates, LLC
Nanuet, NY
270 West Route 59
Nanuet, NY 10954
845-623-0600

York Street Lessee DE, LLC
New York City/Tribeca, NY
39 Avenue of the Americas
New York, NY 10013
212-966-4091

RPH Hotels 48th Street Owner, LLC
New York-Times Square, NY
790 Eighth Avenue
New York, NY 10019
212-581-7000

DiamondRock Chelsea Tenant, LLC
New York/Chelsea, NY
121 West 28th Street
New York, NY 10001-6102
212-564-2181

Nicotra Hotel I Holdings, LLC
New York/Staten Island, NY
1100 South Avenue
Staten Island, NY 10314
718-477-2400

RLJ III - HGN Manhattan Lessee, LLC
New York/West 35th Street, NY
63 West 35th Street
New York, NY 10001
212-594-3310

MFM 2000 Hotel, Inc.
Newburgh/Stewart Airport, NY
15 Crossroads Court
Newburgh, NY 12550
845-567-9500

Roedel Partners of Fishkill, LLC
Poughkeepsie/Fishkill, NY
25 Westage Road
Fishkill, NY 12524
845-896-7100

44 Metro, LLC
Queens/JFK Airport, NY
148-18 134th Street
Jamaica, NY 11430
718-322-4448

Browning Hotel Properties, LLC
Riverhead, NY
2038 Old Country Rd
Riverhead, NY 11901
631-727-2733

Apple Six Hospitality Management, Inc.
Saratoga Springs, NY
125 South Broadway
Saratoga Springs, NY 12866
518-587-1500

Exit 35 Hotel Partners, LLC
Syracuse, NY
6004 Fair Lakes Road
East Syracuse, NY 13057
315-431-4800

Hoosick Hotel Development Group, LLC
Troy, NY
235 Hoosick Street
Troy, NY 12180
518-272-1700

IA Orchard Hotels Westbury TRS, L.L.C.
Westbury, NY
1575 Privado Road
Westbury, NY 11590
516-683-8200

NORTH CAROLINA

Smith/Curry Hotel Group HH-Harris, LLC
Charlotte-North, NC
9315 Statesville Road
Charlotte, NC 28269
704-597-7655

Smith/Curry Hotel Group Pineville II, LLC
Charlotte-Pineville, NC
425 Towne Centre Boulevard
Pineville, NC 28134
704-889-3279

Smith/Curry Hotel Group Uptown, LLC
Charlotte-Uptown, NC
508 E Martin Luther King Jr. Blvd
Charlotte, NC 28202-2830
704-347-5972

EXHIBIT E

Ayrsley Hotel Associates, LLC
Charlotte/Ayrsley, NC
1920 Ayrsley Town Blvd
Charlotte, NC 28273
704-970-5000

Griffin Stafford Lodging One, LLC
Charlotte/Concord, NC
7831 Gateway Lane
Concord, NC 28027
704-979-2900

Mooreville Hotel Partners, LLC
Charlotte/Mooreville, NC
159 Gateway Boulevard
Mooreville, NC 28117
704-663-6468

S. Point Hotel Group, LLC
Durham Southpoint, NC
7007 Fayetteville Road
Durham, NC 27713
919-544-6000

4MB, Inc
Fayetteville/Fort Bragg, NC
4025 Sycamore Dairy Road
Fayetteville, NC 28303
910-860-3600

Wendover Hotel, Inc.
Greensboro, NC
4307 Big Tree Way
Greensboro, NC 27409
336-852-1491

OBX Resort, LLC
Outer Banks/Kitty Hawk, NC
5353 N. Virginia Dare Trail
Kitty Hawk, NC 27949
252-261-1290

Innkeeper Properties, Inc.
Raleigh Triangle Town Center, NC
6412 Capital Blvd
Raleigh, NC 27616
919-876-5650

Barclay Hospitality Services, Inc.
Raleigh-Durham Airport, NC
1500 RDU Center Drive
Morrisville, NC 27560
919-840-8088

Apple Six Hospitality Management, Inc.
Roanoke Rapids, NC
111 Carolina Crossroads Parkway
Roanoke Rapids, NC 27870
252-519-2333

IA Winston Hotels Wilmington Rock Springs
TRS, L.L
Wilmington Mayfaire Town Center, NC
6745 Rock Spring Road
Wilmington, NC 28405
910-509-4046

Winston-Salem Hotel Partners, LLC
Winston-Salem/Hanes Mall, NC
1325 Creekshire Way
Winston-Salem, NC 27103
336-765-1298

NORTH DAKOTA

Concierge Hotel Fargo, LLC
Fargo, ND
4351 17th Ave S.
Fargo, ND 58103
701-499-6000

University Hotel Development, LLC
Grand Forks/UND, ND
4301 James Ray Drive
Grand Forks, ND 58203
701-775-6000

OHIO

Gateway Hotel Lessee, LLC
Akron-Canton Airport, OH
5251 Landmark Boulevard
Canton, OH 44720
330-966-4907

Trivedi & Associates, LLC
Cincinnati-Northeast, OH
6288 Tri Ridge Blvd
Loveland, OH 45140
513-576-6999

Blue-Kenwood, LLC
Cincinnati/Blue Ash, OH
5300 Cornell Road
Blue Ash, OH 45242
513-469-6900



EXHIBIT E

SASI, LLC
Cincinnati/Mason, OH
5200 Natorp Blvd
Mason, OH 45040
513-204-6000

Om Hospitality, Inc.
Cincinnati/Sharonville, OH
11149 Dowlin Drive
Cincinnati, OH 45241
513-772-2837

1100 Carnegie, LLC
Cleveland Downtown, OH
1100 Carnegie Avenue
Cleveland, OH 44115
216-658-6400

Beta Drive Hotel Group, LLC
Cleveland East/Mayfield Village, OH
700 Beta Drive
Cleveland, OH 44143
440-646-1777

Airport Gardens Hotel, LTD
Cleveland-Airport, OH
4900 Emerald Court S.W.
Cleveland, OH 44135
216-898-1898

Apple Nine Hospitality Management, Inc.
Cleveland/Twinsburg, OH
8971 Wilcox Dr. (I-480 @SR82)
Twinsburg, OH 44087
330-405-4488

Airport Garden Investors, LLC
Columbus Airport, OH
4265 Sawyer Road
Columbus, OH 43219
614-231-2869

Pinnacle Dublin, LLC
Columbus/Dublin, OH
500 Metro Place North
Dublin, OH 43017
614-766-9900

Aarti Hospitality, LLC
Columbus/Grove City, OH
3928 Jackpot Rd.
Grove City, OH 43123
614-539-8944

BEL HAR, LLC
Columbus/Polaris, OH
8535 Lyra Drive
Columbus, OH 43240
614-846-8884

Indus Core Hotel LLC
Columbus/University Area, OH
3232 Olentangy River Road
Columbus, OH 43202
614-263-7200

Beavercreek Innkeepers, LLC
Dayton/Beavercreek, OH
3520 Pentagon Park Blvd
Dayton, OH 45431
937-458-2650

Levis Commons Hotel LLC
Toledo/Perrysburg, OH
6165 Levis Commons Blvd.
Perrysburg, OH 43551
419-873-0700

Wayne County Associates LLC
Wooster, OH
959 Dover Road
Wooster, OH 44691
330-202-7701

OKLAHOMA

Bartlesville Hotel, LLC
Bartlesville, OK
205 SW Frank Phillips Blvd.
Bartlesville, OK 74003
918-336-0808

Cleveland Hospitality, LLC
Norman, OK
700 Copperfield Drive
Norman, OK 73072
405-579-0100

Suenos Oklahoma City II, LLC
Oklahoma City North/Quail Springs, OK
3201 N. W. 137th Street
Oklahoma City, OK 73134
405-752-5200

S & H, Inc.
Oklahoma City-Airport, OK
801 S. Meridian
Oklahoma City, OK 73108
405-942-1400



EXHIBIT E

New Century Investments V, L.L.C.
Oklahoma City/Midtown, OK
2809 Northwest Expressway
Oklahoma City, OK 73112
405-607-4000

South Tulsa Hospitality, LLC
Tulsa South, OK
8202 South 100th East Avenue
Tulsa, OK 74133
918-392-2000

Airport Lodge II, LLC
Tulsa-Airport, OK
7728 E. Virgin Court
Tulsa, OK 74115
918-838-1444

OREGON

Corvallis Hospitality, LLC
Corvallis, OR
2500 SW Western Boulevard
Corvallis, OR 97333
541-752-5000

Delta Inns, Inc
Portland-Airport, OR
12048 Northeast Airport Way
Portland, OR 97220
503-255-8600

CSM Beaverton, LLC
Portland/Beaverton, OR
15520 NW Gateway Court
Beaverton, OR 97006
503-439-1717

RECP Lake Oswego, LLC
Portland/Lake Oswego, OR
14850 Kruse Oaks Dr.
Lake Oswego, OR 97035
503-684-8900

PENNSYLVANIA

HJ & VJ, Inc.
Allentown Bethlehem Airport, PA
1787-B Airport Road
Allentown, PA 18109
610-443-1400

Keystone Lodging Enterprises, L.P.
Allentown West, PA
230 Sycamore Road
Breinigsville, PA 18031
610-398-6686

Scott's Garden Hotel, Inc.
Erie, PA
2225 Downs Drive
Erie, PA 16509
814-866-1390

Aria Partners, LP
Gettysburg, PA
1061 York Road
Gettysburg, PA 17325
717-334-2040

WVA-FSH4, LP
Harrisburg East, PA
3943 TecPort Drive
Harrisburg, PA 17111
717-635-7299

The Main and Walton Development Co, LLC
Hershey, PA
550 East Main Street
Hummelstown, PA 17036
717-566-9292

Longwood Land Development, LLC
Kennett Square/Longwood, PA
815 East Baltimore Pike
Kennett Square, PA 19348
610-444-9100

Horst Hotels Co.
Lancaster, PA
101 Granite Run Drive
Lancaster, PA 17601-6803
717-560-0880

Philadelphia HGI Associates, LP
Philadelphia-Center City, PA
1100 Arch Street
Philadelphia, PA 19107
215-923-0100

MG-Ft. Washington Operator, LLC
Philadelphia/Ft. Washington, PA
530 West Pennsylvania Ave
Fort Washington, PA 19034
215-646-4637



EXHIBIT E

Southpointe Hotel & Conference Center, LP
Pittsburgh-Southpointe, PA
1000 Corporate Drive
Canonsburg, PA 15317
724-743-5000

The Green Hotel Associates
State College, PA
1221 East College Avenue
State College, PA 16801
814-272-1221

High Hotels, Ltd.
Wilkes-Barre/Scranton, PA
242 Highland Park Boulevard
Wilkes-Barre, PA 18702
570-820-8595

RHODE ISLAND

Jefferson Hospitality, LLC
Providence Airport/Warwick, RI
1 Thurber Street
Warwick, RI 02886
401-734-9600

SOUTH CAROLINA

Sycamore Investment Group, LLC
Aiken, SC
350 Eastgate Drive
Aiken, SC 29803
803-641-4220

Destination Hospitality
Anderson, SC
115 Destination Boulevard
Anderson, SC 29625
864-964-0100

Beaufort Lodging Associates, LLC
Beaufort, SC
1500 Queen Street
Beaufort, SC 29902
843-379-9800

Lowcountry Hotels, LLC
Charleston Airport, SC
5265 International Boulevard
North Charleston, SC 29418
843-308-9330

Apple Eight Services Columbia, Inc.
Columbia/Harbison, SC
434 Columbiana Drive
Columbia, SC 29212
803-407-6640

Raldex VI, Inc.
Florence, SC
2671 Hospitality Boulevard
Florence, SC 29501
843-432-3001

Deean Hospitality, LLC
Greenville, SC
108 Carolina Point Parkway
Greenville, SC 29605
864-284-0111

Apple Eight Services Hilton Head, Inc.
Hilton Head Island, SC
1575 Fording Island Road
Hilton Head Island, SC 29926
843-837-8111

M.B. Airport Hotel Partners, LLC
Myrtle Beach/Coastal Grand Mall, SC
2383 Coastal Grand Circle
Myrtle Beach, SC 29577
843-839-1200

Smith/Curry Hotel Group Manchester
Village, LLC
Rock Hill, SC
650 Tinsley Way
Rock Hill, SC 29730
803-325-2800

SOUTH DAKOTA

Main and Main, L.L.C.
Sioux Falls, SD
5300 South Grand Circle
Sioux Falls, SD 57108
605-444-4500

TENNESSEE

Vision Chattanooga Downtown, LLC
Chattanooga/Downtown, TN
311 Chestnut Street
Chattanooga, TN 37402
423-308-9000



EXHIBIT E

Vision Chattanooga Hamilton Place, LLC
Chattanooga/Hamilton Place, TN
2343 Shallowford Village Drive
Chattanooga, TN 37421
423-308-4400

Raman N. Patel
Clarksville, TN
290 Alfred Thun Road
Clarksville, TN 37040
931-647-1096

River Road Operations, LLC
Gatlinburg, TN
635 River Road
Gatlinburg, TN 37738
865-436-0048

Knoxville Hotel Hospitality, LLC
Knoxville West/Cedar Bluff, TN
216 Peregrine Way
Knoxville, TN 37922
865-690-6511

Nashville Airport Platinum, LLC
Nashville-Airport, TN
412 Royal Parkway
Nashville, TN 37214
615-884-0088

Vision Nashville Cool Springs, LLC
Nashville/Franklin Cool Springs, TN
9150 Carothers Parkway
Franklin, TN 37067
615-656-2700

Smyrna Hotel Partners, LLC
Nashville/Smyrna, TN
2631 Highwood Boulevard
Smyrna, TN 37167
615-355-6262

Apple Nine Hospitality Management, Inc.
Nashville/Vanderbilt, TN
1715 Broadway
Nashville, TN 37203
615-369-5900

TEXAS

Abilene Hotel Partners, LP
Abilene, TX
4449 Ridgemont Drive
Abilene, TX 79606
325-690-6432

Campbell Lodging, Inc.
Addison, TX
4090 Belt Line Rd.
Addison, TX 75001
972-233-8000

SOHRAB, LTD.
Amarillo, TX
9000 Interstate 40 West
Amarillo, TX 79124
806-355-4400

Parmer Lane Associates III, L.P.
Austin North, TX
12400 North IH-35 Building C
Austin, TX 78753
512-339-3626

Alegre Hospitality, Ltd
Austin NW/Arboretum, TX
11617 Research Boulevard
Austin, TX 78759
512-241-1600

HHC TRS Austin, LLC
Austin-Downtown, TX
500 North IH 35
Austin, TX 78701
512-480-8181

W2007 Equity Inns Realty, L.P.
Austin/Round Rock, TX
2310 North IH35
Round Rock, TX 78681
512-341-8200

JAI Mahalaxmi Inc.
Beaumont, TX
3755 I-H 10
Beaumont, TX 77705
409-842-5646

W.I. Realty Acquisition Corporation
Corpus Christi, TX
6717 South Padre Island Drive
Corpus Christi, TX 78412
361-991-8200

Apple Nine Services Allen, Inc.
Dallas/Allen, TX
705 Central Expressway South
Allen, TX 75013
214-547-1700

EXHIBIT E

BC Arlington Hotel Operators, LP
Dallas/Arlington, TX
2190 E. Lamar Boulevard
Arlington, TX 76006
817-274-6644

Apple Nine Services Duncanville, Inc.
Dallas/Duncanville, TX
800 North Main Street
Duncanville, TX 75116
972-283-9777

Apple Nine Hospitality Texas Services II,
Inc.
Dallas/Frisco, TX
7550 Gaylord Parkway
Frisco, TX 75034
469-362-8485

Apple Nine Hospitality Texas Services, Inc.
Dallas/Lewisville, TX
785 SH 121 Bypass
Lewisville, TX 75067
972-459-4600

SPL Dallas Hospitality, LP
Dallas/Market Center, TX
2325 North Stemmons Freeway
Dallas, TX 75207
214-634-8200

Shinn Richardson Hospitality, Ltd.
Dallas/Richardson, TX
1001 W Pres George Bush Turnpike
Richardson, TX 75080
972-792-9393

Brinker Lodging, LTD.
Denton, TX
3110 Colorado Blvd
Denton, TX 76210
940-891-4700

Panade II, Ltd
DFW Airport South, TX
2001 Valley View Lane
Irving, TX 75061
972-313-2800

Apple Nine Hospitality Texas Services II,
Inc.
DFW North/Grapevine, TX
205 W State Hwy 114
Grapevine, TX 76051
817-421-1172

High Desert Investors, L.P.
El Paso, TX
111 West University Avenue
El Paso, TX 79902
915-351-2121

FCH North Ft. Worth, LLC
Fort Worth North, TX
4400 North Freeway
Fort Worth, TX 76137
817-222-0222

Granbury Marina Hotel, LP
Granbury, TX
635 Pearl Street
Granbury, TX 76048
817-579-3800

ALH Properties No. Nine, L.P.
Houston Energy Corridor, TX
12245 Katy Freeway
Houston, TX 77079
281-531-0220

KEI. V. Inc.
Houston West/Katy, TX
2409 Texmati Drive
Katy, TX 77494
281-644-2400

Beltway Hotel, LP
Houston Westbelt, TX
6855 West Sam Houston Parkway South
Houston, TX 77072
713-270-6100

Hilcom Partners, Ltd
Houston-Northwest, TX
7979 Willow Chase Boulevard
Houston, TX 77070
832-912-1000

Houston - Hotel Partners, LLC
Houston/Bush Interc., TX
15400 John F. Kennedy Boulevard
Houston, TX 77032
281-449-4148

Sonorous One, L.L.C.
Houston/Clear Lake NASA, TX
750 W. Texas Avenue
Webster, TX 77598
281-332-6284



EXHIBIT E

ALH Properties No. Ten, LP
Houston/Galleria Area, TX
3201 Sage Road
Houston, TX 77056
713-629-0101

Pearland Capital Group LP
Houston/Pearland, TX
12101 Shadow Creek Pkwy
Pearland, TX 77584
713-340-0110

CATHI, LP
Houston/Sugar Land, TX
722 Bonaventure Way
Sugar Land, TX 77479
281-491-7777

Horizon Hotels, LP
Houston/The Woodlands, TX
9301 Six Pines Drive
Houston, TX 77380
281-364-9300

Hansa, Inc.
Killeen, TX
2704 O.W. Curry Drive
Killeen, TX 76542
254-554-3900

Tribute Hospitality, LLC
Las Colinas, TX
7516 Las Colinas Boulevard
Irving, TX 75063
972-444-8434

Apple Six Services II, LP
McAllen, TX
617 Expressway 83
McAllen, TX 78503
956-664-2900

Drayton Hotel Group, LLC
New Braunfels, TX
1501 IH-35 North
New Braunfels, TX 78130
830-620-4200

Seabrook Lodging Corporation
Odessa, TX
5221 JBS Parkway
Odessa, TX 79762
432-366-5800

IA Urban Hotels San Antonio TRS Limited
Partnershi
San Antonio Airport, TX
12828 Hwy 281 North
San Antonio, TX 78216
210-494-7600

Affiliated Hospitality, LLC
South Padre Island, TX
7010 Padre Boulevard
South Padre Island, TX 78597
956-761-8700

Scott and White Properties, Inc.
Temple, TX
1749 Scott Boulevard
Temple, TX 76504
254-773-0200

Rupali
Tyler, TX
220 East Grande
Tyler, TX 75703
903-509-1166

UTAH

Hotel-SLC, LLC
Salt Lake City Downtown, UT
250 West 600 South
Salt Lake City, UT 84101
801-364-5200

Summit Lodging Davis, LLC
Salt Lake City/Layton, UT
762 West Heritage Park Blvd
Layton, UT 84041
801-416-8899

Sandy Paydirt L.L.C.
Salt Lake City/Sandy, UT
277 West Sego Lily Drive
Sandy, UT 84070
801-352-9400

RLJ II - HG St. George Lessee, LLC
St. George, UT
1731 South Convention Center Drive
Saint George, UT 84790
435-634-4100

EXHIBIT E

VIRGINIA

Courthouse Hotel Properties, LLC
Arlington/Courthouse Plaza, VA
1333 North Courthouse Road
Arlington, VA 22201
703-528-4444

Shirlington HHG Hotel Development, LP
Arlington/Shirlington, VA
4271 Campbell Avenue
Arlington, VA 22206
703-820-0440

BSE/AH Blacksburg Hotel, L.L.C.
Blacksburg, VA
900 Plantation Rd
Blacksburg, VA 24060
540-552-5005

Cville Suites, LLC
Charlottesville, VA
1793 Richmond Road
Charlottesville, VA 22911
434-979-4442

JSB Properties, LLC
Chesapeake/Greenbrier, VA
1565 Crossway Boulevard
Chesapeake, VA 23320
757-420-1212

Harbour View Hotels, LLC
Chesapeake/Suffolk, VA
5921 Harbour View Blvd
Suffolk, VA 23435
757-484-9001

BPG Hotel XV Owner LLC
Dulles North, VA
22400 Flagstaff Plaza
Ashburn, VA 20148
703-723-8989

Fair Oaks Inn, LLC
Fairfax, VA
3950 Fair Ridge Drive
Fairfax, VA 22033
703-385-7774

Apple Six Hospitality Management, Inc.
Fredericksburg, VA
1060 Hospitality Lane
Fredericksburg, VA 22401
540-548-8822

Power Plant Hotels One, LLC
Hampton Coliseum Central, VA
1999 Power Plant Pkwy
Hampton, VA 23666
757-310-6323

Lynchburg Hotel Group, LLC
Lynchburg, VA
4025 Wards Road
Lynchburg, VA 24502
434-239-3006

Newport Associates 2, LLC
Newport News, VA
180 Regal Way
Newport News, VA 23602
757-947-1080

RIC Hotel, LLC
Richmond Airport, VA
441 International Center Drive
Sandston, VA 23150
804-222-3338

MRB Tenant, LLC
Richmond Downtown, VA
501 East Broad Street
Richmond, VA 23219
804-344-4300

Southpark Hotel, LLC
Richmond South/Southpark, VA
800 Southpark Boulevard
Colonial Heights, VA 23834
804-520-0600

Brentwood Innsbrook, LLC
Richmond/Innsbrook, VA
4050 Cox Road
Glen Allen, VA 23060
804-521-2900

Suffolk Lodging Partners, L.L.C.
Suffolk Riverfront, VA
100 East Constance Road
Suffolk, VA 23434
757-925-1300

Tysons Hotel Investors LLC
Tysons Corner, VA
8301 Boone Blvd
Vienna, VA 22182
703-760-9777



EXHIBIT E

HHC TRS LC Portfolio LLC
Virginia Beach Town Center, VA
252 Town Center Drive
Virginia Beach, VA 23462
757-326-6200

J.I.N., Inc.
Williamsburg, VA
1624 Richmond Road
Williamsburg, VA 23185
757-253-9400

Aikens Corporation
Winchester, VA
120 Wingate Drive
Winchester, VA 22601
540-722-8881

WASHINGTON

Kennewick Hospitality, LLC
Kennewick/Tri-Cities, WA
701 North Young Street
Kennewick, WA 99336
509-735-4600

Paine Field Hotel Development, LLC
Seattle North/Everett, WA
8401 Paine Field Blvd
Mukilteo, WA 98275
425-423-9000

Bothell Hospitality LLC
Seattle/Bothell, WA
22600 Bothell Everett Highway
Bothell, WA 98021
425-486-0400

K&K Real Estate Ventures, LLC
Seattle/Issaquah, WA
1800 NW Gilman Blvd
Issaquah, WA 98027
425-837-3600

Apple Six Hospitality Management, Inc.
Seattle/Renton, WA
1801 E. Valley Road
Renton, WA 98057
425-430-1414

Granite Investments Hotels, LLC
Spokane Airport, WA
9015 US 2
Spokane, WA 99224
509-244-5866

Morrier Hotel, LLC
Yakima, WA
401 East Yakima Avenue
Yakima, WA 98901
509-454-1111

WISCONSIN

Beechwood Plaza Hotel of Appleton, LLC
Appleton/Kimberly, WI
720 Eisenhower Drive
Kimberly, WI 54136
920-730-1900

KNK-Plaza Hotel of Green Bay, LLC
Green Bay, WI
1015 Lombardi Avenue
Green Bay, WI 54304
920-405-0400

Middleton Lodging Investors, LLC
Madison West/Middleton, WI
1801 Deming Way
Middleton, WI 53562
608-831-2220

Howell Avenue FOS Lodging Associates,
LLC
Milwaukee Airport, WI
5890 S. Howell Avenue
Milwaukee, WI 53207
414-481-8280

Park Place Hospitality, LLC
MILWAUKEE-PARK PLACE, WI
11600 West Park Place
Milwaukee, WI 53224
414-359-9823

Pabst Farms Hospitality Unit I, LLC
Oconomowoc, WI
1443 Pabst Farm Circle
Oconomowoc, WI 53066
262-200-2222

BEECHWOOD PLAZA HOTEL OF
OSHKOSH, LLC
Oshkosh, WI
1355 West 20th Avenue
Oshkosh, WI 54902
920-966-1300



EXHIBIT E

WDH LLC
Wisconsin Dells, WI
101 East Hiawatha Drive
Wisconsin Dells, WI 53965
608-253-1100

WEST VIRGINIA

Emerald Coast Hospitality, LLC
Clarksburg, WV
606 Emily Drive
Clarksburg, WV 26301
304-326-9200

Emerald Coast Hospitality, LLC
Morgantown, WV
150 Suncrest Towne Center Drive
Morgantown, WV 26505
304-225-9500

WYOMING

Jai Jai Mata Wyoming Hospitality Inc.
Casper, WY
1150 N. Poplar Street
Casper, WY 82601
307-266-1300

Hotel Investment Services – Laramie, LLC
Laramie, WY
2229 Grand Ave.
Laramie, WY 82070
307-745-5500



EXHIBIT F

Hosted by www.educatedfranchisee.com
A Free, Community-Based Project



EXHIBIT F

HILTON GARDEN INN

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Licenses in Canada With Changes in Controlling Interest or Terminated, Canceled, Not Renewed or Otherwise Ceased Operations Under Licenses (Fiscal Year 2010)

NONE



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EXHIBIT F

HILTON GARDEN INN

**Licensees in the US With Changes in Controlling Interest or Terminated, Canceled,
Not Renewed or Otherwise Ceased Operations Under Licenses (Fiscal Year 2010)**

CONNECTICUT

Milford
Briad Lodging Group Milford, LLC
Livingston, NJ
973-597-6433 x 115

FLORIDA

West Palm Beach Airport
Worthington Hospitality, L.L.L.P.
West Palm Beach, FL
561-738-1405

ILLINOIS

Lake Forest/Mettawa
Mettawhite, LLC
Merrillville, IN
219-757-3511

Schaumburg
Schwhite, LLC
Merrillville, IN
219-757-3511

Naperville/Warrenville
Warriwhite, LLC
Merrillville, IN
219-757-3511

LOUISIANA

Shreveport
Akshar 6 LLC
El Dorado, AR
870-863-7399

Lafayette Cajundome
Certified Hospital Corporation
Canton, MS
601-855-0148

West Monroe
Certified Hospital Corporation
Canton, MS
601-855-0148

New Orleans Convention Center
South Peters Hotel Investors Limited
Partnership
New Orleans, LA
504-566-0204

MARYLAND

Silver Spring North
Springwood Hospitality, LLC
Greenbelt, MD
301-345-8700

MICHIGAN

Detroit/Novi
Etkin White Novi LLC
Southfield, MI
248-358-0800

NEW YORK

New York/Chelsea
IA Winston Hotels Chelsea TRS, L.L.C.
Oak Brook, IL
630-218-8000

OKLAHOMA

Oklahoma City North/Quals Springs
Shiv Hospitality, LLC
Birmingham, AL
205-870-4780

TENNESSEE

Nashville Vanderbilt
NP Broadway, LLC
Alpharetta, GA
770-569-9650

TEXAS

DFW North Grapevine
Rochelle Lodging, L.P.
Dallas, TX
214-614-6040

Austin North
Parmer Lane Associates III, L.P.
Merrillville, IN
219-757-3511



EXHIBIT G

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EXHIBIT G

VOLUNTARY TERMINATION OF LICENSE AGREEMENT

(OPEN HOTEL – CHANGE OF OWNERSHIP)

THIS VOLUNTARY TERMINATION OF LICENSE AGREEMENT (the "**Termination Agreement**") is made as of the ____ day of _____, 20__ (the "**Termination Date**"), by and between [*Insert Licensee Entity Name*], a[n] [*Insert Jurisdiction of Formation*] [*Insert Type of Entity*] ("**Licensee**"), and _____, a Delaware limited liability company ("**Licensor**").

A. WHEREAS, Licensor and Licensee are parties to that certain [Franchise License Agreement] dated as of [*Insert Date*] (referred to herein collectively, along with all applicable amendments, addenda, riders, supplemental agreements and assignments as the "**License Agreement**"), with respect to the [*Insert Name of Hotel*] located at [*Insert Hotel Address*] (the "**Hotel**");

B. WHEREAS, Licensee has transferred title in the Hotel to [*Insert Name of New Licensee Entity, Jurisdiction of Formation, and Type of Entity*] ("**Transferee**") as of the Termination Date;

C. WHEREAS, [Licensor] [Licensor's affiliate _____] and Transferee have entered into a new franchise license agreement for the Hotel effective as of the Termination Date; and

D. WHEREAS, Licensor and Licensee desire to terminate the License Agreement, effective as of the Termination Date, and otherwise enter into the agreements set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Licensor and Licensee hereby agree as follows:

1. The License Agreement is hereby terminated effective as of the Termination Date.

2. Licensee is required to deliver to Licensor, via wire transfer, on or before the Termination Date, in immediately available good funds, all actual and estimated amounts due for Monthly Royalty Fees, Program Fees, and other fees and charges under the License Agreement through the Termination Date (the "**Estimated Payment**"). Licensor shall apply such amounts of the Estimated Payment to actual amounts payable under the License Agreement for such purposes as and when such amounts become payable. If at any time the Estimated Payment is not sufficient to pay such actual amounts as and when they become due, Licensee shall immediately make such additional payments as may be necessary to pay such amounts in full without any delays of any kind. As soon as practicable after termination of the License Agreement, Licensor shall perform a final accounting of all amounts payable under the License Agreement for Monthly Royalty Fees, Monthly Program Fees, and other fees and charges. Within 10 days of receipt of Licensor's final accounting, Licensee shall deliver to Licensor, via wire transfer in immediately available good funds, any unpaid amounts due to Licensor. If such accounting results in any unused amount of the Estimated Payment, Licensor shall promptly return such unused amount to Licensee. The provisions of this Paragraph 2 shall survive the termination of the License Agreement. If Licensee fails to deliver the Estimated Payment as required by this Paragraph 2, the License Agreement will not terminate pursuant to this Agreement, but Licensee shall be in default of the License Agreement, and Licensor shall be entitled to terminate the License Agreement and collect all amounts due under it, including liquidated damages.

3. Licensee, on behalf of itself, its predecessors, and each of its present and former officers, employees, directors, shareholders, members, parents, subsidiaries, alter egos, affiliates, partners, agents, attorneys, accountants, heirs, executors, administrators, conservators, successors and assigns, hereby fully and forever releases and discharges Licensor, its predecessors, successors and assigns and

EXHIBIT G

each of their former and present officers, employees, directors, shareholders, members, parents, subsidiaries, alter egos, affiliates, partners, 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, attorneys' 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 or may have existed, or which do exist or which hereafter can, shall or may exist, based on any facts, events or omissions occurring from any time on or prior to the execution of this Termination Agreement which arise out of, concern, pertain or relate in any way to the License Agreement (the "**Released Claims**").

Licensee acknowledges that there is a possibility that subsequent to the execution of this Termination Agreement, it will discover facts or incur or suffer claims which were unknown or unsuspected at the time this Termination Agreement was executed, and which if known by it at that time may have materially affected its decision to execute this Termination Agreement. Licensee acknowledges and agrees that by reason of this Termination Agreement and the release contained in this Termination Agreement, it is assuming any risk of such unknown facts and such unknown and unsuspected claims. Licensee has been advised of the existence of Section 1542 of the California Civil Code ("**Section 1542**"), which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Notwithstanding such provisions, this release shall constitute a full release in accordance with its terms. Licensee knowingly and voluntarily waives the provisions of Section 1542, as well as any other statute, law or rule of similar effect. In connection with such waiver and relinquishment Licensee acknowledges that it is aware 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 herein. Nevertheless, it is the intention of Licensee, through this Termination Agreement, and with the advice of counsel, to fully and finally settle and release all such matters, and all claims relative thereto, which do now exist may exist or have existed between and among the parties hereto. Licensee hereby acknowledges that it has been advised by its legal counsel, understands and acknowledges the significance and consequence of this release and of this specific waiver of Section 1542 and other such laws.

Licensee hereby represents to Licensor that it has not assigned or transferred any Released Claim that Licensee has or may have against a Released party, and agrees to indemnify and hold the Released Parties harmless from any liabilities, claims, demands, damages, costs, expenses and attorneys' fees incurred by a Released Party as a result of any person asserting any such assignment or transfer. Licensee agrees that it will forever refrain and forbear from commencing, instituting or prosecuting any lawsuit, action or other proceeding of any kind whatsoever, by way of action, defense, set-off, cross-complaint or counterclaim, against the Released Parties based on, arising out of or in connection with any Released Claim except for actions commenced to enforce any rights conferred in this Termination Agreement. In the event of any violation of this subsection, this Termination Agreement shall be subject to termination at the election of Licensor.

4. Licensee represents and warrants as follows: (a) no other party, nor any agent or attorney of any other party, has made any promise, representation or warranty whatever, express or implied, not contained herein concerning the subject matter hereof, to induce it to execute this Termination Agreement; (b) the person executing this Termination Agreement in a representative capacity on behalf of Licensee is empowered to do so; (c) Licensee has read this Termination Agreement and any exhibits attached hereto and understands the contents thereof. Licensee has made such an investigation of the facts pertinent to this Termination Agreement and of all the matters pertaining thereto

EXHIBIT G

as it deemed necessary; and (d) Licensee has been represented by legal counsel of its own choice throughout all negotiations which preceded the execution of this Termination Agreement and Licensee has executed this Termination Agreement with the consent and the advice of such legal counsel.

5. Nothing in this Termination Agreement or any related document shall be construed as an express or implied admission or acknowledgment by Licensor or Licensee of any liability to Licensee or Licensor, as applicable, or to any other person, all such liability being expressly denied. The parties hereto agree that this Termination Agreement is the result of a compromise within the provisions of California Evidence Code §§ 1152 and 1154.

6. Licensee and Licensor agree to execute such additional documentation and cooperate in further proceedings necessary to effectuate the terms of this Termination Agreement without charge or other consideration.

7. This Termination Agreement including any exhibits hereto, constitutes the entire agreement and understanding between the parties concerning the subject matter hereof, and supersedes and replaces all prior negotiations, proposed agreements and agreements, written and oral, relating thereto. No covenants, agreements, representations and warranties of any kind whatsoever have been made by any party hereto, except as specifically set forth in this Termination Agreement.

8. The representations and warranties of this Termination Agreement and the obligation to pay any outstanding amounts under the License Agreement, as well as the provisions of the License Agreement that are intended under the terms of the License Agreement to survive termination of the License Agreement or by their nature are to be performed following termination of the License Agreement, such as the indemnity and confidentiality provisions and insurance requirements, are all deemed to survive the date of the execution of this Termination Agreement.

9. All questions with respect to the construction of this Termination Agreement and the rights and liabilities of the parties hereunder shall be governed by the same laws of, and shall be submitted and resolved by a court of competent jurisdiction located in the same city and state stipulated by the parties in the License Agreement.

10. This Termination Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument..

11. If any provision of this Termination Agreement is adjudicated to be unenforceable or invalid for any reason, that part will be severed from the balance of this Termination Agreement and the validity and enforceability of the remainder of this Termination Agreement will in no way be effected or impaired unless the severed portion was essential to the intended purpose of this Termination Agreement. If the severed portion was essential to the intended purpose of this Termination Agreement then the party who was to receive the benefit of the severed portion has the option to void this Termination Agreement. The parties expressly agree that Paragraphs 1, 2, 3 and 12 are each essential to the intended purpose of this Termination Agreement.

12. Licensor shall be entitled to recover its reasonable attorneys' fees, court costs, costs of collection, expenses of litigation and other fees, costs and disbursements in any action brought to enforce or interpret this Termination Agreement or collect any amounts due hereunder or under the License Agreement.

13. This Termination Agreement shall bind and inure to the benefit of the parties hereto and their respective successors, assigns, heirs, administrators, executors and conservators.

14. This Termination Agreement may be amended, modified, canceled, or waived only by written instrument executed by each of the parties.

EXHIBIT G

15. A waiver of any term or condition of this Termination Agreement will not be deemed to be, and may not be construed as, a waiver of any other term or condition hereof.

16. This Termination Agreement will be construed neutrally, and will not be applied more strictly against one party than another.

17. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the License Agreement.

IN WITNESS WHEREOF, the parties hereto execute this Termination Agreement as of the date first here above written.

LICENSEE:

LICENSOR:

[INSERT LICENSEE ENTITY NAME],
a[n] [*Insert State of Formation*] [*Insert Type of Entity*]

[FRANCHISOR ENTITY NAME],
a Delaware limited liability company

By: _____

By: _____

Name: _____

Name: _____
Authorized Signatory

Title: _____

Executed on: _____

Executed on: _____



EXHIBIT H

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FINANCIAL STATEMENTS

Hilton Garden Inns International Franchise LLC
Years ended December 31, 2010, 2009 and 2008
With Report of Independent Auditors



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Hilton Garden Inns International Franchise LLC

Financial Statements

Years Ended December 31, 2010, 2009 and 2008

Contents

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Report of Independent Auditors

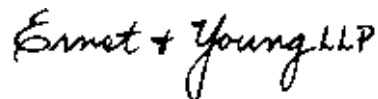
The Member of Hilton Garden Inns International Franchise LLC

We have audited the accompanying balance sheets of Hilton Garden Inns International Franchise LLC (the Company) as of December 31, 2010 and 2009, and the related statements of operations and member's capital and cash flows for the years ended December 31, 2010, 2009 and 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hilton Garden Inns International Franchise LLC at December 31, 2010 and 2009, and the results of its operations and its cash flows for the years ended December 31, 2010, 2009 and 2008, in conformity with accounting principles generally accepted in the United States.

As discussed in Note 2 to the financial statements, the accompanying 2009 and 2008 financial statements have been restated to correct errors in accounting for accounts receivable, due from Hilton affiliates related to franchise deposits, franchise deposits, accrued foreign withholding taxes, franchise and license fees, franchise sales and change of ownership fees, operator fees, bad debt expense, gain (loss) on foreign currency transactions, and foreign withholding tax expense.



July 7, 2011

Hilton Garden Inns International Franchise LLC

Balance Sheets

	December 31,	
	2010	2009
		(as restated) ⁽¹⁾
Assets		
Cash and cash equivalents	\$ 1,000	\$ 1,000
Accounts receivable, net of allowance of \$458,801 and \$318,712, respectively	93,868	174,396
Due from Hilton affiliates related to franchise deposits	-	60,000
Total assets	\$ 94,868	\$ 235,396
Liabilities and Member's Capital		
Franchise deposits	\$ -	\$ 60,000
Accrued foreign withholding taxes	59,523	50,037
Total liabilities	59,523	110,037
Commitments and contingencies		
Contributed capital	1,000	1,000
Retained earnings	1,936,589	1,080,749
Due from Hilton affiliates	(1,902,244)	(956,390)
Total member's capital	35,345	125,359
Total liabilities and member's capital	\$ 94,868	\$ 235,396

See accompanying notes to financial statements.

⁽¹⁾See Note 2 under the heading "Correction of Errors" in Notes to the Financial Statements

Hilton Garden Inns International Franchise LLC

Statements of Operations and Member's Capital

	Year Ended December 31,		
	2010	2009	2008
		(as restated) ⁽¹⁾	(as restated) ⁽¹⁾
Revenue			
Franchise and license fees	\$ 1,040,985	\$ 459,321	\$ 45,229
Franchise sales and change of ownership fees	130,588	490,462	520,189
Other	-	7,500	-
Total revenue	1,171,573	957,283	565,418
Expense			
Operator fees	58,050	48,102	27,486
Bad debt expense	160,137	52,408	176,205
Total expense	218,187	100,510	203,691
Operating income	953,386	856,773	361,727
Gain (loss) on foreign currency transactions	2,222	(5,703)	631
Income before taxes	955,608	851,070	362,358
Foreign withholding tax expense	(99,768)	(83,470)	(73,239)
Net income	\$ 855,840	\$ 767,600	\$ 289,119
Member's capital, beginning of year	\$ 125,359	\$ 7,986	\$ 1,000
Net income	855,840	767,600	289,119
Increase in Due from Hilton affiliates	(945,854)	(650,227)	(282,133)
Member's capital, end of year	\$ 35,345	\$ 125,359	\$ 7,986

See accompanying notes to financial statements.

⁽¹⁾See Note 2 under the heading "Correction of Errors" in Notes to the Financial Statements

Hilton Garden Inns International Franchise LLC

Statements of Cash Flows

	Year Ended December 31,		
	2010	2009	2008
		(as restated) ⁽¹⁾	(as restated) ⁽¹⁾
Operating activities			
Net income	\$ 855,840	\$ 767,600	\$ 289,119
Adjustments to reconcile net income to net cash provided by operating activities:			
Accounts receivable, net	80,528	(129,167)	(45,229)
Accrued foreign withholding taxes	9,486	11,794	38,243
Net cash provided by operating activities	945,854	650,227	282,133
Financing Activities			
Increase in Due from Hilton affiliates	(945,854)	(650,227)	(282,133)
Decrease in due from Parent	-	-	1,000
Net cash used in financing activities	(945,854)	(650,227)	(281,133)
Net increase in cash and cash equivalents	-	-	1,000
Cash and equivalents, beginning of year	1,000	1,000	-
Cash and equivalents, end of year	\$ 1,000	\$ 1,000	\$ 1,000
Supplemental Disclosures			
Non-cash operating activities are summarized as follows:			
Decrease/(increase) in Due from Hilton affiliates related to franchise deposits	\$ 60,000	\$ 9,425	\$ (69,425)
(Decrease)/increase in franchise deposits	\$ (60,000)	\$ (9,425)	\$ 69,425

See accompanying notes to financial statements.

⁽¹⁾See Note 2 under the heading "Correction of Errors" in Notes to the Financial Statements

Hilton Garden Inns International Franchise LLC

Notes to Financial Statements

December 31, 2010

1. Organization and Basis of Presentation

Hilton Garden Inns International Franchise LLC (“we”, “us”, or the “Company”), is a Delaware limited liability corporation that was formed on October 15, 2007 to be the franchisor of the Hilton Garden Inns brand outside the United States. We are a wholly owned subsidiary of Hilton International Franchise Holding LLC (the Parent), which, is a wholly owned subsidiary of Hilton Worldwide, Inc. (Hilton, formerly known as Hilton Hotels Corporation). We are a non-borrower guarantor under Hilton’s senior secured debt.

We license intellectual property from a wholly owned affiliate of Hilton on a royalty free basis and in turn, license the use of the trademarks to third party hotel owners under long-term franchise agreements.

We have evaluated all subsequent events through July 7, 2011, the date that the financial statements were available to be issued.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenues and expenses. These amounts and disclosures are based on management’s best estimates and judgments. Management evaluates its estimates and assumptions on an ongoing basis using historical experience, industry data and other factors, including the current economic environment. We adjust such estimates and assumptions when facts and circumstances dictate. Economic factors such as credit markets, foreign currency rate fluctuations, and consumer spending have a significant impact on the uncertainty inherent in such estimates and assumptions. As future events and their effects cannot be determined with exact precision, actual results could differ significantly from these estimates.

Concentrations of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash and cash equivalents.



Hilton Garden Inns International Franchise LLC

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with original maturities when purchased of three months or less.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivables represent amounts due from the franchisees and are presented net of allowance for doubtful accounts. An allowance for doubtful accounts is established when we determine it is likely that a specific outstanding receivable balance will not be collected. Additionally, beyond specific identification of uncollectible amounts, a reserve is provided for the population of the accounts receivable that we believe will likely become uncollectible based on historical collection activity and current business conditions.

Franchise Deposits

Franchise deposits represent franchise application fees that are collected at the time a third party applies for a franchise license. These amounts are recorded as a liability until the application is approved and we have no remaining obligations; at that time, the deposits are recognized as revenue. If the franchise application is not approved, the application fee is refunded to the applicant, less processing fees.

Revenue Recognition

Revenue is generally recognized as services are rendered. Franchise fees represent fees earned in connection with the licensing of our brand names, usually under long-term contracts with the hotel owners. We charge franchise royalty fees of up to five percent of room revenue. We recognize franchise fee revenue as the fees are earned and become due from the franchisee when all material services or conditions we have substantially performed or satisfied. We also charge certain fees upon the sale or change of ownership of a franchise. Such fees are recognized in revenue upon the execution of the sale or change in ownership.



Hilton Garden Inns International Franchise LLC

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Foreign Currency Risk

We generally transact business in the local currency of the franchisee with our functional currency being the U.S. dollar. As such, we bear the foreign currency risk over most income received from franchisees. Income and expense amounts denominated in foreign currency are translated to the U.S. dollar at the average exchange rate for the period. Assets and liabilities denominated in foreign currencies are translated into US dollars at the prevailing exchanges rates in effect as of the financial statement date and the related gains and losses are reflected in the Statement of Operations and Members' Capital.

Correction of Errors

The accompanying financial statements have been corrected to include certain accounts receivable, due from Hilton affiliates related to franchise deposits, franchise deposits, accrued foreign withholding taxes, franchise and license fees, franchise sales and change of ownership fees, operators fees, bad debt expense, gain (loss) on foreign currency transactions, and foreign withholding tax expense that were improperly reported in the previously issued 2009 and 2008 financial statements. The effect of the correction on the previously issued 2009 and 2008 financial statements is shown in the tables below.

Hilton Garden Inns International Franchise LLC
Balance Sheet
Year Ended December 31, 2009

	As Previously Reported	Adjustment	As Restated
Accounts receivable, net	\$ 41,462	\$ 132,934	\$ 174,396
Due from Hilton affiliates related to franchise deposits	65,050	(5,050)	60,000
Franchise deposits	65,050	(5,050)	60,000
Accrued foreign withholding taxes	-	50,037	50,037
Retained Earnings	576,632	504,117	1,080,749
Due from Hilton affiliates	\$ (535,170)	\$ (421,220)	\$ (956,390)

Hilton Garden Inns International Franchise LLC

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Hilton Garden Inns International Franchise LLC Statement of Operations and Member's Capital Year Ended December 31, 2009			
	As Previously Reported	Adjustment	As Restated
Franchise and license fees	\$ 209,299	\$ 250,022	\$ 459,321
Franchise sales and change of ownership			
Fees	286,060	204,402	490,462
Operator Fees	24,768	23,334	48,102
Bad debt expense	208	52,200	52,408
Loss on foreign currency transactions	-	(5,703)	(5,703)
Foreign withholding tax expense	(20,930)	(62,540)	(83,470)
Net income	456,953	310,647	767,600
Member's capital, beginning of year	1,000	6,986	7,986
Increase in Due from Hilton affiliates	(415,491)	(234,736)	(650,227)
Member's capital, end of year	\$ 42,462	\$ 82,897	\$ 125,359

Hilton Garden Inns International Franchise LLC Statement of Cash Flows Year Ended December 31, 2009			
	As Previously Reported	Adjustment	As Restated
Operating Activities			
Net income	\$ 456,953	\$ 310,647	\$ 767,600
Adjustment to reconcile net income to net cash provided by operating activities:			
Accounts receivable, net	(41,462)	(103,794)	(145,256)
Accrued foreign withholding taxes	-	11,794	11,794
Financing Activities			
Increase in Due from Hilton affiliates	\$ (415,491)	\$ (234,736)	\$ (650,227)
Supplemental Disclosures			
Decrease/(increase) in Due from Hilton affiliates related to franchise deposits	\$ 4,375	\$ 5,050	\$ 9,425
(Decrease)/increase in franchise deposits	\$ (4,375)	\$ (5,050)	\$ (9,425)

Hilton Garden Inns International Franchise LLC

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Hilton Garden Inns International Franchise LLC Statement of Operations and Member's Capital Year Ended December 31, 2008			
	As Previously Reported	Adjustment	As Restated
Franchise and license fees	\$ -	\$ 45,229	\$ 45,229
Franchise sales and change of ownership			
Fees	127,950	392,239	520,189
Operator Fees	8,271	19,215	27,486
Bad debt expense	-	176,205	176,205
Gain on foreign currency transactions	-	631	631
Foreign withholding tax expense	-	(73,239)	(73,239)
Net income	119,679	169,440	289,119
Increase in Due from Hilton affiliates	(119,679)	(162,454)	(282,133)
Member's capital, end of year	\$ 1,000	\$ 6,986	\$ 7,986

Hilton Garden Inns International Franchise LLC Statement of Cash Flows Year Ended December 31, 2008			
	As Previously Reported	Adjustment	As Restated
Operating Activities			
Net income	\$ 119,679	\$ 169,440	\$ 289,119
Adjustment to reconcile net income to net cash provided by operating activities:			
Accounts receivable, net	-	(45,229)	(45,229)
Accrued foreign withholding taxes	-	38,243	38,243
Financing Activities			
Increase in Due from Hilton affiliates	\$ (119,679)	\$ (162,454)	\$ (282,133)
Supplemental Disclosures			
Decrease/(increase) in Due from Hilton affiliates related to franchise deposits	\$ -	\$ (69,425)	\$ (69,425)
(Decrease)/increase in franchise deposits	\$ -	\$ 69,425	\$ 69,425

3. Fair Value

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. We believe that the

Hilton Garden Inns International Franchise LLC

Notes to Financial Statements (continued)

3. Fair Value (continued)

fair values of current assets and current liabilities approximate their reported carrying amounts as of December 31, 2010 and 2009.

4. Income Taxes

We franchise hotels in various jurisdictions throughout the world. Certain jurisdictions require the taxation of certain payments to foreign domiciled entities, including royalty fees. The taxation rates for these payments vary by jurisdiction and in certain cases we 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 royalties, the franchisee is responsible for the withholding and remittance of these foreign withholding taxes to the local taxing authority. Taxes related to royalty fees, if any, are presented as foreign tax expense in the statements of operations.

No provision is made in our accounts for domestic 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. Our accompanying financial statements are maintained on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. The results of operations reflected in the accompanying statements of operations differ from amounts reported in our federal income tax returns because of differences in accounting policies adopted for financial and tax reporting purposes.

If there is uncertainty in income taxes recognized in the financial statements, we use a prescribed more-likely-than-not recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

5. Related Party Transactions

Due from Hilton Affiliates

We maintain intercompany balances with Hilton affiliates that are a result of Hilton's centralized cash management system. Franchise fee revenue and franchise deposits are collected on our behalf by Hilton affiliates and deposited into a lockbox account to which we have no access. We record a liability for franchise deposits when we, or the potential franchisee, have not met all of



Hilton Garden Inns International Franchise LLC

Notes to Financial Statements (continued)

5. Related Party Transactions (continued)

the contractual obligations, generally upon the signing of the Franchise License Agreement, and these amounts are refundable to applicants, less processing fees. Amounts reflected as a current asset in Due from Hilton affiliates related to franchise deposits represent those deposits that are due to us from Hilton affiliates and are repayable upon demand. The remainder of the Due from Hilton affiliates represents the amounts that are not expected to be settled and are reflected as a component of member's capital.

Operator Fees

Our operating costs are paid by Hilton affiliates and are not directly charged to us. We have an Operator agreement with a Hilton affiliate, whereby we pay a fee of five percent based on revenue, as defined. Operator Fees incurred are recorded as expense in the accompanying Statements of Operations and Member's Capital. Operator Fees payable is reflected as a reduction of amounts Due from Hilton affiliates.

Guarantee of Hilton debt

In connection with the acquisition of Hilton by affiliates of The Blackstone Group in October 2007, Hilton entered into a senior secured debt agreement, and all of our assets and franchise contracts were pledged as non-borrower guarantor and non-borrower franchise pledgor collateral under the terms of that agreement. We are one of many Hilton subsidiaries whose assets and contracts were pledged as collateral under the terms of the senior secured debt agreement; as the majority of Hilton's tangible assets and contractual rights have been pledged as collateral under the agreement. The senior secured debt, as modified, has varying terms with extension options through November 2020. We have not recorded a guarantee liability as of December 31, 2010 and 2009 due to the nature of the parent and subsidiary relationship between us and Hilton.

6. Commitments and Contingencies

We are subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect our financial position or liquidity.



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EXHIBIT I

HILTON GARDEN INN™ CANADA STANDARDS

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EXHIBIT J

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EXHIBIT J

HILTON GARDEN INNS INTERNATIONAL FRANCHISE LLC

HILTON GARDEN INN®

RECEIPT BY PROSPECTIVE FRANCHISEE

I, on my behalf and/or as an officer, shareholder and/or director, member or partner of the corporation or other legal entity which is the prospective franchisee, acknowledge receipt of a Disclosure Document dated July 7, 2011. This disclosure document included the following exhibits.

- | | |
|-------------|--|
| Exhibit A | Franchise License Agreement |
| Exhibit A-1 | Development Incentive Note |
| Exhibit B | Computer System Agreements (HITS Agreement/HSIA Agreement) |
| Exhibit C | Franchise License Agreement Application |
| Exhibit D | Guarantee of Franchise License Agreement |
| Exhibit E | Current Franchisees |
| Exhibit F | Terminated Franchisees |
| Exhibit G | Voluntary Termination Agreement |
| Exhibit H | Financial Statements |
| Exhibit I | Manual Table of Contents |
| Exhibit J | Receipt |

Issuance Date: July 7, 2011

Name

By: _____
(Signature)

Address

City, Province, Postal Code

Area Code and Telephone Number

Date: _____

