HILTON WORLDWIDE FRANCHISING LP

TAPESTRY COLLECTION BY HILTON FRANCHISE DISCLOSURE DOCUMENT CANADA

Version Date: June 28, 2019

IMPORTANT NOTICE

If you are entitled to receive this Disclosure Document under the laws of the provinces of Alberta, British Columbia, Manitoba, New Brunswick, Ontario, or Prince Edward Island ("Disclosure Provinces"), then this Disclosure Document has been provided to you under the *Alberta Franchises Act*, the British Columbia Franchises Act, Manitoba*'s The Franchises Act,* the New Brunswick *Franchises Act,* the Ontario *Arthur Wishart Act (Franchise Disclosure), 2000*, or the Prince Edward Island *Franchises Actor* (the "Acts"), respectively, and we will observe the applicable waiting period after delivery of this Disclosure Document. The certificates of our officers that are required by various Disclosure Provinces are attached to this Disclosure Document after Article 29.

If you reside in a province other than the Disclosure Provinces, or if you reside in a Disclosure Province but are subject to an exemption or exclusion under the Acts from the entitlement to receive a Disclosure Document, then we have provided this Disclosure Document to you for informational purposes only, and on a voluntary basis. The information in this Disclosure Document has been prepared pursuant to the laws of the Disclosure Provinces for distribution to prospective franchisees in those provinces who we are required to provide it to pursuant to the Acts. Accordingly, some of the information contained in the Disclosure Document is specific to prospective franchisees in one or more of the Disclosure Provinces only and, as a result, may not be correct for you or applicable to the operation of a franchise in your area. You are encouraged to make your own investigations to ensure the accuracy of the information.

If the Hotel is or will be located in the province of Quebec, please see Article 28 for certain information that applies only to Hotels located in Quebec.

Statements Required by Ontario's *Arthur Wishart Act (Franchise Disclosure), 2000*

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.

Statements Required by British Columbia's *Franchises Act*, Manitoba's *The Franchises Act*, New Brunswick's *Franchises Act*, and Prince Edward Island's *Franchises Act*

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 Franchisor

To simplify the language in this Disclosure Document, “we” or “us” means Hilton Worldwide Franchising LP. “You” means the person(s) who signs the Franchise Agreement. If you are a business entity, “you” includes the business entity and its owners. The “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 “Tapestry” Brand in Canada. Capitalized words not defined in this Disclosure Document have the meaning set forth in the Franchise Agreement.

We are a limited partnership formed on March 12, 2014, under the laws of England and Wales, with registered number LP015958. Our principal business address is Maple Court, Central Park, Reeds Crescent, Watford, Hertfordshire WD24 4QQ UK and our telephone number is +44 207 856 8000. In connection with the offer of this franchise, we do business under the name "Tapestry".

We became the franchisor of hotels which operate under the Tapestry Brand for all locations outside the United States of America, including the District of Columbia and its territories and possessions (“US”) in December 2016.

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

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

<u>Hilton Worldwide Manage Limited as the Franchise Service Provider</u>

Hilton Worldwide Manage Limited (“HWML”) is our general partner and affiliate. HWML is a limited company formed on December 7, 2010, under the laws of England and Wales, with registered number 7462067. HWML has provided development and management services to selected hotels outside the US since July 2014.

Under an operating agreement (“Operating Agreement”), we and certain other affiliates engaged HWML to perform our respective duties and obligations under our Franchise Agreements outside the US. As long as we are your franchisor and the Operating Agreement is in effect, HWML will provide services to you on our behalf under the terms of your Franchise Agreement, either directly or through other of our affiliates. However, as long as we are your franchisor we will be responsible

for fulfilling all our duties and obligations under your Franchise Agreement. If HWML fails to perform its obligations under the Operating Agreement, it may be replaced as the franchise service provider.

Hilton Worldwide Manage Limited as the Franchisor

On January 1, 2018, two changes were made in our relationship with HWML. First, all existing Franchise Agreements that we had previously signed for Hilton Worldwide brand hotels in Canada were transferred to HWML. Second, HWML became the franchisor for all Hilton Worldwide brands for all new locations outside the US, except in Canada (and a limited number of other territories).

We remain the initial franchisor for all Hilton Worldwide brand hotels in Canada. However, all new Franchise Agreements that we sign for hotels in Canada will be transferred to HWML annually, on or about December 31st of each year (an "Annual Sweep"). The purpose of this arrangement is for tax efficiency. As a result, HWML will become the franchisor for, and provide services for, you on a going-forward basis after the first Annual Sweep following the execution of your Franchise Agreement. Accordingly, with respect to your Franchise Agreement, references to us in connection with the performance of our obligations under your Franchise Agreement will mean HWML after the first Annual Sweep following the execution of your Franchise Agreement.

For the avoidance of doubt, we have included HWML when considering matters disclosed in this Disclosure Document and have made notations as appropriate. HWML's financial statements are attached as Exhibit G-1.

The person authorized to accept service on behalf of us and HWML in Alberta is Lawrence Weinberg at Cassels Brock & Blackwell, LLP, Suite 1250, Millennium Tower, 440 – 2nd Avenue SW, Calgary, Alberta, T2P 5E9; in British Columbia at Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, BC, V6C 3E8; and in Ontario at Suite 2100, 40 King Street W, Toronto ON M5H 3C2. The person in Manitoba authorized to accept service on behalf of us and HWML is Gregory J. Tallon, Thompson Dorfman Sweatman LLP, 201 Portage Avenue, Suite 2200, Winnipeg, Manitoba R3B 3L3. We and HWML do not have a registered agent for service of process in the provinces of New Brunswick, or Prince Edward Island or elsewhere in Canada.

1.2 The Franchised Business

This Disclosure Document describes our franchise licenses for hotels which will operate outside the United States under the Tapestry Brand.

We license the Tapestry hotel system ("System") consisting of the elements, including know-how, that we periodically designate to identify hotels operating worldwide under the Brand. The System is designed to provide distinctive, high-quality lodging service at hotels licensed under the primary service mark "Tapestry." The System currently includes the Brand and the Marks; access to the Reservation Service; advertising, publicity and other marketing programs and materials; training programs and materials; standards, specifications and policies for construction, furnishing, operation, appearance and service of your Hotel; and other elements we refer to in the Franchise Agreement, in the Manual or in other communications to you, and programs for our inspecting your Hotel and consulting with you. We may add elements to the System or modify, alter or delete elements of the System.

We franchise the non-exclusive right to use the System in the operation of your Hotel, at a specified location, under the Tapestry Brand. When we refer to a "Tapestry hotel" in this

Disclosure Document, we mean hotels licensed under the Tapestry Brand unless we make it clear otherwise. You must follow the high standards we have established as the essence of the System and you may be required to make future investments. The Franchise Agreement you sign will provide for new development, change of ownership or other re-licensing, or conversion, depending on your situation. These situations are referred to in this Disclosure Document as "New Development," "Change of Ownership," “Re-licensing” and "Conversion," respectively. Adaptive Reuse is also identified as a category on the Franchise Application. It is a form of Conversion.

During the term of the franchise, we may offer to amend your Franchise 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.

Separately, we also offer franchises for the eforea spa concept. An eforea spa features an exclusive menu of treatments and innovative design elements, including unique zones that a spa guest passes through on their treatment journey. It is generally between 5,000 and 10,000 square feet depending on whether it is located in an urban or resort environment.

If you elect to add an eforea branded spa (“eforea spa”) to your hotel you must sign the Eforea Spa Amendment to Franchise Agreement (the “Spa Amendment”). The form is attached at Exhibit A-2. If you sign the Spa Amendment, the System will include the eforea spa and all of its elements and you must comply with the eforea spa Manual. In that case, references in this Disclosure Document to the Manual will also include the eforea spa Manual. If there is a conflict between the Manual, and the eforea Spa Manual, the eforea spa Manual will control. If you are operating a spa under a trademark other than eforea, the System will not include the eforea spa concept, but you still must comply with the System and our requirements related to spas generally, as found in our Manual. The franchisee of the eforea spa must be the franchisee under the Franchise Agreement for operation of the hotel.

1.3 Our Affiliates and Related Companies

Hilton Worldwide, through its subsidiaries, currently owns the following principal marks and their related guest lodging systems: Hilton™, Canopy™, Conrad™, Curio™, DoubleTree™, Embassy™, Hampton™, Hilton Garden Inn™, Home2™, Homewood™, Motto™, LXR™, Signia Hilton™, Tapestry™, Tru™, Waldorf Astoria™ (the “Hilton Worldwide Brands”). The Hilton Worldwide Brands may utilize name variations for suites hotels and may use the taglines “by Hilton” or “Collection by Hilton” in some markets or locations. The Hilton Worldwide Brands may have trademark registrations currently pending in some markets or locations.

Our affiliate, Hilton Franchise Holding LLC, a Delaware limited liability company, formed in September 2007 (“HFH”), has been the franchisor of Tapestry Brand hotels within the US since December 1, 2016. HFH has also been the franchisor in the US for the Canopy and Curio brand hotels since October 15, 2014; the Conrad, DoubleTree/DoubleTree Suites, Embassy Suites, Hampton Inn/Hampton Inn & Suites, Hilton, Hilton Garden Inn, Home2 Suites, Homewood Suites, and Waldorf Astoria brand hotels since March 30, 2015; the Tru brand hotels since December 1, 2015; the LXR and Motto brand hotels since September 14, 2018, and the Signia Hilton brand hotels since March 30, 2019, each currently with “Collection” and/or “by Hilton” in their brand names as applicable. HFH offers each of these brands under a separate disclosure document. HFH also offers eforea spa franchises in the US to franchisees of Curio, DoubleTree/DoubleTree Suites, Embassy Suites, Hilton, and Tapestry brand hotels, as an addendum to the hotel franchise agreement under the disclosure documents for those brands.

HFH's predecessors for the offer of franchises in the US before March 30, 2015, include the following entities at various times for the specified brands:

Brand Offered	Predecessor Franchisor Entity	Dates Offered
Canopy	None	N/A
Conrad	Conrad Franchise LLC	October 2007 to March 2015
	Hilton Inns, Inc.	September 2007 to October 2007
Curio	Hilton Worldwide	July 2, 2014 to October 14, 2014
DoubleTree DoubleTree Suites	Doubletree Franchise LLC	October 2007 to March 2015
	Doubletree Hotel Systems, Inc.	February 1989 to October 2007
Eforea Spa	Doubletree Franchise LLC	December 2011 to March 2015
	Embassy Suites Franchise LLC	December 2011 to March 2015
	Hilton Franchise LLC	December 2011 to March 2015
Embassy Suites	Embassy Suites Franchise LLC	October 2007 to March 2015
	Promus Hotels, Inc.	March 1984 to October 2007
Hampton Inn Hampton Inn & Suites	Hampton Inns Franchise LLC	October 2007 to March 2015
	Promus Hotels, Inc.	March 1983 to October 2007
Hilton	Hilton Franchise LLC	October 2007 to March 2015
	Hilton Inns, Inc.	July 1962 to October 2007
Hilton Garden Inn	Hilton Garden Inns Franchise LLC	October 2007 to March 2015
	Hilton Inns, Inc.	March 1990 to October 2007
Home2 Suites	HLT ESP Franchise LLC	January 2009 to March 2015
Homewood Suites	Homewood Suites Franchise LLC	October 2007 to March 2015
	Promus Hotels, Inc.	March 1988 to October 2007
LXR	None	N/A
Motto	None	N/A
Signia Hilton	None	N/A
Tapestry	None	N/A
Tru	None	N/A
Waldorf Astoria	Waldorf Astoria Franchise LLC	October 2007 to March 2015
	Hilton Inns, Inc.	January 2007 to October 2007

In this Disclosure Document, we may collectively refer to our affiliated predecessor franchisor entities as the "former franchising entities."

The following affiliates provide products or services to our franchisees, 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 ("Reservations Worldwide"), will provide you with its national and international reservation services and systems ("Reservation Service") (See Articles 6 and 14).

- Hilton Supply Management LLC ("HSM") negotiates with manufacturers and suppliers for the distribution of hotel furniture, furnishings, fixtures, equipment and supplies, certain food and beverage equipment supplies, and certain hotel services. You may purchase these items from HSM or such third parties, but you are not obligated to do so unless you are operating an eforea spa. In this case, you must purchase certain products and other items from HSM for sale in your spa (See Articles 6 and 14).

- Hilton Honors Worldwide, LLC ("Hilton Honors Worldwide") owns, operates and administers the Hilton Honors™ guest reward program. You must participate in the programs of Hilton Honors Worldwide (See Article 6).

- Hilton Systems Solutions, LLC ("HSS") provides computer hardware, software and support services and signs Hilton's Information Technology System Agreement ("HITS Agreement").

- Various of our affiliates own, lease and/or manage Tapestry hotels throughout the world. In certain situations, you may choose to have our affiliate HWML 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 Agreement. It is possible that, after the first Annual Sweep after the execution of your Franchise Agreement, HWML will be your franchisor and your hotel manager.

ARTICLE 2
BUSINESS EXPERIENCE

Chief Executive Officer and President: Christopher J. Nassetta

Mr. Nassetta has served as Chief Executive Officer and President of Hilton Worldwide since September 2013. He has served as Chief Executive Officer and President of Hilton since December 2007, and was also a Director of Hilton from December 2007 to October 2013. He served as HFH's Chief Executive Officer and President from October 2013 to January 2015. He served as Chief Executive Officer and President of the former franchising entities from October 2013 until April 2015. Mr. Nassetta was President and Chief Executive Officer of Host Hotels & Resorts, Inc., in Bethesda, Maryland, from 2000 to November 2007.

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

Mr. Jacobs has served as Chief Financial Officer and Executive Vice President of Hilton Worldwide since September 2013, and has also held those positions with HFH since September 2013 and with us since March 2014. He has served as Chief Financial Officer and Executive Vice President of Hilton since October 2013. Mr. Jacobs served as Chief Financial Officer and Executive Vice President of the former franchising entities from October 2013 to April 2015. Mr. Jacobs also served as a Director of Hilton from December 2007 to July 2015; as Senior Vice President, and Treasurer and Director of Hilton from March 1, 2010 to November 2012; as Senior Vice President, Corporate Strategy and Treasurer of Hilton from May 2009 to November 2012; and as Senior Vice President, Corporate Strategy of Hilton from June 2008 to May 2009.

General Counsel and Executive Vice President: Kristin A. Campbell

Ms. Campbell has served as General Counsel and Executive Vice President of Hilton Worldwide since September 2013, and has held those positions with HFH since October 2013 and with us since March 2014. She has served as General Counsel, Executive Vice President and Secretary of Hilton since June 2011. Ms. Campbell served as a Director of Hilton from June 2011 to July 2015, and as a Director of the former franchising entities from October 2013 to April 2015. Ms. Campbell served as Senior Vice President, General Counsel and Secretary of Staples, Inc. in Framingham, Massachusetts from 2007 to June 2011.

Executive Vice President – Chief Operating Officer, Customer and Commercial Operations: Christopher Silcock

Mr. Silcock has served as Executive Vice President – Chief Operating Officer, Customer and Commercial Operations since May 2019. He served as Executive Vice President – Chief

Commercial Officer of Hilton Worldwide and Hilton from September 2015 through April 2019. He served as Senior Vice President Sales & Revenue Management of Hilton Worldwide and Hilton from September 2014 to August 2015, and as Senior Vice President of our General Partner, HWML, since July 2014. Mr. Silcock served as Senior Vice President Commercial Services of Hilton Worldwide and Hilton from October 2013 to September 2014. He served as Global Head – Revenue Management for Hilton Worldwide and Hilton from August 2009 to September 2013. Mr. Silcock served as Vice President – Revenue and Service Delivery of Hilton Worldwide and Hilton from August 2004 to August 2009.

Executive Vice President – Chief Customer Officer: Jonathan Witter

Mr. Witter has served as Chief Customer Officer of Hilton Worldwide since April 2017. He served as President of the Retail and Direct Banking divisions of Capital One Bank from December 2010 to April 2017. Previously, Mr. Witter was Managing Director and President of Morgan Stanley Private Bank NA, and Chief Operating Officer of Morgan Stanley's Retail Banking Group from January 2009 to December 2010. Before that time, he was Executive Vice President and Head of General Bank Distribution at Wachovia Bank from February 2004 to January 2009.

President – Global Development: Ian R. Carter

Mr. Carter has served as President – Global Development of Hilton Worldwide and Hilton since September 2013. He served as President – Global Operations of Hilton from March 2008 to September 2013. Mr. Carter served as our Director, Executive Vice President and Chief Executive Officer in Watford, United Kingdom, from January 2005 to March 2008.

Senior Vice President and Category Head – Full Service Brands: David C. Marr

Mr. Marr has served as Hilton's Senior Vice President and Category Head – Full Service Brands since June 2017. He previously served as Senior Vice President and Global Brand Leader for Starwood Hotels & Resorts' Tribute Portfolio and Sheraton Hotels and Resorts from May 2015 to June 2017. Before that time Mr. Marr was Senior Vice President of Brand Management for North America, Vice President of Field Marketing for North America, and Regional Vice President of Sales & Marketing at Starwood from January 2001 to May 2015.

Executive Vice President: Simon Robert Vincent

Mr. Vincent has served as Area President of our General Partner, HWML, since July 2014. Mr. Vincent has served as Hilton's Executive Vice President since March 2014, headquartered in Watford, United Kingdom. He served as Executive Vice President of the international franchising entities from May 2008 through June 2014, and as Hilton International's Area President Hilton UK and Ireland from January 2007 through June 2014. Mr. Vincent was Chief Executive for Opodo Limited, headquartered in London, United Kingdom, from 2002 through 2006.

Senior Vice President: Brian Wilson

Mr. Wilson has served as Senior Vice President & Assistant General Counsel of our General Partner, HWML, since July 2014, and as a Director since March 2014. Mr. Wilson has served as Hilton's Senior Vice President & Assistant General Counsel, Europe since September 2008. He held similar positions with the international franchising entities from September 2008 through June 2014. Mr. Wilson has been affiliated with Hilton International since September 1988, holding various titles during his tenure, including Hilton International's Executive Director - Legal Administration & Deputy Secretary from March 1996 through June 2014. He is headquartered in Watford, United Kingdom.

Vice President Operations Finance EMEA: James Percival

Mr. Percival has served as a Director of our general partner, HWML, since August 2014. He has served as Hilton's Vice President Operations Finance EMEA since April 2011. Before joining Hilton, he served as Vice President Finance with the Jumeirah Group in Dubai from March 2004 to March 2011. Mr. Percival is headquartered in Watford, United Kingdom.

Vice President Asset Management – Europe: Kimberly Coari

Ms. Coari has served as Vice President Asset Management – Europe since November 2018. She served as Commercial Director of membership club group Soho House & Co. from March 2015 to September 2018. Before that she held various roles in Hilton's Feasibility & Investment Analysis Group from August 2005 to February 2015, ultimately serving as Senior Director of Europe and Africa.

Vice President – Global Head of HAFS Centre of Excellence: Stuart Beasley

Mr. Beasley has served as our Director since June 2014 and as Vice President – Global Head of Hilton Accounting and Finance Services (HAFS) Centre of Excellence since June 2017. Previously he served as Vice President – Global Head of Corporate Accounting from December 2014 to June 2017. Mr. Beasley served as Vice President International Corporate Controller of Hilton from June 2014 to December 2014 and was previously Hilton's Senior Director-Assistant Controller International from Jan 2011 to June 2014. Mr. Beasley has been employed in various capacities with Hilton since January 2008. Mr. Beasley is headquartered in Watford, United Kingdom.

Global Head – Tapestry Collection by Hilton: Jenna Hackett

Ms. Hackett has served as Hilton's Global Brand Head – Tapestry Collection by Hilton since November 2017. She previously served as Sr. Director, Full Service Brand Management and Development from January 2017 to November 2017, working with Full Service Brand Leadership on planning, projects, and initiatives, as well as Development to grow the Full Service Brands. She has been with the Full Service Brands since July 2014, helping launch both the Curio Collection and Tapestry Collection. Prior to joining the Brand organization, Ms. Hackett helped establish the Executive Compensation Team at Hilton and aided in Hilton's IPO – being part of the HR Organization from December 2011 to July 2014.

Vice President and Global Head of Residential Programs: Jonathan Wingo

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

Senior Vice President – Development - Americas: William Fortier

Mr. Fortier has served as a Senior Vice President of our general partner, HWML, since July 2014. He has served as Hilton's Senior Vice President – Development – Americas since October 2007. Mr. Fortier served as Hilton's Senior Vice President – Franchise Development from May 2000 to October 2007. Mr. Fortier also served as Senior Vice President of the former franchising entities from October 2007 to April 2015.

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

Mr. Wehling has served as Hilton's Senior Vice President – Development – US and Canada since January 2015. He was Hilton's Vice President and Managing Director – Development – Northwest Region from October 2010 through December 2014. Mr. Wehling served as Hilton's Vice President Development – Central Region from September 2008 to October 2010. He served in

various capacities for Hilton, including Director – Franchise Development and Senior Director – Franchise Development, Central Region, from 1999 to September 2008.

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

Mr. Lorenzo has served as a Vice President of our general partner, HWML, since July 2014. Mr. Lorenzo has served as Hilton's Vice President and Managing Director – Development – Northeast Region/Canada since October 2010. He served as Vice President and Managing Director Franchise Development – Northeast Region/Canada from September 2008 to October 2010. Mr. Lorenzo served as Vice President Franchise Development Northeast Region/Canada from July through August 2008. He served as Hilton's Senior Director Franchise Development in the Northeast Region before July 2008.

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

Ms. Jaskulske has served as a Vice President of our general partner, HWML, since July 2014. Ms. Jaskulske has served as Hilton's Vice President–Management Contract Services and Owner Relations since February 2000, and has served in various capacities with Hilton since October 1986.

Senior Vice President and Assistant General Counsel – Development Americas: Karen Boring Satterlee

Ms. Satterlee has served as Senior Vice President and Assistant General Counsel – Development Americas since September 2017. She served as our Vice President & Senior Counsel of our general partner, HWML, since July 2014. Ms. Satterlee has served as Hilton's Vice President and Senior Counsel – Global Franchise Development since August 2009. She has also served as Vice President and Assistant Secretary for HFH since March 2010 and for us since March 2014. She served as Vice President and Assistant Secretary of the former franchising entities from March 2010 to April 2015.

Vice President & Senior Counsel, Legal Development, Americas – Contract Administration: Michaele S. Weatherbie

Ms. Weatherbie has served as Hilton's Vice President & Senior Counsel, Legal Development, Americas – Contract Administration since December 2015. She has also served as Vice President for HFH since December 2015. She served as Hilton's Senior Counsel – Franchise, Global Franchise Development from February 2012 to December 2015.

ARTICLE 3
CONVICTIONS, CHARGES, JUDGEMENTS AND ORDERS

3.1 Fraud, Unfair or Deceptive Business Practices

None of us, our associates, or any of our directors, general partners and officers has been convicted, within the past 10 years, of an offence involving franchises or other businesses, fraud, embezzlement, unfair or deceptive business practices or a violation of a law that regulates franchise or businesses. There are no such matters currently pending against any of the foregoing.

3.2 Administrative Action

None of us, our associates, or any of our directors, general partners or officers has been subject to an injunction or restrictive order imposed by a public agency involving franchises or other

businesses, nor been subject to an administrative order or penalty imposed under a law of any jurisdiction. There are no such matters currently pending against any of the foregoing.

3.3 Civil Actions

Except as described below, none of us, our associates, or any of our directors, general partners or officers has 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 of the foregoing. Disclosures below may relate to entities related to us even if they are not our associates.

For the avoidance of doubt, we are including HWML when considering matters to be disclosed in this Article 3.

A. PENDING ACTIONS

None.

B. CONCLUDED ACTIONS – INVOLVING OUR PREDECESSOR

None.

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

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

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

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

HWI and the United States Department of Justice ("United States") agreed to a form of Consent Decree ("Consent Decree") addressing alleged violations of Title III of the Americans with Disabilities Act, 42 U.S.C. § 12181 et seq. ("ADA"). The United States alleged that: 1) HWI failed to design and construct its owned facilities constructed for first occupancy after January 26, 1993 ("Post-1993 Hotels") in compliance with the ADA; 2) certain Managed and Franchised Post-1993 Hotels operated under HWI's brands do not comply with the ADA; 3) HWI failed to provide individuals with disabilities the same opportunity to reserve accessible guestrooms using its on-line and telephonic reservations systems that is available for reserving other brand hotel rooms; and 4) such actions or practices constitute a pattern or practice of violating Title III of the ADA. HWI denied that it has violated the ADA at its owned hotels or that it is in any way responsible for

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

In re: Online Travel Company (OTC) Hotel Booking Antitrust Litigation (United States District Court, Northern District of Texas, Dallas Division, Case No. 3:12-MD-2405-B, Consol. Civil Action No. 3:12-cv-3515-B).

On February 26, 2013, 31 complaints originally filed in multiple federal courts from August 2012 to February 2013, brought against various online travel companies ("Online Retailers") and hotels, including HWI ("Hotels"), were consolidated for pretrial purposes, and all cases except James Smith et al. v. Orbitz Worldwide, Inc. et al. (United States District Court, Northern District of Texas, Dallas Division, Case No. CV-03515-B) were administratively dismissed. Plaintiffs, on behalf of all persons and entities who paid for a room at one of the Hotels reserved through one of the Online Retailers, generally alleged that they purchased hotel room reservations online directly from one of the Online Retailers, and that the Online Retailers conspired with the Hotels to enter into, maintain and/or enforce minimum resale price maintenance agreements in restraint of trade in violation of the Sherman Antitrust Act, 15 U.S.C. § 1 and state antitrust and consumer protection laws. Plaintiffs sought damages, other penalties as allowed by law, permanent injunctive relief, pre-judgment interest, costs of suit, reasonable attorneys' fees and other relief. Defendants filed a Motion to Dismiss on July 1, 2013, which the court granted without prejudice on February 18, 2014. Plaintiffs filed a motion for leave to amend on March 20, 2014. The Court entered an order

denying Plaintiffs' motion for leave to amend, and dismissed the case with prejudice on October 28, 2014.

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 (which became HWI in December 2009) 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 HWI for allegedly inducing Messrs. Klein and Lalvani to breach their contracts with Starwood; (iii) fraud against Mr. Klein and aiding and abetting fraud against HWI and Mr. Lalvani; (iv) breach of fiduciary duty against Messrs. Klein and Lalvani and aiding and abetting breaches of fiduciary duty against HWI; (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 HWI 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 HWI to make certain disclosures to property owners and industry professionals; (v) appointing a monitor or monitors over HWI's compliance with any injunctions; (vi) preliminarily and permanently enjoining HWI 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 ("Agreement") resolving this action, in which HWI and Messrs. Klein and Lalvani consented to the entry of a court-ordered permanent injunction ("Injunction") enjoining the use or distribution of Starwood's proprietary, confidential or trade secret information, and imposing other restrictions on HWI's business activities in the lifestyle hotel or branded boutique space for 2 years. HWI made a $75,000,000 cash payment to Starwood on December 31, 2010, and furnished other contingent guarantees and consideration to Starwood. The Agreement provided for mutual releases of the parties and the action was stayed during the term of the Injunction. The injunction expired on December 31, 2012, and the action was dismissed on January 30, 2013.

Burgans Block, LLC v. Hilton Worldwide, Inc., Homewood Suites Franchise, LLC, HLT ESP Franchise, LLC, Hilton Franchise Holding, LLC, Patrick Speer and Jane Doe Speer, Washington Superior Court, No 11204275-2.

On October 13, 2011, Burgans Block, LLC, a prospective franchisee ("Burgans"), filed a Complaint against HWI, Homewood Suites Franchise, LLC, HLT ESP Franchise, LLC, Hilton Franchise Holding, LLC, Patrick Speer and Jane Doe Speer. Burgans alleged that it submitted to HLT ESP Franchise, LLC an application for a Home2 Suites Hotel along with $50,000 for the Development Services Fee. Further, Burgans alleged that it made handwritten notes on the materials submitted, stating that a portion of the Development Services Fee was refundable if Burgans and HLT ESP Franchise, LLC could not agree to the terms of a franchise agreement. At the alleged suggestion of Patrick Speer, an employee of HLT ESP Franchise, LLC, Burgans decided to move to a Homewood Suites Hotel and submitted to Homewood Suites Franchise, LLC a second application along with another Development Services Fee. On receipt of the Homewood Suites application, HLT ESP Franchise, LLC returned the application and Development Services Fee for the Home2 Hotel. Burgans and Homewood Suites Franchise, LLC did not reach an agreement on a final franchise agreement for the Homewood Suites Hotel and Burgans requested the return of the Development Services Fee for the Homewood Suites Hotel. Homewood Suites Franchise, LLC disputed that the Development Services Fee was refundable and Burgans filed suit, alleging violation of the Washington Franchise Investment Protection Act, unjust enrichment, negligent misrepresentation, conversion, violation of the Washington Consumer Protection Act, fraud, and breach of contract. On November 29, 2011, Homewood Suites Franchise, LLC and Burgans entered into a settlement agreement under which Homewood Suites Franchise, LLC paid Burgans $60,000 for a refund of the Development Services Fee and for attorneys' fees and costs incurred by Burgans. No other defendants paid any compensation to Burgans. At Burgans' request as required by the settlement agreement, the court dismissed the case with prejudice on December 29, 2011.

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, 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. The Nevada Supreme Court affirmed the District Court's decision on February 26 2010.

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

On or about May 12, 1970, the United States filed a civil complaint against HHC (among other defendants), alleging the violation of Section 1 of the Sherman Act consisting of engaging in a combination and conspiracy in restraint of trade by giving preferential treatment to hotel suppliers

paying assessments to the Greater Portland Convention Association and by curtailing or threatening to curtail purchases of hotel supplies from hotel suppliers which did not pay assessments to the Greater Portland Convention Association. On or about November 29, 1971, pursuant to a stipulation filed October 26, 1971, the court entered a final judgment against HHC enjoining and restraining it from engaging in any agreement, understanding, combination, conspiracy or concert of action to give or promise to give preferential treatment in purchasing hotel supplies to any hotel suppliers, or to curtail or terminate or threaten to curtail or terminate the purchase of hotel supplies from any hotel suppliers. The order and injunction further restrained and enjoined HHC from engaging in activities which were the subject matter of the Complaint in the action. This restraining order and injunction applied to HHC, its subsidiaries (including Hilton Inns), and the officers and directors of HHC and its subsidiaries.

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, 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 HHC'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. The appellate court affirmed the judgment in favor of HHC on November 25, 2009.

ARTICLE 4
BANKRUPTCY

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 us or our associate, (ii) a corporation whose directors or officers include any of our current directors, officers or general partners, or included such a person at a time when the bankruptcy or insolvency proceeding was taking place, (iii) a partnership whose general partners include any of our current directors, officers or general partners, or included such a person at a time when the bankruptcy or insolvency proceeding was taking place, or (iv) any of our directors, officers or general partners in their personal capacity.

For the avoidance of doubt, we are including HWML when considering matters to be disclosed in this Article 4.

ARTICLE 5
FINANCIAL STATEMENTS

Exhibit G contains our Report of the Members and Audited Financial Statements for the year ended December 31, 2018 (the "HWF Financial Statements"). The HWF Financial Statements compare fiscal years 2017 and 2018. For fiscal year 2018, we reported a reduction in revenue of $158,444,339, due to the transfer of the majority of our franchise agreements to our parent company, HWML, as described in Article 1 above and the Financial Statements. For fiscal year 2017, reported amounts were restated in accordance with changes in accounting policies as described in the Financial Statements. This restatement resulted in a reduction of revenue of $17,902,732 for 2017. We do not believe these events have had any material effect on our ability to perform our obligations as the franchisor.

Exhibit G-1 contains a copy of HWML's audited Strategic Report, Report of the Directors and Financial Statements for the year ended December 31, 2017 (the "HWML Financial Statements"). The HWML Financial Statements compare fiscal years 2016 and 2017. For fiscal year 2016, HWML reported both Turnover and Gross Profit over $400,000,000. It also reported an operating loss of $472,207,707 due to one-time events that included a group restructuring, an intercompany loan rationalization program, and a capital reduction. We do not believe these one-time events have had any material effect on HWML's ability to perform its obligations as the franchisor after any Annual Sweep.

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.

Type of Fee	Amount	Due Date	Remarks
Franchise Application Fee – New Development or Conversion	$75,000 plus $400 for each additional guest room or suite over 250.	With Franchise Application.	All prospective franchisees must complete a Franchise Application to operate a Brand hotel. See Note 1.
Franchise Application Fee - Relicensing	$75,000	With Franchise Application.	All prospective franchisees must complete a Franchise Application to operate a Brand hotel. See Note 1.
Franchise Application Fee – Change of Ownership	$125,000	With Franchise Application.	All prospective franchisees must complete a Franchise Application to operate a Brand hotel. If we approve your Franchise Application but the Change of Ownership does not occur, we will refund your Franchise Application Fee, without interest and less a $7,500 processing fee. See Note 1.
Product Improvement Plan ("PIP") Fee	$7,500	Before we schedule the PIP inspection.	Payable to determine renovation requirements if you desire to convert an existing hotel or apply for a Change of Ownership or if we agree to Re-license an existing Brand hotel.

Type of Fee	Amount	Due Date	Remarks
Construction Work Extension Fee	$10,000	With written request for extension.	You must start construction at your hotel by the Construction Commencement Date ("CCD") specified on the Addendum to your Franchise Agreement. The CCD under a Franchise Agreement for New Development is 16 months from the date we approve your Application. We establish CCDs for Conversions as well as for work on room additions on a project-by-project basis. Under the Franchise Agreement, your CCD will be extended by 30 days on a rolling basis without a fee unless we provide at least 60 days' notice to you that these automatic extensions will end. At that point, if you wish to request any further extension, you must submit a written request before the CCD, describing the status of the project and the reason for the requested extension. If we approve the extension, you must pay a $10,000 extension fee, and we will set the new CCD and project milestone dates.
Renovation Work Extension Fee	$10,000	With written request for extension.	If you are converting your hotel, you must complete the renovation by the date specified as the renovation work completion date ("RWCD") on the Addendum to your Franchise Agreement. Under the Franchise Agreement, your RWCD will be extended by 30 days on a rolling basis without a fee unless we provide at least 60 days' notice to you that these automatic extensions will end. At that point, if you wish to request any further extension, you must submit a written request before the RWCD, describing the status of the project and the reason for the requested extension. If we approve the extension, you must pay a $10,000 extension fee, and we will set the new RWCD and project milestone dates.
Eforea Spa Initial Fee	$25,000	Initial fee – due when you sign the Spa Amendment.	See Note 2.
OnQ Computer System Fees – Hardware, Software & Installation	Currently, $136,500 to $262,500.	As agreed.	See Note 3.
Miscellaneous OnQ Start-up Costs – Delays in Opening Date	Currently, $700 per representative per day for delays, and $2,000 re-scheduling fee if the delay results in the departure and re-scheduling of the representative's on-site service period.	As incurred.	Under the HITS Agreement, Hilton representatives must be on-site for your hotel's opening and you must pay for services provided in connection with the startup of OnQ. Hilton determines the number of representatives and number of days on site based on size and type of hotel. Once the representative is on-site, any delays in your hotel's opening will result in fees for each additional day a representative remained at the hotel, plus any additional travel expenses if the delay results in rescheduling. The fees are non-refundable, and are subject to change.
Digital Floor Plan	Currently, $2,000.	On or before hotel opening.	See Note 3.
Opening Process Services Fees	$20,000	Before opening.	See Note 4.

Type of Fee	Amount	Due Date	Remarks
Procurement and Services Fees	Currently, 4% to 10% of project cost.	Within 10 days after billing.	See Note 5.
Training Program Fees	Currently, $5,000 to $15,000.	As agreed.	We provide required training programs and materials that your general manager and other key personnel must complete before certification for opening a new Tapestry hotel. We may charge you for the training services and materials. You must also bear the cost of wages, travel, lodging and other expenses of your general manager and any other attendees. Training program fees are not refundable.
Miscellaneous Services	As agreed.	As agreed.	We or our affiliates may periodically offer you additional services. These could include additional training for you and your employees, assistance in recruiting various types of employees, and other services and programs. Most of these services and programs will be optional, but some, including systems upgrades and changes in System standards, which may require additional mandatory training or participation in additional programs, may be mandatory.

NOTES

1. Franchise Application and Franchise Application Fee**.** You must provide all the information we ask for in your Franchise Application. We may on occasion approve your Franchise 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 Franchise Application Fee. If you withdraw your Franchise Application before we approve it, or if we deny your Franchise Application, we will refund the Franchise Application Fee, without interest, less a $7,500 processing fee, which may be waived or reduced at our discretion. If we approve your Franchise Application subject to certain requirements, we may terminate our offer if you fail to meet those requirements. Once we approve your Franchise Application, the fee is usually non-refundable, even if we subsequently terminate our offer. 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 Franchise Application Fee toward the Franchise Application Fee of another Franchise Application for the Brand if submitted and approved within a limited amount of time (usually 6 months or less). However, we and our predecessor have not always agreed to do so, and we may freely choose not to credit the Franchise Application Fee toward the Franchise Application Fee of another Franchise Application for the Brand even under these circumstances. While the Franchise Application 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 franchisee, and other unique circumstances. However, we and our predecessor have not always waived or reduced the Franchise Application Fee or offered other incentives even for franchisees or projects possessing these characteristics, and we may freely choose not to reduce your Franchise Application 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 Franchise Application Fee in a lump sum when you submit your Franchise Application, we may occasionally allow payment of the Franchise Application 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 Franchise Application Fee at any time. If there is a default under the Franchise Agreement, the outstanding installment payments are accelerated and become your immediate obligation, along with court costs and attorneys' fees for collection.

In addition to the Franchise Application Fee, if you are applying for a franchise for a hotel that was previously operated as a Brand hotel, we may require, as a condition of approving your Franchise Application, that you pay outstanding royalties and other fees due under the prior franchise agreement relating to the Brand hotel. If you increase the proposed number of rooms/suites after your Franchise Application is approved and before the opening of your Hotel under the Brand, you must obtain our approval and pay any additional Franchise Application Fee owed as if those additional rooms/suites were part of your original Franchise Application.

2. Eforea Spa Fees. If you install our eforea spa concept in your Hotel, we or an affiliate will provide you with eforea spa design and construction guidelines, a collateral suite, spa menus, and access to required training provided by suppliers. After your hotel opens, you may either manage the spa yourself or retain the services of another spa management company approved by us. If you install a non-eforea branded spa concept, you must enter into an agreement with an approved third-party spa management company to provide consulting services to you in connection with the spa, including spa build-out and design, planning and concept development, business model creation, IT, construction and technical services, equipment selection and procurement, operational guidelines, menu development, and sales and marketing services.

3. Computer System Fees. You must use our required business computer system, which we may periodically change. Currently, we require you to use "OnQ®," which connects System Hotels to Hilton's reservation offices and travel planners worldwide. OnQ is comprised of proprietary components for reservations, property management, revenue management, rate & inventory management, forecast management, learning management, and other components we consider necessary to support the following activities: reservations, distribution, sales, customer relationship management, hotel operations, and business intelligence gathering and analysis. The complete OnQ package currently includes hardware, software, installation, and support.

OnQ Hardware and Software. You must use authorized hardware and the required software for the OnQ system. You may purchase the authorized hardware from HSS or its preferred providers, or you may purchase or lease it through other (non-preferred) third-party providers. If you acquire the hardware from another (non-preferred) third party, you must also pay HSS for its reasonable expenses in determining that it conforms to our specifications. You must also pay for all necessary communications vehicles for OnQ (wide area network connections, electronic mail, and internet connections), along with the installation and configuration costs, and travel and other expenses of the employees and vendors who perform the installation and configuration services. You are required to license the OnQ software from our affiliate, HSS. HSS is the only supplier of the OnQ software because of its proprietary nature. We are not able to determine a separate market price because there is no third-party market for this product. You must pay for the reasonable travel and other expenses of HSS employees and vendors who install and maintain the software. The costs shown here are for the standard OnQ package and include hardware, software, installation

and certain other costs and fees, and is based on the size of the hotel and number of workstations. These fees are not refundable.

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

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

You must install our "Connected Room" system, which enables streaming media and permits guests to use their smart phones and other personal mobile devices to control their guest room television and other conveniences such as lighting and temperature using the Hilton Honors App. The Connected Room system is not part of the OnQ system but the total estimated cost is included within the total estimated OnQ cost ranges shown here.

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

The costs shown above do not include certain costs payable to third parties in connection with the OnQ system. They also do not include costs payable to third parties in connection with our required Guest Internet Access system, or the costs of optional computer system components that we may recommend. Further details appear below in this Article 6 (see Other Fees) and Article 7(see Other Costs of Establishing the Franchise). All computer system costs are subject to change, and normally are not refundable.

4. Opening Process Services Fees. You must pay an Opening Process Services Fee before opening. This fee is to help recoup our costs in providing numerous pre-opening visits to your Hotel that focus on Brand Performance Support, commercial activation consultations and other services to enable you to open your Hotel, as well as opening day approval and confirmation visits, and post-opening commercial activation meetings. This fee is not refundable.

5. Procurement and Services Fees. 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 negotiates with manufacturers and suppliers for the distribution of hotel furniture, furnishings, fixtures, equipment and supplies, certain food and beverage equipment supplies, and certain hotel services at a discount. You may purchase these items from HSM, but you are not obligated to do so. If you choose to buy from

HSM it will invoice you for the cost of the products, freight, taxes, and other actual costs, plus a procurement fee. HSM may offer you a payment plan. These payment plans are agreed with each franchisee individually based on the type of project. Currently, HSM offers franchisees the ability to pay the project costs in 5 installments as follows: first – 5%, second – 5%, third – 10%, fourth – 45%, and fifth – 35% of the total. These percentages may be adjusted based on the project's timeline. Payment dates are also based on the project's timeline. Payments are due in 30 days. The interest rate for late payments is 18.5% per year, compounded daily. Change orders must be paid in full, either in advance or with the next installment due.

6.2 Other Fees

The following is a list of other fees charged by, or payable to, us or our affiliates. Unless otherwise indicated, these fees are not refundable under any circumstances and other than the Royalty Fees and Liquidated Damages, are subject to change. All fees are stated in US Dollars.

TYPE OF FEE	AMOUNT	Due Date	REMARKS
General			
Monthly Royalty Fee	5% of Gross Rooms Revenue.	Payable monthly by the 15th day of the following month.	See Note 1.
Monthly Spa Royalty Fee	2% of Gross Spa Revenue.	Payable monthly by the 15th day of the following month.	Payable if you have an eforea spa and the Spa Amendment is in effect. See Note 1.
Monthly Program Fee	4% of Gross Rooms Revenue.	Payable monthly by the 15th day of the following month.	We may change the Monthly Program Fee. See Notes 1 and 2 and Article 12.
Room Addition Fee	Currently, $400 per guest room or suite, multiplied by the number of additional guest rooms or suites.	When we approve your application.	If you add or construct additional guest rooms at the hotel after you open the hotel under the Brand you must pay us a Room Addition Fee and sign an amendment to the Franchise Agreement. The fee is non-refundable once we approve your application.
Computer System Fees			
OnQ Additional Rooms Fee	Currently, $120 per additional guest room/suite.	When additional guest rooms/suites are completed.	If you add or construct additional guest rooms at the Hotel at any time after you sign the Franchise Agreement, you must pay Hilton or HSS the then current per guest room/suite software license fee charged to System Hotels multiplied by the number of additional guest rooms.
OnQ Connectivity Fees	Currently, between $1,485 and $3,000 per month.	Billed monthly.	Fee is determined by the number of workstations and other OnQ equipment at your Hotel.
OnQ Interface Fees	Currently, $1,000 per additional interface.	As agreed.	Payable if you add an additional OnQ interface after Hotel opening.
OnQ Hardware Maintenance Support Fees	Currently, $1,500 to $5,000 per month.	Billed monthly by the 15th day of the following month.	Fee is determined by the number of workstations and other OnQ equipment at your hotel. This range also includes the maintenance and support cost for the Connected Room system.
OnQ Software Maintenance Support Fees	Currently, $1,200 to $4,000 per month.	Billed monthly by the 15th day of the following month.	This cost is determined on the number of rooms and OnQ interfaces at your hotel.

TYPE OF FEE	AMOUNT	Due Date	REMARKS
OnQ Email Fees	Currently, $7.92 per user per month for all users and $12.50 per month for delivery to authorized mobile devices.	Billed quarterly.	Currently, you must have at least 3 accounts.
Delphi Sales and Events System	Currently, $798 per user per year.	Payable annually with invoice.	See Note 3.
Guest Internet Access Circuit	Currently, $1,195 to $4,900 per month.	Billed monthly.	You must install a Guest Internet Access Circuit that meets our specifications and pay for the ongoing cost of using the circuit from a preferred provider. You must arrange for procurement of the monthly service for the required dial-in line locally. The cost will depend on the circuit size, type and physical location of your Hotel. See Note 4.
Guest Internet Access Service	Currently, $750 to $2,250 per month.	Billed monthly.	You must purchase this service from a preferred provider. The cost will depend on your Hotel's size and number of meeting rooms. This estimate includes the connection and monthly service for the required dial-in line, 24x7 call center support and equipment break-fix maintenance. See Note 4.
Guest Assistance and Quality Assurance Programs			
Guest Assistance Program: Customer Satisfaction Guarantee	Currently, $300 per handled transaction for Hilton Honors Diamond members, $250 per handled transaction for Hilton Honors Gold members and $200 per handled transaction for all other guests.	Within 48 hours of receipt of invoice.	Payable to resolve guest complaints. Our Guest Assistance Agent may offer the guest a cash refund (up to the full cost of the customer's stay), Hilton Honors point rebate or complimentary return stay to resolve the complaint to the guest's satisfaction. You are billed the cost of the rebate plus the handling fee. We may change the maximum guest rebate amount or increase the handling fee.
Guest Assistance Program: Price Match Guarantee	Hotels must honor a 25% discount off the lower rate on all approved claims.	When the stay is consumed.	The discount applies if a guest finds a lower qualifying rate for a qualified booking at your hotel. After the Guest Assistance Department confirms the lower rate is available for booking through a third party channel, the claim is approved and the rate is adjusted. In addition, we may modify the amount provided and the method of payment to the guest.
Guest Assistance Program: First Contact Resolution	Currently, $15 administrative fee.	Within 10 days of billing.	Payable if more than 5 files are created in a month by Guest Assistance to resolve guest complaints about products, services of cleanliness. You must pay the cost of any compensation we provide to a guest to resolve the complaint, even if the fee does not apply.
Guest Assistance Program: Online Complaints	$25 per complaint administrative fee.	As invoiced.	If a hotel does not respond to a guest complaint or negative comment on certain designated websites or social media platforms within 24 hours, Guest Assistance will respond to the guest and this fee will be due. This program and fee are subject to change.

TYPE OF FEE	AMOUNT	Due Date	REMARKS
Quality Assurance Re-evaluation Fee	Currently $480 to $2,750 per re-evaluation visit.	Within 10 days of billing.	Payable each time we conduct an on-site quality assurance evaluation after your hotel has failed the previous quality assurance evaluation. The cost will be determined at $15 per available room and capped at $2,750. You must also provide complimentary lodgings for the quality assurance auditor during the evaluation.
Quality Assurance Special Re-evaluation Fee	Currently, $2,750 per re-evaluation visit.	Within 10 days of billing.	Payable each time we conduct a special on-site quality assurance evaluation ("Special"). We may conduct a Special: (a) to verify a default has been cured; (b) to verify that a PIP has been completed; (c) any time after your Hotel has failed two quality assurance evaluations in any calendar year; (d) if your Hotel fails its opening inspection; or (e) if your Hotel fails its previous Special. You must also provide complimentary lodgings for the quality assurance auditor during the evaluation.
Conferences and Training			
Brand Conference	Currently, $2,500 per attendee.	Before attendance.	Your general manager and director of sales must attend the Brand conference or regional meeting, usually held annually. We select the dates, location and duration of the conference, which vary from year to year. You must also pay the wages, travel, living and miscellaneous expenses of your attendees.
General Manager Training	Currently, $1,550 per attendee	Before attendance.	Your general manager must attend and successfully complete this virtual learning program, currently called our General Manager Activation, within 180 days of hire.
Commercial Leader Training	Currently, $1,550 per attendee.	Before attendance.	Your director of sales or other commercial leaders must attend and successfully complete this virtual learning program, currently called our Commercial Leader Activation, within 180 days of hire.
Training Program and Training Materials	Currently, $0 to $5,000 per course per attendee.	Before attendance or materials are shipped.	In some cases, you must also pay for wages, travel, food, lodging and miscellaneous expenses of your attendees, or the expenses of our trainers. Some training programs are mandatory and other training programs are optional. See Item 11.
Frequent Customer, Affiliation and Distribution Programs			
AAA/CAA Discounts & Rewards Program	Currently, $0.30 per available room.	Billed annually on DS/TAC invoice by second quarter.	Payable for American Automobile Association ("AAA") and Canada Automobile Association ("CAA") approved hotels. The program and fees are subject to change.
AAA/CAA Discounts & Reward Program: Member Direct	Currently, 10% commission.	If invoiced, within 15 days. If through Automated Clearing House ("ACH"), by the 12th business day of each month.	Payable for each consumed stay booked through the dedicated AAA/CAA "member-direct" line at Hilton Reservations & Customer Care.
AARP Program	Currently, $0.30 per available room.	Billed annually on DS/TAC invoice by second quarter.	Payable for participation in the American Association of Retired Persons ("AARP") program.

TYPE OF FEE	AMOUNT	Due Date	REMARKS
AARP Program Commission	Currently, 10% commission.	If invoiced, within 15 days. If through ACH, by the 12th business day of each month.	Payable for each consumed stay booked through a valid Travel Agency using the AARP rate code.
EDGE Program	Currently, 4.25% for each commissionable reservation, in addition to any other applicable reservation fees. We may increase this fee but it will not exceed $200 per stay. Currently, this fee is paid by the Brand Fund. However, we may charge you for all or a portion of this fee directly in the future.	Not applicable.	EDGE combines ecommerce and Demand Generation. We pay major search engines, ad networks, and direct referral partners to place listings in "sponsored search" results and other online channels. Consumers who click on our sponsored search are referred to brand.com. If the consumer books a hotel on brand.com and completes a stay, you will pay a commission to us for that booking.
Hilton Advance Program	Currently, 1.35% of eligible Digital Direct Revenue, not to exceed $30 per stay.	If invoiced, within 15 days of billing. If through ACH, on the 12th business day of the month.	We anticipate that this program will replace the EDGE Program. It is intended to help drive bookings through Hilton's online direct booking channels using lower-funnel marketing activities, search engine optimization, social media platforms, and other methods. Digital Direct Revenue is all Gross Rooms Revenue from bookings made through our online direct booking channels such as Hilton websites and mobile apps. See Note 1.
FastPay (Centralized Group Meeting Payment Program)	Currently, $0.18 per transaction and a support fee of $0.42 per transaction, plus the applicable commission. If we increase these fees this year, the combined total will not exceed $1.40 per transaction, plus commission.	If invoiced, within 15 days of billing. If through ACH, on the 12th business day of each month.	This required program centralizes and automates third-party group and meeting planner commissions into one payment for all participating hotels. It may also perform reconciliation services for these payments. We may determine the items that are commissionable, the third parties eligible to be paid, and the commission percentage(s) paid through this program, all of which are subject to change based on market conditions and other factors.
Group Preferred Partnership Program	Currently, $1.25 per transaction, plus the applicable commission. If we increase this fee this year, it will not exceed $2.50 per transaction, plus commission.	If invoiced, within 15 days of billing. If through ACH, on the 12th business day of each month.	This optional program provides additional access to select top group intermediary customers, including participation in marketing and promotions designed to drive incremental business.
Frequent Traveler/Guest Reward Program	Currently, 4.3% of total eligible guest folio. This fee is waived for stays in which the guest is enrolled on-property in Hilton Honors.	10 days after billing.	You must participate in any brand specific or System-wide guest frequency or reward program. Currently, you must participate in Hilton Honors. These programs are subject to change. See Note 5.
Hilton Honors Event Planner Bonus Program	Currently, $0.005 per Hilton Honors bonus point awarded.	As incurred.	This is an optional commercial incentive program. It enables hotels to award Hilton Honors bonus points to an event planner for a group booking (or as otherwise specified in the group booking contract) in addition to points earned by individual guests in the group. Hotels must opt-in during an annual enrollment period to participate. New hotels may enroll on opening. We may make this

TYPE OF FEE	AMOUNT	Due Date	REMARKS
			program required in the future. Fees and program terms are subject to change.
Hilton Plus Program	Currently, $0.18 transaction fee applies to all bookings through Hilton Plus, including no-show, canceled, commissionable and non-commissionable reservations. Hotel is billed 10% commission on the consumed hotel revenue.	If invoiced, within 15 days of billing. If through ACH, on the 12th business day of each month.	The Hilton Plus Program is mandatory for all hotels in the System and 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. Hotel receives 25% credit on the positive gross margin generated from the non-hotel components of the Hilton Plus Package.
Third-Party Reservation Charges	Currently, up to $5.45 per stay.	If invoiced, within 15 days of billing. If ACH, on the 20th day of each month.	Currently includes the costs and fees incurred in connection with Third-Party Reservation Systems, such as GDS, airline reservation services, internet and other service reservation providers for using their distribution system for reservations. Certain Third-Party Reservation services may not be subject to this fee.
Travel Planner Centralized Payment Program ("TPCP")	Currently, up to 10% commission and $0.18 per transaction processing charge.	If invoiced, within 15 days of billing. If through ACH, on the 12th business day of each month.	Participation is mandatory. TPCP consolidates all commissionable consumed travel planner bookings and remits one payment per agency. Commission is payable on the total room rate and other commissionable charges and transaction charge is payable on commissionable and non-commissionable reservations, no-shows and cancellations.
Unlimited Rewards Travel Counselor Incentive and Loyalty Program	Weekday stay (Monday - Thursday nights) = $0.71; Weekend stay (with 1 Fri/Sat/Sun night) = $1.42; Weekend stay (with 2 Fri/Sat/Sun nights) = $2.13; Double Dollars, amounts increase to $1.42, $2.63 and $3.84, respectively.	If invoiced, within 15 days of billing. If through ACH, on the 12th business day of each month.	Mandatory participation for all hotels participating in the TPCP program. These funds are remitted to Avis Budget (a portion is paid to the travel planner; Avis Budget retains the remaining amount as a processing charge).
Transfers, Re-licensing and Financing			
Franchise Application Fee - Change of Ownership	Currently, $125,000.	With Franchise Application.	Payable for any proposed transfer that does not qualify as a Permitted Transfer.
Permitted Transfer Processing Fee	Currently, $5,000.	When you submit the request for our consent.	Payable for any proposed transfer that qualifies as a Permitted Transfer and requires our consent. We will waive this fee for 1 Permitted Transfer before the Opening Date.
Franchise Application Fee - Re-licensing	Currently, $75,000.	With Application.	Payable if we enter into a new franchise agreement with you at the end of the Term.
Lender Comfort Letter Processing Fee	Currently, $3,000.	Before we issue a Lender Comfort Letter.	We will only issue a Lender Comfort Letter if you request it.
Public Offering or Private Placement Processing Fee	Currently, $5,000.	When you submit a request for our approval.	You must pay any additional costs we may incur in reviewing your documents, including reasonable attorneys' fees.

TYPE OF FEE	AMOUNT	Due Date	REMARKS
Management Fees			
Management Fees	Fees will be established by mutual agreement.	As incurred.	Payable if you enter into a management agreement with us or our affiliate. You may hire an outside management company with our approval.
Remedies and Damages			
Actual Damages Under Special Circumstances	Actual amount.	On demand.	Under certain circumstances we will charge you actual damages for the termination of your Franchise Agreement.
Audit	Actual amount of discrepancy plus service charges.	On demand.	Payable if audit reveals that you understated or underpaid any payment due us which is not fully offset by overpayments. 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 our Affiliates or to remedy your default.
Indemnification	Reimbursement of all reasonable expenses including attorneys' fees and court costs we incur to protect ourselves, our subsidiaries or affiliates due to any claim, demand, tax, penalty, or judicial or administrative investigation or proceeding arising from any claimed occurrence at your hotel, or to remedy your defaults under the Franchise Agreement.	Case by case basis as incurred.	You must defend us, our direct and indirect owners, and each of such entities' current and/or future subsidiaries, and Affiliates and any officers, directors, employees, agents, successors and assigns but we retain the right, through counsel of our choice, to control any matter to the extent the matter directly or indirectly affects us, our subsidiaries, affiliates, officers, directors, employees, agents, successors or assigns.
Insurance	Actual amount.	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 Unauthorized Opening	$5,000 per day that your hotel is open without authorization.	On demand.	Payable if you open before we give you written authorization to open, plus our costs, including attorneys' fees.
Liquidated Damages for Pre-Opening Termination	$10,000 multiplied by the number of approved Guest Rooms at the Hotel.	On demand.	Payable if the Franchise Agreement is terminated: (1) before you begin Hotel Work and you or a Guarantor enter into an agreement for, or begin the construction or operation of, another hotel at the site within 1 year after termination; or (2) after you begin the Hotel Work but before you open (unless excused by Force Majeure). See Note 6.
Liquidated Damages for Post-Opening Termination	The greater of: (a) the Hotel's Average Monthly Royalty Fees multiplied by 60; or (b) $10,000 multiplied	On demand.	Payable if the Franchise Agreement is terminated on or after the Opening Date but before the 2nd anniversary of the Opening Date. See Note 6.

TYPE OF FEE	AMOUNT	Due Date	REMARKS
	by the number of approved Guest Rooms at the Hotel.		
	The Hotel's Average Monthly Royalty Fees multiplied by 60.	On demand.	Payable if the Franchise Agreement is terminated after the 2nd anniversary of the Opening Date but before the final 60 calendar months of the Term. See Note 6.
	The Hotel's Average Monthly Royalty Fees multiplied by the number of months remaining in the Term.	On demand.	Payable if the Franchise Agreement is terminated within the last 60 months of the Term. See Note 6.
Service Charges for Overdue Payments	1.5% 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	Actual amount.	On demand.	Payable if any sales, use, gross receipts or similar tax is imposed on us for the receipt of any payments you are required to make to us under the Franchise Agreement.
Identity, Sales and Distribution Non-Compliance Fee	Currently, $500 per instance.	On demand.	This cost-recovery fee is payable if your Hotel fails to comply with the Identity, Sales, and Distribution Brand Standards.
Franchise Agreement Non-Compliance Fee	1% of Gross Rooms Revenue.	On demand.	This charge will apply each month in which you fail to comply with the Franchise Agreement. See Notes 1 and 7.
Miscellaneous Services/Programs			
Consultation and Service Fees	Set by us on a project-by-project basis.	When we request.	Payable if we make consultation and/or other voluntary services available to you on request.
Consortia Program	Currently, $2.70 for each consumed night booked under the Consortia "parity" rate, plus applicable commission.	If invoiced, within 15 days of billing. If through ACH, on the 12th business day of each month.	You must participate in BOTH or NEITHER of the Consortia Program and the TMC Pay-On-All-Pay-For Performance Program. The list of participating travel agency accounts can and will vary depending on negotiations with accounts. We pay a portion of the fee directly to the TMC; the remainder is used to fund marketing efforts with the TMC and as a processing charge.
TMC Pay-On-All-Pay-For Performance Program	Currently, $1.03 plus up to 10% commission or fee, where applicable, for each consumed night booked by a TMC travel agency. If we increase this fee this year, it will not exceed $1.15, plus commission.	If invoiced, within 15 days of billing. If through ACH, on the 12th business day of each month.	You must participate in BOTH or NEITHER of the Consortia Program and the TMC Pay-On-All-Pay-For Performance Program. The list of participating travel agency accounts can and will vary depending on negotiations with accounts. We pay a portion of the fee directly to the TMC; the remainder is used to fund marketing efforts with the TMC and as a processing charge.
FedRooms Program	Currently, 2.75% of room revenue for each consumed stay booked under the program SRP.	Billed on TACS invoice. Due within 15 days of billing if invoiced. If ACH, on the 15th of the month.	This is a government and military program. You are not required to participate. We pay the entire fee to FedRooms.
CWTSatoTravel Program	Currently, $2.70 for each consumed night booked under the program SRP, and standard travel agency commissions ranging from 8% to 10%.	Billed on TACS invoice. Due within 15 days of billing if invoiced. If ACH, on the 15th of the month.	This is a government and military travel program. You are not required to participate. We pay a portion of the fee to CWTSatoTravel. The remainder is used to fund marketing efforts with CWTSatoTravel and as a processing charge.

TYPE OF FEE	AMOUNT	Due Date	REMARKS
DOD Preferred Program	Currently, 2.75% of room revenue for each consumed stay booked under the program SRP.	Billed on TACS invoice. Due within 15 days of billing if invoiced. If ACH, on the 15th of the month.	This is a government and military travel program that may be offered to you in the future. If offered, you are not required to participate. We pay the entire fee to DOD Preferred.
Omega World Travel Government/ Consortia Programs	Currently, $2.70 for each consumed night booked under the programs SRPs, and standard travel agency commissions ranging from 8% to 10%.	Billed on TACS invoice. Due within 15 days of billing if invoiced. If ACH, on the 15th of each month.	Payable if you participate. We pay a portion of the fee directly to Omega World Travel in lieu of annual participation fees. The remainder is used to fund training and marketing directed at the agents booking hotels.
ADTRAV Government Pay for Performance Fee	Currently, $2.70 for each consumed night booked under the program SRP, and standard travel agency commissions ranging from 8% to 10%.	Billed on TACS invoice. Due within 15 days of billing if invoiced. If ACH, on the 15th of each month.	Payable if you participate. We pay a portion of the fee directly to ADTRAV in lieu of "up-front" annual participation fees for preferred status. The remainder is used to pay for training and marketing directed at the agents booking hotels.
ResMax Program	Currently, 4.47% to 5.75% of consumed revenue from ResMax booking. Rate varies due to type of booking, length of stay, and other factors.	As required by us or our affiliate.	ResMax with Auto Attendant provides additional reservation call handling services by automatically transferring reservation calls to a ResMax sales specialist. ResMax is an optional, supplemental service. If your hotel is not enrolled in ResMax and accepts a referral, we may charge you a fee of up to 5.75% of consumed revenue from the ResMax booking. The program terms, eligibility, and fees are subject to change.
Revenue Management Consolidated Center (RMCC)	Currently, a registration fee of $800 plus $1,025 to $6,000 per month, depending on the Model. Lead Management Services $1,030 to $1,395 per month.	Within 10 days of billing.	RMCC provides revenue management, analysis, strategy, lead management, and coaching services to franchisees. RMCC offers different levels of service based on tiered Models. RMCC is an optional, supplemental service. RMCC programs and fees are subject to change.
Procurement and Services Fees	Currently, 4% to 10% of project cost.	Within 10 days of billing.	Payable if you buy from HSM, in addition to the product cost, freight, taxes and other actual costs incurred by HSM.

NOTES

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), Mandatory Guest Fees, late cancellation fees and guaranteed no-show revenue and credit transactions, whether or not collected, at the actual rates charged, less allowances for any Guest Room rebates and overcharges, and will not include taxes collected directly from patrons or guests. Group booking rebates, if any, paid by you or on your behalf to third-party groups for group stays must be included, and not deducted from the calculation of Gross Rooms Revenue.

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

third party (such as tourism public improvement district fees, tourism or improvement assessments, and convention center fees). “Gross Spa Revenue” means all revenue from services and retail sales of products from the eforea spa, less allowances for spa rebates and overcharges, but does not include any sales or other taxes collected directly from spa customers or any revenues from food and beverage sales of the spa.

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

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% of Gross Rooms Revenue over the term of the Franchise 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 Brand Hotels; (iii) developing and maintaining the Reservation Service systems and support; (iv) quality assurance programs; (v) certain computer costs; and (vi) 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, our parents or affiliates in which you voluntarily choose to participate. These fees also do not cover the cost of operating the hotel in accordance with the Standards or the Manual.

3. You must use Delphi.fdc, a cloud-based sales and events system powered by Amadeus Hospitality in a configuration we approve. For this service you will pay initial set-up costs to the vendor, and ongoing annual license fees to us. The set-up costs of this system are shown below (see Article 7 Other Costs of Establishing the Franchise). The annual license fees and maintenance costs are shown here and include a 10% mark-up. You will pay the license fees and maintenance costs to HSS, which are then passed-through to the vendor. We keep the mark-up as reimbursement for our costs in developing and maintaining Delphi.fdc for our Network Hotels. You must maintain and update the system at your cost to remain in compliance with the

Standards. There are no limits on the frequency or cost of this obligation. Delphi.fdc integrates with other Hilton business systems, including the MeetingBroker lead distribution platform.

4. You must provide internet access for all guest rooms, meeting rooms, and public spaces at your Hotel in accordance with our Standards ("Guest Internet Access"). Currently, our approved Guest Internet Access program is called "StayConnected." You must install certain hardware and software, an internet access circuit, and subscribe to an internet access service to meet this requirement. The installation costs are described below in Article 7 (see Other Costs of Establishing the Franchise) and the ongoing monthly costs are shown here. You must obtain your Guest Internet Access circuit and Guest Internet Access service from our preferred providers. In the past we have permitted franchisees to acquire these services from either preferred providers or our affiliate, HSS, and may do so again in the future.

5. You must participate in, and pay all charges related to, our and our affiliates' marketing programs not covered by Monthly Program Fees, and all guest frequency programs we or our affiliates require, including the Hilton Honors Worldwide guest reward programs or any successor programs. You must also honor the terms of any discount or promotional programs (including any frequent guest program) that we or our affiliates 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 Honors™ guest reward program operated by Hilton Honors Worldwide, and airline and rental car company frequent user programs in which our affiliates participate. The Hilton Honors™ guest reward program was originally called "Hilton HHonors®" and changed its name to Hilton Honors™ in February 2017.

Hilton Honors members may accumulate Hilton Honors points with most stays for all eligible dollars spent at participating Hilton Honors hotels. Hilton Honors members, can obtain frequent flyer mileage credit in one participating airline's frequent flyer program per stay with most stays at participating Hilton Honors hotels. Hilton Honors members may earn both points and frequent flyer mileage credit for the same stay at participating hotels. Hilton Honors members may also earn additional points for using Hilton Honors car rental and/or other partners in conjunction with a stay and may periodically earn additional point and/or mileage bonuses through promotional activity. The only room rates that are not eligible for Hilton Honors 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 Honors airline partners. Hilton Honors members may redeem their accumulated points for discounted and free hotel room nights and other rewards. Terms of the Hilton Honors program are subject to change. Pricing is subject to change and is reviewed annually.

These basic program fees are assessed on any stay for which a guest (a) earns Hilton Honors points, or (b) earns both Hilton Honors points and airline mileage credit. Additional Hilton Honors bonus points that Hilton Honors 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 Hilton Honors members. Hotels must allocate a certain percentage of rooms inventory for free night reward redemption by Hilton Honors members as specified by the Hilton Honors program. Hotels will be reimbursed for these reward redemptions on the same basis as other similarly situated participating hotels as specified by the Hilton Honors program.

6. The term "Hotel's Average Monthly Royalty Fees" means: (a) if the Hotel has been operating for at least 24 months, the amount of all Monthly Royalty Fees due under the Franchise Agreement for the 24 month period before the month of termination divided by 24; and (b) if the Hotel has not been operating for at least 24 months, the amount of all Monthly Royalty Fees due under the Franchise Agreement for the period between the Opening Date and the termination date divided by the number of months between the Opening Date and the termination date. Any percentage fee discounts (including fee ramps) are excluded from the calculation of Hotel's Average Monthly Royalty Fees.

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

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 franchisee for the establishment of a franchise hotel under the 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 US and Canada and are estimates only of average or reasonably anticipated expenses. 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, the prevailing wage rate, room occupancy rates reached, and local economic conditions. Your actual expenses may exceed the estimates reflected in the chart, perhaps significantly. Please note that these figures are not influenced by any particular level of sales as these expenses are incurred before your operation. 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 franchisees. 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. You should review these figures carefully and compare them with information you obtain from local sources, and then discuss your findings with a business or other legal advisor before you make a decision to purchase the franchise. To our knowledge, the costs and expenses described below are not refundable; however, you should check with the third parties regarding their practices. All amounts are stated in US Dollars.

YOUR ESTIMATED INITIAL INVESTMENT
TAPESTRY HOTEL (250 ROOMS)

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Franchise Application Fee Note 1	$75,000	Lump Sum	With Franchise Application	Us
Product Improvement Plan Note 2	$0 to $7,500	Lump Sum	With Franchise Application	Us
Market Study Note 3	Varies	As agreed	As agreed	Supplier
Environmental Assessment Note 4	Varies	As arranged	As arranged	Supplier
Real Property Note 5	Varies	As agreed	As arranged	Supplier
Construction and Leasehold Improvements Note 6	$0 to $75,600,000	As agreed	As agreed	Suppliers
Designer & Engineering Fees	$0 to $3,300,000	As arranged	As arranged	Suppliers
Furniture, Fixtures & Equipment Note 7	$0 to $12,650,000	As agreed	As agreed	Suppliers
Inventory & Operating Equipment Note 8	$1,250,000 to $2,500,000	As required	As required	Suppliers
Signage Note 9	$1,000 to $150,000	As required	As required	Supplier
Computer Software & Hardware Note 10	$149,055 to $298,500	Lump Sum As required	45 days before opening	Us or Suppliers
Guest Internet Access Program Note 10	$113,750 to $155,000	Lump Sum	45 days before opening	Suppliers
Delphi Sales and Events System Note 10	$2,500 to $41,000	As required	As incurred	Supplier
Required Pre-Opening Training Note 11	$5,000 to $15,000	As arranged	As incurred	Us and Suppliers
Accessibility Consultant Fee Note 12	$6,000 to $15,000	Lump sum	On request	Us or Supplier
Construction/Renovation Extension Fee Note 13	$0 to $10,000	Lump Sum	If requested	Us
Insurance Note 14	Varies	As required	As required	Agent/Insurer
Organizational Expense Note 15	$75,000 to $232,000	As agreed	As agreed	Accountant/ Attorney

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Permits & Licenses Note 16	$0 to $700,000	As required	As required	Governmental Agency
Miscellaneous Pre-Opening & Project Management Expenses Note 17	$500,000 to $1,500,000	As incurred	As agreed	Suppliers
Contingencies Note 18	$0 to $7,560,000	As incurred	As agreed	Suppliers
Additional Funds Note 19	$800,000 to $1,200,000	As incurred	As arranged	Suppliers
Eforea Spa Initial Fee Note 20	$0 to $25,000	As agreed	As agreed	Us
Additional Funds for Eforea Spa Implementation Note 21	$0 to $5,175,000	As incurred	As agreed	Suppliers
Other Required Pre-Opening Services Fees Note 22	$20,000	As incurred	Before opening	Us
TOTAL Note 23	**$2,997,305 to $111,229,000** THESE FIGURES DO NOT INCLUDE REAL ESTATE COSTS, MARKET STUDIES, INSURANCE, INTEREST OR SEPARATELY IDENTIFY THE COST OF IMPROVEMENTS UNDER A CONVERSION, RE-LICENSING OR CHANGE OF OWNERSHIP LICENSE.			

NOTES

1. See Article 6.1 for more information about the Franchise Application Fee. The Franchise Application Fee in the table is calculated based on the room count shown in this table.

2. If you apply to convert an existing hotel or apply for a change of ownership or other re-licensing, we charge an additional nonrefundable PIP fee to determine the upgrading requirements for the hotel.

3. For all new hotels, we recommend and may require a market study from a nationally recognized independent firm which discusses the competition for your proposed hotel, together with a minimum 5-year operating pro forma from you, based on the market study, showing your anticipated operating results. While we do not require prospective franchisees who are converting existing hotels to obtain a market study, occasionally we may encourage a prospective franchisee to commission a market study to evaluate the economic consequences of Conversion. Our acceptance of the market study with a pro forma is not a financial performance representation on our part or a ratification of the projections by the consultant.

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

5. These estimates do not include the cost of the real property due to wide variations in costs among geographic areas and at different sites. The cost of land for a hotel varies depending on

location, size, market prices in the area, accessibility, and special assessments, among other factors. If you are converting an existing hotel that you already own or lease, you may have no additional real property costs.

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

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

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

9. Signs include freestanding signs and primary identification for the building. This estimated cost includes installation, freight, foundation and wiring. You must install, display, and maintain signage displaying or containing the Brand and other distinguishing characteristics in accordance with plans, specifications and standards we establish for System Hotels. For conversions, new freestanding signs and primary identification for the building may not be required. You must purchase exterior signage from a vendor currently licensed by us. You may contact us for a current list.

10. You must acquire and install hardware and software for the required computer systems, including the OnQ system, Guest Internet Access system, Connected Room system, Guest Facing Workstations/Business Center, and the Delphi Sales and Events System. The amounts shown here are different than the amounts shown in Article 6.1 because the amounts shown here also include costs that are payable to third parties. See above Article 6.1 for details.

OnQ Hardware and Software. You must use authorized hardware and the required software for the OnQ system. Details regarding the OnQ System appear above in Article 6 (see Initial Fees and Other Fees).

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

Guest Internet Access Hardware and Software. Currently, our approved Guest Internet Access program is called "StayConnected." You must install certain hardware and software, an internet access circuit, and subscribe to an internet access service to meet this requirement. The hardware and software for Guest Internet Access will be provided by, installed by, and maintained by our preferred providers. You may purchase the necessary hardware from a preferred provider, or we may permit you to purchase or lease it through other (non-preferred) third-party vendors. In addition to the hardware and software costs, you must pay for all necessary communication vehicles (phone lines, network connections), installation and configuration costs, and travel and other expenses of the vendors who perform the installation and configuration services. The estimate shown here includes Guest Internet Access hardware, software, installation, and certain other costs and fees, excluding taxes or structured cable and cabling installation. If we permit you to acquire the hardware from another (non-preferred) third-party provider, you must also pay HSS for its reasonable expenses in determining that the hardware conforms to the required specifications.

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

Connected Room. You must install our "Connected Room" system, which enables streaming media and permits guests to use their smart phones and other personal mobile devices to control their guest room television and other conveniences such as lighting and temperature using the Hilton Honors App. This system requires a control module that is connected to each in-room television along with certain electrical fixtures such as light switches and thermostats, which you must purchase from us or our approved vendors. The cost of each control module is currently $150, and the cost of the electrical fixtures is competitive with equivalent standard fixtures. These costs are paid before opening. You must also have a maintenance and support contract from us or an approved vendor, which currently costs $1 to $2 per control module per month. The Connected Room system is not part of the OnQ system but the total estimated cost per hotel is included within the total estimated cost ranges for the OnQ Hardware, Software, and Maintenance costs shown above (and in Articles 6.1 and 6.2, respectively). These costs are normally not refundable.

Guest Facing Workstations/Business Center. You may choose to have computer workstations and printers available for guest use, free-of-charge, in either a traditional business center or in an open zone in the lobby. If you do, the components must meet our Standards and specifications. The number of required workstations varies by the size of the hotel. You must obtain specified hardware, software and ongoing support from our approved suppliers. We are not obligated to provide any maintenance or updates for this center. You must maintain and update the center at your cost to remain in compliance with the Standards. There are no limits on the frequency or

cost of this obligation. We will not have independent access to any information that will be generated by or communicated through this center.

Delphi Sales and Events System. You must also use Delphi.fdc, a cloud-based sales and events system, powered by Amadeus Hospitality, a third-party vendor. The set-up costs of this system are shown here. Additional set-up costs may apply, depending on implementation approach you choose and the specific needs of your Hotel. You must also pay ongoing costs on a per-user basis as shown above in Article 6.2 (Other Fees). The number of users varies by hotel and there is no established average. Therefore, we cannot estimate these ongoing costs during the initial period.

In addition, you must pay for the preparation of a digital floor plan for your Hotel (see Article 6.1).

11. We will provide the required training programs required under the terms set forth described in Articles 6.1 and 11 of this Disclosure Document. You are responsible for the costs of training materials, and travel and living expenses while training. We may charge additional training costs based on the number of personnel that require training. We anticipate that overall training costs will be reduced over time. We are beginning to utilize new online virtual learning programs, which we estimate could lower certain training expenses by up to 20% to 40%, as well as reduce your employees' time away from the business.

12. If you want to engage in a Permitted Transfer, Conversion, Re-licensing or Change of Ownership Transfer for your Hotel, you may be required to complete an independent survey conducted by a consultant to determine your Hotel's compliance with accessibility requirements for disabled persons.

13. Your Franchise Agreement contains deadlines by which construction or renovation work must begin. After the expiration of any automatic extensions without a fee, you may request a further extension of this deadline and must pay the applicable fee if we approve your request.

14. You must maintain the minimum levels and types of insurance specified in the Manual at your expense. This insurance must be with insurers having minimum ratings we specify; name as additional insureds the parties we specify in the Manual; and carry the endorsements and notice requirements we specify in the Manual. Insurance premiums vary widely by reason of location, size of hotel and type of coverage purchased and cannot be estimated.

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

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

17. You may incur pre-opening expenses for additional personnel training; sales; administrative and general expenses; project management; technical services; advertising; security deposits, utility deposits, and opening festivities. Because there are so many variables for an existing hotel, we cannot estimate these pre-conversion expenses for a franchisee converting an existing hotel.

18. "Contingencies" means unanticipated construction cost overruns and other unanticipated expenses. Because there are so many variables for an existing hotel, we cannot estimate these

pre-conversion contingencies for a franchisee converting an existing hotel. You should assume it will be at least 10% of construction costs.

19. This estimates your initial operating expenses for 3 months after opening. These figures are estimates only and you may have additional expenses starting the business. Your costs will depend on such factors as your management decisions, local economic conditions, competition, and how quickly occupancy rates increase after opening.

20. The initial fee is paid only if you are installing an eforea spa in your hotel.

21. The low estimate assumes you are not opening a spa. The high estimate includes the cost to build out and equip the spa to current spa standards, whether you are installing an eforea spa or another spa concept. Costs may be greater for a Conversion hotel or to convert space in an existing Tapestry hotel into an eforea spa or another branded spa that meets our specifications.

22. If applicable, see Article 6.1 for more information on required pre-opening services fees.

23. In compiling these estimates we relied on Hilton's 60+ years of experience in operating or franchising hotels. With respect to an eforea spa, we relied on Hilton's experience over the last 6 years in operating eforea spas in the US. All amounts are stated in US Dollars, and are current as of the date of this Disclosure Document, but may have changed since that time. We cannot reasonably estimate the likelihood or magnitude of any such changes. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. The expenses shown in these charts are for typical New Development and Conversion hotels of the type and size shown. In a Conversion, your costs will depend on the type and condition of your existing hotel, its age, physical structure and quality of furnishing. Because there are so many variables involving any particular existing hotel, we are unable to provide an estimate of costs.

ARTICLE 8
ANNUAL OPERATING COSTS

Except as may be described in this Disclosure Document, we do not provide estimates of operating costs or projected earnings. Further, we do not authorize our salespeople or any of our 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 Agreement.

ARTICLE 9
FINANCIAL PERFORMANCE REPRESENTATIONS

We do not furnish, or authorize our salespersons or anyone else to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of a Tapestry hotel. Actual results vary from unit to unit and we cannot estimate the results of any particular franchised hotel.

ARTICLE 10
FINANCING ARRANGEMENTS

Other than the development incentive program described below, we generally do not offer direct or indirect financing for franchisees. 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.

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

We may, in our sole discretion, offer incentives for new hotels ("Incentives"). An Incentive is a financial contribution that we make to assist with the development or conversion of your Hotel. To receive an Incentive, you and your principals must sign a development incentive note ("Note") in the form attached as Exhibit A-1 when you sign the Franchise Agreement. The Incentive will be disbursed to you within 30 days after the Hotel opens with our consent. An Incentive does not have to be repaid, unless the franchise terminates before the end of the Term or a transfer occurs as described below.

An Incentive is not a loan, it is a contingent liability. If your franchise terminates before the end of the Term you must pay us the then-current repayable amount of the Incentive. If you transfer your Hotel you must also pay us the then-current repayable amount of the Incentive, unless we permit the transferee to assume your obligations under the Note. In that case we may require the transferee to provide us with such additional security as we deem appropriate. The repayable amount of the Incentive decreases over time. For each year that the Hotel is open, the repayable amount is reduced by an equal annual percentage of the Term. For example, if the franchise has a 10 year Term, the repayable amount is reduced by 1/10th of the original amount annually. If the franchise has a 20 year term, the repayable amount is reduced by 1/20th of the original amount annually. An Incentive bears no interest. However, if an Incentive becomes repayable and payment is not made in full when due, the outstanding amount is subject to interest at 1.5% per month or the highest rate allowed by law. We may grant renewals, extensions, modifications, compositions, compromises, releases or discharges of other parties without notice to any guarantor or co-maker. You may not use any portion of the Incentive to make, offer, or authorize any Improper Payment or engage in any act violating any Anti-Corruption Law. If we reasonably believe that you have used the Incentive in violation of any Anti-Corruption Law, you must cooperate with our reasonable requests for information and permit us to inspect all books and records pertaining to your Hotel.

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

ARTICLE 11
TRAINING AND ASSISTANCE

Hilton 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. If you hire a replacement for any of the categories of personnel who must attend a training program, the replacement must successfully complete the appropriate training program.

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

TRAINING PROGRAM

Subject	Hours Of Classroom Training	Hours of On the Job Training	Location
Brand Conference (Note 1)	Varies	0	Various locations
General Manager Training (Note 2)	24	0	Virtual
Commercial Leader Training (Note 3)	24	0	Virtual
OnQ Property Management Training (Note 4)	Varies by position	0	Hilton University
Tapestry Orientation (Note 5)	0 to 32	0	On-site
Hilton Honors Training (Note 6)	1 to 2	0	Hilton University
CRM Training (Note 7)	1	0	Hilton University
Accessibility Training (Note 8)	Varies	0	Online
Eforea Spa Training (Note 9)	16	0	On-site
Information Security and Privacy (Note 10)	1	0	Hilton University or On-site

NOTES

1. **Brand Conference**. We may hold annual Brand or regional conferences. The conference includes general sessions for all attendees and breakout sessions offering a variety of specialty topics from which the attendees can choose to attend. We may periodically combine the Tapestry Brand conference with one or more of our other brands or with other department conferences. Your general manager and director of sales must attend the conference. Conference program fees and expenses are not refundable. The conference may be held at various hotel locations. Currently, the cost is $2,500 per attendee.

2. **General Manager Training**. Your general manager must attend and complete our 6-week virtual learning onboarding program, currently called our General Manager Activation, before the Hotel opens, or is converted, or within 180 days of hire. Perfect attendance is required to complete the training. The subjects covered include Brand management, marketing, customer measures and quality assurance, technology review, and Brand leadership. We conduct this training multiple times per year. Currently, the cost is $1,550 per attendee.

3. **Commercial Leader Training**. Your director of sales must attend complete our 6-week virtual learning onboarding program, currently called our Commercial Leader Activation, before the Hotel opens, or is converted, or within 180 days of hire. Perfect attendance is required to complete the training. The subjects covered include Brand management, marketing, sales skills, technology review, and Brand leadership. We conduct this training multiple times per year. Currently, the cost is $1,550 per attendee.

4. **OnQ Property Management System (PMS) 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. This online training is mandatory for all employees working in the subject areas within 10 days of hire. We will verify that all front desk staff and management have successfully completed training and have passed an OnQ certification test by at least a minimum score of 80%. If your staff does not attain the minimum score, the opening of your Hotel may be delayed. Currently, there is no separate fee for this training.

5. **Tapestry Orientation.** All employees at your Hotel must complete a new employee orientation program at your Hotel within 30 days of the opening of your Hotel under the Brand. Any new employee hired after the opening of your Hotel must complete an orientation program within 30 days of hire. The length of the required training will vary depending on the position of your employee. Currently, there is no separate fee for this training.

6. **Hilton Honors Training**. The Hilton Honors Training is online through Hilton University. This training program is mandatory for all key management staff and applicable front office personnel and must be completed before the Hotel opens, or is converted, or within 14 to 45 days of hire, depending on job position. Currently, there is no separate fee for this training.

7. **CRM Training**. The CRM (Customer Really Matters) training program is on Hilton University. This training helps your employees identify your most valuable guests. It is to be shown within 45 days for all new hires and within 14 days for front desk team members, general managers, and department heads. Currently, there is no separate fee for this training.

8. **Accessibility Training**. If you engage in a Permitted Transfer, Conversion, Relicensing or Change of Ownership Transfer, we may require you to attend online training in order to complete an independent survey conducted by a consultant to determine the Hotel's compliance with the legal requirements relating to accessibility for persons with disabilities. Currently, there is no separate fee for this training.

9. **Eforea Spa Training**. If you have an eforea spa at your Hotel, this training must be completed 120 days before your eforea spa opens for business by the spa director, each member of your leadership team, all members of administration and all technical positions including estheticians, nail technicians, therapists and hairdressers. Training will focus on various products and services that you will provide at your spa and how to deliver the eforea spa experience. We may require you to attend an eforea Brand guest experience training in the future. We do not charge for eforea spa training. The eforea spa training will be conducted by personnel of the

suppliers we specify who are providing their products and services to your spa. They will generally have a minimum of 6 to 10 years' experience in the spa industry and at least one year of experience with their respective companies. Currently, there is no separate fee for this training.

10. **Information Security & Privacy**. This training is mandatory for all employees with access to The Lobby. It raises awareness of the importance of protecting sensitive personal and financial information for guests and others. Hotel leaders may choose to use the instructor-led materials to deliver the training to employees in groups or individuals may complete an e-learning course. A signed attendance and acknowledgement sheet must be maintained in the Hotel records for at least 12 months for subsequent audit verification. Currently, there is no separate fee for this training.

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

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

We and our affiliates offer many additional optional learning programs and may develop additional learning programs at any time. You must pay any fees associated with required and optional training courses. We may also charge for training materials. You pay for any travel, lodging and miscellaneous expenses of your attendees. For programs that include travel by our (or our affiliate's) trainers to your Hotel site, you may also be required to pay travel, lodging, tax and meals of the trainers.

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 System Hotels (including your hotel), to include your Hotel in national or regional group advertising of System Hotels, and to include your Hotel in international, national and regional market programs. (Franchise Agreement, Section 4.4). Most advertising is placed on the internet, as well as in traditional media (such as TV, radio, newspaper, magazine, and direct email), generally with national coverage. The source of our advertising is our in-house marketing department, advertising agencies, and other external vendors.

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

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

We may occasionally create marketing programs for specific promotional purposes that include only certain hotels. These programs may focus on a geographic location, particular types of hotels, or other criteria. For example, we may develop a marketing campaign that promotes hotels in a specific tourist destination. For these programs we decide which hotels to include and the nature and method of the marketing under our general marketing policies and practices for System Hotels. If your Hotel is selected for such a program, your participation may be required but there would be no fee for participating.

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

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

We will use your Monthly Program Fee to pay for various programs to benefit the System, including advertising, promotion, publicity, public relations, market research, and other marketing programs; developing and maintaining Brand directories and internet sites; developing and maintaining the Reservation Service systems and support; quality assurance program; and administrative costs and overhead related to the administration or direction of these projects and programs. See Article 6 for the amount, timing, and frequency of payment of this fee. We have the sole right to determine how and when we spend these funds, including sole control over the creative concepts, materials and media used in the programs, the placement and allocation of advertising and the selection of promotional programs. We may enter into arrangements for development, marketing, operations, administrative, technical and support functions, facilities, programs, services and/or personnel with any other entity, including any affiliates. Monthly Program Fees are intended for the benefit of the System, and will not be used to promote or benefit any one property or market. Occasionally, however, Monthly Program Fees may be used for a property or market-specific initiative if we determine it has a strategic value to the System overall. We will have no obligation in administering any activities paid by the Monthly Program

Fee to make expenditures for you that are equivalent or proportionate to your payments, or to ensure that the hotel benefits directly or proportionately from such expenditures. We may create any programs, and allocate monies derived from Monthly Program Fees to any regions or localities as we consider appropriate in our sole judgment. The aggregate of Monthly Program Fees paid to us by franchisees does not constitute a trust or "advertising fund" and we are not a fiduciary with respect to the Monthly Program Fees paid by you and other franchisees. We are not obligated to expend funds in excess of the amounts received from franchisees using the System. If any interest is earned on unused Monthly Program Fees, we will use the interest before using the principal. The Monthly Program Fee does not cover your costs of participating in any optional marketing programs and promotions periodically offered by us or our affiliates in which you voluntarily choose to participate. These fees also do not cover the cost of operating the hotel in accordance with the standards in the Manual. (Franchise Agreement, Section 4.4).

12.2 Local Advertising

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

12.3 Websites

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

You may not (without a legal license or other legal right) post on your Sites or disseminate in any form any material in which any third party has any direct or indirect ownership interest, including video clips, photographs, sound bites, copyrighted text, trademarks or service marks, or any other text or image in which any third party may claim intellectual property ownership interests. You

must incorporate on your Sites any other information we require in the manner we consider necessary to protect our Marks.

When your Franchise Agreement expires or terminates, you must irrevocably assign and transfer to us or our designee all of your right, title and interest in any domain name listings and registrations that contain any references to our Marks, System or Brand, notify the applicable domain name registrars of the termination of your right to use any domain name or Sites associated with the Marks or the Brand, and authorize and instruct the cancellation or transfer of the domain name to us or our designee, as directed by us. You must also delete all references to our Marks or brands from any other Sites you own, maintain or operate after the expiration or termination of the Franchise Agreement (Franchise Agreement, Section 9.5) and Franchise Agreement, Section13.6.7).

ARTICLE 13
ADMINISTRATION OF THE MONTHLY PROGRAM FEE

As noted in Article 12, the aggregate of Monthly Program Fees paid to us by franchisees 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 franchisees. 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 franchisees must build, furnish, equip and supply their hotels in accordance with the standards and specifications in our standards manual ("Manual") and, if you construct an eforea spa, then also in the eforea spa 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 on request and, in any event, on termination or expiration of your Franchise Agreement.

You must comply with our standards regarding the purchase of products and services for use at the hotel, including furniture, fixtures, equipment, food, operating supplies, consumable inventories, merchandise for resale to be used at and/or sold from the hotel or eforea spa, 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 or type of product, fixture, furniture, equipment, or service, but you may purchase it 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 Our Affiliates

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

You must acquire Hilton's proprietary computer software from HSS. You must purchase items bearing our logo, trademark or service mark from a supplier approved by us. We may derive profit from such sales.

You must install and use Delphi.fdc, our designated cloud-based sales and events system for group business, our Connected Room system, and have a digital floor plan created for your hotel by one of our approved suppliers. We do not derive any profit from these services.
We did not sell any goods, services or supplies to our franchisees in 2018. Hilton collects money for the Hilton Honors program for all of our brands, but transmits this money to Hilton Honors Worldwide and does not record it as revenues. Several of our affiliates had revenues during that year from sales to franchisees.

HSM, a wholly-owned subsidiary of Hilton, negotiates with third-party manufacturers and suppliers for the distribution of hotel furniture, furnishings, fixtures, equipment and supplies, certain food and beverage supplies, and certain hotel services. You may but are not obligated to purchase specified items from HSM or such third parties. HSM negotiates lower prices with manufacturers and suppliers, and then passes these savings on to franchisees when it sells to franchisees. HSM may negotiate purchase arrangements with manufacturers and suppliers for the benefit of our franchisees, all System hotels, all Network hotels, or any subset of each. Occasionally, HSM may negotiate special purchase arrangements with manufacturers and suppliers for franchisees or their management companies that operate multiple hotels. HSM may also permit competitor hotels or their management companies to participate in its purchase arrangements with manufacturers and suppliers. This is done to help increase HSM's overall purchasing volume and bargaining power.

Except as discussed below, you may purchase the furniture, fixtures, and equipment ("FF&E") and other supplies for your hotel from any source as long as the Standards are met. 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.

If you are operating an eforea spa, you must sell all the products we specify and perform the spa treatments we require. If you are opening a spa under a concept other than eforea, you must use an approved third-party management company. We and our affiliates may derive revenue from suppliers in the form of rebates based on purchases, or from a third-party that we approve to provide services to your spa. Neither we nor any affiliate currently derive any revenue from these sources.

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 franchisees by the manufacturers and in some cases, through

suppliers. HSM also receives certain volume and national account marketing allowances from manufacturers in connection with the sale to franchisees of certain items, such as coffee, soft drinks, cleaning compounds, and paper products. For one of our brands, Tru by Hilton, HSM is also an approved procurement agency and may receive fees for providing procurement services. In addition, HSM receives cash discounts for early payment on orders it places with manufacturers and suppliers to fill purchase orders placed with it by franchisees of all Hilton Worldwide Brands. HSM may derive profit from the revenues it collects from rebates, administration fees, and purchasing fees. A portion of these revenues are used to offset the cost of establishing the purchasing programs and supporting the expenses of HSM.

Certain 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 franchisees from the respective PSDP Supplier.

HSM may derive profit from the revenues it collects from rebates, administration fees, and purchasing fees.

We evaluate suppliers based on many factors, including: (i) the quality and cost of the products and/or services; (ii) the supplier's established history in serving the System with products that consistently meet or exceed the standards and specifications as set forth in the Manual; (iii) the level of support and recognition of the supplier by us and our franchisees, as well as the System's demand for those products/services; and (iv) the supplier's ability to service the needs of the System 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.

If you want to use a product, or a particular brand or model, that has not been specified as having met our standards, or if you want to purchase from an unapproved supplier an item that must be purchased from an approved supplier, then you can submit a written request for us to approve the product or supplier. We may require certain information or samples which you must provide at your expense. We will review all of the pertinent information. While we have no obligation to respond within a certain timeframe, our review typically takes 30 days to complete. We do not provide any material benefit (such as license renewal or the grant of additional licenses) to a franchisee based on a franchisee's use of designated or pre-approved suppliers (the Franchise Agreement is non-renewable).

14.2 Spa Build-out and Management

Whether we require you to install a spa in your hotel or we approve your request to install a spa in your hotel, the spa must meet our specifications and you must complete a Franchise Application. We recommend that you install our eforea branded spa in your hotel, but you do not have to use this concept.

If you install our eforea spa concept in your hotel, you will sign the Spa Amendment and pay us an initial fee of $25,000. This fee is due at the time you sign the Spa Amendment and is nonrefundable. We or one of our affiliates will provide you with eforea design and construction guidelines, a collateral suite, spa menus, and access to required training provided by suppliers. After your hotel opens, you may either manage the spa yourself or retain the services of another spa management company approved by us in advance.

14.3 Signage

You must install, display, and maintain signage displaying or containing the 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 us for a current list in your area .

14.4 Reservation Service and Referrals

You must participate in and use the Reservation Service, including any additions, enhancements, supplements or variants which we or our affiliates develop or adopt. You must honor and give first priority on available rooms to all confirmed reservations referred to your hotel through the Reservation Service. The Reservation Service is the only reservation service or system you may use for outgoing reservations referred by or from your hotel to other hotels or other reservations services we or our affiliates designate.

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

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

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

14.5 Business Computer Systems

You must use our required business computer systems, which we may periodically change. Currently, we require you to use OnQ, which connects System Hotels to Hilton’s reservation offices and travel planners worldwide. For OnQ you must have certain hardware, software, installation, and support. We also require you to use our required Guest Internet Access System. For Guest Internet Access you must have certain hardware, software, an internet access circuit, and internet service. In addition, you must have the Connected Room system, Guest Facing Workstations/Business Center, a digital floor plan, and Delphi.fdc (which a cloud-based sales and events system) that meet our Standards and specifications. All of these components must be acquired from either HSS or preferred providers, or may be acquired from other (non-preferred) vendors, depending on the specific product or service and the individual circumstances of your Hotel. We will provide you with our Standards and specifications as appropriate. In the future,

any of the products or services may be manufactured or provided by an approved supplier who is also our client or supplier. See Articles 6 and 7 for details.

14.6 General

Before we permit you to proceed with your plans for construction or remodeling of the hotel, and any time you make changes that affect usability or access to your hotel, your architect or other applicable certified professional must certify to us that the hotel's plans and specifications comply with all Laws related to accessibility/accommodations/facilities for those with disabilities, as further described in the Manual. If requested, you must arrange for us and/or our affiliates to participate in all progress meetings during the development and construction of the hotel, to have access to all contract and construction documents for the hotel and to have access to the hotel during reasonable business hours to inspect the hotel and its construction, completion, furnishing and equipment for conformity to the finally-approved construction documents. However, we and our affiliates have no obligation to participate in progress meetings or to inspect the hotel. Our approval is not a representation of the adequacy of the plans and specifications, the structural integrity, or the sufficiency of the mechanical and electrical systems for the hotel. When you begin construction or conversion of the hotel and before your hotel opens for business, both you and your architect or general contractor must provide us with a certificate stating that the plans and as-built premises comply with all applicable legal requirements relating to accessibility/accommodations/facilities for those with disabilities, as is further described in the Manual.

During the term of the Franchise 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 and to remove any deficiencies in your hotel's operations. In addition to this general obligation, we currently require that you complete a significant renovation of guest rooms/suites, corridors and public facilities, including the replacement of all soft goods and case goods, at specific periodic intervals as required by the Standards.

Except as stated above, we do not negotiate purchase arrangements with suppliers for the benefit of franchisees. There are no purchasing or distribution cooperatives. We provide you with no material benefits (such as franchise renewal or the grant of additional franchises) based on your use of designated or permitted sources (the Franchise Agreement is non-renewable). Except as described above, we presently receive no payments, discounts, rebates, credits or commissions from any supplier based on your purchases from that supplier.

14.7 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 must or may be used, promoted or offered at or in connection with the hotel. You must comply with our requirements regarding Supplies, including our specifications for all Supplies and our policies regarding suppliers from whom you purchase Supplies. High standards are the essence of the System we license to you.

You must operate the hotel 24 hours a day every day, except as we may otherwise permit based on special circumstances. If you are operating an eforea spa, you must comply with the minimum hours of operation for the spa that we may specify. You must operate, furnish, maintain and equip the hotel, and any eforea spa, in a clean, safe and orderly manner and in first-class condition under the provisions of the Franchise 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 Agreement, including maintaining and conducting your business using sound business and financial practices. You must also provide efficient, courteous and high-quality service to the public. 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 H-1. 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 Addendum to your Franchise Agreement or any other significant change (including major changes in structure, design or decor) in the hotel without our prior written approval. You may not offer products or services unless and until they have been approved by us. Minor redecoration and minor structural changes that comply with our standards and specifications will not be considered significant.

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

There is no limit on our right to make changes to the System. We make changes to the System based on our assessment of the long-term best interests of 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 pay all charges related to, all guest frequency programs we or Hilton require, including the Hilton Honors Worldwide guest reward programs or any successor programs (see Article 6). You must also honor the terms of any discount or promotional programs (including any frequent guest program) that we or Hilton offers to the public on your behalf, any room rate quoted to any guest when the guest makes an advance reservation, and any award guest certificates issued to hotel guests participating in these programs. You may not charge any Mandatory Guest Fee without our consent, in accordance with the Standards.

We may require you to offer amenities such as restaurants, lounges, recreational facilities (pool, whirlpool, exercise room, sauna, etc.), parking facilities, meeting and function space, gift shop and other concessions. The types and quality of the products and services that supplement the above amenities must also comply with our requirements.

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

Except as described in the following sentence, you may not conduct or permit the sale of timeshares, vacation ownership, fractional ownership, condominiums or like schemes at or adjacent to your hotel without our written permission, you may do so only as we permit and we

may withhold permission at our sole discretion. You may conduct timeshare or condominium sales or marketing at any property that you own or lease which is located adjacent to the hotel so long as you do not use any of the Marks in these sales efforts and you do not use the hotel or its facilities in these timeshare or condominium sales, marketing efforts or business operations.

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

ARTICLE 15
REBATES

Any profits, rebates, discounts or other allowances that we realize in respect of purchases that we require you to make are set out in Article 14. Our affiliate, HSM, may derive profit from the revenues that it collects from rebates, administration fees and purchasing fees. A portion of these revenues are used to offset the cost of establishing the purchasing programs and supporting the expenses of HSM (see 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 one of the licensed trademarks "Tapestry" and “Tapestry Collection by Hilton”. As used in the Franchise Agreement and this Disclosure Document, the System includes the Marks, including the Principal Mark “Tapestry”. The Marks include the Principal Mark and all other service marks, copyrights, trademarks, logos, insignia, emblems, symbols, and designs (whether registered or unregistered), slogans, distinguishing characteristics, trade names, domain names, and all other marks or characteristics associated or used with or in connection with the System, and similar intellectual property rights, that we designate to be used in the System. If you open an eforea branded spa and sign the Spa Amendment, the Marks will include the eforea trademarks and service marks during the term of the Spa Amendment.

You may use the Marks only in connection with the System and only in the manner we designate, as set out in the Franchise Agreement and the Standards. We may designate additional Marks, change the way Marks are depicted, or withdraw Marks from use at any time. We will not withdraw the Principal Mark. We reserve the right to limit what Marks the Brand of hotel may use.

Your hotel will be initially known by the trade name set forth in the Franchise Agreement (“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 "Tapestry" 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 Agreement or the Manual; (b) any internet-related name (including a domain name), except as we provide in the Franchise 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 Agreement.

Under the terms of the Franchise Agreement, you acknowledge and agree that you are not acquiring the right to use any service marks, copyrights, trademarks, logos, designs, insignia, emblems, symbols, designs, slogans, distinguishing characteristics, trade names, domain names or other marks or characteristics owned by us or licensed to us that we do not specifically designate to be used in the System. The Franchise 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, HWML holds the rights to the Marks, including the trademarks and service marks listed in the table below, which are registered in Canada. As detailed above, your Franchise Agreement will be transferred to HWML after the first Annual Sweep following your execution of the Franchise Agreement. The Marks were assigned to HWML from Hilton International IP Holding Limited in June 2017, and those assignments are being filed for recording in the Canadian Register of Trade-Marks.

Mark	Registration Number	Registration Date	Franchisor's Rights To Use Mark
HILTON	TMA507817	1999-02-09	License
HILTON	TMA138763	1965-01-15	License
EFOREA	TMA802436	2011-07-19	License
EFOREA (butterfly design)	TMA802438	2011-07-19	License

HWML also holds the rights to the following trademarks, service marks and other intellectual property, and has applied for registration in Canada:

Mark	Application Number	Application Date	Franchisor's Rights To Use Mark
TAPESTRY	1821889	2017-02-08	License
TAPESTRY COLLECTION BY HILTON	1821891	2017-02-08	License

Currently, there are no pending infringement, opposition or cancellation proceedings, nor any pending litigation involving the Marks that is material to their use by you in Canada. There are no infringing uses actually known to us that can materially affect your use of the Marks.

HWML entered into a license agreement with us, which grants us the right to use and sublicense the use of the Marks and other intellectual property in connection with the System in Canada. The license will expire on December 31, 2020. At that time, we anticipate renewing our license with HWML (or its successor) for another term. This license may be terminated early by either party

on 90 days' notice, or if either party defaults and does not cure the default within 30 days, or upon notice in the event of a bankruptcy. However, under the terms of this license as long as you are in compliance with your Franchise Agreement your right to use the Marks will not be affected by any expiration or termination. In the future, HWML may transfer the Marks to affiliates for administrative purposes periodically. If the Marks are transferred to any affiliates, we or HWML will continue to have a license to use and sublicense the Marks in our business, and your license to use the Marks will not be disturbed.

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 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 HWML.

ARTICLE 17
LICENSES, PERMITS AND AUTHORIZATIONS

Below is a description of every license, registration, authorization or other permission that you are required to obtain, under any applicable federal or provincial law or municipal by-law, to operate the franchised business (your Hotel) in British Columbia, Manitoba, New Brunswick, and Ontario.

In addition to those identified below, you may be required under other federal or provincial laws (including any province in Canada other than British Columbia, Manitoba, New Brunswick, or Ontario) or under the by-laws of a municipal or other local authority to obtain licences, registrations, authorizations or other permissions to operate your Hotel. Accordingly, you should make inquiries to determine whether such licences, registrations, authorizations or other permissions are required.

You must comply with all applicable local, provincial and federal laws, regulations and codes including without limitation health, land use, zoning, building, traffic, and similar codes. You may also have certain obligations to your customers and employees under the Personal Information Protection and Electronic Documents Act ("PIPEDA"), as well as under provincial privacy laws including those in force in other Canadian provinces. In addition, you also have to comply with any general laws and regulations relating to the acceptance of credit cards, including those set out by the Canadian Payment Association. You may also be required to comply with the Payment Card Industry Data Security Standard. Compliance with all such laws, regulations, and standards is your responsibility.

Federal Government Business Number:

The Business Number is a single number for businesses to deal with the federal government. The Business Number can encompass one or more of the following accounts: goods and services or harmonized taxes (see below), payroll deductions, import/export duties and corporate income tax. There is no fee for a Business Number. For more information on the Business Number, contact the Canada Revenue Agency ("CRA").

Tanning:

Owners and operators of tanning salons and spas that provide tanning services must comply with the requirements for tanning equipment under the federal Radiation Emitting Devices Act and corresponding regulations (the "Act"). Under the Act, all tanning equipment sold, leased, or imported into Canada must comply with specific regulations. The Act also sets guidelines and requirements for, among others, tanning bulbs, eyewear, cleanliness, use of equipment, age guidelines, and certain disclosures to customers. More information can be found on the Health Canada website. In addition, the Joint Canadian Tanning Association has adopted guidelines for tanning facilities, which can be found on their website.

Harmonized Sales Tax:

The federal government of Canada and the provincial government of Ontario and New Brunswick have harmonized the federal Goods and Services Tax ("GST") and their respective provincial sales taxes ("PST") to create a combined federal and provincial harmonized sales tax ("HST"). Businesses in Ontario and New Brunswick are required to obtain a Business Number in order to register for HST with the CRA. There is no fee for either registration. Further information can be obtained from the CRA, or provincial retail sales tax offices, both of which are listed in the blue pages of the telephone directory. Further information on transitional tax issues in Ontario is available on the Ontario Ministry of Finance website. Further information on HST and GST is available on the CRA website.

Under the Manitoba Retail Sales Tax Act, Retail Sales Tax ("RST") is collected on most goods and certain services sold for the purpose of consumption or use and not for resale. The general tax rate is 8% which is charged at the point of sale. The tax is calculated on the selling price before the GST is applied. To register for the RST, potential applicants may contact the General Office of the Manitoba Department of Finance – Taxation Division at 1-800-564-9789.

Business Licenses and Names:

In British Columbia, before registering a business, a Name Approval Request must be submitted to the Name Reservation Unit for examination at the Corporate Registry. Once the business name is approved, it will be reserved for 56 calendar days. Within the 56 calendar days, a business must register with BC Registry Services. Registrations do not expire for unincorporated businesses and require no periodic renewal.

In Manitoba, before registering an unincorporated business in Manitoba, a Request for Name Reservation must be filed with the Manitoba Companies Office to determine if the name is available for use. Once the name is reserved, businesses will have 90 days to file the applicable Business Registration form required under *The Business Names Registration Act* or *The Corporations Act* of Manitoba. Unincorporated businesses must be renewed every three years.

In New Brunswick, before registering a business in New Brunswick, a business must select and register the proposed business name with the Corporate Registry, Services New Brunswick, after obtaining an Atlantic based NUANS name search report. After reviewing and approving the business name, the Corporate Registry will register the Certificate. The Certificate of Business Name will contain the Business Number, which is a common business identifier for provincial and federal purposes. Once a Certificate of Business Name is registered, a Certificate of Renewal must be filed every five years.

In Ontario, a Master Business License confirms that a business name has been registered on the public record maintained by the Ontario Ministry of Government Services, Companies and Personal Property Security Branch for registration on the public record. It includes the registration and expiry dates, as well as the Business Identification Number. It can also be used as proof of registration for a business name at financial institutions. A Business Name registration is required to be renewed every five years and a new Master Business License will be issued.

Municipal Permits and Licenses:

Each municipal government in the provinces of Ontario, New Brunswick and Manitoba has the authority to issue its own business licenses within its jurisdiction. Since there is no uniformity throughout the province regarding municipal licenses for businesses, you should consult with the appropriate local officials to determine whether your business will be affected by local regulations and licensing requirements. By way of example, you may be required to obtain permits relating to building codes, HVAC (heating, ventilation and air conditioning), signage, electrical, mechanical and plumbing, and food handling. Businesses must also meet the zoning by-laws that control property uses in their municipality. Contacts for local governments are in the blue pages of the telephone directory under municipal government.

Register with Workplace Safety & Insurance Board (WSIB):

Most industries in Ontario are covered by the Workplace Safety & Insurance Act. Employers must pay into the insurance fund of the Workplace Safety & Insurance Board ("WSIB") through assessments on their payrolls. By contacting the nearest WSIB office, you can obtain a registration kit, which includes information on assessments, coverage, accident reporting requirements and appeals procedures. Employers are required to contact the WSIB within ten days of hiring their first worker.

Employer Health Tax (EHT):

The Ontario Ministry of Health administers a comprehensive government plan of health insurance for Ontario residents. Unless exempted, all employers with a permanent establishment in Ontario must register for the Employer Health Tax ("EHT"). Eligible employers are exempt from the EHT on the first $450,000 of total Ontario remuneration each year. This exemption will be adjusted for inflation every five years using the Ontario Consumer Price Index. Employers with annual Ontario payroll over $5 million cannot claim the exemption. For further information on the EHT, call the Ontario Ministry of Finance Information Centre at 1-866-668-8297.

Health and Post-Secondary Education Tax Levy (Manitoba):

The Manitoba Department of Finance administers the collection of a Health and Post-Secondary Education Tax Levy ("HE Levy"). Employers with a permanent establishment in Manitoba that pay remuneration to employees in Manitoba are subject to the HE Levy. Employers may register on

the TAXcess website. For further information on the HE Levy, contact the Manitoba Department of Finance – Taxation Division at 1-800-564-9789.

Waste Diversion:

Legislation in British Columbia has been enacted to provide for the development, funding and operation of waste diversion programs. The Recycling Regulation made under the Environmental Management Act requires producers of beverage container products and packaging and printed paper products to develop a Product Stewardship Plan and submit it for approval. If a franchisor and a franchisee operating under a franchise agreement are producers in relation to the same product, the duty to develop and comply with a Product Stewardship Plan must be carried out by the franchisor. Producers must review their Product Stewardship Plans every five years and either submit any proposed amendments to their plans to a director or advise a director in writing that no amendments to the approved plan are necessary not later than five years after the date the Product Stewardship Plan was initially approved. On or before July 1 of each year, producers must also provide to a director a report respecting the one-year period ending not later than March 31 of that year or December 31 of the previous year and post the report on the internet.

In response to Manitoba's product stewardship regulations under The Waste Reduction and Prevention (WRAP) Act, 13 producer responsibility organizations (PROs) have been established to enhance material recycling in Manitoba. You may be obligated to register as a steward depending on the PROs' mandated criteria. For example, the Packaging and Printed Paper Stewardship Regulation may affect any business that supplies, distributes or sells packaged products or printed paper in Manitoba. The regulation requires affected companies to register as product stewards and to remit fees that are used to cover up to 80% of the cost of municipal recycling programs. For more information contact Stewardship Manitoba on their website.

Legislation in Ontario has been enacted to provide for the development, funding and operation of waste diversion programs. The Ontario government has created a body called Stewardship Ontario that will ensure that certain companies that introduce packaging and printed materials into the Ontario consumer marketplace share in the funding of blue box recycling programs. Under the Stewardship Ontario program, franchisors or franchisees may be obligated to register and/or pay as "stewards" for all of the residential blue box waste distributed into the marketplace depending on certain mandated criteria, such as sales thresholds, and waste threshold exemptions. For more information, you may contact Stewardship Ontario on their website.

Liquor Licence (British Columbia):

Under the Liquor Control and Licensing Act, a liquor licence must be obtained from the B.C. Liquor Control and Licensing Branch, which regulates liquor service in bars and restaurants, private liquor stores, liquor manufacturers and importers, Ubrews and UVins (for personal liquor manufacturing), and liquor service at catered and special occasion events. Information on the various types of liquor licences, associated fees and application forms can be found on the Government of British Columbia website.

Liquor Licence (Manitoba):

A liquor licence must be obtained from the Manitoba Liquor Control Commission. There are different types of liquor licences available, depending on the nature of the franchised business. On average, it takes six to eight weeks to get a liquor licence in Manitoba. Before obtaining a liquor licence, it is necessary to ensure that the property is properly zoned and that community

approval has been given for the intended use. A liquor licence cannot be issued without the prior approval of all government departments, including zoning, building code, health and fire. Potential applicants should contact the Manitoba Liquor Control Commission Licensing Department at 204-474-5630 or visit their website in order to obtain an application guide.

Liquor Licence (New Brunswick):

A liquor licence must be obtained from the Department of Public Safety, under New Brunswick's Liquor Control Act. There are different types of liquor licences available, depending on the nature of the franchised business. Information on the various types of liquor licences, associated fees and application forms can be found online on the Government of New Brunswick website.

Liquor Licence (Ontario):

A liquor licence must be obtained from the Alcohol and Gaming Commission of Ontario. In order to receive a liquor licence, you must ensure that the licensed premises are supervised by someone with 3 months experience in the food and beverage industry. Applicants will also require a Vendor's Permit from the Ministry of Finance to operate the establishment which can be acquired by contacting the Retail Sales Tax Office. A liquor licence generally will take 6 to 8 weeks to obtain, however, the granting of a liquor licence is at the discretion of the Liquor Licence Board of Ontario. The Licensing Board conducts a background check on each applicant, and its owners. Potential applicants should contact the Alcohol and Gaming Commission's Liquor Sales Licensing office at (416) 326-8700 or on their website in order to obtain an Application Guide for a New Liquor Licence.

WorkSafeBC (British Columbia):

All employers in British Columbia are required to have WorkSafeBC coverage unless the employer is exempt. An employer is a person or firm that hires workers or unregistered subcontractors and an employer can be a self-employed proprietor, partnership, corporation, society, or any other type of legal entity. In exchange for the benefits of your WorkSafeBC coverage, you have the following responsibilities as an employer: you need to register for coverage, pay premiums, report your payroll, report changes to your business, provide a safe workplace, report injuries and diseases, and investigate incidents. Applications for WorkSafeBC coverage can be completed on the WorkSafeBC website or by contacting WorkSafeBC toll-free at 1-888-WORKERS (967-5377).

WorkSafeNB (New Brunswick):

Employers having three or more workers are required to register for coverage with WorkSafeNB. WorkSafeNB administers no-fault workplace accident and disability insurance for employers and their workers, funded solely through employer assessments. Applications for WorkSafeNB coverage can be completed on the WorkSafeNB website or by contacting WorkSafeNB toll-free at 1-800-222-9775.

Workers Compensation Board (Manitoba):

Employers having employees in Manitoba may be required to register for coverage with the Worker's Compensation Board of Manitoba ("WCB") pursuant to the Workers Compensation Act. To determine eligibility and/or to register for coverage contact the WCB at 1-855-954-4321 or visit the WCB website.

Individual municipalities may have additional licensing requirements that you must satisfy. Due to the large number of municipalities in British Columbia, Manitoba, New Brunswick, Ontario, and Prince Edward Island, we do not provide specific information for each municipality. You must identify and obtain the licenses required by the municipality in which the franchised hotel will be located.

ARTICLE 18
PERSONAL PARTICIPATION IN THE FRANCHISED BUSINESS, INCLUDING SECURITY INTERESTS AND PERSONAL GUARANTIES

Whether you are an individual, corporation, limited liability company, partnership or other entity, you are at all times responsible for the management of your hotel's business. You may fulfill this responsibility only by providing qualified and experienced management satisfactory to us, which may be a third party management company (the "Management Company"), which we have approved in writing. However, you may not enter into any lease, management agreement or other similar arrangement for the operation of your hotel or any part of your 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, and any proposed Management Company to be qualified to manage the hotel. We may refuse to approve you or any proposed Management Company 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 Agreement.

Any Management Company must have the authority to perform all of your obligations under the Franchise Agreement, including all indemnity and insurance obligations. We may require certain operational personnel, such as your general manager or director of sales, to complete training programs related to business operations in their function areas (See Article 11).

Although we provide the Standards, we do not in any way possess or exercise day-to-day control of the business and operation of the Hotel. We do not dictate nor control labor or employment matters for you or your employees. We are not responsible for the safety and security of your employees and guests at the Hotel. The Standards do not include any personnel policies or procedures or security-related policies or procedures. We may choose to make available to you suggested policies and procedures on these topics. You may determine to what extent, if any, such suggested policies and procedures, if any, might apply to your Hotel.

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

After a review of the financial information submitted with your Franchise Application and the proposed ownership of the hotel and real property, we will determine guaranty requirements. Each required guarantor, who may include the spouse of an attendee in the franchise, must sign a Guaranty, by which the guarantor assumes and agrees to discharge certain of your obligations under the Franchise Agreement. In addition, we may require you to provide a Guaranty if you or any Equity Owner (as defined in the Franchise Agreement) pledge or mortgage the hotel or an Equity Interest (as defined in the Franchise Agreement) for a loan that is or has been 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 Guaranty from a third party acceptable to us covering all of your obligations under the Franchise Agreement. If the guarantor is a resident of Alberta, a certificate under the Guarantees Acknowledgement Act will need to be completed. A sample certificate is attached to our current form of Guaranty, which is attached as Exhibit D.

We do not generally require that you grant us a security interest in your 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.

We do not require that your Management Company or manager have an equity interest in your business.

ARTICLE 19
TERRITORY

We grant franchisees a non-exclusive license to use the System during the term of the Franchise Agreement to operate a Brand hotel at a specified location. There are no provisions in the standard Franchise Agreement granting you a protected area or territory. You may face competition from other franchisees, 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 Agreement permits us or our affiliates, to own, license or operate any Other Business of any nature, whether in the lodging or hospitality industry or not and whether under the Brand, or a competitive brand, or otherwise. We and our affiliates have the right to engage in any Other Businesses, even if they compete with your Hotel, the System, or the Brand, and whether we or our affiliates start those businesses, or purchase, merge with, acquire, are acquired by, come under common ownership with or associate with, 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 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 Brand hotel at the site licensed and subject to the terms under the Franchise 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. “Other Businesses” means any business activity we or our affiliates engage in other than the licensing of your Hotel.

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

1. **Restricted Area.** The boundaries of the Restricted Area will normally depend on the relevant market in the immediate area and competitive circumstances in the relevant market when

you sign the Franchise Agreement. The boundaries will vary in size and shape from hotel to hotel. Boundaries 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 our affiliates from operating, or authorizing someone else to operate, another Brand Hotel under the Brand during the Restrictive Period and within the Restricted Area (except as described in Paragraph 3 below). Brand means the name used to identify the chain of hotels operated under the Standards. It excludes any other brands or product lines containing “Tapestry” in the name. It also excludes Hilton Worldwide Holdings, Inc., its affiliates, and other chains of hotels that include the word "Hilton" as part of their brand name (such as "Hilton Garden Inn," "Doubletree by Hilton" or "Homewood Suites by Hilton").

3. **Exclusions from the Restricted Area Provision**: The Restricted Area will generally not apply to: (a) any hotel or motel that is currently open or under construction or has been approved for development or opening as a Brand hotel as of the Effective Date, or any hotel located or to be located within the Restricted Area that replaces such hotel under the Brand; (b) hotels or motels under brands other than the Brand; (c) hotels or motels that will not begin operating under the Brand until after the expiration of the Restrictive Period; (d) gaming-oriented hotels or facilities using the Brand; (e) shared ownership properties (commonly known as “vacation ownership” or “time share ownership” or similar real estate properties) under the Brand; and (f) any hotels, motels, or inns that are part of a chain or group of four (4) or more hotels, motels, or inns that we or our Affiliates, as a result of a single transaction or group of related transactions, own, operate, acquire, lease, manage, franchise, license, or join through a merger, acquisition or marketing agreement (or otherwise), whether under their existing name or the Brand name or any other name.

4. **Restrictive Period.** The Restrictive Period will normally be for an agreed-on time period. Generally, this period will be shorter than the term of the Franchise Agreement, usually tied to a specified number of years from the date your Franchise Application was approved. In some cases, the Restrictive Period may reduce in geographic scope after an agreed-on time period. The continuation of the Restrictive Period will not depend on your achieving any particular sales volume or market penetration. An increase in population in the 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 Agreement; but we do not intend to do so in the future. Those restrictions as to entities other than us may lapse if the Brand is no longer affiliated with Hilton Worldwide.

IMPORTANT NOTES: A Restricted Area Provision will <u>not</u> give you protection from previously existing hotels owned, managed or licensed by us or our affiliates or their predecessors, or any hotel site for which we or one of our affiliates or their predecessors has approved an application and/or signed a franchise agreement, management agreement, lease or license agreement for a System Hotel to be developed. In addition, a Restricted Area Provision will not give you protection from any replacement hotel that replaces or will replace another such existing hotel or hotel site.

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

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

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

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

5. **Proximity Policies**. Except as otherwise noted in this Article 19 and elsewhere in this Disclosure Document, we do not have any policies which relate to the proximity of your Brand Hotel to such things as: (a) another Brand Hotel; (b) any other distributor or licensee using our Marks; (c) a business or franchise owned or operated by us or our associate or affiliate that distributes similar goods or services under a different trademark, service mark, trade name, logo or advertising or other commercial symbol; (d) a franchise granted by us or our associate or affiliate that distributes similar goods or services to those under a different trademark, service mark, trade name, logo or advertising or other commercial symbol; (e) our outlet which may be established to distribute similar products or service under a different trademark, service mark, trade name or logo; or (f) our rights to conduct internet sales, telephone sales, catalogue sales or other forms of distance sales.

Except as otherwise described above, we reserve all rights with respect to the marketing of goods or services the same kind as are sold or distributed by your Hotel, whether under the same or different trademarks, trade names, logos, or advertising, or other commercial symbols.

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

ARTICLE 20
INFORMATION ON OTHER FRANCHISEES

20.1 Existing Franchisees

All of the franchisees operating a Tapestry in Canada and the US as of December 31, 2018 are listed in Exhibit E. Included in this list are all of the franchisees operating as of December 31, 2018 in Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, and Prince Edward Island.

20.2 Franchise Closures – Last Fiscal Year

Exhibit F is a list of the names, last known address and telephone numbers of each franchisee (including franchisees in Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, and Prince Edward Island, 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 2018.

20.3 Franchise Closures – Last Three Fiscal Years

Table 1 lists information on franchisees in Canada and the US which have been terminated, cancelled, not renewed, reacquired by the franchisor or have otherwise left the system in fiscal years 2016 through 2018. Table 2 contains information on Tapestry Brand hotels in which our affiliates had an ownership or lease interest, in whole or in part, during fiscal years 2016 through 2018.

Table No. 1
Status of Franchised Outlets
For Years 2016 to 2018

Location	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
United States	2016	0	0	0	0	0	0	0
	2017	0	4	0	0	0	0	4
	2018	4	14	0	0	0	0	18
Canada	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
Total	2016	0	0	0	0	0	0	0
	2017	0	4	0	0	0	0	4
	2018	4	14	0	0	0	0	18

Table No. 2
Status of Company-Owned Outlets
For Years 2016 to 2018

Location	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
United States	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0

Location	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Canada	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
Total	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0

NOTES

All numbers are as of December 31 of the stated year. Table 2 includes all hotels in which Hilton or one of its affiliates has an ownership interest. Table 2 does not include hotels that Hilton or its affiliates manage but which others own.

As of December 31, 2018, there were 4 eforea spas operating at hotels in the US, and no eforea spas operating in Canada.

As noted in Article 1, on January 4, 2017, nearly all company-owned hotels were divested through the spin-off of our former parent company, Park.

ARTICLE 21
AGREEMENTS RELATING TO THE FRANCHISE

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

Exhibit A Franchise Agreement and Addendum

Exhibit A-1 Development Incentive Note

Exhibit A-2 Eforea Spa Amendment

Exhibit B Information Technology System Agreement (HITS Agreement)

Exhibit B-1 Information Technology System Agreement (HITS Agreement) for Quebec

Exhibit C Franchise Application

Exhibit D Guaranty of Franchise Agreement

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, RENEWAL AND TRANSFER

The following chart summarizes the provisions in the Franchise 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. Where indicated in the Franchise Agreement, we may unilaterally amend certain terms or conditions of the Franchise Agreement.

22.1 Termination

Document	Section	Summary
Franchise Agreement	11.1	Condemnation: You must immediately inform us of any proposed taking of any portion of the hotel by eminent domain, and we may terminate the Franchise Agreement on notice to you, and will release you from the obligation to pay Liquidated Damages.
Franchise Agreement	11.2	Casualty: You must immediately inform us if the hotel is damaged by fire or other casualty, or event of Force Majeure. If the casualty requires closing of the Hotel, you may choose to repair or rebuilding according to the Standards provided that the Hotel reopens no later than 18 months after the closing. If you elect not to repair or rebuild the Hotel after a condemnation or casualty to the Hotel, we may terminate the franchise agreement on notice to you. We will release you from the obligation to pay Liquidated Damages as long as you and your Affiliates do not operate a Hotel at the site within 3 years after the termination.
Franchise Agreement	13.1	We may terminate the Franchise Agreement by written notice to you at any time before its expiration on any of the following grounds: (1) you fail to pay us any sums due and owing to us or our Affiliates within the cure period set forth in the notice (at least 10 days); (2) you fail to commence or complete the Hotel Work by the applicable deadline, including any extensions, or fail to open the Hotel on the Opening Date, and do not cure that default within the cure period set forth in the notice (at least 10 days); (3) you do not purchase or maintain required insurance or do not reimburse us for our purchase of insurance on your behalf within the cure period set forth in the notice (at least 10 days) or (4) 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 (at least 30 days).
Franchise Agreement	13.2	We may terminate the Franchise Agreement immediately on notice to you, without giving you any opportunity to cure the default if: (1) after curing any material breach, you engage in the same non-compliance within any consecutive 24 month period, whether or not the non-compliance is corrected after notice, which pattern of non-compliance in and of itself will be deemed material; (2) we send you 3 notices of material default in any 12-month period, regardless of whether the defaults have been cured; (3) you fail to pay debts as they become due or admit in writing your inability to pay your debts; (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 consent to the institution of such appointment or proceedings; (5) you or your Guarantor lose possession or the right to possession of all or a significant part of the Hotel or Hotel Site for any reason other than those described in Section 11; (6) you fail to operate the hotel for 5 consecutive days, unless the failure to operate is due to an event of Force Majeure, provided that you have taken reasonable steps to minimize the impact of such events; (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 Owner with a controlling Equity Interest, or any of your Affiliates, employees, or Management

Document	Section	Summary
		Company, engage in conduct that we reasonably determine is likely to adversely reflect upon or affect in any manner the reputation, goodwill, or business of the Hotel, the System, us and/or our Affiliates; (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 Transfer any interest that is not in compliance with the Franchise Agreement (11) you, your Affiliate, or any Guarantor become a Sanctioned Person or are owned or controlled by a Sanctioned Person or otherwise breach the representations in the Franchise Agreement; (12) information involving you or your Affiliates, whether provided by you or obtained through our own investigation, discloses facts concerning you or your Affiliates and/or the Hotel, or title to the property over which the Hotel is constructed or any other property used by the hotel, including leased commercial space, which, in our business judgment, is likely to adversely reflect on or affect in any manner, any gaming licenses or permits held by us or our Affiliates or the then-current stature of us or any of our Affiliates with any gaming commission, board, or similar governmental or regulatory agency; (13) any Guarantor breaches its guaranty to us; or (14) a threat or danger to public health or safety results from the construction, maintenance, or operation of the Hotel.
Spa Amendment	9	Termination of the Franchise Agreement would also terminate the Spa Amendment.
Franchise Agreement	6.4.4.1	You may not open the Hotel without our consent. Liquidated damages for unauthorized opening are $5,000 per day for every day that your hotel is open without our written authorization, plus our costs, including attorneys' fees.
Franchise Agreement	13.3	If you fail to cure within the specified cure period, we may delay termination but suspend the Hotel from the Reservation Service and any reservation and/or website services provided through or by us, and divert reservations for your Hotel to any System or Network Hotels; remove the listing of the Hotel from any directories or advertising we publish; disable all or any part of the software provided to you and/or suspend any one or more of the information technology and/or network services that we provide or support; and 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 administrative fees.
Franchise Agreement	13.4	You are not authorized to terminate the Franchise Agreement before expiration of the Term. If the Franchise Agreement terminates prematurely without cause, it is a material breach of the Franchise Agreement, and you must pay to us, on demand, Liquidated Damages.
Franchise Agreement	13.4.1.1 and 13.4.1.2	If the Franchise Agreement is terminated: (1) before you begin Hotel Work and you or a Guarantor enter into an agreement for, or begin the construction or operation of, another hotel at the site within 1 year after termination; or (2) after you begin the Hotel Work but before you open (unless excused by Force Majeure), then you must pay liquidated damages equal to $10,000 multiplied by the number of approved Guest Rooms at the Hotel.
Franchise Agreement	13.4.1.3, 13.4.1.4, and 13.4.1.5	If the Franchise Agreement is terminated on or after the Opening Date but before the 2nd anniversary of the Opening Date you must pay liquidated damages equal to the greater of: (a) the Hotel's Average Monthly Royalty Fees multiplied by 60; or (b) $10,000 multiplied by the number of approved Guest Rooms at the Hotel. If the Franchise Agreement is terminated after the 2nd anniversary of the Opening Date but before the final 60 calendar months of the Term you must pay liquidated damages equal to the Hotel's

Document	Section	Summary
		Average Monthly Royalty Fees multiplied by 60. If the Franchise Agreement is terminated within the last 60 months of the Term you must pay liquidated damages equal to the Hotel's Average Monthly Royalty Fees multiplied by the number of months remaining in the Term. The term "Hotel's Average Monthly Royalty Fees" means: (a) if the Hotel has been operating for at least 24 months, the amount of all Monthly Royalty Fees due under the Franchise Agreement for the 24 month period before the month of termination divided by 24; and (b) if the Hotel has not been operating for at least 24 months, the amount of all Monthly Royalty Fees due under the Franchise Agreement for the period between the Opening Date and the termination date divided by the number of months between the Opening Date and the termination date. Any percentage fee discounts (including fee ramps) are excluded from the calculation of Hotel's Average Monthly Royalty Fees.
Franchise Agreement	13.4.2	Liquidated damages must be paid within 30 days after the termination of the Franchise Agreement or on demand.
Franchise Agreement	13.5	If we deem that Liquidated Damages described in 13.4 in connection with the premature termination of the Franchise Agreement are inadequate to compensate us for additional harm we may suffer, we reserve the right to seek to recover actual damages in certain circumstances.
Franchise Agreement	13.6	On termination or expiration of the Agreement you must immediately: (1) pay all sums due and owing to us or any of our Affiliates, including liquidated damages and any expenses incurred by us in obtaining injunctive relief for the enforcement of this Agreement; (2) cease operating the Hotel as a System Hotel and cease using the System; (3) cease using the Marks, the Trade Name, and any confusingly similar names, marks, trade dress systems, insignia, symbols, or other rights, procedures, and methods; deliver all goods and materials containing the Marks to us; make any specified changes to the location as we may reasonably require for this purpose, which will include removal of the signs, custom decorations, and promotional materials; (4) cease representing yourself as then or formerly a System Hotel or affiliated with the Licensed Brand or the Network; (5) return all copies of the Manual and any other Proprietary Information to us; (6) cancel all assumed name or equivalent registrations relating to your use of any Mark, notify the telephone company and all listing agencies and directory publishers including internet domain name granting authorities, internet service providers, global distribution systems, and web search engines of the termination or expiration of your right to use the Marks, the Trade Name, and any telephone number, any classified or other telephone directory listings, internet domain names, uniform resource locators, website names, electronic mail addresses and search engine metatags and keywords associated with the hotel, and authorize their transfer to us; and (7) irrevocably assign and transfer to us (or to our designee) all of your right, title and interest in any domain name listings and registrations that contain any reference to our Marks, System, Network or Licensed Brand; notify the applicable domain name registrars of the termination of your right to use any domain name or Sites associated with the Marks or the Licensed Brand; and authorize and instruct the cancellation of the domain name, or transfer of the domain name to us (or our designee), as we specify; delete all references to our Marks, System, Network or Licensed Brand from any Sites you own, maintain or operate beyond the expiration or termination of the Franchise Agreement.
Spa Amendment	9 and 10	If your right to operate an eforea spa terminates or expires, your post-term obligations include termination of use of the eforea name and any other names, marks, systems or other rights license to you for the spa, delivery of

Document	Section	Summary
		all items containing any portion of our trademarks or service marks to us for use by us as we may see fit, make the changes we request to your hotel, hotel site and spa to de-identify your spa as an eforea spa, return all copies of the eforea spa Manual, cancel all assumed name or equivalent registrations and transfer any domain name listings and registrations that contain any reference to the eforea name to us, and cease representing yourself or the hotel as then or formerly operating an eforea spa.
HITS Agreement	4.1	We can terminate the HITS Agreement if we terminate the Franchise Agreement or any other agreement that allows you to operate the hotel, and you have no right to cure once the Franchise Agreement terminates. We can also terminate the HITS Agreement if you (1) fail to pay us sums due and fail to cure your default within 10 days; (2) you breach your obligations of confidentiality; (3) you fail to timely refresh the Authorized Equipment; or (4) you default under any other provision of the HITS Agreement and fail to cure your default within 30 days after notice from us.
HITS Agreement	4.2	On 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	4.3	On termination, you will pay: (a) all unpaid fees related to the Agreement Products and Services, Software and Authorized Equipment incurred by Customer; (b) all costs to HSS of all the Agreement Products and Services, Software and Authorized Equipment that exceeds what the Customer paid for same; (c) all termination, penalty or administrative fees that would not be payable but for the termination for cause; (d) all costs related to disabling the Agreement Products and Services, together with the intervention or administration fees set forth in the Manual; (e) all costs and fees for any Authorized Equipment, Authorized Equipment maintenance Services, Software, Software maintenance Services, network and other Services HSS and its Affiliates provide after the termination effective date; and (f) all termination fees identified in your Order Document.
HITS Agreement	4.4	On default, instead of terminating, we may institute an interim remedy, as described above in the summary of Section 13.3 of the Franchise Agreement.
Franchise Application	N/A	The Franchise Application Fee submitted with the Franchise Application is non-refundable on our approval of the Franchise Application. If we do not approve the Franchise Application, we will retain $7,500 and return the balance of the Franchise Application Fee to you, without interest.

22.2 Renewal

The following chart summarizes the provisions in the Franchise 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 Agreement	3	The Franchise Agreement is non-renewable.
Spa Amendment	9	The Spa Amendment is non-renewable.
HITS Agreement	N/A	The HITS Agreement will run concurrently with the Franchise Agreement, and will automatically terminate under the termination or expiration of the Franchise Agreement.

22.3 Transfer

The following chart summarizes the provisions in the Franchise 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 Agreement	12.1	We may assign or transfer the Franchise Agreement and any of our rights, duties or assets to any person or entity without your consent so long as the assignee assumes all of our obligations to permit you to operate the Hotel.
Franchise Agreement	12.2	A Transfer of any interest in you, the Hotel, the Hotel Site, or the Franchise Agreement (or any rights or obligations under it) are prohibited unless expressly allowed in the Franchise Agreement. The Franchise Agreement allows 2 types of Transfers if certain conditions are satisfied: (a) Permitted Transfers; and (b) Change of Ownership Transfers. In any Transfer, the proposed Transferee may not be a Sanctioned Person.
Franchise Agreement	12.2.1	Permitted Transfers are Transfers that will not result in a change of Control of you, the Hotel, or the Hotel Site.
Franchise Agreement	12.2.1.1	You may complete the following types of Permitted Transfers without giving us notice or obtaining our consent: Transfers of (a) Publicly Traded Equity Interests; (b) privately held Equity Interests when the transferee will hold less than 50% after the Transfer(s), and there is no resulting change of Control; and (c) interests within and to designated institutional investment funds if the named asset manager does not change.
Franchise Agreement	12.2.1.2	For the following types of Permitted Transfers, unless the Transfer otherwise qualifies under 12.2.1.1, you must give us 60 days' written notice, obtain our consent, follow our then-current procedure for processing Permitted Transfers, sign documents required by us, and pay a processing fee: Transfers (a) to Affiliates; (b) to a family member or trust; (c) on death; and (d) of privately-held Equity Interests if more than 50% will have changed hands after the Transfer(s).
Franchise Agreement	12.2.2	Any Transfer that is not a Permitted Transfer under §12.2.1 is a Change of Ownership Transfer. You must give 60 days' written notice and provide any information we may require to consent to this type of transfer, not be in default; pay all amounts due to us and our Affiliates through closing; conclude any suit, action or proceeding that is pending or threatened against you, us or any of our Affiliates with respect to the Hotel, or provide adequate security. Proposed Transferee must meet our then-current business requirements for new franchisees, including credit, background investigation, operations experience, prior business dealings, and other relevant factors. Proposed Transferee must submit a completed and signed Change of Ownership Application, pay our Franchise Application Fee, sign our then-current form of franchise agreement and agree to our request for upgrades to the Hotel (which may include payment of a PIP fee); agree to indemnify, hold harmless and defend us and our affiliates against any action by a Government Entity arising in connection with any fees or costs you charged to customers; and, if applicable, the transferee's guarantors must sign our then-current form of guaranty of franchise agreement. Proposed Transferee must not be a Sanctioned Person.
Franchise Agreement	12.3	Public Offering/Private Placement. You must give 60 days' advance notice; pay a processing fee when you submit the request, pay any additional costs we may incur; follow our instructions about the use of the Marks and disclosure; and indemnify us from any claims related to the offer or sale of your securities.

Document	Section	Summary
Franchise Agreement	12.4	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. Upon your request on behalf of your lender, we may issue a lender comfort letter agreement in a form satisfactory to us. We may charge a processing fee for preparation of a lender comfort letter.
Franchise Agreement	5.1.23	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.
Spa Amendment	9	You may not transfer the hotel or the eforea spa you are operating without simultaneously transferring the other to the same buyer.
HITS Agreement	2.1.2; Order Document	You cannot assign or transfer the HITS Agreement without our written consent. HSS may delegate certain of its operational responsibilities under the HITS Agreement to third parties but remains responsible.
Guaranty	1	The guarantor's liability under the Guaranty will continue until all of the guarantor's obligations have been satisfied, and will not be affected by a transfer of the Hotel.

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

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 Agreement, and the process may be used to resolve the dispute if agreed to by all parties."

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 4[1] of the **Alberta *Franchises Act***, the prospective franchisee may rescind all the

[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

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, 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.

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.

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 franchisee 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
ADDITIONAL DISCLOSURE APPLICABLE IN MANITOBA PROVINCE ONLY

Dispute Resolution

The Franchises Act (the "Act") requires the following statement 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 agreement, and the process may be used to resolve the dispute if agreed to by all parties."

The franchise agreement does not contain any provisions related to arbitration, mediation or any other alternative dispute resolution process.

ARTICLE 28
ADDITIONAL DISCLOSURE APPLICABLE IN QUEBEC PROVINCE ONLY

If the Hotel is located in Quebec, you are required to obtain, install and use the Hilton Worldwide Standard Property Management System ("HSPMS"), as our required business software and hardware system, in the operation of a hotel. HSPMS is different from OnQ, the required business software and hardware that must be used by our hotels elsewhere in Canada.

All provisions of this Disclosure Document apply to Hotels located in Quebec except as specifically modified in this Article 28.

Article 6.1 is amended as follows only for Hotels located in Quebec:

Type of Fee	Amount	Due Date	Remarks
HSPMS Computer System Fees – Hardware, Software & Installation	Currently, $136,500 to $315,000. .	As agreed.	See Note 2.
HSPMS Start-up, Delay and Rescheduling Fees	Currently, $700 plus travel expenses per day per SIC due to a delay in the hotel opening date and $2,000 re-scheduling	When incurred.	You must have one or more Systems Implementation Consultants ("SICs") on site for your Hotel's opening. HSS determines the number of SICs and the number of days they will be on site based on size and type of hotel.

Type of Fee	Amount	Due Date	Remarks
	fee if the delay resulted in departure and re-scheduling of the SIC's on-site service period.		

Note 2. Computer System Fees. You must use our required business computer system, which we may periodically change. Currently, we require you to use "HSPMS," which connects System hotels to our reservation offices and travel planners worldwide. HSPMS is comprised of components for reservations, property management, revenue management, rate & inventory management, forecast management, learning management, and other components we consider necessary to support the following activities: reservations, distribution, sales, customer relationship management, hotel operations, and business intelligence gathering and analysis. The complete HSPMS package currently includes hardware, software, installation, and support.

HSPMS Hardware and Software. You must use authorized hardware and software for the HSPMS system. This system utilizes some components from third party providers and some components from our affiliate, HSS, which integrate together. You may purchase the hardware from our preferred providers, or you may purchase or lease it through other (non-preferred) third-party vendors. If you acquire the hardware from another (non-preferred) third-party vendor, you must also pay HSS for its reasonable expenses in determining that it conforms to our specifications. You must also pay for all necessary communications vehicles for HSPMS (wide area connections, electronic mail, and internet connections), along with the installation and configuration costs, and travel and other expenses of the employees and vendors who perform the installation and configuration services. The HSPMS software package utilizes software components from third-party vendors and software components from HSS. The software components that you license from HSS are proprietary to HSS. Because of this, HSS is the only supplier of these components. We may periodically change any elements or components within the HSPMS system. We are not able to determine and disclose a separate market price for HSPMS because there is no third-party market for HSPMS in its entirety. These computer system fees are not refundable.

About 90 to 120 days before your Hotel opens, you must sign the agreement for HSPMS (HITS Agreement for Quebec) and/or other related agreements we require, which will govern your access to and use of the HSPMS system. The current HITS Agreement is attached as Exhibit B-1. You must also purchase certain software licenses such as Windows Server operating systems and related client access licenses, database applications, and virus detection and removal tools. Where applicable, these licenses must be purchased through existing enterprise agreements HSS has in place with vendors such as Microsoft. HSS will invoice the Hotel for such purchases. You may purchase other software not covered by enterprise agreements from other third-party suppliers. Costs of these licenses may vary based on the number of users or computers at your Hotel and other factors.

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

You must install our "Connected Room" system, which enables streaming media and permits guests to use their smart phones and other personal mobile devices to control their guest room television and other conveniences such as lighting and temperature using the Hilton Honors App. The Connected Room system is not part of the HSPMS system but the total estimated cost is included within the total estimated HSPMS cost ranges shown here.

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

The costs shown above do not include certain costs payable to third parties in connection with the HSPMS system. They also do not include costs payable to third parties in connection with our required Guest Internet Access system, or the costs of optional computer system components that we may recommend. Further details appear above in Article 6.2 (see Other Fees) and Article 7 (see Other Costs of Establishing the Franchise). All computer system costs are subject to change, and normally are not refundable. Article 6.2 is amended as follows only for Hotels located in Quebec:

Article 6.2 is amended as follows only for Hotels located in Quebec:

TYPE OF FEE	AMOUNT	Due Date	REMARKS
Computer System Fees			
HSPMS Additional Rooms Fee	Currently, $45 per additional guest room/suite.	When additional guest rooms/suites are completed.	If you add or construct additional guest rooms at the Hotel at any time after you sign the Franchise Agreement, you must pay Hilton or HSS the then current per guest room/suite software license fee charged to System Hotels multiplied by the number of additional guest rooms.
HSPMS Connectivity Fees	Currently, between $1,485 and $3,000 per month.	Billed monthly.	Fee is determined by the number of workstations and other HSPMS equipment at your Hotel.
HSPMS Interface Fees	Currently, $2,250 per additional interface.	As agreed.	Payable if you add an additional HSPMS interface after Hotel opening.
HSPMS Hardware Maintenance Support Fees	Currently, $1,500 to $5,000 monthly.	Billed monthly by the 15th day of the following month.	Fee is determined by the number of workstations and other HSPMS equipment at your hotel. This range also includes the maintenance and support cost for the Connected Room system.
HSPMS Software Maintenance Support Fees	Currently, $1,200 to $9,500 per month.	Billed monthly by the 15th day of the following month.	This cost is determined on the number of rooms and HSPMS interfaces at your hotel.
HSPMS Email Fees	Currently, $7.92 per user per month for all users and $12.50 per month for delivery to authorized mobile devices.	Billed quarterly.	Currently, you must have at least 3 accounts.

Article 7 is amended as follows only for Hotels located in Quebec:

Type of expenditure	Amount	Method of payment	When due	To Whom Payment Is To Be Made
HSPMS Computer Software and Hardware Costs (Note 10)	$149,055 to $367,500	Lump sum or through Third Party Supplier.	45 days before opening.	Affiliates and Suppliers
TOTAL	**$2,997,305 to $111,298,000** THESE FIGURES DO NOT INCLUDE REAL ESTATE COSTS, MARKET STUDIES, INSURANCE, INTEREST OR SEPARATELY IDENTIFY THE COST OF IMPROVEMENTS UNDER A CONVERSION, RE-LICENSING OR CHANGE OF OWNERSHIP LICENSE.			

Note 10. You must acquire and install hardware and software for the required computer systems, including the HSPMS system, Guest Internet Access system, Connected Room system, Guest Facing Workstations/Business Center, and the Delphi Sales and Events system. The amounts shown here are different than the amounts shown in Article 6.1 because the amounts shown here also include costs that are payable to third parties. See above Article 6.1 for details.

HSPMS Hardware and Software. You must use authorized hardware and the required software for the HSPMS system. Details regarding the HSPMS System appear above in this Article 28 (see Initial Fees and Other Fees).

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

Guest Internet Access Hardware and Software. Currently, our approved Guest Internet Access program is called “StayConnected.” You must install certain hardware and software, an internet access circuit, and subscribe to an internet access service to meet this requirement. The hardware and software for Guest Internet Access will be provided by, installed by, and maintained by our preferred providers. You may purchase the necessary hardware from a preferred provider, or we may permit you to purchase or lease it through other (non-preferred) third-party vendors. In addition to the hardware and software costs, you must pay for all necessary communication vehicles (phone lines, network connections), installation and configuration costs, and travel and other expenses of the vendors who perform the installation and configuration services. The estimate shown here includes Guest Internet Access hardware, software, installation, and certain other costs and fees, excluding taxes or structured cable and cabling installation. If we permit you to acquire the hardware from another (non-preferred) third-party provider, you must also pay HSS for its reasonable expenses in determining that the hardware conforms to the required specifications.

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

Connected Room. You must install our "Connected Room" system, which enables streaming media and permits guests to use their smart phones and other personal mobile devices to control their guest room television and other conveniences such as lighting and temperature using the Hilton Honors App. This system requires a control module that is connected to each in-room television along with certain electrical fixtures such as light switches and thermostats, which you must purchase from us or our approved vendors. The cost of each control module is currently $150, and the cost of the electrical fixtures is competitive with equivalent standard fixtures. These costs are paid before opening. You must also have a maintenance and support contract from us or an approved vendor, which currently costs $1 to $2 per control module per month. The Connected Room system is not part of the HSPMS system but the total estimated cost per hotel is included within the total estimated cost ranges for the HSPMS Hardware, Software, and Maintenance costs shown above (and in Articles 6.1 and 6.2, respectively). These costs are normally not refundable.

Guest Facing Workstations/Business Center. Your Hotel must have computer workstations and printers available for guest use, free-of-charge, in either a traditional business center or in an open zone in the lobby, in accordance with our Standards. The number of required workstations varies by the size of the hotel. You must obtain specified hardware, software and ongoing support from our approved suppliers. We are not obligated to provide any maintenance or updates for this center. You must maintain and update the center at your cost to remain in compliance with the Standards. There are no limits on the frequency or cost of this obligation. We will not have independent access to any information that will be generated by or communicated through this center.

Delphi Sales and Events System. You must also use Delphi.fdc, a cloud-based sales and events system, powered by Amadeus Hospitality, a third-party vendor. The set-up costs of this system are shown here. Additional set-up costs may apply, depending on implementation approach you choose and the specific needs of your Hotel. You must also pay ongoing costs on a per-user basis as shown above in Article 6.2 (Other Fees). The number of users varies by hotel and there is no established average. Therefore, we cannot estimate these ongoing costs during the initial period.

In addition, you must pay for the preparation of a digital floor plan for your Hotel (see Article 6.1).

Article 11 is amended only for Hotels located in Quebec to change references to "OnQ" to "HSPMS."

Article 14 is amended only for Hotels located in Quebec to change references to "OnQ" to "HSPMS."

ARTICLE 29
RECEIPT BY FRANCHISEE

Receipt by Franchisee

Exhibit J is a detachable receipt.

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, U.S.A., this 28th day of June, 2019.

HILTON WORLDWIDE FRANCHISING LP.
a United Kingdom limited partnership

By: **HILTON WORLDWIDE MANAGE LIMITED**,
Its General Partner

By: _____

Name: Karen Boring Satterlee

Title: Authorized Signatory

By: _____

Name: William Fortier

Title: Authorized Signatory

CERTIFICATE OF FRANCHISOR
(BRITISH COLUMBIA)

This Disclosure Document:

1. contains no untrue information, representations or statements, whether of a material fact or otherwise; and
2. contains every material fact, financial statement, statement and other information required by the *Franchises Act* and the *Franchises Regulation*.

DATED at McLean, Virginia, U.S.A., this 28th day of June, 2019.

HILTON WORLDWIDE FRANCHISING LP.
a United Kingdom limited partnership

By: **HILTON WORLDWIDE MANAGE LIMITED**,
Its General Partner

By: _____

Name: Karen Boring Satterlee

Title: Authorized Signatory

By: _____

Name: William Fortier

Title: Authorized Signatory

CERTIFICATE OF FRANCHISOR
(MANITOBA)
(*Disclosure Document Regulation – The Franchises Act*, ss. 2(3) and 2(4)

This Disclosure Document:

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

(b) contains every material fact, document and other information that is required under *The Franchises Act* and the *Franchises Regulation*.

DATED at McLean, Virginia, U.S.A., this 28th day of June, 2019.

HILTON WORLDWIDE FRANCHISING LP.
a United Kingdom limited partnership

By: **HILTON WORLDWIDE MANAGE LIMITED**,
Its General Partner

By: _____

Name: Karen Boring Satterlee

Title: Authorized Signatory

By: _____

Name: William Fortier

Title: Authorized Signatory

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, U.S.A., this 28th day of June, 2019.

HILTON WORLDWIDE FRANCHISING LP.
a United Kingdom limited partnership

By: **HILTON WORLDWIDE MANAGE LIMITED,**
Its General Partner

By: _____

Name: Karen Boring Satterlee

Title: Authorized Signatory

By: _____

Name: William Fortier

Title: Authorized Signatory

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, U.S.A., this 28th day of June, 2019.

HILTON WORLDWIDE FRANCHISING LP.
a United Kingdom limited partnership

By: **HILTON WORLDWIDE MANAGE LIMITED**,
Its General Partner

By: _____

Name: Karen Boring Satterlee

Title: Authorized Signatory

By: _____

Name: William Fortier

Title: Authorized Signatory

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, U.S.A., this 28th day of June, 2019.

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By: **HILTON WORLDWIDE MANAGE LIMITED**,
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EXHIBIT A

FRANCHISE AGREEMENT

ENTER HOTEL NAME AND PROVINCE HERE

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FRANCHISE AGREEMENT

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

INTRODUCTION

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

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

1.0 DEFINITIONS

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

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

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

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

"**Brand**" means the brand name set forth in the Addendum.

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

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

[DELETE FOR OL, QQ, UP]"**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.

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

"**Construction Commencement Date**" means the date set out in the Addendum, if applicable, by which you must commence construction of the Hotel. For the Hotel to be considered "under construction," you

must have begun to pour concrete foundations for the Hotel or otherwise satisfied any site-specific criteria for "under construction" set out in the Addendum.

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

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

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

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

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

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

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

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

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

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

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

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

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

"**Gross Rooms Revenue**" means all revenues derived from the sale or rental of Guest Rooms (both transient and permanent) of the Hotel, including revenue derived from the redemption of points or

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

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

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

"**Hilton Worldwide**" means Hilton Worldwide Holdings Inc., a Delaware corporation.

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

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

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

"Hotel's Average Monthly Royalty Fees" means: (a) if the Hotel has been operating for at least 24 months, the quotient of all Monthly Royalty Fees due under this Agreement for the twenty-four (24) month period immediately preceding the month of termination divided by twenty-four (24); and (b) if the Hotel has not been operating for at least twenty-four (24) months, the quotient of all Monthly Royalty Fees due under this Agreement for the period between the Opening Date and the termination date divided by the number of months between the Opening Date and the termination date. Any percentage fee discounts (including fee ramps) are excluded from the calculation of Hotel's Average Monthly Royalty Fees.

"**Improper Payment**" means: (a) any payment, offer, gift or promise to pay or authorization of the payment or transfer of other things of value, including without limitation any portion of the compensation, fees or reimbursements received hereunder or the provision of any service, gift or entertainment, directly or indirectly to (i) a Government Official; (ii) any director, officer, employee or commercial partner of a Party or its Affiliates; or, (iii) any other person at the suggestion, request or direction or for the benefit of any of the above-described persons and entities, for purposes of obtaining or influencing official actions or decisions or securing any improper advantage in order to obtain, retain or direct business; (b) payments made and expenses incurred in connection with performance of obligations under this Agreement that are not made and recorded with sufficient accuracy, detail, and control to meet the standards in applicable Anti-Corruption Laws; or, (c) any other transaction in violation of applicable Anti-Corruption Laws.

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

"**Information**" means all information we obtain from you or about the Hotel or its guests or prospective guests under this Agreement or under any agreement ancillary to this Agreement, including agreements relating to the computerized reservation, revenue management, property management, and other systems we provide or require, or otherwise related to the Hotel. Information includes, but is not limited to, Operational Information, Proprietary Information, and Personal Information.

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

"**Laws**" means all public laws, statutes, ordinances, by-laws, orders, rules, regulations, permits, licenses, certificates, authorizations, directions and requirements of all Governments and Government Entities having jurisdiction over the Hotel, Hotel Site or over Franchisee to operate the Hotel, which, now or hereafter, may apply to the construction, renovation, completion, equipping, opening and operation of the Hotel.

"**License**" has the meaning set forth in Subsection 2.1.

"**Liquidated Damages**" has the meaning set forth in Subsections 6.4.4 and 13.4.

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

"Mandatory Guest Fee" means any separate fee that a patron or guest is charged for in addition to the base room rate for a guest room, including but not limited to resort fees, facility fees, destination fees, amenity fees, urban fees, tourism public improvement district fees, tourism and/or improvement assessments or any other similar fee. Mandatory Guest Fees do not include employee gratuities or state or local mandatory taxes.

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

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

"**Monthly Fees**" means, collectively, **[INSERT FOR HFS, CI, SA, WAC:** the Monthly Food and Beverage Fee,] the Monthly Program Fee and the Monthly Royalty Fee, each of which is set forth in the Addendum.

[INSERT FOR HFS, CI, SA, WAC] "**Monthly Food and Beverage Fee**" means the fee we require from you in Subsection 8.1, which is set forth in the Addendum.

"**Monthly Program Fee**" means the fee we require from you in Subsection 8.1, which is set forth in the Addendum.

"**Monthly Royalty Fee**" means the fee we require from you in Subsection 8.1, which is set forth in the Addendum.

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

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

"**Opening Date**" means the day on which we first authorize the opening of the facilities, Guest Rooms or services of the Hotel to the general public under the Brand.

"**Operational Information**" means all information concerning the Monthly Fees, other revenues generated at the Hotel, room occupancy rates, reservation data and other financial and non-financial information we require.

"**Other Business(es)**" means any business activity we or our Affiliates engage in, other than the licensing of the Hotel.

"**Other Hotels**" means any hotel, inn, lodging facility, conference center or other similar business, other than a System Hotel or a Network Hotel.

[INSERT FOR RU] "**Package**" means any specific grouping or selection of furniture, furnishings, fixtures, equipment, amenities, services and/or other supplies that we designate, which must be acquired together as one package, installed and used at the Hotel.

"**Permitted Transfer**" means any Transfer by you or your Equity Owners that does not result in a Change of Control of you, the Hotel, or the Hotel Site, as specified in Section 12.2 of this Agreement.

"**Person(s)**" means a natural person or entity.

"**Personal Information**" means any information that: (i) can be used (alone or when used in combination with other information within your control) to identify, locate or contact an individual; or (ii) pertains in any way to an identified or identifiable individual. Personal Information can be in any media or format, including computerized or electronic records as well as paper-based files.

"**PIP**" means 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 that use and incorporate the Standards.

"**Principal Mark**" is the Mark identified as the Principal Mark in the Addendum.

"**Privacy Laws**" means any international, national, federal, provincial, state, or local law, code, rule or regulation that regulates the processing of Personal Information in any way, including data protection laws, laws regulating marketing communications and/or electronic communications, information security regulations and security breach notification rules.

"**Proprietary Information**" means all information or materials concerning the methods, techniques, plans, specifications, procedures, data, systems and knowledge of and experience in the development, operation, marketing and licensing of the System, including the Standards and the Manuals, whether developed by us, you, or a third party.

"**Publicly Traded Equity Interest**" means any Equity Interest that is traded on any securities exchange or is quoted in any publication or electronic reporting service maintained by the National Association of Securities Dealers, Inc., or any of its successors.

"**Quality Assurance Re-Evaluation Fee**" has the meaning set forth in Subsection 4.5.

"**Renovation Commencement Date**" means the date set out in the Addendum, if applicable, by which you must commence Renovation Work.

"**Renovation Work**" means the renovation and/or construction work, as the context requires, including purchasing and/or leasing and installation of all **[SELECT FOR RU** Packages, fixtures, equipment, furnishings, furniture, signs, computer terminals and related equipment, supplies and other items that would be required of a new System Hotel under the Manual, and any other **[SELECT FOR RU** Packages, equipment, furnishings and supplies that we may require for you to operate the Hotel as set out in any PIP applicable to the Hotel.

"**Renovation Work Completion Date**" means the date set out in the Addendum, if applicable, by which you must complete Renovation Work.

"**Reports**" mean daily, monthly, quarterly and annual operating statements, profit and loss statements, balance sheets, and other financial and non-financial reports we require.

"**Reservation Service**" means the reservation service we designate in the Standards for use by System Hotels.

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

"**Room Addition Fee**" means a sum equal to the then-current Room Addition Fee charged for new System Hotels multiplied by the number of Additional Guest Rooms you wish to add to the Hotel in accordance with Subsection 6.6.3.

"**Sanctioned Person**" means any person, entity, or Government, including those with Control over such persons or entities, or acting on behalf of such persons or entity, who is subject to Trade Restrictions that prohibit or restrict the Parties' performance of the Parties' obligations under this Agreement.

"**Securities**" means any public offering, private placement or other sale of securities in you, the Hotel or the Hotel Site.

"**Site**" means domain names, the World Wide Web, the Internet, computer network/distribution systems, or other electronic communications sites, including mobile applications.

"**Standards**" means all standards, specifications, requirements, criteria, and policies that have been and are in the future developed and compiled by us for use by you in connection with the design, construction, renovation, refurbishment, appearance, equipping, furnishing, supplying, opening, operating, maintaining, marketing, services, service levels, quality, and quality assurance of System Hotels, including the Hotel, and for hotel advertising and accounting, whether contained in the Manual or set out in this Agreement or other written communication. The Standards do not include any personnel policies or procedures that we may, at our option, make available to you in the Manual or other written communication. You may, in your sole judgment, determine to what extent, if any, any such personnel policies or procedures might apply to the Hotel or Hotel Site.

"**System**" means the elements, including know-how, that we designate to distinguish hotels operating worldwide under the Brand (as may in certain jurisdictions be preceded or followed by a supplementary identifier such as "by Hilton") that provide to the consuming public a similar, distinctive, high-quality hotel service. The System currently includes: the Brand, the Marks, the Trade Name, and the Standards; access to a reservation service; advertising, publicity and other marketing programs and materials; training programs and materials; and programs for our inspection of the Hotel and consulting with you.

"**System Hotels**" means hotels operating under the System using the Brand name and the Standards.

[DELETE FOR OL, PY, RU, UAB, SA] "**System's Average Monthly Royalty Fees"** means the average Monthly Royalty Fees per Guest Room owed to us by all System Hotels in operation in the United States over the twelve (12) full calendar month period immediately preceding the month of termination, multiplied by the number of approved Guest Rooms at the Hotel. Any percentage fee discounts (including fee ramps) are excluded from the calculation of System's Average Monthly Royalty Fees. For the avoidance of doubt, any System Hotel that has not been in operation for at least twelve (12) full calendar months immediately preceding the month of termination is not included in determining the System's Average Monthly Royalty Fees.

"**Taxes**" means any and all withholding, sales, use, excise, consumption, VAT and other similar taxes or duties, levies, fees, and assessments of whatsoever nature, including but not limited to goods and services taxes.

"**Term**" has the meaning set forth in Section 3.0.

"**Trade Name**" means the name of the Hotel set forth in the Addendum.

"**Trade Restrictions**" means trade, economic or investment sanctions, export controls, anti-terrorism, non-proliferation, anti-money laundering and similar restrictions in force pursuant to laws, rules and regulations imposed under Laws to which the Parties are subject.

"**Transfer**" means in all its forms, any sale, lease, assignment, spin-off, transfer, or other conveyance of a direct or indirect legal or beneficial interest.

"**Transferee**" means the proposed new franchisee resulting from a Transfer.

"**Your Agreements**" means any other agreement between you and us or any of our Affiliates related to this Agreement, the Hotel and/or the Hotel Site.

2.0 GRANT OF LICENSE

2.1 Non-Exclusive License. We grant to you and you accept a limited, non-exclusive License to use the Marks and the System during the Term at, and in connection with, the operation of the Hotel in accordance with the terms of this Agreement. Provided, however, that 1) your right to operate the Hotel under the Brand will not become effective until after any existing third-party franchise, management or similar agreement for the Hotel has terminated or expired; and 2) you are solely responsible for ensuring that any existing third-party franchise, management or similar agreement has terminated or expired on or before the Opening Date

2.2 Reserved Rights.

2.2.1 This Agreement does not limit our right, or the right of our Affiliates, to own, license or operate any Other Business of any nature, whether in the lodging or hospitality industry or not, and whether under the Brand, **[DELETE FOR OL, QQ, UP** a Competing Brand], or otherwise. We and our Affiliates have the right to engage in any Other Businesses, even if they compete with the Hotel, the System, or the Brand, and whether we or our Affiliates start those businesses, or purchase, merge or amalgamate with, acquire, are acquired by, come under common ownership with, or associate with, such Other Businesses.

2.2.2 We may also:

2.2.2.1 add, alter, delete or otherwise modify elements of the System;

2.2.2.2 use or license to others all or part of the System;

2.2.2.3 use the facilities, programs, services and/or personnel used in connection with the System in Other Businesses; and

2.2.2.4 use the System, the Brand and the Marks in the Other Businesses.

2.2.3 You acknowledge and agree that you have no rights to, and will not make any claims or demands for, damages or other relief arising from or related to any of the foregoing activities, and you acknowledge and agree that such activities will not give rise to any liability on our part, including liability for claims for unfair dealing, breach of contract, breach of any applicable implied covenant or duty of good faith or fair dealing.

[INCLUDE ONLY IF RESTRICTED AREA PROVIDED:]

2.3 Restricted Area Provision. The Restricted Area Provision is set forth in the Addendum.

3.0 TERM

The Term shall begin on the Effective Date and will end, without further notice, on the Expiration Date set forth in the Addendum, unless terminated earlier under the terms of this Agreement. You acknowledge and agree that this Agreement is non-renewable and that this Agreement confers on you absolutely no rights of license renewal or extension whatsoever following the Expiration Date.

4.0 OUR RESPONSIBILITIES

We have the following responsibilities to you under this Agreement. We reserve the right to fulfill some or all of these responsibilities through one of our Affiliates or through unrelated third parties, in our sole business judgment. We may require you to make payment for any resulting services or products directly to the provider.

4.1 Training. We may specify certain required and optional training programs and provide these programs at various locations. We may charge you for required training services and materials and for optional training services and materials we provide to you. You are responsible for all travel, lodging and other expenses you or your employees incur in attending these programs.

4.2 Reservation Service. We will furnish you with the Reservation Service. The Reservation Service will be furnished to you on the same basis as it is furnished to other System Hotels, subject to the provisions of Subsection 13.3 below.

4.3 Consultation. We may offer consultation services and advice in areas such as operations, facilities, and marketing, but you will always remain responsible for hiring your employees and the terms and conditions of their employment. We may establish fees in advance, or on a project-by-project basis, for any consultation service or advice you request. Any consultation services and advice that we provide will be given in the United States.

4.4 Marketing.

4.4.1 We will publish (either in hard copy or electronic form) and make available to the traveling public a directory that includes System Hotels. We will include the Hotel in advertising of System Hotels and in international, national and regional marketing programs in accordance with our general practice for System Hotels.

4.4.2 We will use your Monthly Program Fee to pay for various programs to benefit the System, including:

4.4.2.1 advertising, promotion, publicity, public relations, market research, and other marketing programs;

4.4.2.2 developing and maintaining directories of and Internet sites for System Hotels;

4.4.2.3 developing and maintaining the Reservation Service systems and support; and

4.4.2.4 administrative costs and overhead related to the administration or direction of these projects and programs.

4.4.3 We will have the sole right to determine how and when we spend these funds, including sole control over the creative concepts, materials and media used in the programs, the placement and allocation of advertising, and the selection of promotional programs.

4.4.4 We may enter into arrangements for development, marketing, operations, administrative, technical and support functions, facilities, programs, and/or other services with any other entity, including any of our Affiliates or third parties.

4.4.5 You acknowledge that Monthly Program Fees are intended for the benefit of the System and will not simply be used to promote or benefit any one System Hotel or market. We will have no obligation in administering any activities paid for with the Monthly Program Fee to make expenditures for you that are equivalent or proportionate to your payments or to ensure that the Hotel benefits directly or proportionately from such expenditures.

4.4.6 We may create any programs and allocate monies derived from Monthly Program Fees to any regions or localities, as we consider appropriate in our sole business judgment. The aggregate of Monthly Program Fees paid to us by System Hotels does not constitute a trust or "advertising fund" and we are not a fiduciary with respect to the Monthly Program Fees paid by you and other System Hotels.

4.4.7 We are not obligated to expend funds in excess of the amounts received from System Hotels. If any interest is earned on unused Monthly Program Fees, we will use the interest before using the principal. The Monthly Program Fee does not cover your costs of participating in any optional marketing programs and promotions offered by us in which you voluntarily choose to participate. These Monthly Program Fees do not cover the cost of operating the Hotel in accordance with the Standards.

4.5 Inspections/Compliance Assistance. We will administer a quality assurance program for the System that may include conducting pre-opening and periodic inspections of the Hotel and guest satisfaction surveys and audits to ensure compliance with the Standards. You will permit us to inspect the Hotel without prior notice to you to determine if the Hotel is in compliance with the Standards. You will cooperate with our representatives during these inspections. You will then take all steps necessary to correct any deficiencies within the times we establish. 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 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.

4.6 Manual. We will issue to you or make available in electronic form the Manual and any revisions and updates we may make to the Manual during the Term. You agree to ensure that your copy of the Manual is, at all times, current and up to date. If there is any dispute as to your compliance with the provisions of the Manual, the master copy of the Manual maintained at our principal office will control. The Manual shall at all times remain our exclusive property and shall be returned to us promptly on request and, in any event, on 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.

4.7 Equipment and Supplies. We will make available to you for use in the Hotel various purchase, lease, or other arrangements for exterior signs, operating equipment, operating supplies, **[SELECT FOR RU]** Packages and furnishings, which we make available to other System Hotels.

5.0 YOUR RESPONSIBILITIES

5.1 Operational and Other Requirements. You must:

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

5.1.2 operate the Hotel using the System, in compliance with this Agreement and the Standards, and in such a manner to provide courteous, uniform, respectable and high quality lodging and other services and conveniences to the public. You acknowledge and agree that; (a) you have exclusive day-to-day control of the business and operation of the Hotel (including hiring your employees and terms and conditions of their employment); (b) although we provide the Standards, we do not in any way possess or exercise day-to-day control of the business and operation of the Hotel; (c) we do not dictate nor control labor or employment matters for you or your employees; and (d) we are not responsible for the safety and security of your employees or guests.

5.1.3 comply with the Standards, including our specifications for all supplies, products and services. We may require you to purchase a particular brand of product or service to maintain the common identity and reputation of the Brand, and you will comply with such requirements. Unless we specify otherwise, you may purchase products from any authorized source of distribution; however, we reserve the right, in our business judgment, to enter into exclusive purchasing arrangements for particular products or services and to require that you purchase products or services from approved suppliers or distributors;

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

5.1.5 comply with Standards for the training of persons involved in the operation of the Hotel, including completion by 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 all fees and charges, if any, we require for your personnel to attend these training programs. You are responsible for all travel, lodging and other expenses you or your personnel incur in attending these programs;

5.1.6 purchase and maintain property management, revenue management, in-room entertainment, telecommunications, high-speed internet access, and other computer and technology systems that we designate for the System or any portion of the System based on our assessment of the long-term best interests of System Hotels, considering the interest of the System as a whole;

5.1.7 advertise and promote the Hotel and related facilities and services on a local and regional basis in a first-class, dignified manner, using our identity and graphics Standards for all System Hotels, at your cost and expense. You must submit to us for our approval samples of all advertising and promotional materials that we have not previously approved (including any materials in digital, electronic or computerized form or in any form of media that exists now or is developed in the future) before you produce or distribute them. You will not begin using the materials until we approve them. You must immediately discontinue your use of any advertising or promotional material we disapprove, even if we previously approved the materials;

5.1.8 participate in and pay all charges in connection with all required System guest complaint resolution programs, which programs may include chargebacks to the Hotel for guest refunds or credits and all required System quality assurance programs, such as guest comment cards, customer surveys and mystery shopper programs. You must maintain minimum performance Standards and scores for quality assurance programs we establish;

5.1.9 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;

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

5.1.11 comply with Laws and, on request, give evidence to us of compliance;

5.1.12 participate in, and promptly pay all fees, commissions and charges associated with, all travel agent commission programs and third-party reservation and distribution services (such as airline reservation systems), all as required by the Standards and in accordance with the terms of these programs, all of which may be modified;

5.1.13 not engage, directly or indirectly, in any cross-marketing or cross-promotion of the Hotel with any Other Hotel or related business, without our prior written consent. You agree to refer guests and customers, wherever reasonably possible, only to System Hotels or Network Hotels. We may require you to participate in programs designed to refer prospective customers to Other Hotels. You must display all material, including brochures and promotional material we provide for System Hotels and Network Hotels, and allow advertising and promotion only of System Hotels and Network Hotels on the Hotel Site, unless we specifically direct you to include advertising or promotion of Other Hotels;

5.1.14 treat as confidential the Standards, the Manual and all other Proprietary Information. You acknowledge and agree that you do not acquire any interest in the Proprietary Information other than the right to utilize the same in the development and operation of the Hotel under the terms of this Agreement. You agree that you will not use the Proprietary Information in any business or for any purpose other than in the development and operation of the Hotel under the System and will maintain the absolute confidentiality of the Proprietary Information during and after the Term. You will not make unauthorized copies of any portion of the Proprietary Information; and will adopt and implement all procedures we may periodically establish in our business judgment to prevent unauthorized use or disclosure of the Proprietary Information, 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;

5.1.15 own fee simple title (or long-term ground leasehold interest for a term equal to the Term) to the real property and improvements that comprise the Hotel and the Hotel Site, or alternatively, at our request, cause the fee simple owner, or other third party acceptable to us, to provide its guaranty covering all of your obligations under this Agreement in form and substance acceptable to us;

5.1.16 maintain legal possession and control of the Hotel and Hotel Site for the Term and promptly deliver to us a copy of any notice of default you receive from any mortgagee, trustee under any deed of trust, or ground lessor for the Hotel, and on our request, provide any additional information we may request related to any alleged default;

5.1.17 not directly or indirectly conduct, or permit by lease, concession arrangement or otherwise, gaming or casino operations in or connected to the Hotel or on the Hotel Site, or otherwise engage in any activity which, in our business judgment, is likely to adversely reflect on or affect in any manner, any gaming licenses or permits held by us or our Affiliates or the then-current stature of us or any of our Affiliates with any gaming commission, board, or similar governmental or regulatory agency, or the reputation or business of us or any of our Affiliates;

5.1.18 not directly or indirectly conduct or permit the marketing or sale of time-shares, vacation ownership, fractional ownership, condominiums or like schemes at, or adjacent to, the Hotel. This restriction will not prohibit you from directly or indirectly conducting time-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 you do not use any of the Marks in such sales or marketing efforts and you do not use the Hotel or its facilities in such sales and marketing efforts or in the business operations of the adjacent property;

5.1.19 participate in and pay all charges related to our marketing programs (in addition to programs covered by the Monthly Program Fee), all guest frequency programs we require, and any optional programs that you opt into;

5.1.20 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;

5.1.21 after the Effective Date, comply with all insurance requirements specified in the Manual at your expense (which includes participating in any insurance program we designate, if applicable), and maintain, at your expense, insurance of the types and in the minimum amounts we specify in the Standards. All such insurance must be with insurers having the minimum ratings we specify, name as additional insureds the parties we specify in the Standards, and carry the endorsements and notice requirements we specify in the Standards. If you fail or neglect to obtain or maintain the insurance or policy limits required by this Agreement or the Standards, we have the option, but not the obligation, to obtain and maintain such insurance without notice to you, and you will immediately on our demand pay us the premiums and cost we incur in obtaining this insurance;

5.1.22 not share the business operations and Hotel facilities with any Other Hotel or other business;

5.1.23 provide to us information we reasonably request about any proposed lease or sublease of commercial space, or other concession arrangements, in the Hotel in the ordinary course of business, so that we may review and approve the nature of the proposed business, including the proposed brand and concept, in compliance with our then-current Standards for System Hotels;

5.1.24 promptly provide to us all information we reasonably request about you and your Affiliates (including your respective beneficial owners, officers, directors, shareholders, partners or members) and/or the Hotel, title to the property on which the Hotel is constructed and any other property used by the Hotel;

5.1.25 not engage in any tenant-in-common syndication or Transfer of any tenant-in-common interest in the Hotel or the Hotel Site; and

5.1.26 not, and ensure that that your Equity Owners with controlling Equity Interests, Affiliates, employees, and Management Company do not, engage in any conduct which we reasonably determine is likely to adversely reflect upon or affect in any manner the reputation, goodwill, or business of the Hotel, the System, us and/or any of our Affiliates;

5.1.27 obtain our approval to charge any Mandatory Guest Fee at the Hotel in accordance with the Standards; and

5.1.28 [**DELETE FOR OL, QQ, UP**] not become a Competitor, or permit your Affiliate to become a Competitor, in the **[SELECT FOR CI, WAC]** luxury **[SELECT FOR PY, ES, HFS, SA]** upper upscale **[SELECT FOR DT, HGI, HWS]** upscale **[SELECT FOR HAM, HIS, H2, UAB]** upper midscale **[SELECT FOR RU]** midscale hotel market segment, or any substantially equivalent market segment, as determined by Smith Travel Research ("**STR**") (or, if STR is no longer in existence, STR's successor or other such industry resource that is as equally as reputable as STR);

6.0 HOTEL WORK

6.1 Necessary Consents.

6.1.1 You must obtain our prior written consent before retaining or engaging any architect, interior designer, general contractor and major subcontractors for the Hotel, which consent will not be unreasonably withheld.

6.1.2 Plans and Designs must be submitted to us in accordance with the schedule specified in the Addendum, or any PIP attached to this Agreement.

6.1.3 You shall not commence any Hotel Work unless and until we have issued our written consent in respect of the Plans and Designs, which consent will not be unreasonably withheld.

6.1.4 Before we approve your Plans, your architect or other certified professional must certify to us that the Plans comply with all Laws related to accessibility/accommodations/facilities for those with disabilities. You are solely responsible for ensuring that the Plans and Designs (including Plans and Designs for Hotel Work) comply with our then-current Standards, the Manual, **[INSERT FOR RU** our Package requirements, and all Laws.

6.1.5 Once we have provided our consent to the Plans and Designs, no change may be made to the Plans or Designs without our prior written consent. By consenting to the Plans and Designs or any changes or modifications to the Plans and Designs, we do not warrant the depth of our analysis or assume any responsibility or liability for the suitability of the Plans and Designs or the resulting Hotel Work.

6.2 Initial Hotel Work. You will perform or cause the Hotel Work to be performed in accordance with this Agreement, the approved Plans and Designs, **[SELECT FOR RU** the approved Package, the Manual and, any PIP attached to this Agreement. You will bear the entire cost of the Hotel Work, including the cost of the Plans and Designs, professional fees, licenses, permits, **[SELECT FOR RU** Packages, equipment, furniture, furnishings and supplies. You are solely responsible for obtaining all necessary licenses, permits and zoning variances required for the Hotel Work and for ensuring that all Hotel Work complies with the Standards, the Manual, any PIP, and all Laws.

6.3 Commencement and Completion of the Hotel Work.

6.3.1 You will commence the Hotel Work on or before the Construction Commencement Date or Renovation Commencement Date specified in the Addendum or any PIP. You must promptly provide evidence satisfactory to us that the Construction Work or Renovation Work has commenced. Once commenced, the Hotel Work will continue uninterrupted except to the extent continuation is prevented by events of Force Majeure. You must give written notice to us specifying the nature and duration of any event of Force Majeure promptly after becoming aware of the event of Force Majeure, and specifying that you have used, and continue to use, reasonable endeavours to mitigate the effects of such event of Force Majeure until such event of Force Majeure ceases to exist. .

6.3.2 The Hotel Work must be completed and the Hotel must be furnished, equipped, and otherwise made ready to open in accordance with the terms of this Agreement no later than the Construction Work Completion Date or Renovation Work Completion Date specified in the Addendum or any PIP, as the applicable date may be extended.

6.3.3 Despite your obligation to commence and complete Hotel Work by the agreed deadlines, we agree that the Construction Commencement Date, Renovation Commencement Date, Construction Work Completion Date, or Renovation Work Completion Date specified in the Addendum or any PIP will be automatically extended by thirty (30) days on a rolling basis, unless we provide at least sixty (60) days' notice to you that these automatic extensions of the applicable deadline no longer apply. You must obtain our approval for any further extension of the applicable deadline after receipt of our notice. We may, in our sole discretion, grant or deny approval, or condition our approval of your extension request on (a) your payment of our then-current extension fee; (b) your prompt submission of a written status of the project, including such information as we might reasonably request; and/or (c) any other conditions we consider appropriate under the circumstances.

6.4 Opening the Hotel.

6.4.1 If the Hotel is not open under the Brand on the Effective Date, you will open the Hotel on the Opening Date. You will not open the Hotel unless and until you receive our written consent to do so pursuant to Subsection 6.4.2 or 6.4.3.

6.4.2 You will give us at least fifteen (15) days advance notice that you have complied with all the terms and conditions of this Agreement and the Hotel is ready to open. We will use reasonable efforts within fifteen (15) days after we receive your notice to visit the Hotel and to conduct other investigations as we deem necessary to determine whether to authorize the opening of the Hotel, but we will not be liable for delays or loss occasioned by our inability to complete our investigation and to make this determination within the fifteen (15) day period. If you fail to pass our initial opening site visit, we may, in our sole business judgment, charge you reasonable fees associated with any additional visits.

6.4.3 We shall be entitled to withhold our consent to the opening of the Hotel until:

6.4.3.1 your architect, general contractor or other certified professional provides us with a certificate stating that the as-built premises comply with all Laws relating to accessibility/accommodations/facilities for those with disabilities;

6.4.3.2 you have complied with all the terms and conditions in this Agreement;

6.4.3.3 your staff has received adequate training and instruction in the manner we require;

6.4.3.4 you have received authorization to open the Hotel from the relevant governmental authority for the jurisdiction in which the Hotel is located, if applicable; and

6.4.3.5 all fees and charges you owe to us or our Affiliates have been paid.

6.4.4 Opening the Hotel before the Opening Date is a material breach of this Agreement.

6.4.4.1 You will pay us Liquidated Damages in the amount of Five Thousand Dollars ($5,000) per day if you open the Hotel before the Opening Date to compensate us for the damage caused by such breach. You must also reimburse us for all of our costs and expenses, including legal fees, incurred in enforcing our rights under this Agreement.

6.4.4.2 These Liquidated Damages for damage to our Marks shall not limit or exclude any other remedies we may have at law or in equity. You acknowledge and agree that that the Liquidated Damages payable under this Subsection represent a reasonable estimate of the minimum just and fair compensation for the damages we will suffer as the result of the opening of the Hotel before the Opening Date in material breach of this Agreement.

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

6.6 Hotel Refurbishment and Room Addition.

6.6.1 We may periodically require you to modernize, rehabilitate and/or upgrade the Hotel's **[SELECT FOR RU** Package, fixtures, equipment, furnishings, furniture, signs, computer hardware and software and related equipment, supplies and other items to meet the then-current Standards. You will make these changes at your sole cost and expense and in the time frame we require.

6.6.2 You may not make any significant changes (including major changes in structure, design or décor) in the Hotel. **[SELECT FOR RU** As long as they do not change or affect Package requirements, [m/M]inor redecoration and minor structural changes that comply with our Standards will not be considered significant.

6.6.3 You may not make any change in the number of approved Guest Rooms in the Addendum, without our prior consent. If you wish to add additional Guest Rooms to the Hotel after the Opening Date, you must submit an application to obtain our consent, pay our then-current Room Addition Fee and execute an amendment to this Agreement in the form required by us. As a condition to our granting approval of your application, we may require you to modernize, rehabilitate or upgrade the Hotel in accordance with Subsection 6.6.1 of this Agreement, and to pay us our then-current PIP Fee to prepare a PIP to determine the renovation requirements for the Hotel.

7.0 STAFF AND MANAGEMENT OF THE HOTEL

7.1 You are solely responsible for the management of the Hotel's business, including the hiring of your employees and the terms and conditions of employment. You will provide qualified and experienced management (a "**Management Company**") **[IF APPLICABLE** at least six (6) months before the Opening Date**]**. Your Management Company must be approved by us in writing. We have the right to communicate directly with the Management Company and managers at the Hotel. We may rely on the communications of such managers or Management Company as being on your behalf. Any Management Company and its employees must have the authority to perform all of your obligations under this Agreement. The engagement of a Management Company does not reduce your obligations under this Agreement. In the case of any conflict between this Agreement and any agreement with the Management Company, this Agreement prevails.

7.2 You represent and agree that you have not, and will not, enter into any lease, management agreement or other similar arrangement for the operation of the Hotel or any part of the Hotel without our prior written consent. To be approved by us as the operator of the Hotel, you and any proposed Management Company must be qualified to manage the Hotel. We may refuse to approve you, or any proposed Management Company [**DELETE FOR OL, QQ, UP** that is a Competitor or which is, in our business judgment, inexperienced or unqualified in managerial skills or operating capability or is unable or unwilling to adhere fully to your obligations under this Agreement.

7.3 If your approved Management Company [**DELETE FOR OL, QQ, UP** becomes a Competitor, resigns or is terminated by you, or otherwise becomes unsuitable or unqualified, in our sole business judgment, to manage the Hotel during the Term, you will have ninety (90) days to retain a substitute Management Company that is acceptable to us.

8.0 PAYMENT OF FEES

8.1 Monthly Fees. Beginning on the Opening Date, you will pay to us for each month (or part of a month, including the final month you operate under this Agreement) the Monthly Fees, each of which is set forth in the Addendum.

8.2 Calculation and Payment of Fees.

8.2.1 The Monthly Fees will be calculated in accordance with the accounting methods of the then-current Uniform System of Accounts for the Lodging Industry, or such other accounting

methods specified by us in the Manual. For purposes of this Agreement, the conversion rate 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 we may periodically specify). For hotels not utilizing our then-current proprietary property management system, the conversion rate into U.S. Dollars shall be the rate of exchange reported by the Wall Street Journal in New York (or such other reference source as we may periodically specify) for the purchase of U.S. Dollars as of the 15th day of the month, after the month in which the revenues were generated.

8.2.2 The Monthly Fee**s** 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 Fee**s** for such month.

8.2.3 We may require you to transmit the Monthly Fees and all other payments required under this Agreement by wire transfer or other form of electronic funds transfer and to provide the standard schedule in electronic form. You must bear all costs of wire transfer or other form of electronic funds transfer or other electronic payment and reporting.

8.2.4 In the event of fire or other insured casualty that results in a reduction of Gross Rooms Revenue **[INSERT ONLY FOR HFS, CI, SA, WAC:** and Gross Food and Beverage Revenue**]**, you will determine and pay us, from the proceeds of any business interruption or other insurance applicable to loss of revenues, an amount equal to the forecasted Monthly Fees, based on the Gross Rooms Revenue **[INSERT ONLY FOR HFS, CI, SA, WAC:** and Gross Food and Beverage Revenue**]** amounts agreed on between you and your insurance company that would have been paid to us in the absence of such casualty.

8.2.5 **[INSERT ONLY FOR HFS, CI, SA, WAC]**If Hotel accommodations are bundled with food and beverage arrangements or other services when charged to the customer, you will make a good faith reasonable allocation of the resulting revenues between Gross Rooms Revenue and Gross Food and Beverage Revenue, consistent with the Uniform System of Accounts for the Lodging Industry.

8.3 Other Fees. You will timely pay all amounts due us or any of our Affiliates for any invoices or for goods or services purchased by or provided to you or paid by us or any of our Affiliates on your behalf.

8.4 Taxes.

8.4.1 All fees and charges payable to us or any of our Affiliates under this Agreement, including the franchise application fee and the Monthly Program Fee (but not the Monthly Royalty Fee), shall be exclusive of Taxes. The Monthly Royalty Fees payable under this Agreement shall be exclusive of any Taxes, except for any withholding taxes on Monthly Royalty Fees that the Franchisee is legally required to withhold and pay to the relevant tax authority ("**Royalty Withholdings**").

8.4.2 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 our Affiliates, you shall, together with such payment, pay such additional amount as will ensure that we or any of our Affiliates 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 our appropriate Affiliate may provide an invoice to you for any Taxes, deductions or withholdings (excluding Royalty Withholdings) that were deducted or withheld from any payment made to us or any of our Affiliates under this Agreement, which invoice you must promptly pay. Where appropriate, we shall provide you with a copy of our 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 agree to withhold tax at the applicable reduced withholding tax rate.

8.4.3 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 require) 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 us at the Attention of the Withholding Tax Coordinator, at 755 Crossover Lane, Memphis, Tennessee 38117, USA, or such other place we may direct under Section 16.7.3 below.

8.5 Application of Fees. We may apply any amounts received from you to any amounts due under this Agreement.

9.0 PROPRIETARY RIGHTS

9.1 Our Proprietary Rights.

9.1.1 You will not contest, either directly or indirectly during or after the Term:

9.1.1.1 our (and/or any of our Affiliates') ownership of, rights to and interest in the System, Brand, Marks and any of their elements or components, including present and future distinguishing characteristics and agree that neither you nor any design or construction professional engaged by you may use our Standards, our Manual or your approved Plans and Designs for any hotel or lodging project other than the Hotel;

9.1.1.2 our sole right to grant licenses to use all or any elements or components of the System;

9.1.1.3 that we (and/or our Affiliates) are the owner of (or the licensee of, with the right to sub-license) all right, title and interest in and to the Brand and the Marks used in any form and in any design, alone or in any combination, together with the goodwill they symbolize; or

9.1.1.4 the validity or ownership of the Marks.

9.1.2 You acknowledge that these Marks have acquired a secondary meaning or distinctiveness which indicates that the Hotel, Brand and System are operated by or with our approval. All improvements and additions to, or associated with, the System, all Marks, and all goodwill arising from your use of the System and the Marks, will inure to our benefit and become our property (or that of the applicable Affiliates), even if you develop them. **[SELECT FOR QQ, SA, UAB, UP:** You acknowledge that the following Principal Marks owned by us are still pending Canadian trademark registration as of the Effective Date:

Mark	Application Number	Registration Number	Registration Date
TAPESTRY	1821899	Pending	Pending
CURIO	1671548	Pending	Pending
MOTTO	1891924	Pending	Pending
SIGNIA	1874993	Pending	Pending
SIGNIA HILTON	1972363	Pending	Pending

9.1.3 You agree not to, directly or indirectly, dilute the value of the goodwill attached to the Marks, Brand or the System. You will not apply for or obtain any trademark registration of any of the Marks or any confusingly similar marks in your name or on behalf of or for the benefit of anyone else. You acknowledge that you are not entitled to receive any payment or other value from us or from any of

our Affiliates for any goodwill associated with your use of the System or the Marks, or any elements or components of the System.

9.2 Trade Name, Use of the Marks.

9.2.1 Trade Name.

9.2.1.1 The Hotel will be initially known by the Trade Name set forth in the Addendum. We may change the Trade Name, the Brand name and/or any of the Marks (but not the Principal Mark), or the way in which any of them (including the Principal Mark) are depicted, at any time at our sole option and at your expense. You may not change the Trade Name without our specific prior written consent.

9.2.1.2 You acknowledge and agree that you are not acquiring the right to use any business names, copyrights, trademarks, 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.

9.3 Use of Trade Name and Marks. You will operate under the Marks, using the Trade Name, at the Hotel. You will not adopt any other names or marks in operating the Hotel without our approval. You will not, without our prior written consent, use any of the Marks, or the word "Hilton," or other Network trademarks, trade names or business names, or any similar words or acronyms, in:

9.3.1 your corporate, partnership, business or trade name;

9.3.2 any Internet-related name (including a domain name);

9.3.3 or any business operated separately from the Hotel, including the name or identity of developments adjacent to or associated with the Hotel.

9.4 Trademark Disputes.

9.4.1 You will immediately notify us of any infringement or dilution of or challenge to your use of any of the Marks and will not, absent a court order or our prior written consent, communicate with any other person regarding any such infringement, dilution, challenge or claim. We will take the action we deem appropriate with respect to such challenges and claims and have the sole right to handle disputes concerning use of all or any part of the Marks or the System. You will fully cooperate with us and any applicable Affiliates in these matters. We will reimburse you for expenses incurred by you as the direct result of activities undertaken by you at our prior written request and specifically relating to the trademark dispute at issue. We will not reimburse you for any other expenses incurred by you for cooperating with us or our Affiliates.

9.4.2 You appoint us as your exclusive, true and lawful attorney-in-fact, to prosecute, defend and/or settle all disputes, involving our Marks at our sole option. You will grant to the persons designated by us a special power of attorney, as broad as it may be necessary and required by law, for such purposes. You will sign any documents we or our applicable Affiliate believe are necessary to prosecute, defend or settle any dispute or obtain protection for the Marks and the System, including the granting to us and/or our designees the necessary powers of attorney as required by applicable law, 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.

9.5 Web Sites.

9.5.1 You may not register, own, or maintain any Sites that relate to the Network, or the Hotel, or that include the Marks. The only domain names, Sites, or Site contractors that you may use

relating to the Hotel or this Agreement are those we assign or otherwise approve in writing. You acknowledge that you may not, without a legal license or other legal right, post on your Sites any material in which any third party has any direct or indirect ownership interest. You must incorporate on your Sites any information we require in the manner we deem necessary to protect our Marks.

9.5.2 Any use of the Marks on any Site must conform to our requirements, including the identity and graphics Standards for all System hotels. Given the changing nature of this technology, we have the right to withhold our approval, and to withdraw any prior approval, and to modify our requirements.

9.6 Covenant.

9.6.1 You agree, as a direct covenant with us and our Affiliates, that you will comply with all of the provisions of this Agreement related to the manner, terms and conditions of the use of the Marks and the termination of any right on your part to use any of the Marks. Any non-compliance by you with this covenant or the terms of this Agreement related to the Marks, or any unauthorized or improper use of the System or the Marks, will cause irreparable damage to us and/or our Affiliates and is a material breach of this Agreement.

9.6.2 If you engage in such non-compliance or unauthorized and/or improper use of the System or the Marks during or after the Term, we and any of our applicable Affiliates, along with the successors and assigns of each, will be entitled to both interlocutory and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies we or our Affiliates may have at law. You consent to the 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 our Affiliates may incur in connection with your non-compliance with this covenant.

10.0 REPORTS, RECORDS, AUDITS, AND PRIVACY

10.1 Reports.

10.1.1 At our request, you will prepare and deliver to us the Reports containing the Operational Information (and any other information we reasonably require) in the form, manner and time frame we require. At a minimum, by the fifteenth (15th) day of each month, you will submit to us the Operational Information for the previous month and reflecting the computation of the amounts then due under Section 8, in the form, manner and time frame we require.

10.1.2 At our request, you will certify the Reports as accurate in the manner we require. You must permit us to inspect your books and records at all reasonable times.

10.2 Maintenance of Records. You will prepare, on a current basis, (and preserve for no less than the greater of four (4) years or the time period stated in our record retention requirements), complete and accurate records concerning Gross Rooms Revenue and all financial, operating, marketing and other aspects of the Hotel. You will maintain an accounting system that fully and accurately reflects all financial aspects of the Hotel and its business. These records will include books of account, tax returns, governmental reports, register tapes, daily reports, and complete quarterly and annual financial statements (including profit and loss statements, balance sheets and cash flow statements), and will be prepared in the form, manner and time frame we require.

10.3 Audit.

10.3.1 We may require you to have the Gross Rooms Revenue, fees or other monies due to us computed and certified as accurate by an independent chartered accountant. During the Term and for two (2) years thereafter, we and our authorized agents have the right to verify Operational Information required under this Agreement by requesting, receiving, inspecting and auditing, at all

reasonable times, any and all records referred to above wherever the records may be located (or elsewhere if we request).

10.3.2 If any inspection or audit reveals that you understated or underpaid any payment due to us, you will promptly pay to us the deficiency plus interest from the date each payment was due until paid at the interest rate set forth in Section 16.15 of this Agreement.

10.3.3 If the audit or inspection reveals that the underpayment is willful, or is for five percent (5%) or more of the total amount owed for the period being inspected, you will also reimburse us for all inspection and audit costs, including reasonable travel, lodging, meals, salaries and other expenses of the inspecting or auditing personnel. Our acceptance of your payment of any deficiency will not waive any rights we may have as a result of your breach, including our right to terminate this Agreement. If the audit discloses an overpayment, we will credit this overpayment against your future payments due under this Agreement, without interest, or, if no future payments are due under this Agreement, we will promptly pay you the amount of the overpayment without interest.

10.4 Ownership of Information. All Information we obtain from you and all revenues we derive from such Information will be our property and Proprietary Information that we may use for any reason, including making a financial performance representation in our franchise disclosure documents. At your sole risk and responsibility, you may use Information that you acquire from third parties in connection with operating the Hotel, such as Personal Information, at any time during or after the Term, to the extent that your use is permitted by Law.

10.5 Privacy and Data Protection. You will:

10.5.1 comply with all applicable Privacy Laws;

10.5.2 comply with all Standards that relate to Privacy Laws and the privacy and security of Personal Information;

10.5.3 refrain from any action or inaction that could cause us or our Affiliates to breach any Privacy Laws;

10.5.4 do and execute, or arrange to be done and executed, each act, document and thing we deem necessary in our business judgment to keep us and our Affiliates in compliance with the Privacy Laws; and

10.5.5 immediately report to us the theft or loss of Personal Information (other than the Personal Information of your own officers, directors, shareholders, employees or service providers).

11.0 CONDEMNATION AND CASUALTY

11.1 Condemnation. You must immediately inform us of any proposed taking of any portion of the Hotel by eminent domain. If, in our business judgment, the taking is significant enough to render the continued operation of the Hotel in accordance with the Standards and guest expectations impractical, then we may terminate this Agreement on written notice to you and you will not pay us Liquidated Damages. If such taking, in our business judgment, does not require the termination of this Agreement, then you will make all necessary modifications to make the Hotel conform to its condition, character and appearance immediately before such taking, according to Plans and Designs approved by us. You will take all measures to ensure that the resumption of normal operations at the Hotel is not unreasonably delayed.

11.2 Casualty.

11.2.1 You must immediately inform us if the Hotel is damaged by fire or other casualty or event of Force Majeure. If the damage or repair requires closing the Hotel, you may choose to repair or

rebuild the Hotel according to the Standards, provided you: begin reconstruction within six (6) months after closing and reopen the Hotel for continuous business operations as soon as practicable (but in any event no later than eighteen (18) months after the closing of the Hotel) and give us at least thirty (30) days' notice of the projected date of reopening. Once the Hotel is closed, you will not promote the Hotel as a System Hotel or otherwise identify the Hotel using any of the Marks without our prior written consent.

11.2.2 You and we each have the right to terminate this Agreement if you elect not to repair or rebuild the Hotel as set forth in Subsection 11.2.1, provided the terminating Party gives the other Party sixty (60) days written notice. We will not require you to pay Liquidated Damages unless you or one of your Affiliates own and/or operate a hotel at the Hotel Site within three (3) years of the termination date under a lease, license or franchise [**INSERT FOR CI, DT, ES, H2, HAM, HFS, HGI, HWS, PY, RU, SA, UAB, WA** from a Competitor] [**INSERT FOR OL, QQ, UP** under another brand].

11.3 No Extensions of Term. Nothing in this Section 11 will extend the Term.

12.0 TRANSFERS

12.1 Our Transfer.

12.1.1 We may assign or Transfer this Agreement or any of our rights, duties, or assets under this Agreement, by operation of law or otherwise, to any person or legal entity without your consent, provided that any such person or legal entity shall be required to assume all of our obligations to permit you to operate the Hotel under the Brand after such assignment. Any of our Affiliates may transfer, sell, dispose of, or otherwise convey, their ownership rights in us or any of our other Affiliates, by operation of law or otherwise, including by public offering, to any person or legal entity without your consent.

12.1.2 If we assign this Agreement to a third party who expressly assumes our obligations under this Agreement, we will no longer have any performance or other obligations to you under this Agreement and your right to use any programs, rights or services provided to you by us or our Affiliates under this Agreement will terminate.

12.2 Your Transfer. You understand and acknowledge that the rights and duties in this Agreement are personal to you and that we are entering into this Agreement in reliance on your business skill, financial capacity, and the personal character of you and your officers, directors, partners, members, shareholders or trustees. A Transfer by you (or by an Equity Owner named in the Addendum as of the Effective Date, or by any transferee Equity Owner we later approve) of any Equity Interest, or this Agreement, or any rights or obligations under this Agreement, is prohibited other than as expressly permitted in this Agreement. In any Transfer by you or any Equity Owner under this Subsection 12.2, the proposed Transferee may not be a Sanctioned Person [**DELETE IF OL, QQ, UP** or a Competitor.]

12.2.1 Permitted Transfers. We will permit you or any Equity Owner to engage in the Permitted Transfers set forth in this Subsection 12.2.1 if the Permitted Transfer meets the listed requirements. If a Permitted Transfer under Subsection 12.2.1.2 (requiring notice and our consent) otherwise qualifies as a Permitted Transfer under Subsection 12.2.1.1 (not requiring notice or our consent), the less restrictive provisions of Subsection 12.2.1.1 will control.

12.2.1.1 Permitted Transfers That Do Not Require Notice or Consent. We will permit you or any Equity Owner to engage in the following Permitted Transfers without giving notice or obtaining our consent if the Permitted Transfer meets the listed requirements.

12.2.1.1.1 Privately Held Equity Interests: Less than 50% Change. An Equity Interest that is not publicly traded may be Transferred if the transferee Equity Owner will own less than fifty percent (50%) of the Equity Interests, in total, immediately after the transaction.

12.2.1.1.2 Publicly Traded Equity Interests. A Publicly Traded Equity Interest may be Transferred.

12.2.1.1.3 Institutional Investment Funds. [IF APPLICABLE] You may Transfer Equity Interests within [Insert Fund Entities] (collectively, the "**Fund Entities**") and Equity Interests in you to new fund entities or new managed accounts (collectively, "**Future Funds**") if [insert name of asset manager] ("**Asset Manager**") directly or indirectly, controls the Fund Entities or Future Funds.

12.2.1.2 Permitted Transfers That Require Notice and Our Consent. We will permit you or any Equity Owner to engage in the following Permitted Transfers if the Permitted Transfer meets the listed requirements. For Permitted Transfers under this Subsection, you must (a) give us at least sixty (60) days' advance written notice of the proposed Permitted Transfer (including the identity and contact information for any proposed transferee); (b) pay to us on request a nonrefundable processing fee of Five Thousand Dollars ($5,000); provided, however**,** we agree to waive the processing fee for one (1) Permitted Transfer if it occurs before the Opening Date**;** (c) follow our then-current procedure for processing Permitted Transfers, including providing any information we may reasonably require in order to review the proposed Transfer and completing our then-current compliance process; and (d) execute our then-current standard documents required for processing Permitted Transfers.

12.2.1.2.1 Affiliate Transfer. You or any Equity Owner may Transfer an Equity Interest or this Agreement to an Affiliate.

12.2.1.2.2 Transfers to a Family Member or Trust. If you or any Equity Owner as of the Effective Date are a natural person, you and such Equity Owner may Transfer an Equity Interest or this Agreement to an immediate family member (i.e., spouse, children, parents, siblings) or to a trust for your benefit or the benefit of the Equity Owner or the Equity Owner's immediate family members.

12.2.1.2.3 Transfer On Death. On the death of Franchisee or an Equity Owner who is a natural person, this Agreement or the Equity Interest of the deceased Equity Owner may Transfer in accordance with such person's will or, if such person dies intestate, in accordance with laws of intestacy governing the distribution of such person's estate, provided that: (i) the transfer on 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 Transferee.

12.2.2 Change of Ownership Transfer. A Change of Ownership Transfer is any Transfer that will result in a change of Control of you, the Hotel or the Hotel Site, or is not otherwise described in Subsection 12.2.1. We will have sixty (60) days from our receipt of the completed and signed franchise application to consent or withhold our consent to any proposed Change of Ownership Transfer. Our consent will not be unreasonably withheld. You consent to our communication with any third party we deem necessary about the Hotel in order for us to evaluate the proposed Change of Ownership Transfer. Our consent to the Change of Ownership Transfer is subject to the following conditions, all of which must be satisfied at or before the date of closing the Change of Ownership Transfer ("**Closing**"):

12.2.2.1 Transferee submits a completed and signed Change of Ownership Application, pays our then-current franchise application fee, executes our then-current form of franchise agreement, and all required ancillary documents. If all conditions to our consent are fulfilled, the date of Closing will be the termination date of this Agreement, and the effective date of Transferee's franchise agreement;

12.2.2.2 you are not in default of this Agreement or any other agreements with us or our Affiliates;

12.2.2.3 you or Transferee pay to us, on or before the date of Closing, the PIP fee, and all amounts due to us and our Affiliates through the date of the Closing. We will estimate the amounts due to us through the date of Closing, which you and the Transferee may agree to escrow, to be disbursed to us at Closing to fulfil this obligation. If our estimate of the amounts due to us exceeds the amount actually owed to us, we will refund the difference to you, generally within thirty (30) days after the date of Closing;

12.2.2.4 you conclude to our satisfaction, or provide adequate security for, any suit, action, or proceeding pending or threatened against you, us or any of our Affiliates with respect to the Hotel, which may result in liability on the part of us or any of our Affiliates;

12.2.2.5 you, Transferee and/or Equity Owner(s) of Transferee, submit to us all information related to the Transfer that we require;

12.2.2.6 Transferee meets our then-current business requirements for new franchisees; and

12.2.2.7 Transferee agrees to indemnify, hold harmless, and defend us and our Affiliates against any inquiry, investigation, suit, action, or proceeding by any Government Entity arising out of or in connection with any fees or costs charged to patrons or guests by you.

12.3 Public Offering or Private Placement.

12.3.1 Any offering by you of Securities requires our review if you use the Marks, or refer to us or this Agreement in your offering. All materials required by any Law for the offer or sale of those Securities must be submitted to us for review at least sixty (60) days before the date you distribute those materials or file them with any governmental agency, including any materials to be used in any offering exempt from registration under any securities laws.

12.3.2 You must submit to us a non-refundable Five Thousand Dollar ($5,000) processing fee with the offering documents and pay any additional costs we may incur in reviewing your documents, including reasonable attorney's fees.

12.3.3 We have the right to approve any description of this Agreement or of your relationship with us, or any use of the Marks, contained in any prospectus, offering memorandum or other communications or materials you use in the sale or offer of any Securities. You may not use any of the Marks except as legally required to describe the Hotel in these documents. Our review of 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 Laws.

12.3.4 You may not sell any Securities unless you clearly disclose to all purchasers and offerees that we, our Affiliates, and our or their respective officers, directors, agents or employees; (a) will not in any way be deemed an issuer or underwriter of the Securities, as those terms are defined in applicable securities laws; and (b) have not assumed and will not have any liability or responsibility for any financial statements, projections or other financial information contained in any prospectus, offering memorandum or similar written or oral communication. You may not state, represent, or imply that we Hilton Worldwide, or any other of our Affiliates, participate in or endorse any Securities or any Securities offering in any manner whatsoever.

12.3.5 You must indemnify, defend and hold the Indemnified Parties free and harmless of and from any and all liabilities, costs, damages, claims or expenses arising out of or related to the sale or offer of any of your Securities to the same extent as provided in Subsection 14.1 of this Agreement.

12.4 Mortgages and Pledges to Lending Institutions.

12.4.1 You or an Equity Owner may mortgage or pledge the Hotel or an Equity Interest to a lender that finances the acquisition, development or operation of the Hotel, without notifying us or obtaining our consent.

12.4.2 You may request a "lender comfort letter" on behalf of your lender, which we will issue in a form satisfactory to us, subject to our right to charge our then-current non-refundable processing fee.

13.0 TERMINATION

13.1 Termination with Opportunity to Cure. We may terminate this Agreement by written notice to you and opportunity to cure at any time before its expiration on any of the following grounds:

13.1.1 You fail to pay us any sums due and owing to us or our Affiliates under this Agreement within the cure period set forth in the notice, which shall not be less than ten (10) days;

13.1.2 You fail to commence or complete the Hotel Work by the applicable deadline date, including any extensions, or fail to open the Hotel on the Opening Date, and do not cure that default within the cure period set forth in the notice, which shall not be less than ten (10) days;

13.1.3 You do not purchase or maintain insurance required by this Agreement or do not reimburse us for our purchase of insurance on your behalf within the cure period set forth in the notice, which shall not be less than ten (10) days; or

13.1.4 You fail to comply with any other provision of this Agreement, the Manual or any Standard and do not cure that default within the cure period set forth in the notice, which shall not be less than thirty (30) days.

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

13.2.1 after curing any material breach of this Agreement or the Standards, you engage in the same non-compliance within any consecutive twenty-four (24) month period, whether or not the non-compliance is corrected after notice, which pattern of non-compliance in and of itself will be deemed material;

13.2.2 you receive three (3) notices of material default in any twelve (12) month period, even if the defaults have been cured;

13.2.3 you fail to pay debts as they become due or admit in writing your inability to pay your debts severally as they become due;

13.2.4 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 consent to the institution of such appointment or proceedings;

13.2.5 you or your Guarantor lose possession or the right to possession of all or a significant part of the Hotel or Hotel Site for any reason other than those described in Section 11;

13.2.6 you fail to operate the Hotel for five (5) consecutive days, unless the failure to operate is due to an event of Force Majeure, provided that you have taken reasonable steps to minimize the impact of such events;

13.2.7 you contest in any court or proceeding our ownership of the System or any part of the System or the validity of any of the Marks;

13.2.8 you or any Equity Owner with a controlling Equity Interest, or your Affiliates, employees, or Management Company, engage in conduct that we reasonably determine is likely to adversely reflect upon or affect in any manner the reputation, goodwill, or business of the Hotel, the System, us and/or our Affiliates;

13.2.9 you conceal revenues, maintain false books and records of accounts, submit false reports or information to us or otherwise attempt to defraud us;

13.2.10 any Transfer is not in compliance with Section 12 and its subparts;

13.2.11 you, your Affiliate or any Guarantor become a Sanctioned Person or are owned or controlled by a Sanctioned Person or fail to comply with the provisions of Subsection 16.13;

13.2.12 information is disclosed involving you or your Affiliates, which, in our business judgment, is likely to adversely reflect on or affect in any manner, any gaming licenses or permits held by us or our Affiliates or the then-current stature of us or any of our Affiliates with any gaming commission, board, or similar governmental or regulatory agency;

13.2.13 any Guarantor breaches its guaranty to us; or

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

13.2.15 [**DELETE FOR OL, QQ, UP** you, your Affiliate or a Guarantor become a Competitor except as otherwise permitted by Subsection 5.1.28.

13.3 Interim Remedies. If we send you a notice that you are in default of this Agreement, we may elect to impose an Interim Remedy, including the suspension of our obligations under this Agreement and/or our or our Affiliates' obligations under Your Agreements.

13.3.1 We may suspend the Hotel from the Reservation Service and any reservation and/or website services provided through or by us. We may remove the listing of the Hotel from any directories or advertising we publish. If we suspend the Hotel from the Reservation Service, we may divert reservations previously made for the Hotel to other System Hotels or Network Hotels.

13.3.2 We may disable all or any part of the software provided to you under Your 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. We may charge you for costs related to suspending or disabling your right to use any software systems or technology we provided to you, together with intervention or administration fees as set forth in the Standards.

13.3.3 You agree that our exercise of the right to Interim Remedies will not result in actual or constructive termination or abandonment of this Agreement, and that our right to Interim Remedies is in addition to, and apart from, any other right or remedy we may have in this Agreement. If we exercise the right to Interim Remedies, the exercise will not be a waiver of any breach by you of any term, covenant or condition of this Agreement. You will not be entitled to any compensation, including repayment, reimbursement, refund or offsets, for any fees, charges, expenses or losses you may directly or indirectly incur by reason of our exercise and/or withdrawal of any Interim Remedy.

13.4 Liquidated Damages on Termination.

13.4.1 Calculation of Liquidated Damages. You acknowledge and agree that the premature termination of this Agreement will cause substantial damage to us. You agree that Liquidated Damages are not a penalty, but represent a reasonable estimate of the minimum just and fair compensation for the damages we will suffer as the result of your failure to operate the Hotel for the Term. If this Agreement terminates before the Expiration Date, you will pay us Liquidated Damages as follows:

13.4.1.1 If termination occurs before you begin the Hotel Work and you or any Guarantor (or your or any Guarantor's Affiliates) directly or indirectly, enter into a franchise, license, management, lease and/or other similar agreement for or begin construction or commence operation of a hotel, motel, inn, or similar facility at the Hotel Site within one (1) year after termination, then you will pay us Liquidated Damages in an amount equal to **[SELECT FOR CI, DT, ES, H2, HAM, HFS, HGI, HWS, WAC]** the System's Average Monthly Royalty Fees multiplied by sixty (60). **[SELECT FOR OL, PY, QQ, SA]** $11,200 multiplied by the number of approved Guest Rooms at the Hotel. **[SELECT FOR UAB, RU, UP** $10,000 multiplied by the number of approved Guest Rooms at the Hotel.

13.4.1.2 If termination occurs after you begin the Hotel Work but before the Opening Date, unless your failure to complete the Hotel Work was the result of Force Majeure you will pay us Liquidated Damages in an amount equal to **[SELECT FOR CI, DT, ES, H2, HAM, HFS, HGI, HWS, WAC]** the System's Average Monthly Royalty Fees multiplied by sixty (60). **[SELECT FOR OL, PY, QQ, SA]** $11,200 multiplied by the number of approved Guest Rooms at the Hotel. **[SELECT FOR UAB, RU, UP]** $10,000 multiplied by the number of approved Guest Rooms at the Hotel.

13.4.1.3 If termination occurs after the Opening Date but before the second anniversary of the Opening Date, you will pay us Liquidated Damages in an amount equal to **[SELECT FOR CI, DT, ES, H2, HAM, HFS, HGI, HWS, WAC]** the greater of: (a) the Hotel's Average Monthly Royalty Fees multiplied by sixty (60); or (b) the System's Average Monthly Royalty Fees multiplied by sixty (60). **[SELECT FOR OL, PY, QQ, SA]** the greater of: (a) the Hotel's Average Monthly Royalty Fees multiplied by sixty (60); or (b) $11,200 multiplied by the number of approved Guest Rooms at the Hotel. **[SELECT FOR UAB, RU, UP]** the greater of: (a) the Hotel's Average Monthly Royalty Fees multiplied by sixty (60); or (b) $10,000 multiplied by the number of approved Guest Rooms at the Hotel.

13.4.1.4 If termination occurs after the second anniversary of the Opening Date but before the final sixty (60) calendar months of the Term, you will pay us Liquidated Damages in an amount equal to the Hotel's Average Monthly Royalty Fees multiplied by sixty (60).

13.4.1.5 If there are fewer than sixty (60) months remaining in the Term on the date of termination, you will pay us Liquidated Damages in an amount equal to the Hotel's Average Monthly Royalty Fees multiplied by the number of months remaining in the Term.

13.4.2 Payment of Liquidated Damages. Payment of Liquidated Damages is due thirty (30) days following termination of this Agreement or on demand.

13.5 Actual Damages Under Special Circumstances. You acknowledge that the Liquidated Damages described in Subsection 14.4 may be inadequate to compensate us for additional harm we may suffer, by reason of greater difficulty in re-entering the market, competitive damage to the System or the Network, damage to goodwill of the Marks, and other similar harm, and we reserve the right to seek actual damages in lieu of Liquidated Damages under the following circumstances:

13.5.1 Within twelve (12) months of each other, **[SELECT FOR PY, QQ, DT, OL, ES, HFS, CI, SA, WAC]** two (2) **[SELECT FOR HGI, H2, HWS, UP]** five (5) **[SELECT FOR HAM, HIS, RU, UAB]** seven (7) or more franchise agreements for the Brand between yourself (or any of your Affiliates)

and us (or any of our Affiliates) terminate before their expiration date as a result of a breach by you or your Affiliate; or

13.5.2 [**DELETE FOR OL, QQ UP** This Agreement terminates due to an unapproved Transfer either to a (i) Competitor or (ii) buyer that converts the Hotel to a Competing Brand within two (2) years from the date this Agreement terminates.

13.6 Your Obligations on Termination or Expiration. On termination or expiration of this Agreement, you will immediately:

13.6.1 pay all sums due and owing to us or any of our Affiliates, including any expenses incurred by us in obtaining injunctive relief for the enforcement of this Agreement;

13.6.2 cease operating the Hotel as a System Hotel and cease using the System;

13.6.3 cease using the Marks, the Trade Name, and any confusingly similar names, marks, trade dress systems, insignia, symbols, or other rights, procedures, and methods. You will deliver all goods and materials containing the Marks to us and we will have the sole and exclusive use of any items containing the Marks. You will immediately make any specified changes to the location as we may reasonably require for this purpose, which will include removal of the signs, custom decorations, and promotional materials;

13.6.4 cease representing yourself as then or formerly a System Hotel or affiliated with the Brand or the Network;

13.6.5 return all copies of the Manual and any other Proprietary Information to us;

13.6.6 cancel all assumed name or equivalent registrations relating to your use of any Mark, notify the telephone company and all listing agencies and directory publishers including Internet domain name granting authorities, Internet service providers, global distribution systems, and web search engines of the termination or expiration of your right to use the Marks, the Trade Name, and any telephone number, any classified or other telephone directory listings, Internet domain names, uniform resource locators, website names, electronic mail addresses and search engine metatags and keywords associated with the Hotel, and authorize their transfer to us; and

13.6.7 irrevocably assign and transfer to us (or to our designee) all of your right, title and interest in any domain name listings and registrations that contain any reference to our Marks, System, Network or Brand; notify the applicable domain name registrars of the termination of your right to use any domain name or Sites associated with the Marks or the Brand; and authorize and instruct the cancellation of the domain name, or transfer of the domain name to us (or our designee), as we specify. You will also delete all references to our Marks, System, Network or Brand from any Sites you own, maintain or operate beyond the expiration or termination of this Agreement.

14.0 INDEMNITY

14.1 Beginning on the Effective Date, you must indemnify the Indemnified Parties against, and hold them harmless from, all losses, costs, liabilities, damages, claims, and expenses, including 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:

14.1.1 any breach by you of this Agreement, the Manual or the Standards;

14.1.2 any act or omission of you or your officers, employees, Affiliates, associates or agents in any way arising out of or relating to this Agreement;

14.1.3 any claimed occurrence at the Hotel including personal injury, death or property damage;

14.1.4 your alleged or actual infringement or violation of any patent, Mark, industrial design or copyright or other proprietary right owned or controlled by third parties;

14.1.5 your alleged or actual violation or breach of any contract (including any group sales agreement for the System), any Law, or any industry standard;

14.1.6 any business conducted by you or a third party in, on or about the Hotel or Hotel Site;

14.1.7 your failure to comply with Subsection 16.13, including a breach of the representations set forth therein; and

14.1.8 any inquiry, investigation, suit, action, or proceeding by any Government Entity arising out of or in connection with any fees or costs charged to patrons or guests by you, and if you acquired the Hotel in a Change of Ownership Transfer, by the previous owner (your transferor) before you acquired ownership of the Hotel.

14.2 You do not have to indemnify an Indemnified Party to the extent damages otherwise covered under this Section 14 are adjudged by a final, non-appealable judgment of a court of competent jurisdiction to have been solely the result of the gross negligence or willful misconduct of that Indemnified Party, and not any of the acts, errors, omissions, negligence or misconduct of you or anyone related to you or the Hotel. You may not rely on this exception to your indemnity obligation if the claims were asserted against us or any other Indemnified Party on the basis of theories of imputed or secondary liability, such as vicarious liability, agency, or apparent agency, or our failure to compel you to comply with the provisions of this Agreement, including compliance with Standards, Laws or other requirements.

14.3 You will give us written notice of any action, suit, proceeding, claim, demand, inquiry or investigation involving an Indemnified Party within five (5) days of your knowledge of it. At our election, you will defend us and/or the Indemnified Parties against the same. If you fail to defend us and/or the Indemnified Parties, we may elect to assume (but under no circumstance will we be obligated to undertake) the defence and/or settlement of the action, suit, proceeding, claim, demand, inquiry or investigation at your expense and risk.

14.4 If we think our respective interests conflict, we may obtain separate counsel of our choice. This will not diminish your obligation to indemnify the Indemnified Parties and to hold them harmless. You will reimburse the Indemnified Parties on demand for all expenses, including legal fees (on a substantial indemnity or solicitor and its own client basis), expert fees, costs and other expenses of litigation, the Indemnified Parties incur to protect themselves or to remedy your defaults. The Indemnified Parties will not be required to seek recovery from third parties or otherwise mitigate their losses to maintain a claim against you, and their failure to do so will not reduce the amounts recoverable from you by the Indemnified Parties.

14.5 Your obligations under this Section 15 will survive expiration or termination of this Agreement.

15.0 RELATIONSHIP OF THE PARTIES

15.0 No Agency Relationship. You are an independent contractor. Neither Party is the legal representative or agent of the other Party. Neither Party has the power to obligate the other Party for any purpose. You acknowledge that: (a) we do not direct, supervise, manage, dictate, control, or have the right to control labor or employment matters for you or your employees; (b) we do not set or have the right to set any terms or conditions of employment for your employees; (c) the training we require is for the purpose of enabling you to ensure that your Hotel operates in compliance with our Standards; and (d) you

have exclusive control over your daily affairs. You expressly acknowledge that the Parties have a business relationship based entirely on, and defined by, the express provisions of this Agreement and that no partnership, joint venture, agency, fiduciary, employment, or joint-employment relationship is intended or created by reason of this Agreement.

15.1 Notices Concerning Your Independent Status. All contracts for the Hotel's operations and services at the Hotel will be in your name or in the name of your Management Company. You will not enter into or sign any contracts in our name or any of our Affiliates' names or use the Marks or any acronyms or variations of the Marks. You will disclose in all dealings with the public and your employees, agents, contractors, suppliers and other third parties that: (a) you are the Hotel's owner; (b) you are an independent entity; (c) you are the employer, principal, or contracting party (as applicable); and (d) we are not responsible for your liabilities or debts in any manner whatsoever.

16.0 MISCELLANEOUS

16.1 Severability and Interpretation.

16.1.1 If any provision of this Agreement is held to be unenforceable, void or voidable, that provision will be ineffective only to the extent of the prohibition, without in any way invalidating or affecting the remaining provisions of this Agreement, and all remaining provisions will continue in effect, unless the unenforceability of the provision frustrates the underlying purpose of this Agreement. If any provision of this Agreement is held to be unenforceable due to its scope, but may be made enforceable by limiting its scope, the provision will be considered amended to the minimum extent necessary to make it enforceable.

16.1.2 This Agreement will be interpreted without interpreting any provision in favor of or against either Party by reason of the drafting of the provision, or either of our positions relative to the other.

16.1.3 Any covenant, term or provision of this Agreement that provides for continuing obligations after the expiration or termination of this Agreement will survive any expiration or termination.

16.2 Governing Law. 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.

16.3 Exclusive Benefit. This Agreement is exclusively for our and your benefit, and none of the obligations of you or us in this Agreement will run to, or be enforceable by, any other party (except for any rights we assign or delegate to one of our Affiliates or covenants in favor of our Affiliates, which rights and covenants will run to and be enforceable by our Affiliates or their successors and assigns) or give rise to liability to a third party, except as otherwise specifically set forth in this Agreement.

16.4 Entire Agreement. This Agreement and all of its attachments, documents, schedules, exhibits, and any other information specifically incorporated into this Agreement by reference (including any representations in any franchise disclosure document that we provided to you for the Brand in connection with the offer of this License) will be construed together as the entire agreement between you and us with respect to the Hotel and any other aspect of our relationship and will supersede and cancel any prior and/or contemporaneous discussions or writings between you and us.

16.5 Amendment and Waiver.

16.5.1 No change, termination, or attempted waiver or cancellation of any provision of this Agreement will bind us unless it is in writing, specifically designated as an amendment or waiver, and signed by one of our officers. We may condition our agreement to any amendment or waiver on receiving from you, in a form satisfactory to us, an estoppel and general release of claims that you may have against us, our Affiliates, and related parties.

16.5.2 No failure by us or by any of our Affiliates to exercise any power given us under this Agreement or to insist on strict compliance by you with any of your obligations, and no custom or practice at variance with the terms of this Agreement, will be considered a waiver of our or any of our Affiliates' right to demand exact compliance with the terms of this Agreement.

16.6 Consent; Business Judgment.

16.6.1 Wherever our consent or approval is required in this Agreement, unless the provision specifically indicates otherwise, we have the right to withhold our approval at our option, in our business judgment, taking into consideration our assessment of the long-term interests of the System overall. We may withhold any and all consents or approvals required by this Agreement if you are in default or breach of this Agreement. Our approvals and consents will not be effective unless given in writing and signed by one of our duly authorized representatives.

16.6.2 You agree not to make a claim for money damages based on any allegation that we have unreasonably withheld or delayed any consent or approval to a proposed act by you under the terms of this Agreement. You also may not claim damages by way of set-off, counterclaim or 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.

16.7 Notices.

16.7.1 Principal Legal Correspondent ("PLC"). You must designate a single Person to be your duly authorized representative to issue and receive notices as described in Subsection 16.7.2. Your designee will be your PLC under this Agreement. You may have only one PLC. The notice address for your PLC may not be a P.O. Box, and the notice address for your PLC may not the same as the Hotel address. The notice address for your PLC will be set forth initially on the Addendum to this Agreement. If you want to change the person designated as your PLC, or the address or email for notice to your PLC, you may do so at any time by sending a notice to us in accordance with Subsection 16.7.3.

16.7.2 Notices of Default and Termination, or Threatened Litigation. Any notice from you or from us declaring default of a provision of this Agreement, or potential or final termination of this Agreement, must be delivered in person, or by prepaid overnight courier delivery service, or by prepaid overnight Canadian post, if overnight delivery is not available to the notice address. We will send notices under this Subsection only to your PLC. You must send notices to us under this Subsection as follows: Hilton Worldwide Franchising LP, Attention: General Counsel, Maple Court, Central Park, Reeds Crescent, Watford, Hertfordshire UK WD24 4QQ. Notice sent under this Subsection will be deemed effective on the earlier of: (a) receipt, or first refusal of delivery; (b) one (1) day after posting, if sent by overnight commercial delivery service or overnight Canadian post; or (c) three (3) days after placement in Canadian post, registered mail, return receipt requested.

16.7.3 Other Notices: If a Party wishes to send a notice to the other Party regarding any issue other than those issues specified in Subsection 16.7.2, the Party may send the notice by any method described in Subsection 16.7.2, or by email. You may send notices under this Subsection to us to: Legal.Development@hilton.com or such other email address as we may periodically designate by notice to you. You may periodically designate additional Persons to receive other types of notices from us by the methods we periodically specify. We may send notices to you under this Subsection to the email address designed for your PLC, or to the email address for other persons you designate for these notices.

16.8 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 our Affiliates and our and their respective officers, directors, employees, managers, agents, representatives and their respective successors and assigns from any and all actions, claims, causes of action, suits, rights, debts, liabilities, accounts, agreements, covenants, contracts, promises, warranties, judgments, executions, demands, damages, costs and expenses, whether known or unknown at this time, of any kind

or nature, absolute or contingent, existing at law or in equity, on account of any matter, cause or thing whatsoever that has happened, developed or occurred relating to this Agreement or the relationship between you and us before the Effective Date of this Agreement. This release will survive the termination of this Agreement.

16.9 Remedies Cumulative. The remedies provided in this Agreement are cumulative. These remedies are not exclusive of any other remedies that you or we may be entitled to in case of any breach or threatened breach of the terms and provisions of this Agreement.

16.10 Economic Conditions Not a 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 our Affiliates for your breach of this Agreement.

16.11 Representations and Warranties. You warrant, represent and agree that all statements in your franchise application in anticipation of the execution of this Agreement, and all other documents and information submitted to us by you or on your behalf are true, correct and complete as of the date of this Agreement. You further represent and warrant to us that:

16.11.1 you have independently investigated the risks of operating the Hotel under the Brand, including current and potential market conditions and competitive factors and risks, and have made an independent evaluation of all such matters and reviewed our franchise disclosure document, if applicable;

16.11.2 neither we nor our representatives have made any promises, representations or agreements other than those provided in the Agreement or in our franchise disclosure document provided to you in connection with the offer of this Agreement, if applicable, and you acknowledge that you are not relying on any promises, representations or agreements about us or the franchise not expressly contained in this Agreement in making your decision to sign this Agreement;

16.11.3 you have the full legal power authority and legal right to enter into this Agreement;

16.11.4 this Agreement constitutes a legal, valid and binding obligation and your entry into, performance and observation of this Agreement will not constitute a breach or default of any agreement to which you are a party or of any Law;

16.11.5 if you are a corporation, limited liability company, or other entity, you are, and throughout the Term will be, duly formed and validly existing, in good standing in the jurisdiction in which you are organized, and are and will be authorized to do business in the jurisdiction in which the Hotel is located;

16.11.6 no Equity Interest has been issued, converted to, or is held as, bearer shares or any other form of ownership, for which there is no traceable record of the identity of the legal and beneficial owner of such Equity Interest; and

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

16.12 Counterparts. This Agreement may be signed in counterparts, each of which will be considered an original, and the Parties agree to conduct the transaction by electronic means.

16.13 Sanctioned Persons and Anti-bribery Representations and Warranties.

16.13.1 You represent, warrant and covenant to us and our Affiliates, on a continuing basis, that:

16.13.1.1 neither you, nor any Person having Control over you or the Hotel, is a Sanctioned Person;

16.13.1.2 you have not and will not obtain, receive, transfer or provide any funds, property, debt, equity, or other financing related to this Agreement and the Hotel or Hotel Site to/from a Sanctioned Person;

16.13.1.3 neither you, nor any Person having Control over you or the Hotel, has been convicted of, pleaded guilty to, or otherwise been adjudged liable for any violation of laws, ordinances, rules or regulations that pertain to bribery or corruption, money laundering, competition, securities or financial fraud, trade sanctions or export controls, human trafficking, sex trade, or forced labor;

16.13.1.4 any funds received or paid in connection with entry into or performance of this Agreement have not been and will not be derived from or commingled with the proceeds of any activities that are proscribed and punishable under the criminal laws of Canada, and that you are not engaging in this transaction in furtherance of a criminal act;

16.13.1.5 in preparation for and in entering into this Agreement, neither you nor any Person having Control over you or the Hotel, has made any Improper Payment or engaged in any acts or transactions otherwise in violation of any applicable Anti-Corruption Laws, and, in connection with this Agreement or the performance of your obligations under this Agreement, neither you nor any Person having Control over you or the Hotel will directly or indirectly make, offer to make, or authorize any Improper Payment or engage in any acts or transactions otherwise in violation of any applicable Anti-Corruption Laws;

16.13.1.6 neither you, nor any Person having Control over you or the Hotel who may be considered a Government Entity or Government Official , improperly uses their status or position to influence official actions or decisions or to secure any improper advantages to or for the benefit of the Hotel or us; and

16.13.1.7 you will assure that your respective appointed agents including any Management Company in relation to this Agreement comply in all material respects with the representations, warranties, and covenants described in this Subsection 16.13.

16.13.2 You will notify us in writing immediately on the occurrence of any event which would render the foregoing representations and warranties of this Subsection 16.13 incorrect.

16.13.3 If we believe that you may not be in compliance with any of the covenants, representations and warranties set forth in this Subsection 16.13, we will advise you of our belief, and you must (a) cooperate with any and all reasonable information and documentation requests and inquiries, including requests for execution of certificates of compliance, and (b) permit, on reasonable prior notice, at all reasonable times, inspection of the books and records pertaining to the development, ownership, management, and use of the Hotel.

16.14 Attorneys' Fees and Costs. If either Party is required to employ legal counsel or to incur other expenses to enforce any provision of this Agreement or defend any claim by the other, then the prevailing Party in any resulting dispute will be entitled to recover from the non-prevailing Party the amount of all 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.

16.15 Interest. Any sum owed to us or our Affiliates by you or paid by us or our Affiliates on your behalf will bear interest from the date due until paid by you at the rate of eighteen percent (18%) per annum or, if lower, the maximum lawful rate.

16.16 Successors and Assigns. The terms and provisions of this Agreement will inure to the benefit of and be binding on the permitted successors and assigns of the Parties.

16.17 Our Delegation of Rights and Responsibility. In addition to the rights granted to us in Section 4 and Subsection 13.1 of this Agreement, we reserve the right to delegate to one or more of our Affiliates at any time, any and all of our rights, obligations or requirements under this Agreement, and to require that you submit any relevant materials and documents otherwise requiring approval by us under this Agreement to such Affiliates, in which case approval by such Affiliates will be conclusively deemed to be approval by us. During the period of such delegation or designation, any act or direction by such Affiliates with respect to this Agreement will be deemed the act or direction of us. We may revoke any such delegation or designation at any time. You acknowledge and agree that such delegation may result in one or more of our Affiliates which operate, license, or otherwise support brands other than the Brand, exercising or performing on our behalf any or all rights, obligations or requirements under this Agreement or performing shared services on our behalf.

16.18 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.

16.19 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.

16.20 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.

16.21 Privacy. You expressly permit us to disclose in our disclosure document (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.

16.22 Confidentiality of Negotiated Terms. You agree that you will not disclose to any Person the content of any negotiated terms of this Agreement or Your Agreements without our prior consent except: (1) as required by Law; (2) as may be required in any legal proceedings; and (3) to those of your officers, directors, managers, members, shareholders, employees, attorneys, accountants, agents or lenders to the extent necessary for the operation or financing of the Hotel, and only if you inform such Persons of the confidentiality of the negotiated provisions. Any disclosure of negotiated terms by you, or by any such Persons, without our consent will be deemed a default under this Agreement.

17.0 WAIVER OF JURY TRIAL AND PUNITIVE DAMAGES

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

17.1 IN ANY DISPUTE BETWEEN THE PARTIES, ARISING OUT OF OR RELATED TO THIS AGREEMENT, ANY BREACH OF THIS AGREEMENT, OR THE RELATIONSHIP BETWEEN THE PARTIES, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ALL PARTIES WAIVE ANY RIGHT THEY MAY HAVE TO PUNITIVE OR EXEMPLARY DAMAGES FROM THE OTHER. NOTHING IN THIS SECTION LIMITS OUR RIGHT OR THE RIGHT OF AN INDEMNIFIED PARTY TO BE

INDEMNIFIED AGAINST THE PAYMENT OF PUNITIVE OR EXEMPLARY DAMAGES TO A THIRD PARTY. THE PARTIES ACKNOWLEDGE THAT LIQUIDATED DAMAGES PAYABLE BY YOU UNDER THIS AGREEMENT (WHETHER PRE-OPENING LIQUIDATED DAMAGES OR LIQUIDATED DAMAGES FOR EARLY TERMINATION) ARE NOT PUNITIVE OR EXEMPLARY DAMAGES.

18.0 NOTICE OF INTENT TO MARKET

[SELECT FOR DT, ES, HAM, HGI, HWS, H2, OL, PY, QQ, RU, UAB, UP Except in the case of a Transfer governed by Subsection 12.2.1 of this Agreement, if you or a Controlling Affiliate wants to Transfer any Equity Interest, you must give us written notice, concurrently with beginning your marketing efforts.

18.0 RIGHT OF FIRST OFFER [SELECT FOR CI, HFS, SA, WAC

18.1 Except in the case of a Transfer governed by Subsection 12.2.1 of this Agreement, if you or a Controlling Affiliate wants to Transfer any Equity Interest, or you or a Controlling Affiliate receive an unsolicited bona fide offer from a third party to purchase or lease the Hotel or Hotel Site or an interest in it ("**Marketed Interest**"), you or the Controlling Affiliate shall notify us in writing of such offer ("**ROFO Notice**"). The ROFO Notice shall describe the Marketed Interest and state the intended sales or lease price and all terms and conditions of the proposed sale or lease. You or the Controlling Affiliate will provide us with all information and documentation relating to the Marketed Interest that we request.

18.2 We or our designee(s) shall have the right, exercisable within thirty (30) days after receipt of all requested documentation and information from you ("**Option Period**"), to either make an offer to purchase or lease the Marketed Interest ("**Our Offer**") or waive our right to make an offer. During the Option Period, you may not change any of the terms and conditions in the ROFO Notice, and must deal exclusively with us or our designee(s).

18.3 You will have twenty (20) days after receiving Our Offer to accept or reject Our Offer in writing. If Our Offer is for a price equal to or greater than stated in the notice and is on substantially similar terms and conditions as (or is more favorable than) those stated in the ROFO Notice, then you must accept Our Offer. If you do not accept Our Offer within twenty (20) days, it is deemed rejected.

18.4 If you accept Our Offer, we or our designee and you will enter into an agreement and complete the transaction for the purchase or lease of the Marketed Interest at the price and on the terms and conditions of Our Offer within sixty (60) days of your written acceptance (the "**60-day Period**"). You will not offer the Hotel or Hotel Site to any third party during the 60-day Period. If the parties are unable to reach agreement despite good faith negotiations in the 60-day Period, you will be deemed to have rejected Our Offer.

18.5 If you do not accept Our Offer, or it is deemed rejected, or we waive our right to make an offer, for two hundred seventy (270) days (the "**270-day Period**"), you or a Controlling Affiliate may Transfer the Marketed Interest to a third party for a price greater than and/or on more favorable terms than the price and terms stated in Our Offer, but you or a Controlling Affiliate must comply with the Transfer provisions in Section 12.2.3 of this Agreement. If you or a Controlling Affiliate proposes to Transfer the Marketed Interest at a lesser price or on less favorable terms during the 270-day Period, then you must again give us notice of the proposed sale or lease and comply with the provisions of this Section 18.

[INCLUDE ONLY IF KEY MONEY GRANTED / DELETE OTHERWISE AND UPDATE TOC]

19.0 KEY MONEY/DEVELOPMENT INCENTIVE NOTE

You and any co-makers must execute the Development Incentive Note attached to this Agreement as Exhibit [_ contemporaneously with your execution of this Agreement. Within thirty (30) days after you open the Hotel with our consent, we will pay to you [_____ Dollars ($__) as a development incentive.

In connection with this Agreement or the performance of its obligations under this Agreement, you will not use any portion of the development incentive to make, provide, offer to make, or authorize, directly or indirectly, an Improper Payment or engage in any acts or transactions otherwise violating any Anti-Corruption Laws. If we have any basis for a reasonable belief that you have used the development incentive in violation of any Anti-Corruption Laws, we will advise you of this belief and you will cooperate with any and all reasonable information and document requests and inquiries, including requests for execution of certificates of compliance, and permit, on reasonable prior notice, at all reasonable times, inspection of the books and records pertaining to the development, ownership, management and use of the Hotel.

ADDENDUM TO FRANCHISE AGREEMENT

Effective Date:

Facility Number:

Franchisor Name: **Hilton Worldwide Franchising LP**

Brand:

Canopy, as that name is used to identify the chain of hotels operated under the Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Canopy” or “Hilton” as any part of their brand name.

Canopy by Hilton, as that name is used to identify the chain of hotels operated under the Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Canopy” or “Hilton” as any part of their brand name.

Conrad, as that name is used to identify the chain of hotels operated under the Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Conrad” or “Hilton” as any part of their brand name.

Curio Collection by Hilton, as that name is used to identify the chain of hotels operated under the Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Curio,” “Collection,” or “Hilton” as any part of their brand name.

DoubleTree by Hilton, as that name is used to identify the chain of hotels operated under the Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “DoubleTree” or “Hilton” as any part of their brand name.

DoubleTree Suites by Hilton, as that name is used to identify the chain of hotels operated under the Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “DoubleTree,” “Suites,” or “Hilton” as any part of their brand name.

Embassy Suites, as that name is used to identify the chain of hotels operated under the Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Embassy,” “Suites,” or “Hilton” as any part of their brand name.

Embassy Suites by Hilton, as that name is used to identify the chain of hotels operated under the Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Embassy,” “Suites,” or “Hilton” as any part of their brand name.

Hampton Inn by Hilton, as that name is used to identify the chain of hotels operated under the Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Hampton” or “Hilton” as any part of their brand name.

Hampton Inn & Suites by Hilton, as that name is used to identify the chain of hotels operated under the Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Hampton,” “Suites,” or “Hilton” as any part of their brand name.

Hilton, as that name is used to identify the chain of hotels operated under the Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the word “Hilton” as any part of their brand name.

Hilton Garden Inn, as that name is used to identify the chain of hotels operated under the Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other chains of hotels that include the word “Hilton” as any part of their brand name.

Home2 Suites by Hilton, as that name is used to identify the chain of hotels operated under the Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Home,” “Suites,” or “Hilton” as any part of their brand name.

Homewood Suites by Hilton, as that name is used to identify the chain of hotels operated under the Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Home,” “Suites,” or “Hilton” as any part of their brand name.

LXR, as that name is used to identify the chain of hotels operated under the Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the initials or words “LXR” or “Hilton” as any part of their brand name.

Motto by Hilton, as that name is used to identify the chain of hotels operated under the Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Motto” or “Hilton” as any part of their brand name.

Signia Hilton [or Signia by Hilton] as that name is used to identify the chain of hotels operated under the Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Signia” or “Hilton” as any part of their brand name.

Tapestry Collection by Hilton, as that name is used to identify the chain of hotels operated under the Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Tapestry,” “Collection,” or “Hilton” as any part of their brand name.

Tru by Hilton, as that name is used to identify the chain of hotels operated under the Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Tru” or "Hilton” as any part of their brand name.

Waldorf Astoria, as that name is used to identify the chain of hotels operated under the Standards. The Brand does not mean Hilton Worldwide, its Affiliates, or any other brands, product lines, or chains of hotels that include the words “Waldorf,” “Astoria,” or “Hilton” as any part of their brand name.

Initial Approved Hotel Name (Trade Name): **[**

Principal Mark in Brand: **[SELECT]**
Canopy
Conrad
Curio™
DoubleTree
Embassy
Hampton
SELECT FOR HFS HGI: Hilton
Home2
Homewood
LXR
Motto™
Signia™
Tapestry™
Tru
Waldorf Astoria

Franchisee Name and Address (Attn: Principal Legal Correspondent):

Address of Hotel:

Initial Number of Approved Guest Rooms:

Plans Submission Dates:

Preliminary Plans: **[Due four (4) months from the Effective Date]**

Design Development (50%) Plans and Specifications: **[Due eight (8) months from the Effective Date]**

Final (100%) Plans and Specifications:	**[Due twelve (12) months from the Effective Date]**
Construction Commencement Date:	**[HAM, HGI, H2, HWS, RU, UAB] Due** Fifteen (15) from the Effective Date **[CI DT ES HFS OL PY QQ UP SA WAC:] Due Sixteen (16) months from the Effective Date** **[If Adaptive Reuse, include:** **For the Hotel to be considered under construction, you must have: (a) submitted final plans to us, (b) received our approval of your final plans, (c) submitted to us a building permit for Hotel construction, and (d) substantially completed, to our satisfaction: (i) exterior demolition, if applicable, and (ii) interior demolition and construction of new permanent interior walls.**
Construction Work Completion Date:	**HAM, H2, RU, UAB: Due Twenty-seven (27) months from the Effective Date** **[HGI, HWS: Due Thirty (30) months from the Effective Date** **[CI DT ES HFS OL PY QQ SA UP WAC: Due thirty-six (36) months from the Effective Date**
Renovation Commencement Date:	**[**
Renovation Work Completion Date:	**[**
Expiration Date:	**[SELECT:** **New Construction: Midnight on HARD DATE the last day of the month [HAM HGI H2 HWS UAB RU:: twenty-two (22) years from the [SELECT: Effective Date] [Opening Date] [CI DT ES HFS OL PY QQ UP SA WAC: twenty-three (23) years from the [SELECT: Effective Date] [Opening Date]** **Conversion: At midnight on the last day of the month [SELECT: ten (10) to twenty (20) years from the Opening Date** **Change of Ownership - Remaining Term under the existing franchise agreement**
Monthly Fees:	
[DELETE UNLESS HFS/CI/ SA/WAC Monthly Food and Beverage Fee:	**Three percent (3%) of the Hotel's Gross Food and Beverage Revenue for the preceding calendar month**.

Monthly Program Fee:

[SELECT FOR CI DT ES HAM HFS HGI OL PY QQ RU UP UAB SA, WAC: Four percent (4%) of the Hotel's Gross Rooms Revenue ("GRR") for the preceding calendar month.

[SELECT FOR HWS, H2: Three and one-half percent (3.5%) of the Hotel's Gross Rooms Revenue ("GRR") for the preceding calendar month.

[SELECT ONLY IF EARLY RL AND PREVIOUS MONTHLY PROGRAM FEE WAS LOWER: From the Effective Date through [Expiration Date of prior FA, you will pay [____ percent (_%) ("Discounted Fee") of the Hotel's Gross Rooms Revenue ("GRR") for the preceding calendar month; then, from [Expiration Date of prior FA to the end of the Term, you will pay [____ percent (_%) of GRR. The Discounted Fee will not be used as a base for purposes of calculating any changes to the Monthly Program Fee during the Term.

ALWAYS INCLUDE: The Monthly Program Fee is subject to change by us. Any change may be established in the Standards, but the rate will not exceed the standard Monthly Program Fee as of the Effective Date plus one percent (1%) of the Hotel's GRR during the Term.

Monthly Royalty Fee:

[SELECT FOR CI DT HFS H2 OL PY QQ RU SA UP UAB WAC: Five percent (5%) of the Hotel's Gross Rooms Revenue for the preceding calendar month.

BUT IF UAB, USE THE FOLLOWING FOR THE FIRST 10 APPROVED APPLICATIONS. DO NOT USE FOR ANY AFTER THE FIRST 10:

Three percent (3%) of the Hotel's GRR for the preceding calendar month for the first twenty four (24) full calendar months after the Opening Date (Years 1 and 2); and

Four percent (4%) of the Hotel's GRR for the preceding calendar month for the second twenty four (24) full calendar months after the Opening Date (Years 3 and 4); and

Five percent (5%) of the Hotel's GRR for the preceding calendar month for the remainder of the Term.

Monthly Royalty Fee:

[SELECT FOR ES HGI HWS:
Five and one-half percent (5.5%) of the Hotel's Gross Rooms Revenue for the preceding calendar month.

BUT IF ES,HWS NEW DEVELOPMENT/CONVERSION USE THE FOLLOWING:

Monthly Royalty Fee:	**Three and one-half percent (3.5%) of the Hotel's GRR for the preceding calendar month** for first twelve (12) full calendar months after the Opening Date (Year 1). **Four and one-half percent 4.5%) of the Hotel's GRR for the preceding calendar month** for second twelve (12) full calendar months after the Opening Date (Year 2). **Five and one-half percent (5.5%) of the Hotel's GRR for the preceding calendar month** for the remainder of the Term.
Monthly Royalty Fee:	**SELECT FOR HAM:** **Six percent (6%) of the Hotel's Gross Rooms Revenue for the preceding calendar month.**
Monthly Royalty Fee:	**[IF HAM ENTERING INTO A RL FA (NOT A COO) UNDER FA EXECUTED BEFORE 4/1/05, USE THE FOLLOWING** **Four percent (4%) of the Hotel's GRR for the preceding calendar month**, until and including [insert date that is the day before the 25th anniversary of the date the Hotel first began operating as a System Hotel], then increasing to **six percent (6%) of the Hotel's GRR for the preceding calendar month** for the remainder of the Term.

Additional Requirements/Special Provisions [Section #]:

[ADD ONLY IF APPLICABLE]
Restricted Area Provision

Notwithstanding the provisions of Section 2 of this Agreement, from the Effective Date until midnight on the day before the ____ anniversary of the **[SELECT Effective Date (being _____)] [Opening Date, but in no event later than _____]** ("**Restrictive Period**"), neither we nor any of our Affiliates will open, or allow to open, a hotel or motel under the Brand, as such Brand name may be periodically changed by us, within a **[SELECT** ___ mile radius of the Hotel, the center point of which is the front door of the Hotel ("**Restricted Area**"). **[SELECT** Restricted Area described as follows, and as set forth on Exhibit [__: [INSERT DESCRIPTION**.**

This restriction does not apply to any hotel or motel that is currently open or under construction or has been approved for development or opening as a Brand hotel as of the Effective Date ("**Existing Hotel**"). The term Existing Hotel also includes any hotel located or to be located within the Restricted Area that replaces such Existing Hotel under the Brand. The restrictions also do not apply to any: (1) hotel(s) or motel(s) under brands other than the Brand; (2) hotel(s) or motel(s) that will not begin operating under the Brand until after the expiration of the Restrictive Period; (3) gaming-oriented hotels or facilities using the Brand; (4) shared ownership properties (commonly known as "vacation ownership" or "time share ownership" or similar real estate properties) under the Brand; and (5) hotel(s), motel(s), or inn(s) that are part of a chain or group of four (4) or more hotels, motels, or inns that we or our Affiliates, as a result of a single transaction or group of related transactions, own, operate, acquire, lease, manage, franchise, license, or join through a merger, acquisition or marketing agreement (or otherwise), whether under their existing name or the Brand name or any other name. **[INSERT FOR HFS** You acknowledge and agree that this restriction does not apply to any "Signia Hilton" or "Signia by Hilton" brand hotel.] **[INSERT FOR SA** You acknowledge and agree that this restriction does not apply to any "Hilton" brand hotel.]

[IF HAM/HIS USE THIS RAB LANGUAGE INSTEAD

Notwithstanding the provisions of Section 2 of this Agreement, from the Effective Date until midnight on the day before the ____ anniversary of the **[SELECT Effective Date (being _____)]** [**Opening Date,**

but in no event later than _____] ("**Restrictive Period**"), neither we nor any of our Affiliates will open, or allow to open, a hotel or motel under the Hampton, Hampton Inn or Hampton Inn & Suites brands (collectively, **"Restricted Brands")**, as such Restricted Brands' names may be periodically changed by us, within a **[SELECT** ___ mile radius of the Hotel, the center point of which is the front door of the Hotel **("Restricted Area")**. **[SELECT** Restricted Area described as follows, and as set forth on Exhibit [__: [INSERT DESCRIPTION**.**

This restriction does not apply to any hotel or motel that is currently open or under construction or has been approved for development or opening as a Restricted Brands hotel as of the Effective Date ("**Existing Hotel**"). The term Existing Hotel also includes any hotel located or to be located within the Restricted Area that replaces such Existing Hotel under the Restricted Brands. The restrictions also do not apply to any: (1) hotel(s) or motel(s) under brands other than the Restricted Brands; (2) hotel(s) or motel(s) that will not begin operating under the Restricted Brands until after the expiration of the Restrictive Period; (3) gaming-oriented hotels or facilities using the Restricted Brands; (4) shared ownership properties (commonly known as "vacation ownership" or "time share ownership" or similar real estate properties) under the Restricted Brands; and (5) hotel(s), motel(s), or inn(s) that are part of a chain or group of four (4) or more hotels, motels, or inns that we or our Affiliates, as a result of a single transaction or group of related transactions, own, operate, acquire, lease, manage, franchise, license, or join through a merger, acquisition or marketing agreement (or otherwise), whether under their existing name or the Restricted Brands name or any other name.

[IF RL Amendment and Restatement. This Agreement replaces the franchise agreement dated [INSERT DATE ("**Original Agreement**") by and between us (or our Affiliate) and you (or your Affiliate) with respect to the Hotel. The Original Agreement will be superseded and have no further force or effect as of the Effective Date of this Agreement, except those provisions expressly intended to survive termination or expiration of the Original Agreement. To the extent there are outstanding obligations to us or our Affiliates under the Original Agreement, you acknowledge and agree that you are directly responsible, jointly and severally, for all such obligations under the Original Agreement existing at or accruing after the execution of this Agreement.

[IF COO Obligations of Former Franchisee. You acknowledge and agree that you are directly responsible for, and will pay on demand, all fees and charges due and owing us and our Affiliates related to the former franchise agreement for the Hotel if any such fees and charges remain outstanding as of or accrue after the Effective Date of this Agreement.

[IF SITE CONTROL NOT CONFIRMED ON EFFECTIVE DATE Before commencement of Construction Work, but not later than the Construction Completion Deadline, you must submit to us evidence satisfactory to us showing your title to, or long term possessory interest in, the real property on which the Hotel will be sited (i.e. a conformed copy of the deed, or ground lease submitted for recording, or like document) in accordance with Subsections 5.1.15 and 5.1.16 of the Agreement.

[IF TIC You acknowledge and agree that: (1) each of you is jointly, severally, individually and collectively responsible for the Franchisee's obligations under this Agreement; (2) your obligations and liability to us is not limited by your tenant-in-common structure; (3) the transfer provisions of this Agreement apply to each of you; (4) [_____] is deemed to be your Controlling Affiliate; and (5) the Hotel has a single designated Principal Legal Correspondent, as named above, whom we will notify for all purposes under this Agreement.

Your Ownership Structure:

See Attached Schedule 1

IF FRANCHISEE'S AFFILIATE IS THE FEE TITLE OWNER, LESSOR OR SUBLESSOR OF THE HOTEL OR THE HOTEL SITE

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

See Attached Schedule 2

[IF APPLICABLE **EXHIBIT** _ – PRODUCT IMPROVEMENT PLAN

[ONLY IF NOT A RADIUS **EXHIBIT** _ – RESTRICTED AREA MAP

[IF KEY MONEY **EXHIBIT** _ **– DEVELOPMENT INCENTIVE NOTE**

[IF APPLICABLE **EXHIBIT** – SHARED FACILITIES ADDENDUM TO FRANCHISE AGREEMENT

IN WITNESS WHEREOF, the Parties have executed this Agreement, which has been entered into and is effective as of the Effective Date set forth above.

FRANCHISEE:

[INSERT FRANCHISEE ENTITY],
a [jurisdiction] [type of entity]

By: _____

Name: _____

Title: _____

Executed on: _____

FRANCHISOR:

HILTON WORLDWIDE FRANCHISING LP,
a United Kingdom limited partnership

By: HILTON WORLDWIDE MANAGE LIMITED,
Its General Partner

By: _____

Name: _____

Title: Authorized Signatory

Executed on: _____

SCHEDULE 1

Your Ownership Structure:

Name (Shareholder, Partner, Member and Manager)	**Nature of Ownership Interest**	**% Interest**	**% Interest**	**% Interest**	**% Interest**

SCHEDULE 2

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

Name (Shareholder, Partner, Member and Manager)	**Nature of Ownership Interest**	**% Interest**	**% Interest**	**% Interest**	**% Interest**

EXHIBIT - __

SHARED FACILITIES ADDENDUM TO FRANCHISE AGREEMENT

You and we are parties to a franchise agreement dated _____ ("**Agreement**"), which provides, among other things, for the operation of the (proposed) [insert Hotel #1 name _____ hotel located or to be located at [Insert Hotel #1 address ____ ("**Hotel**").

You (or your Affiliate) and we are also parties to a franchise agreement dated _____ ("[Insert Brand #2 _____ **Agreement**") for the operation of the (proposed) [insert Hotel #2 name _____ hotel located or to be located at [Insert Hotel #2 address ____ ("Insert Brand #2 _____ **Hotel**").

You requested that the Hotel and the [Insert Hotel #2 ___] Hotel (collectively, "**Sharing Hotels**"), which are [or, will be] [Select: part of the same building structure, [located in buildings adjacent to one another, be permitted to jointly utilize certain shared hotel facilities and offer to their guests the use of certain shared amenities ("**Shared Facilities**") in accordance with the terms of this Addendum ("**Shared Facilities Arrangement**").

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, you and we agree that the following provisions are incorporated into and made a part of the Agreement:

1) We give our consent for the Hotel and the [Hotel #2 Hotel to jointly utilize the Shared Facilities identified during our review and approval of the Plans and Designs for the Hotel and the [Hotel #2 Hotel.

2) Our consent is contingent upon you (or your Affiliate) executing a Shared Facilities Addendum to the [Hotel #2 Agreement on the same terms contained in this Addendum.

3) We expressly reserve the right to withdraw our consent and, on notice, require you to discontinue the Shared Facilities Arrangement if:

   a) we determine that such participation is detrimental to the operation of the Hotel, the guest experience, or the goodwill and reputation of the Brand and/or the Marks;

   b) any of the Shared Facilities fail to meet System Standards as set forth under the Agreement and/or the [Hotel #2 Agreement;

   c) either the Agreement or the [Hotel #2 Agreement is terminated for any reason;

   d) You Transfer a controlling Equity Interest in you, the Hotel Site, or the Agreement, without simultaneously selling, leasing, assigning, or Transferring a controlling Equity Interest in you (or your Affiliate controlling [Hotel # 2 Hotel), the [Hotel # 2 Hotel Site, or the [Hotel # 2 Agreement, to the same transferee or a transferee under common control with such transferee. Any Transfers are subject to the Transfer provisions of the Agreement. Failure to comply with the Transfer provisions is a material breach of the Agreement.

   If we withdraw our consent pursuant to this paragraph, to the extent that the Shared Facilities are part of Standards, you shall immediately make arrangements to either procure the Shared Facilities, or to construct comparable facilities and amenities, for the exclusive use of the Hotel. Your failure to procure the Shared Facilities or construct comparable facilities and amenities to meet Standards is deemed to be a default that may result in the termination of the Agreement. If the Shared Facilities are no longer a part of the Hotel, you are responsible for immediately removing any Marks or distinctive System features associated with the Brand from any of the

Shared Facilities that are accessible to or visible by Hotel guests, and removing all other indicia that the Hotel had joint possession or use of the Shared Facilities with the [Hotel # 2 Hotel.

4) So long as the Shared Facilities Arrangement is in place, any new franchise agreement executed in connection with a Transfer, or any successor franchise agreement executed between you and us must contain the provisions set forth in this Addendum. You acknowledge and agree that your refusal to include these restrictions in a successor franchise agreement will constitute a valid and reasonable basis for us to refuse to grant such successor franchise agreement. You acknowledge and agree that a proposed transferee's refusal to include these restrictions in a new franchise agreement will constitute a valid and reasonable basis for us to deny our consent to such Change of Ownership Transfer.

5) You acknowledge and agree that any Default under the [Hotel #2] Agreement shall constitute a simultaneous Default of the Agreement, and termination of the [Hotel #2] Agreement pursuant to such Default shall constitute a valid basis for termination of the Agreement.

6) All questions with respect to the construction of this Addendum and the rights and liabilities of the parties under this Addendum shall be governed by the internal laws of the state designated in the Agreement. A breach of any provision of this Addendum is a breach of the Agreement. Any action or proceeding related to or arising out of this Addendum shall be submitted and resolved exclusively by a court of competent jurisdiction located in the forum designated in the Agreement.

7) All capitalized terms not expressly defined in this Addendum shall have the meanings set forth in the Agreement. Except as expressly modified by this Addendum, the Agreement remains unmodified and in full force and effect.

8) This Addendum may be executed in counterparts, and delivered by facsimile or other electronic transmission, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

FRANCHISEE:	**FRANCHISOR:**
[INSERT FRANCHISEE ENTITY], a [INSERT TYPE OF ENTITY]	HILTON FRANCHISE HOLDING LLC, a Delaware limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: Authorized Signatory
Executed on: _____	Executed on: _____

[INSERT PIP OR OTHER ADDITIONAL TEXT HERE]

EXHIBIT A-1

DEVELOPMENT INCENTIVE NOTE

$_____ WATFORD, HERTFORDSHIRE, UK Date: _____

FOR VALUE RECEIVED, [INSERT NAME] ("**Maker**") promises to pay to the order of HILTON WORLDWIDE FRANCHISING LP ("**Holder**"), the principal sum of [INSERT AMOUNT IN WORDS] ($INSERT NUMERICAL AMOUNT), inclusive of any and all Taxes, which amount shall bear no interest unless Maker defaults or this Note is accelerated.

This Note is issued pursuant to the Franchise Agreement between Holder and Maker for the operation of a [INSERT BRAND] hotel to be located at [INSERT ADDRESS] ("**Hotel**"). All capitalized terms not defined in this Note shall have the same meaning as in the Franchise Agreement.

The principal amount of this Note will be disbursed by Holder to Maker, and Maker will become subject to the obligation to repay or discharge this Note, when and if Maker opens the Hotel in accordance with the Franchise Agreement. If the Franchise Agreement terminates before the Hotel opens and Holder does not disburse the principal amount of this Note to Maker, then this Note will be deemed discharged and neither party will have any further obligation to the other under this instrument. On each anniversary of the Hotel's Opening Date, one-twentieth (1/20th) [UPDATE IF FA TERM IS NOT 20 YEARS] of the original principal amount will be forgiven without payment. Maker's obligation to repay the principal of this Note will cease and this Note will automatically be canceled and discharged when and if the principal is completely forgiven in accordance with these terms.

If a Termination of the Franchise Agreement occurs for any reason; or a Transfer occurs and the transferee does not assume Maker's obligation under this Note in a writing acceptable to Holder before the closing of the Transfer before the principal is forgiven, then the outstanding, unamortized principal balance of this Note shall be immediately due and payable without further notice, demand or presentment. If this Note is accelerated under this paragraph and is not paid within ten (10) days after it is due, the outstanding principal balance shall bear simple interest 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, together with any and all applicable Taxes, shall be payable in lawful money of the United States of America at Maples Court, Central Park, Reeds Crescent, Watford, Hertfordshire WD24 4QQ UK, or at such other place as Holder may periodically direct by written notice to Maker. 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. Maker's obligation to pay this Note shall be absolute and unconditional, and all payments shall be made without setoff, deduction, offset, recoupment or counterclaim.

If this Note is collected by or through an attorney at law, the Holder shall be entitled to collect reasonable attorney's fees and all costs of collection, which shall be added to the amount due and payable to Holder under this Note. This Note is issued in and shall be governed by and construed according to the laws of the Province in which the Hotel is located and the laws of Canada applicable therein. Each maker, endorser, guarantor or accommodation party liable for this Note waives presentment, demand and diligence in collection, and additionally waives notice of demand, protest, notice of non-payment, notice of protest, notice of dishonor, notice of intention to accelerate, notice of acceleration, and all other notices of any kind (and no notice or demand made shall be deemed a waiver of the right of Holder to take further action without further notice or demand). 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, and without discharging or affecting the obligations of any other party liable under this instrument. Any modification, amendment, waiver, extension, renewal, release, discharge or other change of this Note must be made by an agreement in writing signed by the party against whom enforcement is sought. 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. Holder may transfer its interest in this Note to any transferee in Holder's sole and absolute discretion,

without notice to or consent of Maker. All references to "Maker" shall mean and include the named Maker and all co-makers, guarantors, sureties and accommodation parties signing or endorsing this Note, and if any Maker is a partnership, limited liability company, corporation or any other entity, the obligations of Maker hereunder shall remain in force and be applicable notwithstanding any changes in the individuals or entities constituting such entity (provided that the foregoing shall not be construed as consent to any transfer of interests in any such entity otherwise prohibited by the Franchise Agreement).

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

Maker

_____

Co-Maker [if 1M or more Key Money]

_____

EXHIBIT A-2

EFOREA SPA AMENDMENT TO FRANCHISE AGREEMENT

THIS AMENDMENT TO FRANCHISE AGREEMENT ("**Amendment**") is made and entered into as of [INSERT DATE] ("**Effective Date**"), by and between HILTON WORLDWIDE FRANCHISING LP ("**we**," "**us**," "**our**," or "**Franchisor**") and the franchisee entity ("**you**," "**your**," or "**Franchisee**") set forth in the Addendum attached to the Franchise Agreement (as defined below).

WHEREAS, Franchisor and Franchisee have entered into that certain Franchise Agreement effective [INSERT DATE] ("**Franchise Agreement**"), which provides for the Hotel to operate as a Brand hotel pursuant to the terms of the Franchise Agreement.

WHEREAS, Franchisee has made application to operate an eforea spa ("**eforea spa**") in connection with the operation of the Hotel and Franchisor is willing to accept such application and grant a license to Franchisee to use the Brand in the operation of an eforea spa at the Hotel Site, pursuant to the Franchise Agreement as amended hereby.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Franchisor and Franchisee hereby agree as follows:

1. Terms. Capitalized terms set forth herein that are not defined herein shall have the meaning set forth in the Franchise Agreement, unless specifically amended pursuant to Section 2 below.

2. Changes to Certain Defined Terms. Section 1 of the Franchise Agreement shall be amended as follows:

(a) The defined terms set forth in Section 1 of the Franchise Agreement, which are identified below, shall be deleted in their entirety and replaced with the following:

> "**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, including an eforea spa, located on any land we approve in the future for additions, signs, parking or other facilities.
>
> "**Brand**" means with respect to the Hotel, the brand name set forth in the Addendum, and the brand name "eforea" with respect to the spa to be operated hereunder.
>
> "**Term**" means the period from the Effective Date through the expiration of this Agreement on the date set forth in the Addendum, unless terminated earlier under the terms of this Agreement. The Term for the operation of your eforea spa shall expire on the earlier of: (i) the termination of the eforea spa Amendment to this Agreement or (ii) the expiration or termination of this Agreement.
>
> "**Opening Date**" means the day on which we authorize you to make available the facilities, guestrooms or services of the Hotel to the general public under the Brand. However, the "Opening Date" as it relates to the eforea spa, shall mean the day on which we authorize you to make available the spa's services to the general public.
>
> "**Trade Name**" means the name of the Hotel set forth in the Addendum, and with respect to the operation of the spa in connection with the Hotel, the name "eforea."

(b) The definition of "**Manual**" shall be amended to include the eforea Spa Operating Standards Manual.

(c) The definition of "**Standards**" shall be amended to include application to eforea spas licensed by us.

(d) The definition of "**System**" shall be amended to include the elements that we designate to distinguish spas operating under the "eforea" name, including know-how.

(e) The following term shall be added to the defined terms in Section 1:

"**Gross Spa Revenue**" means all revenue from services and retail sales of products from the eforea spa, less amounts for spa rebates and overcharges, but does not include any sales or other taxes collected directly from spa customers or any revenue derived from food and beverage sales from the eforea spa.

3. Grant of Non-Exclusive License. We and you acknowledge that in executing this Amendment, and modifying certain of the defined terms contained in the Franchise Agreement during the term of this Amendment, we are granting to you and you are accepting a limited, non-exclusive license to operate a spa on the Hotel Site using the eforea name and other indicia of an eforea spa during the Term applicable to the eforea spa, and you are agreeing to comply with all Standards that have been and are in the future developed by us for use in connection with the design, construction, renovation, refurbishment, appearance, equipment, furnishing, supplying, opening, operating, maintaining, marketing, services, service levels, quality, and quality assurance of eforea spas.

4. Our Responsibilities. Subsection 4.4 of the Franchise Agreement is amended by the addition of the following new Subsection:

4.4.8 Spa. We will provide you with (i) a sample layout for the interior of a typical eforea spa, and specifications we have approved related to the design and construction of the spa, (ii) a collateral suite including spa menus and appointment cards, and (iii) a list of approved suppliers and specifications for required operating equipment, products, supplies and furnishings in the spa. We will provide the services of a Spa Performance Director to provide you with suggestions for the improvement of your spa's operations, as, when and how we determine.

5. Trade Name, Use of the Marks. Subsection 9.2.1 of the Franchise Agreement is amended by the addition of the following sentence after the first sentence thereof:

The spa operated at the Hotel Site as a part of the Hotel will be known by the Trade Name "eforea," unless otherwise approved, or changed by us.

6. Additional Operational and Other Requirements.

(a) Subsection 5.1.1 of the Franchise Agreement shall be deleted in its entirety and replaced with the following:

5.1.1 after the Opening Date, operate the Hotel twenty-four (24) hours a day; provided, however, you will operate the eforea spa for those days of the week and hours of the day that we may periodically establish;

[ADJUST THE FOLLOWING SECTION NUMBERS AS NECESSARY TO INSERT THE FOLLOWING FOUR NEW CLAUSES AT THE END OF SUBSECTION 5.1]

(b) Subsection [5.1.24] of the Franchise Agreement is amended by deleting the word "and" after the semicolon,

(c) Subsection [5.1.25] of the Franchise Agreement is amended by changing the period to a semicolon and adding the following subparagraphs:

[5.1.26] the Opening Date for the eforea spa must be [INSERT DATE]; provided, however, if no date is inserted, the Opening Date must be within twelve (12) months of the Effective Date of the eforea Amendment;

[5.1.27] after the Opening Date, operate the eforea spa for those days of the week and hours of the day as we may establish;

[5.1.28] you must display all material, including brochures and promotional materials we provide for eforea spas, and allow advertising and promotion of eforea spas on your spa's premises, unless we specifically direct you to include advertising or promotion of Other Hotels or other non-eforea spas; and

[5.1.29] comply with System Standards for the training of persons involved in the operation of the eforea spa, including completion by each member of the spa's staff of the training program for operation of the spa under the System, at a site we designate. You will pay us 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.

7. Fees. In addition to the fees set forth in the Franchise Agreement, you will pay us the following additional fees in connection with your eforea spa:

(a) Initial Fee. An initial fee of Twenty Five Thousand Dollars ($25,000) is due and payable on execution of this Amendment ("**Initial Fee**") in consideration for our grant to you of the right to operate an eforea spa hereunder. The Initial Fee shall be deemed to have been earned by us at the time of execution of this Amendment by you, and shall not be refundable.

(b) Spa Royalty Fee. An additional fee of two percent (2%) of your Gross Spa Revenue (i) will be due at the same time as the Monthly Royalty Fee, and we will have all rights related to the Spa Royalty Fee as set forth in the Franchise Agreement related to the Monthly Royalty Fee, and (ii) is to be paid in addition to any other fees set forth in the Franchise Agreement.

8. Lease; Competition; Transfer. You understand and acknowledge that: (i) you may not lease or sublease commercial space in your eforea spa, or enter into concession arrangements for operations in connection with your eforea spa; (ii) neither you nor any affiliate may operate, have operated on your behalf or on behalf of an affiliate, or allow the operation of, another spa in, adjacent to or that is associated in any way with, the Hotel; (iii) you may not enter into a Change of Ownership Transfer for your Hotel unless you are also transferring your eforea spa in the same transaction and you may not enter into a Change of Ownership Transfer for your eforea spa unless you are also transferring your Hotel in the same transaction; and (iv) any Restricted Area granted by Franchisor shall not apply to Franchisee with respect to its eforea spa. Further, in any transaction referred to in clause (ii) above, the Transferee for your Hotel and the spa operated as part of your Hotel must be the same entity.

9. Termination. You acknowledge and agree: (i) the expiration or termination of the Franchise Agreement will terminate all of your rights to operate an eforea spa; and (ii) this Amendment can be terminated for any of the grounds set forth in the termination provisions of the Franchise Agreement, whether or not the Franchise Agreement is also terminated, following which you will have no further right to use the name "eforea" in connection with the operation of a spa at the Hotel Site.

10. Your Obligations Upon Termination or Expiration. In the event of a termination or expiration of the Term with respect to your right to operate the spa as an eforea spa, you will immediately:

(a) cease using the eforea name, and any other names, marks, trade dress, systems, insignia, symbols, and other rights, procedures and methods licensed to you under this eforea Amendment with respect to the operation of a spa, and any confusingly similar names, marks, trade dress, systems, insignia, symbols, procedures and methods;

(b) deliver all goods and materials containing that portion of the Marks related to the operation of an eforea spa to us and we will have the sole and exclusive use of any items containing those Marks;

(c) make any specified changes to the Hotel and the Hotel Site as we may reasonably require for the purpose of de-identifying your spa, which will include removal of the signs, custom decorations and promotional materials related to the operation of an eforea spa;

(d) cease representing yourself or the Hotel as then or formerly operating a spa as an eforea spa;

(e) return all copies of the eforea Spa Operations Standards Manual to us; and

(f) cancel all assumed name or equivalent registrations relating to your use of the eforea name in connection with the operation of a spa at the Hotel, and irrevocably assign and transfer to us (or to our designees) all of your right, title and interest in any domain name listings and registrations that contain any reference to the eforea name, all to the same extent as would be required under Subparagraphs 14.6.6 and 14.6.7 of the Franchise Agreement upon termination of that agreement.

The foregoing requirements shall be in addition to, and not in lieu of, any of your obligations that arise upon termination or expiration of the Franchise Agreement.

11. Representations and Warranties. Subsection 17.11.1 of the Franchise Agreement is deleted in its entirety and replaced with the following:

> 17.11.1 you have independently investigated the risks of operating the Hotel and a spa under the Brand, including current and potential market conditions and competitive factors and risks, and have made an independent evaluation of all such matters and reviewed our Franchise Disclosure Document, if applicable.

12. Original Document. This Amendment may be executed in any number of counterparts, and delivered via facsimile transmission, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13. Authority. Franchisee hereby represents and warrants that the individual signing this Amendment on its behalf has the necessary authority and legal capacity to execute this instrument and represent it hereunder.

14. Effect. The terms of this Amendment are expressly made subject to and are governed by the Franchise Agreement. Except as specifically amended hereby, the Franchise Agreement shall continue in full force and effect. In the event of a conflict between the terms of the Franchise Agreement and this Amendment, this Amendment shall control.

IN WITNESS WHEREOF the parties have executed this Amendment, as indicated below to take effect as of the Effective Date.

FRANCHISEE:

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

By: _____

Name: _____

Title: _____

Executed On: _____

FRANCHISOR:

HILTON WORLDWIDE FRANCHISING LP,
a limited partnership formed under the laws of England and Wales
By: Hilton Worldwide Manage Limited,
Its General Partner

By: _____

Name: _____

Title: _____

Executed On: _____

EXHIBIT B

INFORMATION TECHNOLOGY SYSTEM AGREEMENT

THIS INFORMATION TECHNOLOGY SYSTEM AGREEMENT ("Agreement") is entered into as of %CreationDate% (the "Effective Date") by and between Hilton Systems Solutions, LLC ("HSS") and %LegalEntity% ("Customer"), each of which is a "Party" and both of which are, collectively, the "Parties". This Agreement includes all of its attachments, exhibits, schedules and Order Documents as well as all other documents expressly incorporated into it by reference.

RECITALS

Customer is a party to a management agreement and/or franchise agreement with an affiliate of HSS for the %BrandCodeDesc% hotel located at %PropertyAddress2%, %PropertyZip%, %PropertyCity%, %PropertyCountry% (the "Hotel"). Customer is entering into this Agreement in order to obtain and use certain information technology ("IT") products, services and systems for and at the Hotel.

ARTICLE 1.
DEFINITIONS AND ORDER DOCUMENTS

1.1 Use of Relationship Agreement. The provisions of this Agreement will be deemed to include all of the terms, requirements, covenants and conditions contained in either (i) the Customer's Franchise Agreement; or (ii) the Customer's Management Agreement, (the "Relationship Agreement"), with such modifications as are necessary to make them applicable to this Agreement and the Parties as if set out in full in this Agreement. In the event that both a Customer's Franchise Agreement and Customer's Management Agreement exist, without prejudice to Article 7 (Precedence and Interpretation) then only the terms, requirements, covenants and conditions contained in the Customer's Franchise Agreement will be deemed to be incorporated into this Agreement

1.2 Definitions. Unless otherwise defined in the body of this Agreement or in *Annex 1 – Definitions*, all of the defined words and expressions used in this Agreement have the meanings set out in the Relationship Agreement.

1.3 Ordering Software, Services and Authorized Equipment. Customer may order Software, Services and Authorized Equipment by submitting an HSS-approved form of order document ("Order Document") to HSS. Once accepted by HSS the Order Document becomes part of this Agreement.

ARTICLE 2.
SOFTWARE, FEES AND MASTER AGREEMENTS

2.1 License to Software. HSS licenses to Customer the Proprietary Software and sublicenses to Customer the Certified Third Party Software set forth in the Order Document on the terms and conditions set forth in this Agreement.

2.1.1 Customer may be required to execute a separate license agreement directly with one or more third party software providers in connection with Certified Third Party Software not licensed from HSS and such Certified Third Party Software will be licensed on the terms and conditions set out in such separate license agreement.

2.1.2 The Proprietary Software and Certified Third Party Software for which there is no separate license agreement are licensed or sublicensed to Customer under this Agreement on the following terms and conditions:

(a) The license is personal, non-exclusive and non-transferable.

(b) The Software may be used by Customer solely on the Authorized Equipment and solely for the operation of the Hotel.

(c) Except for a single copy of Certified Third Party Software which may be maintained by Customer for archival back-up purposes, Customer will not reproduce or reuse, in whole or in part, any Software, documentation or materials comprising any portion of the Information System in any manner (whether directly or in creating a new use or otherwise) without the prior written consent of HSS. Customer will not cause or permit any reverse engineering, disassembly or de-compilation of any of the Software or any review of Software data structures.

(d) Customer will accept all patches, bug fixes, updates, version upgrades, maintenance and service packs (collectively, "Patches") from HSS or the relevant Preferred Provider that are deemed necessary by HSS for the proper function and security of the Software. HSS is not responsible for performance or security issues that result from Customer's failure to accept the application of Patches. Except for emergency or security related maintenance activities, HSS will coordinate with Customer the scheduling of the application of Patches, where possible, based on HSS'Ss next available standard maintenance window.

(e) Customer recognizes the confidential and proprietary nature of the Software and agrees to maintain the Software in confidence in accordance with Article 6 (Confidentiality). Customer will not permit the Software and related documentation to be used or accessed by anyone other than Customer's employees or contractors pursuant to Section 2.1.2 (b) who are bound by obligations of confidentiality no less stringent than those set forth herein.

2.1.3 Customer will not remove or obscure any copyright, trademark, other mark or confidentiality notices affixed to any Software and will not modify it or combine it with or into any other program, data or device.

2.1.4 No legal or equitable title to or ownership of any of the Software or any proprietary rights therein are transferred to Customer under this Agreement other than the limited software license specified herein.

2.1.5 Customer acknowledges that the Software is owned by HSS, HSS'Ss Affiliates and/or their respective licensors and that everything in the Software, including all intellectual property, is proprietary to HSS, HSS'Ss Affiliates and/or their licensors, respectively. Customer also acknowledges that HSS may, at its discretion, make changes in, and substitutions of the Software.

2.2 Fees and Payment. All Fees are subject to change by HSS and/or the relevant third party as applicable. Customer will make all payments under or required by this Agreement in United States Dollars and within thirty (30) days of receipt of the invoice therefore.

2.3 Master Agreements with Third Parties. HSS or its designee may, without warranty or representation of any kind, negotiate with any third party vendor a master services, software or equipment purchase or lease agreement (collectively, the "Master Agreements") and permit Customer to purchase or lease Authorized Equipment, license software and purchase services from those third party vendors (each a "Preferred Provider") pursuant to the terms of the applicable Master Agreements. The Preferred Providers may require Customer to execute a joinder or participation agreement for the applicable Master Agreement, in substantially the forms contained in schedules to the relevant Order Document (collectively, the "Joinder Agreements"). Customer will be bound by the terms of that Master Agreement as specified in the relevant Joinder Agreement(s) and will be directly and solely responsible for Customer's compliance with and performance under the Joinder Agreement.

2.4 Customer Cooperation. Customer will provide HSS and its Affiliates and its and their respective third party providers with such cooperation relating to HSS'Ss 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.

ARTICLE 3.
AUDITS

Customer will maintain records sufficient to permit verification of Customer's compliance with this Agreement. Upon forty-five (45) days written notice (or such shorter period of time as may be required under any applicable Master Agreement), HSS or its designee may perform examinations, tests, audits, inspections and reviews of Customer's compliance with this Agreement, including by using the Services of one or more third parties. Customer will cooperate with HSS'Ss audit activities and provide reasonable assistance and access to information when requested, including to all of the following: (a) any part of any facility, including the Hotel, at which any Services and products provided pursuant to this Agreement are performed, provided or used; (b) the employees and contractors Customer uses in connection with its operation of the Hotel; and (c) data and records. No such audit will unreasonably interfere with Customer's normal business operations. Customer agrees that HSS will not be responsible for any of Customer's costs incurred in cooperating with any audit.

ARTICLE 4.
TERMINATION

4.1 Termination. HSS may terminate this Agreement by written notice to Customer on any of the following grounds:

4.1.1 Customer fails to pay any sums due and payable under this Agreement and fails to cure such failure within the cure period set forth in the notice, which will not be less than ten (10) days;

4.1.2 Customer breaches its obligations under Article 6 (Confidentiality);

4.1.3 Customer fails to refresh the Authorized Equipment at the Hotel as required by HSS; and

4.1.4 Customer breaches any other provision of this Agreement and does not cure that breach within the cure period set forth in the notice, which will not be less than thirty (30) days.

This Agreement will automatically terminate upon the termination or expiration of the Relationship Agreement.

4.2 Customer's Obligations upon Termination or Expiration. Upon any such termination the licenses granted to Customer under this Agreement, and the obligations of HSS to provide any Agreement Products and Services will immediately terminate. Customer will immediately cease using all Agreement Products and Services and promptly at HSS'Ss discretion return any and all Agreement Products to HSS other than Authorized Equipment Customer owns or destroy the same; provided, however, that Customer must return to HSS all Software contained in such Authorized Equipment. All of Customer's covenants and obligations under this Agreement will survive termination and expiration.

4.3 Termination Fees. Upon termination of this Agreement Customer will pay: (a) all unpaid Fees related to the Agreement Products and Services, Software and Authorized Equipment incurred by Customer; (b) all costs to HSS of all the Agreement Products and Services, Software and Authorized Equipment that exceeds what the Customer paid for same; (c) all termination, penalty or administrative fees that would not be payable but for the termination for cause; (d) all costs related to disabling the Agreement Products and Services, together with the intervention or administration fees set forth in the Manual; (e) all costs and fees for any Authorized Equipment, Authorized Equipment maintenance Services, Software, Software maintenance Services, network and other Services HSS and its Affiliates, in their sole discretion, provide to Customer at Customer's request after the termination effective date; and (f) all termination fees identified in the Customer's Order Document.

4.4 Suspension of Service. If Customer fails to comply with the Information System use regulations, rules or policies, or is otherwise in default under this Agreement HSS may, in its sole discretion: (a) disable Customer's access to or use of all or any part of the Information System and suspend any part of the Services provided or supported under this Agreement and (b) suspend and withhold performance of HSS'Ss obligations under this Agreement. Customer will not be entitled to any compensation, refund or reduction in charges as a result of such action. Customer agrees that any such disabled access and suspension from the Information System will not constitute or result in actual or constructive termination or abandonment of this Agreement, or a waiver or release of any right to terminate. HSS may charge Customer for the cost relating to such disabling and suspending and, if Customer's defaults are cured as required, re-enabling such access and resuming such obligations, if any, together with the intervention or administration fees set forth in the Manual.

4.5 Limitation on Access. If HSS determines in its sole discretion that it is necessary or advisable in order to protect in any way and for any reason the Information System, HSS may bar Customer's access to the Information System and may temporarily or permanently remove any or all data or other files. Such reasons include, without limitation, HSS or third party provider's determination that: (a) Customer's network connection, software, equipment or files may infect the Information System with Malicious Code, (b) internet access by the Customer or Customer's access to or use of the Information System is in violation of the applicable acceptable use policy governing use of the provider's services or any law or (c) Customer's network connection, software, equipment or files may cause harm to or disrupt the Information System. Neither HSS nor any such third party provider will be liable for any inconvenience or disruption to the Customer or any consequences thereof caused by such measures.

ARTICLE 5.
DISCLAIMERS

5.1 **HSS makes no representations or warranties as to any Certified Third Party Software, any Authorized Equipment or any Services provided by any Preferred Provider and will have no liability whatsoever for the terms and conditions thereof, performance of any obligations or other agreements therewith, any equipment purchased, leased, or installed, any Services performed, any use of any software, or any software licensed or sublicensed by any Preferred Provider. The sole warranties provided to Customer, if any, with respect to the Certified Third Party Software, Authorized Equipment or Services provided by the Preferred Providers are provided by the applicable third party vendor pursuant to a written warranty, if any, provided to Customer by such third party vendor. In the event Customer notifies HSS of any condition which Customer believes constitutes a breach of any warranty provided by a third party vendor, HSS will, upon Customer's request, provide reasonable cooperation and assistance in notifying such third party vendor of such condition and in urging such third party vendor to correct such condition. HSS reserves the right to make changes and substitutions in the components of the Information System.**

5.2 **Except as specifically provided in this Article 5 (Disclaimers), HSS disclaims all express or implied warranties with respect to the Software, Authorized Equipment, Services and Information System, including without limitation, any implied warranties of merchantability, fitness for a particular purpose, title, non-infringement, design, accuracy, capability, sufficiency, suitability, capacity, completeness, availability, compatibility, or those that may arise from course of dealing or course of performance or that any Software, Services or Authorized Equipment provided hereunder will not violate the intellectual property rights of and person or entity. HSS does not guarantee, warrant, or make any representations to the effect that any of the Software, Authorized Equipment, Services or Information System provided or made available to Customer under this Agreement (a) will be continuously available, uninterrupted or defect- free, delay-free, or error-free, (b) will have its defects or errors corrected, (c) will operate in combination with any Customer or third party software, system, service, data or equipment not made available by HSS, (d) will be free of Malicious Code or other harmful components, or (e) will be accurate or complete. HSS does not guarantee, warrant or make any representations regarding the use of, or the results of, any of the Software, Authorized Equipment, Services or Information System in terms of its respective correctness, accuracy, reliability, or otherwise.**

5.3 **HSS will not be liable for, and makes no warranty or guarantee of, the confidentiality or privacy of any data or other files transmitted to, on, from or through the Agreement Products and Services and/or the Information System and is not responsible for any delays, delivery failures, or other damage resulting from such problems arising in connection therewith. HSS is not responsible for any issues related to the performance, operation or security of the Services that arise from Customer content, Customer applications or third party content. HSS is not responsible for incorrect or inaccurate entry information, or destroyed, impaired or lost data, whether caused by Customer or by any of the equipment or programming associated with or utilized in the Information System or by any technical or human error which may occur in the processing of any information related to the Information System.**

5.4 **HSS will have no liability to third parties for any claims, losses or damages of any type whatsoever arising out of or in any way related to the access to or any use of any of the Agreement Products and Services or any part of the Information System. Customer will be responsible for, and Customer will indemnify HSS and its Affiliates and hold them harmless from and against any and all allegations, losses, demands, claims (including taxes), liabilities, damages (including punitive and exemplary), fines, penalties and interest, and all related costs and expenses of whatever nature (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, experts, settlement, judgment, interest and penalties) from any individual or entity which arise out of Customer's (a) access to or any use of any of the Agreement Products and Services or any portion of the Information System, and (b) acts and omissions under this Agreement, including without limitation infringement of any intellectual property rights.**

5.5 **HSS reserves the right for any reason, including, but not limited to, Customer's failure to comply with the Information System's use regulations, rules and policies, to temporarily bar access of Customer to the Information System and/or to temporarily or permanently remove any or all data or other files if HSS or the third party provider hereunder determines or receives notice that Customer's network connection, software, equipment or files may infect the Information System with a virus, that internet access by the Customer or Customer's access to or use of the information system is in violation of the applicable acceptable use policy governing use of the internet service provider's services ("AUP") or any governmental law or regulation or that Customer's network connection, software, equipment or files may cause harm to or disrupt the Information**

System. HSS and the third party provider will not be liable for any inconvenience or disruption to the Customer caused by such measures.

5.6 **HSS may inform governmental authorities or interested third parties if HSS suspects, believes or receives notice that Customer's data or other files contain legally prohibited information or are being used for illegal purposes. Customer acknowledges that HSS or the third party provider may monitor and review stored data and other files without restriction and Customer hereby acknowledges and consents to such monitoring. Customer also acknowledges that HSS or the third party provider may need to release Customer's data or other files when HSS or the third party provider believes it must do so in order to comply with a law, subpoena, warrant, order or regulation arising from litigants, law enforcement, courts and other governmental agencies. Neither HSS nor the third party provider will be responsible or liable to Customer for any such actions taken by HSS or the third party provider**

5.7 **The remedies provided in this Agreement constitute Customer's sole and exclusive remedies. In no event will HSS be liable for any special, incidental, consequential or exemplary damages, including without limitation damages for loss of use, lost profits or loss of data or information of any kind, arising out of or in connection with this Agreement, whether or not HSS has been advised of the possibility of such loss or damage. In no event will HSS'Ss 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.**

5.8 **To the extent not prohibited by law, the warranties contained in this Article 5 (Disclaimers) are exclusive and there are no other express or implied warranties or conditions.**

ARTICLE 6.
CONFIDENTIALITY

Customer will maintain the confidential and proprietary nature of the Proprietary Software, Certified Third Party Software, Information System, Services and any and all information, documentation and materials of HSS and HSS Affiliates which are disclosed under or provided or made available to Customer under or in connection with this Agreement. The foregoing includes without limitation proprietary ideas, patentable ideas, copyrights, trade secrets, existing and contemplated products and services, software, schematics, research and development, discoveries, inventions, methods, processes, materials, algorithms, formulas, specifications, designs, data, strategies, plans, and know-how, whether tangible or intangible (collectively, the "Confidential Information"). Customer will maintain such Confidential Information in confidence and agrees not to disclose or otherwise make available the Confidential to any person or entity other than Customer's employees at the Hotel who are bound by obligations of confidentiality no less stringent than those set forth herein, without prior written consent of HSS. Customer further agrees to take all reasonable steps and precautions, including those set forth in the Manual, necessary to protect the Confidential Information from unauthorized use or disclosure.

ARTICLE 7.
PRECEDENCE AND INTERPRETATION

The terms and conditions of Customer's use of the Agreement Products and Services and the Information System will be governed exclusively by this Agreement and any applicable Joinder Agreements notwithstanding any different terms submitted by Customer to HSS. In the event of any conflict between this Agreement and any Order Document, the Order Document will control. Terms in the Relationship Agreement addressing the same issue as terms in this Agreement will be deemed to be additional and complimentary to this Agreement's terms except to the extent that such Relationship Agreement terms specifically conflict with the terms of this Agreement in which case the terms of this Agreement will control.

IN WITNESS WHEREOF, by the signature of its respective authorized representative, each of the Parties agrees to be bound by all of the terms of this Agreement.

CUSTOMER: %LegalEntity%	HILTON SYSTEMS SOLUTIONS, LLC
By: %HotelApproverSignature%	By: %HiltonApproverSignature%
Authorized Signature	Authorized Signature
Print Name: %HotelApproverName%	Print Name: Randy Kanaya
Title: %HotelApproverTitle%	Title: Director – OnQ® Deployment Planning
Date: %HotelApprovedDate%	Date: %HiltonApprovedDate%

ANNEX 1

DEFINITIONS

As used in this Agreement, the following terms have the meanings given to them below.

1. "Agreement Products and Services" means, collectively, the Software, Authorized Equipment, Services, subscriptions, Information System, Manual, documentation and all other materials identified herein that is or may be made available to Customer pursuant to this Agreement.

2. "Authorized Equipment" means equipment that has met HSS standards for operating as part of the Information System and which is made available for purchase or lease under this Agreement or a Joinder Agreement.

3. "Certified Third Party Software" means software licensed by third parties to Customer or sublicensed by HSS to Customer and listed in the applicable Order Document.

4. "Fees" means, collectively, all of the fees, charges and expenses chargeable to or due from Customer under this Agreement, including any Order Document.

5. "Information System" means, collectively, the software, equipment and IT systems made available by HSS and its Affiliates for Customer's access, use or benefit, including without limitation the OnQ® technology.

6. "Malicious Code" means any virus, worm, trojan horse, spyware, adware, rootkit, ransomware, scareware, rogueware, backdoor, trap door, logic bomb or similar item intended to cause or capable of causing undesired effects, security breaches and/or damage to a system or a system's contents.

7. "Manual" means any standards and/or operating manual(s) provided or made available to Customer in connection with this Agreement or any Franchise or Management Agreement to which Customer is party.

8. "Proprietary Software" means software owned by HSS or its Affiliates.

9. "Services" means the services provided under this Agreement.

10. "Software" means the Certified Third Party Software and Proprietary Software.

ORDER DOCUMENT

Customer Name:	%LegalEntity%	**Customer Contact:**	%GMName% %PrimaryContactHeading%
Customer Address:	%PrimaryContactName% %PrimaryContactAddress1% %PrimaryContactAddress2% %PrimaryContactCity% %PrimaryContactState% %PrimaryContactZip% %PrimaryContactCountry%		%PropertyName% %PropertyAddress2% %PropertyCity% %PropertyState% %PropertyZip% %PropertyCountry%
Property Name:	%PropertyName%	**Issue Date:**	%CreationDate%

This Order Document is issued under and is a part of the *Information Technology System Agreement* ("Agreement") between Hilton Systems Solutions, LLC ("HSS") and %LegalEntity**%** ("Customer") and includes all of its schedules, attachments, and exhibits as well as all other documents expressly incorporated into it by reference. It becomes effective on the date identified by HSS under the signature blocks below ("Order Effective Date") and when signed by both parties is automatically incorporated into and becomes part of the Agreement. All licenses and sublicenses of software, all subscriptions, all Services and all equipment provided herein or obtained hereunder are subject to the terms and conditions of the Agreement and to the terms of this Order Document. Unless otherwise specified the defined terms in this Order Document have the meanings given them in the Agreement.

The pricing provided here for goods and services provided by Hilton is valid for a period of ninety (90) days following the date of issue of this Order Document to Customer ("Issue Date"). Should this Order Document not be signed by the Customer within those (90) days, Customer must obtain written confirmation from HSS that the pricing requested by Customer remains in effect.

Except as otherwise noted herein or in the applicable invoice all payments required by this Order Document must be made in United States Dollars within thirty (30) days of receipt of the invoice therefore. Customer acknowledges and agrees that HSS or its Affiliates may derive revenues and/or other material consideration on all or a portion of the fees paid by Customer and that HSS may use third parties to perform the Services. All fees indicated are exclusive of applicable taxes, shipping, insurance, rigging, duties and other related fees and expenses, all of which are payable by Customer. Provision of the Authorized Equipment, Software and Services is made in consideration of the Customer's promise herein to pay the fees therefor and is subject to Customer's timely payment of such fees. HSS may delegate certain of its operational responsibilities hereunder to third parties but remains responsible therefore.

EXECUTION INSTRUCTIONS: **Please sign this Order Document, each of the documents in *Schedule C* and any other Schedules indicated as needing your signature.**

IN WITNESS WHEREOF, by the signature of its respective authorized representative, each of the parties agrees to be bound by all of the terms of this Order Document.

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%

The Order Effective Date for this Order Document is the date it is signed by HSS.

1. Software and Related Services.

1.1 Software and Interfaces. HSS licenses to Customer the following Proprietary Software and sublicenses to Customer the following Certified Third Party Software under the terms specified in the Agreement. The fees shown are one-time payments.

A. Base Operational Software (Proprietary Software unless otherwise noted)**:**

	Software	Those Being Licensed to Customer are Noted with "X"
1.	OnQ™ Software	%Sys21InterfaceSW%
2.	OnQ™ Virus Software and Client Access Licenses (Certified Third Party Software)	%SOPHOS%
3.	OnQ™ Software Update Distribution	%SCCM%
4.	OnQ™ Interface Software	
	- 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%
	- Guest Internet Access	%INetCallAccounting%
	- Combined HSIA & PayTV	%TVandHSIA%
	- PPIC	%PPIC%
	- Electronic Key	%ElectronicKey%
	- Energy Management	%EnergyMgmt%
	- Police	%Police%
	- Back Office	%BackOffice%
	- Guest Call Center	%CallCenter%
	- Parking	%Parking%
	- Spa	%SPA%
	- Convention and Event	%CONFEVENT%
	- Intelity	%Intelity%
	- Intelity	%HOTSOS%

B. Additional Software. HSS may require that Customer use additional Proprietary Software and Certified Third Party Software for the proper operation of the Agreement Products and Services.

1.2 Documentation. HSS will provide the following documentation as appropriate:

A. Implementation Documentation

OnQ® Proposal
OnQ® Implementation Guide
OnQ® Installation Guide

B. Training Manuals

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

1.3 Training and Training Materials.

A. The Information System contains a number of e-Learning modules regarding the Proprietary Software's function. The Hotel is responsible for ensuring that all employees who have responsibilities related to the use of Proprietary Software (including, without limitation, front desk and reservations) will be certified in the appropriate e-Learning modules prior to the implementation of the Information System, or within ten (10) days of employment, as agreed to with HSS. All such Hotel staff must successfully complete certification training as a prerequisite to receiving permission from HSS'Ss installation team to complete the implementation of the Information System.

B. Customer's General Manager or General Manager designee (as agreed to with HSS) must become certified in the Proprietary Software's operations procedures. A minimum passing score for the General Manager is eighty percent (80%) with eighty percent (80%) for 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 Proprietary Software. Details regarding this obligation are available from HSS.

1.4 Cost of Certain Installation, Implementation and Training Services. The cost of certain installation, implementation, and training services (including the HSS implementation specialists) and Manuals are set forth below. These costs and travel expenses will be billed to Customer by HSS or the Preferred Provider following installation of the Information System. Additional costs for training replacement General Managers or other Hotel personnel will be billed to Customer prior to such training dates at the then current rate charged by HSS for such training. There is currently no additional charge for the e-Learning training modules which are included within the Software.

1.5 Site Surveys. Customer and HSS will mutually determine the scope, schedule and timing of a site survey that may be required for the preparation, installation and/or implementation of OnQ (the "Site Survey"). HSS and Customer will identify the responsible parties for each aspect of the Site Survey. In preparation for any Site Survey, Customer will provide information and documentation relative to the Hotel as requested by HSS, including, but not limited to, hotel drawings, room locations and wiring diagrams. If HSS performs on-site services during the Site Survey, the Customer is responsible for providing timely access to the Hotel property, as well as complimentary room nights with confirmed reservations at the Hotel, as needed in the course of performing the Site Survey. A Hotel representative will be appointed by Customer to provide escort and access to guest rooms for the room inspection portion of the Site Survey. The fees and costs for any work performed by HSS relative to the Site Survey, including any fees for creation and validation of the wireless network design, any travel expenses, per diem fees and other out-of-pocket related costs, will be billed separately by HSS to the Customer. Any additional costs incurred due to delays in performing the Site Survey caused by the Customer's Hotel will also be billed to Customer.

1.6 Implementation Services. HSS may, in its sole discretion, provide implementation services for Customer's Authorized Equipment and related Certified Third Party Software. Some are described below but more exact requirements may be set forth in the applicable Brand and/or Standards Manual(s) and are subject to change by HSS or Hilton Domestic Operating Company Inc. ("HDOC") or their affiliates or subsidiaries from time to time. HSS will provide the services using Systems Implementation consultants. The number of consultants and number of days they will be used will be determined by HSS based upon the size and type of the Hotel and the Hotel's IT requirements. These consultants may:

(a) work with the Hotel, which is responsible for the cost of building the Hotel's database, including the verification of the proper functioning of the Software, installation, conversion, implementation, data conversion or recovery;
(b) provide procedural support for the property management system to the Hotel's management;
(c) work with the Hotel's management to adapt their use of the Information System to meet the Hotel's requirements;
(d) support the Hotel's staff in their use of the Information System through the Hotel's management;
(e) work with the Hotel's management to assure that the Hotel has all necessary tools for the implementation of the Information System (i.e., Authorized Equipment, Certified Third Party Software, documentation, etc.);
(f) install or approve the installation of equipment to meet the requirements of the Hotel, HSS and the manufacturer of the Authorized Equipment;
(g) work with third party vendors to meet the technical criteria for interface communications (i.e., central reservations, call accounting, energy management, pay movies, guest internet access, etc.);
(h) verify that all front desk staff and Hotel's management have successfully completed the Information System Guided Tour & Training;
(i) identify and address operational problems that involve the Information System;
(j) formulate and present recommendations that maximize efficient use of the Information System; and
(k) administer a trial run of the Information System to verify that the front desk staff and audit staff have been trained properly.

1.7 Authorized Equipment Installation. Whether Customer elects to purchase or lease Authorized Equipment from a Preferred Provider through one of the Master Agreements HSS will coordinate the installation of such Authorized Equipment at the Hotel.

A. Customer or HSS, in HSS'Ss discretion, will obtain and maintain throughout the term hereof, at Customer's cost, the necessary communication vehicles and services for direct communication between HSS and the Hotel as is reasonably necessary for the operation of, and for the diagnosing of issues involving, the Agreement Products and Services, including without limitation, network access and wide area network connections to the Central Reservation System and Internet.

B. Customer will make available, at its own expense, prior to the agreed upon installation date a location that, in HSS'Ss opinion, is suitable for installation of such Authorized Equipment. Customer will furnish any electrical connections and dedicated phone lines which may be required by HSS and will perform and pay for all work, including alterations, which in the sole discretion of HSS is necessary to prepare the Hotel for the installation and proper operation of the Authorized Equipment.

C. Any delay in shipment and installation of Authorized Equipment or Certified Third Party Software, including delays by communications vendors, Preferred Providers, or any other retailers, will, for the duration of such delay, excuse any failure of HSS to install the Authorized Equipment on or before the agreed upon installation date. However, HSS will use commercially reasonable efforts to require such approved vendors to comply with their service level agreements as to installation and shipment timing for Customer's installation, in accordance with such approved vendor agreements.

D. If Customer elects to purchase such Authorized Equipment from another retailer, it will be installed at the Hotel on a date mutually agreed to by HSS and Customer following HSS'Ss determination that it conforms to HSS'Ss specifications and testing procedures and can be configured with the Software.

1.8. Software Installation.

A. Unless specifically stated as being implemented by HSS, it is Customer's obligation to install the Software on the Authorized Equipment and any related hardware at such time as HSS designates in writing to Customer. The Software may be installed in phases such that one or more Software modules may be installed and/or be operational prior to other Software modules. Customer will be responsible for all fees and costs incurred in the installation of Software and any related Software.

B. If Customer purchases the Authorized Equipment from HSS or a Preferred Provider, the Preferred Provider or HSS will install the Software and any related software as described in this Agreement on the Authorized Equipment and HSS will complete the installation at the Hotel, as applicable, on the agreed upon installation date. If Customer does not purchase the Authorized Equipment from the Preferred Provider, HSS will install the Software and any related software at such time as HSS designates in writing to Customer. The Software may be installed in phases such that one or more Software modules may be installed and/or operational prior to other Software modules. The Software modules to be installed will be as set out above and in this Agreement, and Customer hereby agrees to permit the Preferred Provider or HSS to install any and all other Software modules on the Authorized Equipment in or at the Hotel, as provided for herein.

C. If Customer purchases Authorized Equipment from a retailer other than the Preferred Provider, Customer will pay for configuring the Authorized Equipment purchased from such retailer, with the Software. Customer will also be responsible for shipping and shipping related costs to and from HSS for such configuration.

1.9 Third Party Interface Testing and Connectivity. If Customer requires the implementation of any OnQ® Interface software for connectivity to third party systems, Customer will be responsible for any fees assessed by the third party vendors to test and implement the necessary connectivity. In addition, Customer will be required to make arrangements with any such third party vendor to provide the necessary assistance required to test and to implement the interface connectivity. This assistance requires the vendor to be on-site at the time of testing and implementation, unless the third party vendor can perform all necessary tasks (as defined by HSS) through a remote connection to the Customer's third party system. The cost incurred by any third party vendors for testing and implementing connectivity to third party systems will be billed to Customer by HSS, or such vendors for the license of each copy of the Proprietary Software and the Certified Third Party Software licensed to Customer by HSS

1.10 Certain Costs and Payment Terms.

A. Software License Fees. Customer will pay HSS, Preferred Provider or another retailer approved by HSS, a fee for the license of each copy of the Proprietary Software and the Certified Third Party Software, licensed or sublicensed to Customer by third parties or installed on the Authorized Equipment at the Hotel (the "License 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.

B. Cost of the Authorized Equipment, Certified Third Party Software and Other Fees. The cost of the Authorized Equipment, Certified Third Party Software and other fees are shown below. The costs will be invoiced to Customer by HSS or by the Preferred Provider.

Authorized Equipment and Certified Third Party Software	$%System21HWFee%
Standard Upgrade Fee	$%StandardUpgradeFee%
Standard Plus Software License Fees	$%StandardPlusSoftwareFee%

C. 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 third party provider HSS may use at the same time as it renders its invoice to Customer for the License Fees. Additional costs for training replacement general managers or other hotel personnel will be invoiced to Customer prior to such training dates.

Customer will be responsible for charges incurred for use of Virtual Private Network ("VPN") to access the OnQ® training hotel. These costs include fees from HSS'Ss current VPN access provider, for up to 5,000 minutes of network access as well as HSS internal costs for configuration services. VPN access will be terminated for each property at the time of hotel opening or live utilization of the Information System.

Training System Access Fee	$%TrainSysAccessFee%

There is currently no additional charge for the CBT training modules which are included within the software.

Information System Planning Workshop	$%System21PlanningWS%

Sales Skills Training: For the Hampton and Homewood brands (N/A for other brands), attendance is required by general manager, assistant general manager, or full-time sales manager within ninety (90) days of employment.

$%SalesTrainingFee%

General Manager Leadership Program: For ES/HH/HIS/HW/DT/DC (N/A for other brands):	$%GMTrainingFee%
Pre-Opening Materials For ES/HH/HIS/HW/DT/DC (N/A for other brands):	$%PreOpeningFee%

D. 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 Provider Fee: (Configuration fees and Training Room Network Installation, as applicable) (Includes travel expenses)	$%ServicesPreferred%
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%
Delphi Project Management Fee	$%DELPHIPM%
Delphi Implementation Fee	$%DELPHIIMP%
Executive Briefing and Change Management	$%DevRecovery%
Email Setup Fee:	$%Email%
Hi Tech Fee:	$%HiTechFee1%
Firewall Equipment and Configuration and/or Converged Network Install	$%Firewall%
IT Opening Project Manager	$%INTLITOPENPM%
Digital Floor Plan Billing Management	$%DigitalFloorSetup%
Salesforce Community License	$%SALESFORCE%

Promptly following HSS'Ss providing of the Services, an invoice will be submitted to Customer for HSS'Ss representatives' out-of-pocket expenses, any additional per diem charges for its representatives (as described in the Notes below), any re-scheduling fee, and any additional travel expenses as set forth above, which invoice will be payable within fifteen days of Customer's receipt of same.

TOTAL PRICE	**$%TotalPrice%**

***TOTAL PRICE EXCLUDES TAXES, SHIPPING & ANY MONTHLY FEE ITEMS NOTED HEREIN**

Notes:

(i) Promptly following HSS'Ss 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'Ss representatives' out-of-pocket expenses, any additional per diem charges for its representatives, any re-scheduling fee, and any additional travel expenses as set forth above, which invoice will be payable within fifteen days of Customer's receipt of same.

(ii) Customer will pay according to the terms of any invoice(s) submitted to Customer, including any provision for late charges, the fee for the installation of any telephone line(s) or wide area network connection(s) necessary for connection of the Authorized Equipment

(iii) The cost to configure equipment obtained by Customer from a non-preferred retailer, to be included here, when applicable.

E. Other. If Customer attaches or uses third party equipment, software, and/or interfaces with any of the Agreement Products and Services, the Central Reservation System or the internet which have not been certified or approved by HSS as meeting HSS'Ss specifications and/or does not conform to the standards provided by the HSS or if Customer installs other third party non-HSS proprietary software which has not been certified or approved by HSS as meeting HSS'Ss specifications, the Agreement Products and Services or such third party equipment, software, and/or interfaces may need to be reconfigured and the entire cost of such reconfiguration will be borne by Customer. Where HSS specifications cannot be met with such third party equipment, software, and/or interfaces, such third party equipment, software and/or interfaces will, at Customer's sole cost, be removed and/or replaced as directed by HSS.

1.11 HSS Representatives on-Site at Hotel: Customer must have its representative(s) on-site at the Hotel for the implementation of the Agreement Products and Services. Once HSS'Ss representatives are on-site, any delays will result in additional expense to Customer. If a delay in implementation of any of the Agreement Products and Services caused solely by Customer necessitates the departure and re-scheduling of HSS'Ss representatives, then, in addition to the other fees set forth in this Order Document, Customer will be required to pay a fee consisting of charges for such representatives' work days and travel days (currently U$700.00 per representative per day), change fees, and additional travel expenses. The re-scheduled date will be determined based on the needs of the Hotel as well as the availability of HSS'Ss representatives.

2. Proprietary Software Maintenance / Help Desk Services.

2.1 Proprietary Software Maintenance.

A. HSS will provide Customer with Proprietary Software maintenance and support services (the "Proprietary Software Maintenance") for a term of one (1) year (with annual renewals thereafter at the option of HSS) commencing on the Order Effective Date. The annual fee, payable in monthly installments, is as follows:

%SoftwareMaintTable%

B. The first monthly payment will be invoiced in advance of the shipment date to the Hotel ("Start Date") of the Authorized Equipment purchased which will operate the applicable Proprietary Software to be maintained. For the avoidance of doubt, HSS has no obligation to provide Customer with maintenance, support or Help Desk services for any Certified Third Party Software; maintenance support and services for Certified Third Party Software is to be provided by the applicable Preferred Provider pursuant to the applicable Master Agreement. The Proprietary Software Maintenance and support offered by HSS is described in *Schedule A*.

C. HSS is unable to modify, and does not provide support for, the Certified Third Party Software. Provided Customer has paid for all Software Maintenance and other fees charged hereunder and satisfied all other obligations under the Agreement, HSS will supply Customer with any standard enhancements, improvements, updates, and/or modifications to the Proprietary Software ("Updates") generally made available by HSS as options or new releases to its Customers which are not charged for separately by HSS ("Software Maintenance"). Such Updates will be HSS'Ss sole and exclusive property and will be deemed part of the Proprietary Software hereunder. Customer agrees that it may be required to purchase some Updates to the Proprietary Software, which are charged for separately by HSS, as well as additional hardware and/or software in order to utilize certain major upgrades or enhancements.

2.2 Use of Certified Third Party Software Only. In the event Customer uses or installs any third party software other than Certified Software on the Authorized Equipment or uses equipment that is not Authorized Equipment, HSS will have no further obligations to provide any Software Maintenance services to Customer.

2.3 Increases/Decreases. HSS reserves the right to increase or decrease the Software Maintenance cost on an annual basis to reflect increases or decreases in such costs and the addition or construction of additional guest rooms (or suites) by Customer for Customer's Hotel.

3. Additional Services.

3.1 Additional Services Purchased Under This Ordering Document. HSS will provide the following additional Services (if any are listed) for the fees noted:

%Misc%

4. Authorized Equipment.

4.1 Authorized Equipment Purchased or Leased. Customer will purchase or lease the Authorized Equipment required for the proper operation of the Hotel IT functionality identified by HSS. As of the Order Effective Date the purchasing and/or leasing fees for the Authorized Equipment described in *Schedule B-1 – Authorized Equipment* are:
AUTHORIZED EQUIPMENT

NETWORK AUTHORIZED EQUIPMENT:

%NetAuthEquip1%

STANDARD PLUS EQUIPMENT:

%StdPlusEquip1%

The purchase fees will be invoiced by either HSS or the relevant Preferred Provider depending on the location of the Hotel and the source of the Authorized Equipment. Customer will be provided the specific information not later than 15 days following the Order Effective Date.

Customer will purchase and replace any source, paper, ribbons, printer maintenance kits, toner and such other operating supplies as will be required for the operation of the Authorized Equipment, but Customer will utilize only such brands as are approved by HSS or the Authorized Equipment manufacturer.

4.2. Authorized Equipment Maintenance. Customer must purchase maintenance services as described in *Schedule B-2 – Authorized Equipment Maintenance and Refresh* for all of the Authorized Equipment it purchases or leases, including for all the Network Authorized Equipment when maintenance is not provided under the terms of the applicable Brand IT program. As of the Order Effective Date Customer is purchasing Authorized Equipment Maintenance for the annual fee(s) shown, payable in monthly installments:

%HardwareMaintTable%

5. Expenses. If HSS or Preferred Provider personnel incur travel, lodging, meal, or any other out of pocket expenses in furnishing services hereunder, Customer will pay for or promptly reimburse HSS for same, subject to reasonable documentation of such expenses.

6. Customer Responsibilities. Customer will maintain on its staff at all times sufficient personnel that have been trained in and are knowledgeable about the use of the Information System in a professional, efficient and competent manner. Customer is responsible for maintaining duplicate or back-up copies of its software, data files and documentation. HSS will have no liability for any damages resulting from Customer's failure to maintain such duplicate or back-up copies nor for any costs or expenses of reconstructing any such data or information that may be destroyed, impaired or lost.

7. Exclusions. HSS'Ss obligations under the Agreement will not apply to any errors, defects or problems caused in whole or in part by (i) any modifications or enhancements made to any Proprietary Software, Certified Third Party Software or Authorized Equipment by Customer or any third person or entity other than HSS; (ii) any software program, hardware, firmware, peripheral or communication device used in connection with the Information System which was not approved in advance in writing by HSS; (iii) the failure of Customer to follow the most current instructions promulgated by HSS or any third party vendor from time to time with respect to the proper use of the Information System; (iv) the failure of Customer to schedule regular preventive maintenance in accordance with standard HSS procedures; (v) forces or supplies external to the Authorized Equipment, including, without limitation, the reasons set forth in the force majeure provisions of the Agreement; and/or (vi) the negligence of Customer or any other third person or entity. Any corrections performed by HSS for any such errors, difficulties, or defects will be fixed, in HSS'Ss sole discretion, at HSS'Ss then current time and material charges. HSS will be under no obligation, however, to fix any such Customer or externally caused errors, defects or problems.

8. Joinder Agreements. *Schedules C-1 and C-2* contain Joinder Agreements under which Customer can obtain products from Microsoft and reseller Insight Direct USA, respectively. Customer is required to sign those agreements if it is obtaining any products from those Preferred Providers in connection with this Order Document.

9. Request for Products or Services. The form to use when requesting products or services is contained in *Schedule D – Form of Request for Products or Services.*

10. Notices. Questions and notices regarding this Order Document should be directed to:

The Attention of:	Scott Greenberg
Address:	Hilton System Solutions LLC 755 Crossover Lane Memphis, Tennessee 38117
Telephone Number:	(901) 374-5510
Email Address:	Scott.Greenberg@hilton.com

SCHEDULES APPLICABLE FOR THIS ORDER DOCUMENT

Schedule A: Software Maintenance
Schedule B-1: Authorized Equipment
Schedule B-2: Authorized Equipment Maintenance and Refresh
Schedule C-1: Microsoft Participation Agreement - ***To Be Signed***
Schedule C-2: Joinder to Preferred Provider Agreement - ***To Be Signed***
Schedule D: Form of Request for Products or Services

Other Schedules

[Applicable Ones are Highlighted, Attached and Noted to be Signed]

Schedule E: Total Solution Program Agreement
Schedule F: Hilton or Signia Hilton Brand Fee Based Pricing Program Agreement – .75%
Schedule G: Hilton or Signia Hilton Brand Fee Based Pricing Program Agreement – 1%
Schedule H: Hilton or Signia Hilton Brand Fee Based Pricing Program Agreement – REIT Hotel
Schedule I: Doubletree or LXR or Motto Authorized Equipment Refresh
Schedule J: Hilton Garden Inn Refresh Program Agreement
Schedule K: Curio or Canopy or Tapestry Authorized Equipment Refresh
Schedule L: TRU by Hilton Authorized Equipment Refresh
Schedule M: Independent Brand Fee Based Pricing Program Agreement – .75%
Schedule N: Conrad or Waldorf Astoria Hotel Fee Based Pricing Program Agreement – .75%
Schedule O: Conrad or Waldorf Astoria Hotel Fee Based Pricing Program Agreement – .45%

SCHEDULE A

SOFTWARE MAINTENANCE

1. General. HSS will provide Customer with maintenance and support for Proprietary Software 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.

2. Certified Third Party Software Only. Customer understands that the use of any software other than that provided by HSS pursuant to this Agreement, unless such additional third party software has been approved in writing by the HSS Information Technology Department, is not warranted for use on the Authorized Equipment. In the event Customer uses or installs any third party software other than Certified Software on the Authorized Equipment or uses equipment that is not Authorized Equipment, HSS will have no further obligations to provide any software maintenance services to Customer hereunder.

3. Software Maintenance.

(a) Customer acknowledges and understands that HSS is unable to modify the Certified Third Party Software. HSS does not provide support the Certified Third Party Software In the event Customer notifies HSS of any condition which Customer believes constitutes a breach of any warranty provided by a third party vendor or a defect in Certified Third Party Software, HSS will, upon Customer's request, provide reasonable cooperation and assistance in notifying such third party vendor of such condition and in urging such third party vendor to correct such condition.

(b) With respect to the Proprietary Software, provided Customer has paid all software maintenance and other fees and satisfied all other obligations under this Agreement, HSS will supply Customer with access to any standard enhancements, improvements, updates, and/or modifications to the Proprietary Software generally made available by HSS as options or new releases to its Customers which are not charged for separately by HSS as options or new releases. Such enhancements, improvements, updates, additions, and/or modifications which are supplied by HSS to Customer, and all Intellectual Property Rights therein, will be HSS's sole and exclusive property and will be deemed part of the Proprietary Software hereunder and will be subject to all of the terms and conditions of the Agreement. Customer acknowledges and agrees that Customer may be required to purchase some enhancements, improvements, updates, and/or modifications to the Proprietary Software which Customer will be charged for separately by HSS, as well as additional hardware and/or software in order to utilize certain major upgrades or enhancements.

4. Cooperation. Customer will provide HSS with all information, data and other required materials necessary for HSS to reproduce any problem identified by Customer. Customer will maintain for the term of this Agreement a modem and dial-up telephone line and a facsimile machine or other electronic communication capability mutually acceptable to both parties to facilitate HSS's ability to perform its maintenance services remotely.

5. Expenses. Customer will pay for all telephone toll charges incurred in providing maintenance and support hereunder.

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

7. Hotline. HSS will provide, in accordance with its customary business practices and procedures, telephone customer service support as reflected in this Schedule, for the purposes of receiving reports from Customer regarding software malfunctions subject to maintenance hereunder. HSS may attempt, to the extent practical, to resolve any reported problems by telephone or by accessing Customer's equipment remotely.

8. On-Site Services. In the event HSS is unable to resolve any reported problem by telephone or modem, HSS will dispatch service personnel to Customer's Site for the purpose of providing maintenance services hereunder at HSS's standard rates and charges.

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

10. Cost and Payment Terms. Annual Cost of Software Maintenance $%AnnualSWMaint%. Payments will be calculated from the Start Date . payable in monthly installments of $%MonthlySWMaint%. The monthly payment amount will be due in advance and will be billed by HSS. Interest at the then current highest rate allowed 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 Providers of such services and to reflect the addition or construction of additional guest rooms (or suites) by Customer for Customer's Hotel.

SCHEDULE B-1

AUTHORIZED EQUIPMENT

The term Authorized Equipment includes (i) the equipment needed by Customer at Customer's hotel, as determined solely by HSS, for the Customer's use of the Proprietary Software (the "Network Authorized Equipment") (ii) and any additional equipment authorized by HSS for use at Customer's hotel, over and above the Network Authorized Equipment (the "Standard Plus Equipment").

1. Authorized Equipment Purchase. Customer may purchase the Authorized Equipment from the Preferred Provider who may provide a joinder agreement with Customer or from another retailer; however, if such Authorized Equipment is obtained from another retailer, it must conform to HSS's specifications. Furthermore, if Customer elects to purchase such Authorized Equipment from a third party other than the Preferred Provider, the file server and work stations must be shipped to HSS or its designee for certification that these components comply with HSS's specifications and testing procedures. Customer will also be responsible for the shipping and shipping related costs to and from HSS or its designee for such certifications.

2. Authorized Equipment As Personal Property/Insurance Requirements. In addition to any other specific purchase terms required by the Preferred Provider, the following purchase terms and conditions will apply to any Authorized Equipment obtained from a Preferred Provider or HSS. The Authorized Equipment will be at all times, personal property which will not, by reason of connection to the Hotel, become a fixture or appurtenance to the Hotel, and until such time as Customer or its designated third party pays to the Preferred Provider the total sum for the Authorized Equipment as required hereunder, the Authorized Equipment will remain the property of the Preferred Provider, and title will remain with the Preferred Provider, free from any claims of Customer or the holder of any lien or encumbrance on the Hotel and/or any other property of Customer. Customer will maintain fire, extended coverage, vandalism, and malicious mischief insurance on the Authorized Equipment in an amount not less than the purchase price of the Authorized Equipment. Said insurance will name HSS as an additional insured. For so long as this obligation remains in effect, Customer will furnish to HSS a certificate of the insurance carrier describing the terms and coverage of the insurance in force, the persons insured, and the fact that the coverage may not be canceled, altered or permitted to lapse or expire without thirty (30) days advance written notice to HSS. Upon payment in full, title to the Authorized Equipment will vest in the Customer and will be free and clear of the above requirements relating to insurance and of all of the Preferred Provider's liens, claims and encumbrances and the Authorized Equipment will become the sole property of Customer. Customer assumes the expense of delivery and in-transit insurance for the Authorized Equipment.

3. Authorized Equipment.

NETWORK AUTHORIZED (PROGRAM FUNDED) EQUIPMENT:

%NetAuthEquip1%

STANDARD PLUS (HOTEL FUNDED) EQUIPMENT:

%StdPlusEquip1%

SCHEDULE B-2

AUTHORIZED EQUIPMENT MAINTENANCE AND REFRESH

1. Maintenance for the Authorized Equipment. Customer must take all steps necessary to provide all necessary maintenance services for the Authorized Equipment it purchases or leases so that it will receive such maintenance services for all such Authorized Equipment throughout the term of this Agreement. Customer may elect to use the maintenance company (the Preferred Provider) with whom HSS has arranged to provide maintenance services ("Equipment Maintenance") for the Authorized Equipment provided that such Authorized Equipment, if not purchased from the Preferred Provider, is first certified as being suitable for Equipment Maintenance, at the expense of Customer, by either HSS or the Preferred Provider. For such services, the Customer will pay as set forth in this *Schedule B-2* (the "Maintenance Fees") and according to the terms of any invoice(s) submitted to Customer therefor, including any provision for late charges. If Customer elects to use the Preferred Provider and Equipment Maintenance is necessary, Customer will notify HSS, which in turn will notify the Preferred Provider to dispatch a Preferred Provider representative. Notwithstanding the foregoing, Customer may elect, subject to HSS's approval in advance in writing, to not provide maintenance services through this Agreement for certain pieces of such Authorized Equipment allowed to be used in conjunction with the Information System ("Non-maintained Equipment"). Neither HSS nor the Preferred Provider will be responsible for any maintenance or support of Non-maintained Equipment.

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

%OptOutMaint%

2. Maintenance Fees. The Maintenance Fees are subject to increase or decrease by HSS, in its sole discretion, on January 1 of each year during the term of this Agreement or any extension thereof; however, HSS will not charge Customer any Maintenance Fees that are greater than the Maintenance Fees charged to any similarly situated Customer (based upon factors determined by HSS in its sole judgment) utilizing equipment substantially similar to the Authorized Equipment and pursuant to an agreement which has terms and conditions substantially similar to this Agreement. No maintenance fees will be charged to Customer for any Non-maintained Equipment as described in Section 1 above.

3. Refresh of Authorized Equipment. Under HSS's refreshment program, Customer will be responsible for and will pay for all fees and costs for the replacement or refreshment of the Authorized Equipment in HSS's sole discretion ("Refresh") on an approximate three (3) year cycle, starting approximately three (3) years after the initial shipment of such Authorized Equipment and for the provision of maintenance services by the Preferred Provider on such refreshed equipment. The terms and conditions of the Authorized Equipment maintenance services for such equipment (included in such initial Refresh and included in any additional Refresh or Refreshes of Customer's Authorized Equipment) will be the same as the terms and conditions of this *Schedule B-2*, including, but not limited to, the imposition of termination fees as described hereinafter, provided that the Maintenance Company may exclude from its maintenance obligations certain errors, defects or problems caused by Customer. Customer's Refresh will be timed to occur prior to the end of the three (3) year cycle. If Customer fails to meet HSS's timeline for such Refresh, including order dates for equipment and software, Customer will be responsible for all fees and costs incident to such delay, including, but not limited to, any rent extension costs on Network Authorized Equipment and higher fees and costs for equipment maintenance and software maintenance.

4. Termination. If this Agreement is terminated (or if Customer's use of the Preferred Provider is terminated) prior to the third anniversary of the Start Date, which will be the shipment date of the Authorized Equipment to Customer's Hotel, Customer will pay to HSS a termination fee which is designed to reimburse the Preferred Provider and/or HSS in part for any one or more of the following: reconfiguration costs, the unamortized fees and costs in the start-up and provision of maintenance services by the Preferred Provider under this Agreement. If such termination occurs during the first year following the Start Date, the termination fee will be in the amount of $3600.00. If such termination occurs during subsequent years following such Start Date, the termination fee will be as follows:

During second year -	$2,600
During third year -	$1,300
Thereafter -	$1,200

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

During first year -	$3,800
During second year -	$2,800
During third year -	$1,400
Thereafter -	$1,200

5. Use of Certified Software Only. Customer understands that use of any software other than the Proprietary Software and Certified Third Party Software provided by HSS pursuant to this Agreement, unless such additional third party software has been approved in writing by the HSS Information Technology Department, is not warranted for use on the Authorized Equipment. In the event Customer uses or installs any third party software other than Certified Third Party Software or such approved software on the Authorized Equipment, HSS will have no further obligations to provide any equipment maintenance services to Customer hereunder.

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

7. Cost and Payment Terms. Annual Cost of Equipment Maintenance for Authorized Equipment is $%AnnualHWMaint% payable in monthly installments of $%MonthlyHWMaint% per month. Payments will be calculated from the Start Date. The monthly payment amount will be due in advance and will be billed by HSS or its designee. The first invoice will be issued upon the Start Date. Interest at the then current highest rate allowed by applicable state law will be charged for any payments made by Customer after the payment due date (thirty (30) days after billing).

Travel expenses, per diem fees and related costs for any on-site maintenance will be billed separately.

HSS reserves the right to increase or decrease the Equipment Maintenance cost on an annual basis as provided in Section 2 above. When certain Authorized Equipment or parts for certain Authorized Equipment are no longer being manufactured or reasonably obtainable, HSS or the Preferred Provider will notify Customer of such circumstance and maintenance on such Authorized Equipment will no longer be available. After such notice, Customer will no longer be charged for maintenance on such Authorized Equipment.

8. Customer Responsibilities as to Equipment Maintenance. Customer will maintain on its staff at all times sufficient personnel that have been trained in and are knowledgeable about the use of the Information System in a professional, efficient and competent manner. Customer is responsible for maintaining duplicate or back-up copies of its software, data files and documentation and Certified Third Party Software. Neither HSS nor Preferred Provider will have any liability for any damages resulting from Customer's failure to maintain such copies nor for any costs or expenses of reconstructing any data or information that may be destroyed, impaired or lost. Neither HSS nor Preferred Provider has any obligation to maintain or repair any equipment other than the Authorized Equipment, nor to repair or replace any cables, cords, expendable or consumable components such as ribbons, paper, toner cartridges, print wheels, drums, batteries, or diskettes, whether or not defined as Authorized Equipment. Customer will not move or perform maintenance services on any of such Authorized Equipment without HSS's or Preferred Provider's prior written consent.

9. Cooperation. Customer will provide HSS or Preferred Provider with all information, data and other required materials necessary to reproduce any problem identified by Customer. Customer will maintain for the term of this Agreement a modem and dial-up telephone line and a facsimile machine or other electronic communication capability mutually acceptable to both parties to facilitate the ability to perform the Equipment Maintenance services remotely.

In some instances, Equipment Maintenance will be provided using a depot program, where Customer ships failed Authorized Equipment to the depot when Customer receives replacement of such Authorized Equipment. If Customer does not ship such failed equipment, Customer will be responsible for any unreturned equipment charges billed by HSS, the Preferred Provider or the depot program provider.

10. Expenses. If Equipment Maintenance personnel incur travel, lodging, meal, or any other out of pocket expenses in furnishing the services hereunder, Customer will pay for or promptly reimburse HSS for same, subject to reasonable documentation of such expenses. Customer will also pay for all telephone toll charges incurred in providing maintenance and support hereunder.

11. Exclusions. The obligation of HSS or the Preferred Provider to provide Equipment Maintenance hereunder will not apply to any Non-maintained Equipment nor to any errors, defects or problems caused in whole or in part by (i) any modifications or enhancements made to any Proprietary Software or Certified Third Party Software by Customer or any third person or entity other than HSS or its designee; (ii) any software program, hardware, cables, cords, firmware, peripheral or communication device used in connection with the Information System which was not approved in advance in writing by HSS; (iii) the failure of Customer to follow the most current instructions promulgated by HSS or any third party vendor from time to time with respect to the proper access to or any use of the Information System; (iv) the failure of Customer to schedule regular preventive maintenance in accordance with standard HSS procedures; (v) any such Authorized Equipment that is non-repairable, taken out of service or for which any such Authorized Equipment or parts for same are no longer manufactured or reasonably available; (vi) forces or supplies external to such Authorized Equipment, including, without limitation, the reasons set forth in the Force Majeure section of the HITS Agreement; and/or (vi) the negligence of Customer or any other third person or entity. Any corrections performed by HSS for any such errors, difficulties, or defects will be fixed, in HSS's or Preferred Provider 's discretion, at the then applicable current time and material charges. Neither HSS nor the Preferred Provider will be under any obligation, however, to fix any such Customer or externally caused errors, defects or problems.

SCHEDULE C-1

MICROSOFT PARTICIPATION AGREEMENT

This Participation Agreement is entered into by the party signing below ("you" or "Customer Affiliate") for the benefit of the Microsoft affiliate ("Microsoft" and "we") and will be enforceable against you by Microsoft in accordance with its terms. You acknowledge that Microsoft and Hilton Worldwide Inc. ("Customer") have entered into *Microsoft Enterprise Enrollment*, No. 68436885 (the "agreement"), under which you desire to sublicense certain Microsoft products. As used in this Participation Agreement, the term to "run" a product means to copy, install, use, access, display, run or otherwise interact with it. You acknowledge that your right to run a copy of any version of any product sublicensed under the agreement is governed by the applicable product use rights for the product and version licensed as of the date you first run that copy. Such product use rights will be made available to you by the customer, or by publication at a designated site on the World Wide Web, or by some other means. Microsoft does not transfer any ownership rights in any licensed product and it reserves all rights not expressly granted.

1. **Acknowledgment and Agreement**. You hereby acknowledge that you have obtained a copy of the product use rights located at http://microsoft.com/licensing/resources/ applicable to the products acquired under the above-referenced agreement; you have read and understood the terms and conditions as they relate to your obligations; and you agree to be bound by such terms and conditions, as well as to the following provisions:

   a. Restrictions on use. You may not:

   (i) Separate the components of a product made up of multiple components by running them on different computers, by upgrading or downgrading them at different times, or by transferring them separately, except as otherwise provided in the product use rights;

   (ii) Rent, lease, lend or host products, except where Microsoft agrees by separate agreement;

   (iii) Reverse engineer, de-compile or disassemble products or fixes, except to the extent expressly permitted by applicable law despite this limitation;

   Products, fixes and service deliverables licensed under this agreement (including any license or services agreement incorporating these terms) are subject to U.S. export jurisdiction. You must comply with all domestic and international export laws and regulations that apply to the products, fixes and service deliverables. Such laws include restrictions on destinations, end-user, and end-use for additional information, see http://www.microsoft.com/exporting/.

   b. Limited product warranty. Microsoft warrants that each version of a commercial product will perform substantially in accordance with its user documentation. This warranty is valid for a period of one year from the date you first run a copy of the version. To the maximum extent permitted by law, any warranties imposed by law concerning the products are limited to the same extent and the same one year period. This warranty does not apply to components of products which you are permitted to redistribute under applicable product use rights, or if failure of the product has resulted from accident, abuse or misapplication. If you notify Microsoft within the warranty period that a product does not meet this warranty, then Microsoft will, at its option, either (1) return the price paid for the product or (2) repair or replace the product. To the maximum extent permitted by law, this is your exclusive remedy for any failure of any commercial product to function as described in this paragraph.

   c. Free and beta products. To the maximum extent permitted by law, free and beta products, if any, are provided "as-is," without any warranties. You acknowledge that the provisions of this paragraph with regard to pre-release and beta products are reasonable having regard to, among other things, the fact that they are provided prior to commercial release so as to give you the opportunity (earlier than you would otherwise have) to assess their suitability for your business, and without full and complete testing by Microsoft.

   d. NO OTHER WARRANTIES. TO THE EXTENT PERMITTED BY APPLICABLE LAW, MICROSOFT DISCLAIMS AND EXCLUDES ALL REPRESENTATIONS, WARRANTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED OR STATUTORY, OTHER THAN THOSE IDENTIFIED EXPRESSLY IN THIS AGREEMENT, INCLUDING WITHOUT LIMITATION WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, SATISFACTORY QUALITY, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE PRODUCTS AND RELATED MATERIALS. MICROSOFT WILL NOT BE LIABLE FOR ANY PRODUCTS PROVIDED BY THIRD PARTY VENDORS, DEVELOPERS OR CONSULTANTS IDENTIFIED OR REFERRED TO YOU BY MICROSOFT UNLESS SUCH THIRD PARTY PRODUCTS ARE PROVIDED UNDER WRITTEN AGREEMENT BETWEEN YOU AND MICROSOFT, AND THEN ONLY TO THE EXTENT EXPRESSLY PROVIDED IN SUCH AGREEMENT.

   e. Defense of infringement and misappropriation claims. We will defend you against any claims, made by an unaffiliated third party, that any commercial product, fix or service deliverable infringes its patent, copyright or trademark or misappropriates its trade secret, and will pay the amount of any resulting adverse final judgment (or settlement to which we consent):

   You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance in defending the claim, and we will reimburse you for reasonable out of pocket expenses that you incur in providing that assistance. The terms "misappropriation" and "trade secret" are used as defined in the Uniform Trade Secrets Act, except in the case of claims arising under any license agreement governed by the laws of any jurisdiction outside the United States, in which case "misappropriation" will mean intentionally unlawful use and "trade secret" will mean "undisclosed information" as specified in Article 39.2 of the TRIPs agreement.

Our obligations will not apply to the extent that the claim or adverse final judgment is based on (i) your running of the product or fix after we notify you to discontinue running due to such a claim; (ii) your combining the product or fix with a non-Microsoft product, data or business process; (iii) damages attributable to the value of the use of a non-Microsoft product, data or business process; (iv) your altering the product or fix; (v) your distribution of the product or fix, or its use for the benefit of, any third party; (vi) your use of our trademark(s) without express written consent to do so; or (vii) for any trade secret claim, your acquiring a trade secret (a) through improper means; (b) under circumstances giving rise to a duty to maintain its secrecy or limit its use; or (c) from a person (other than us or our affiliates) who owed to the party asserting the claim a duty to maintain the secrecy or limit the use of the trade secret. You will reimburse us for any costs or damages that result from these actions.

If we receive information concerning an infringement claim related to a commercial product or fix, we may, at our expense and without obligation to do so, either (i) procure for you the right to continue to run the allegedly infringing product or fix, or (ii) modify the product or fix or replace it with a functional equivalent, to make it non-infringing, in which case you will stop running the allegedly infringing product or fix immediately. If, as a result of an infringement claim, your use of a commercial product or fix is enjoined by a court of competent jurisdiction, we will, at our option, either procure the right to continue its use, replace it with a functional equivalent, modify it to make it non-infringing, or refund the amount paid and terminate the license for the infringing product or fix.

If any other type of third party claim is brought against you regarding our intellectual property, you must notify us promptly in writing. We may, at our option, choose to treat these claims as being covered by this section. This Section e provides your exclusive remedy for third party infringement and trade secret misappropriation claims.

f. **Limitation of liability**. There may be situations in which you have a right to claim damages or payment from Microsoft. Except as otherwise specifically provided in this paragraph, whatever the legal basis for your claim, Microsoft's liability will be limited, to the maximum extent permitted by applicable law, to direct damages up to the amount you have paid for the product giving rise to the claim. In the case of free product, or code you are authorized to redistribute to third parties without separate payment to Microsoft, Microsoft's total liability to you will not exceed US$5000, or its equivalent in local currency. The limitations contained in this paragraph will not apply with respect to the following in connection with the performance of the agreement:

(i) our obligations to defend third party claims of patent, copyright or trademark infringement or trade secret misappropriation, and to pay damages resulting from any final adjudication (or settlement to which we consent) of such claims;

(ii) our liability for damages for gross negligence or willful misconduct, to the extent caused by us or our agent and awarded by a court of final adjudication; and

g. **No liability for certain damages**. To the maximum extent permitted by applicable law, neither you, your affiliates or suppliers, nor Microsoft, its affiliates or suppliers will be liable for any indirect damages (including, without limitation, consequential, special or incidental damages, damages for loss of profits or revenues, business interruption, or loss of business information) arising in connection with any agreement, product, or fix, even if advised of the possibility of such damages or if such possibility was reasonably foreseeable. This exclusion of liability does not apply to either party's liability to the other for violation of the other party's intellectual property rights.

h. **Application**. The limitations on and exclusions of liability for damages set forth herein apply regardless of whether the liability is based on breach of contract, tort (including negligence), strict liability, breach of warranties, or any other legal theory.

i. **Verifying compliance**. You must keep records relating to the products you run. Microsoft has the right to verify compliance with these terms and any applicable product use rights, at its expense, during the term of the enrollment and for a period of one year thereafter. To do so, Microsoft will engage an independent accountant from a nationally recognized public accounting firm, which will be subject to a confidentiality obligation. Verification will take place upon not fewer than 30 days notice, during normal business hours and in a manner that does not interfere unreasonably with your operations. As an alternative, Microsoft may require you to accurately complete its self-audit questionnaire relating to the products you use. If verification or self-audit reveals unlicensed use of products, you must promptly order sufficient licenses to permit all product usage disclosed. If material unlicensed use is found (license shortage of 5% or more), you must reimburse Microsoft for the costs it has incurred in verification and acquire the necessary additional licenses as single retail licenses within 30 days. If Microsoft undertakes such verification and does not find material unlicensed use of products, it will not undertake another such verification for at least one year. Microsoft and its auditors will use the information obtained in compliance verification only to enforce its rights and to determine whether you are in compliance with these terms and the product use rights. By invoking the rights and procedures described above, Microsoft does not waive its rights to enforce these terms or the product use rights, or to protect its intellectual property by any other means permitted by law.

j. **Dispute Resolution; Applicable Law**. This Participation Agreement will be governed and construed in accordance with the laws of the jurisdiction whose law governs the agreement. You consent to the exclusive jurisdiction and venue of the state and federal courts located in such jurisdiction. This choice of jurisdiction does not prevent either party from seeking injunctive relief with respect to a violation of intellectual property rights in any appropriate jurisdiction. The 1980 United Nations Convention on Contracts for the International Sale of Goods and its related instruments will not apply to this agreement or any license entered into with Microsoft or its affiliates under this agreement.

Your violation of the above-referenced terms and conditions will be deemed to be a breach of this Participation Agreement and will be grounds for immediate termination of all rights granted hereunder.

Dated as of %HotelApprovedDate%.

CUSTOMER AFFILIATE:

%LegalEntity%

By: %HotelApproverSignature%
Authorized Signature

Print Name: %HotelApproverName%

Title: %HotelApproverTitle%

Date: %HotelApprovedDate%

SCHEDULE C-2

JOINDER TO PREFERRED PROVIDER AGREEMENT

The undersigned HSS Customer is acting as an Eligible Recipient (as defined in the Agreement) to acquire Products (as defined in the Agreement) under the terms of the *Master Professional Products and Services Agreement*, including any amendments and Supplements entered into thereunder (the "Insight Agreement") between Hilton Worldwide, Inc. ("HWI") and Insight Direct USA, Inc. ("Preferred Service Provider"). As such Eligible Recipient, the undersigned joins in the Insight Agreement for the limited purpose of acknowledging and agreeing to be bound by and receive the benefits of the terms of the Insight Agreement to the extent of the rights, duties and responsibilities of an Eligible Recipient provided therein. The Eligible Recipient acknowledges and agrees that any dispute arising out of or relating to the Insight Agreement and any Products or Services provided by Preferred Service Provider to the Eligible Recipient will be resolved in accordance with **Article 19** of the Insight Agreement. HWI will have the right to enforce the Insight Agreement on behalf of the Eligible Recipient, subject to the limitations of liability applicable under the Insight Agreement, and Eligible Recipient will bring no claim directly against HWI or Preferred Service Provider in connection with the Insight Agreement, except for Eligible Recipient's right to seek indemnity against Preferred Service Provider under the express provisions of **Sections 17.1** and **17.3** of the Insight Agreement. HWI will be a third party beneficiary of this Joinder and the *Hilton Information Technology System Agreement* between Eligible Recipient and Hilton Systems Solutions, LLC. For the avoidance of doubt, except as set forth in the preceding sentence, this Joinder and the *Hilton Information Technology System Agreement* are for the sole benefit of the Eligible Recipient and Hilton Systems Solutions, LLC, and will not be deemed to create any third party beneficiary rights for any person other than the Eligible Recipient and Hilton Systems Solutions, LLC.

IN WITNESS WHEREOF, the Eligible Recipient, acting through its duly authorized officer or representative, has executed this Joinder, on %HotelApprovedDate%.

CUSTOMER AFFILIATE:

%LegalEntity%

By: %HotelApproverSignature%
Authorized Signature

Print Name: %HotelApproverName%

Title: %HotelApproverTitle%

Date: %HotelApprovedDate%

SCHEDULE D

FORM OF REQUEST FOR PRODUCTS OR SERVICES

Date:
INNCODE
Name of Customer:
Address of Customer:

Dear :

EXAMPLE

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

It is agreed that you will Acquire the Additions and that you will be billed by HSS or the applicable vendor for the Additions, as listed below. The effective date of billing on the new items will be the date the equipment is shipped, the date upon which you Acquire the Additions, and/or the date upon which you request the Additions, whichever is earliest.

QTY	ITEM OF /SOFTWARE/EQUIPMENT	FEES/COSTS	MONTHLY MAINT.
	TOTAL PRICE		

The prices shown above exclude taxes, travel expenses, *per diem* fees, related costs, insurance and shipping.

Travel Expenses / *Per Diem* Fees/Rescheduling

If the Additions require travel by HSS and/or the applicable vendor, you will pay for or promptly reimburse any travel expenses, *per diem* fees and related costs of HDOC, HSS, any vendor hereunder or their designees, including without limitation: round-trip airfare (due to frequent scheduling changes, HSS is often unable to book airline tickets more than one week in advance of travel); single room accommodations (if the Hotel cannot provide accommodations, comparable accommodations will be utilized); meals; ground transportation (all ground transportation required to get to and from the Hotel as well as transportation used during HSS' representatives' stay at the Hotel); tips; taxes; and miscellaneous expenses (including phone, internet, laundry, etc.)

Promptly following HSS' providing of the services described in this schedule where not previously paid for or reimbursed by hotel, an invoice will be submitted to Customer for HSS' representatives' out-of-pocket expenses, any additional *per diem* charges for its representatives, any re-scheduling fee, and any additional travel expenses as described herein, which invoice will be payable within fifteen days of Customer's receipt of same.

Notes:

If Customer attaches or uses third party equipment and/or interfaces with the Authorized Equipment which have not been certified or approved by HSS as meeting HSS' specifications and/or does not conform to the standards provided by the supplier of any of the Agreement Products and Services or if Customer installs other third party non-HSS proprietary software which has not been certified or approved by HSS as meeting HSS' specifications on the equipment or that does not conform to the standards provided by the supplier of any of the Agreement Products and Services, the software may need to be reconfigured and the entire cost of the reconfiguration will be borne by Customer.

All fees indicated are exclusive of applicable taxes (see Agreement sections on taxes). Unless otherwise specified by HSS in writing, Customer will make all payments in United States dollars to HSS or any other party designated by HSS in its sole discretion.

Customer will pay according to the terms of any invoice(s) submitted to Customer therefore, including any provision for late charges, the fee for the installation of any telephone line(s) or wide area network connection(s) necessary for connection of the Authorized Equipment.

Customer will purchase and replace, from any source, paper, ribbons, printer maintenance kits, toner and such other operating supplies as will be required for the operation of the Authorized Equipment, but Customer will utilize only such brands as are approved by HSS or the Authorized Equipment manufacturer.

Upon HSS' receipt of a copy of this Letter Agreement signed by a duly authorized representative of Customer, the Agreement will be deemed to have been automatically amended to incorporate the items of this Letter Agreement. Customer agrees that Customer's delivery to HSS by facsimile transmission of this Letter Agreement will be deemed to be as effective for all purposes as hand delivery of the manually executed Letter Agreement and that the terms of this Letter Agreement will be binding upon Customer without the necessity of any further action by HSS. This Letter Agreement will be effective as of the date inserted by Customer below.

Customer may be required to sign additional license agreements with the vendors or licensors of Certified Third Party Software.

Certain Other Equipment (for orders of $5,000 or greater) may be leased by Customer. Any such leases will be entered into between Customer and the applicable lessor. Neither HSS nor Hilton will be a party to such leases.

In addition to any other specific purchase terms required by a retailer of the Additions, the following purchase terms and conditions will apply to any Other Equipment obtained from a Preferred Provider (as that term is defined in the Agreement. The Other Equipment will be at all times, personal property which will not, by reason of connection to the Hotel, become a fixture or appurtenance to the Hotel, and until such time as Customer or its designated third party pays to the Preferred Provider the total sum for the Other Equipment as required hereunder, the Other Equipment will remain the property of the Preferred Provider, and title will remain with the Preferred Provider, free from any claims of Customer or the holder of any lien or encumbrance on the Hotel and/or any other property of Customer. Customer will maintain fire, extended coverage, vandalism, and malicious mischief insurance on the Other Equipment. Said insurance will name HSS as an additional insured. For so long as this obligation remains in effect, Customer will furnish to HSS a certificate of the insurance carrier describing the terms and coverage of the insurance in force, the persons insured, and the fact that the coverage may not be canceled, altered or permitted to lapse or expire without thirty (30) days advance written notice to HSS. Upon payment in full, title to the Other Equipment will vest in the Customer and will be free and clear of the above requirements relating to insurance and of all of the Preferred Provider's liens, claims and encumbrances and the Other Equipment will become the sole property of Customer.

NEITHER THE AUTHORIZED EQUIPMENT NOR THE PROPRIETARY SOFTWARE OR CERTIFIED THIRD PARTY SOFTWARE WILL BE SHIPPED, NOR WILL CUSTOMER HAVE USE OF THE PROPRIETARY SOFTWARE MODULE OR ANY EQUIPMENT LISTED IN THIS LETTER AGREEMENT UNTIL HSS RECEIVES A COPY OF THIS LETTER AGREEMENT SIGNED BY CUSTOMER.

To indicate Customer's acceptance of this Letter Agreement, please have it signed by an authorized representative of Customer and return it to me. Upon HSS' receipt of the executed Letter Agreement, you will be advised of the shipment and installation dates.

If you have any questions, please contact me at _____.

Sincerely,

Hilton Systems Solutions, LLC

By: _____

Accepted and Agreed:

Customer Name

By:_____
Signature

Print Name and Title:_____

Effective Date:_____

ATTACHMENT D (1)

NETWORK AUTHORIZED (PROGRAM FUNDED) EQUIPMENT

%NetAuthEquip1%

SCHEDULE D / H

FORM OF REQUEST FOR PRODUCTS OR SERVICES

Date: %CreationDate%

INNCODE: %InnCode%
Name of Customer: %PrimaryContactCompany%
Address of Customer: %PrimaryContactContractAddress1%, %PrimaryContactCity%, %PrimaryContactState%, %PrimaryContactZip%

Dear: %Salutation%

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

It is agreed that you will Acquire the Additions and that you will be billed by HSS or the applicable vendor for the Additions, as listed below. The effective date of billing on the new items will be the date the equipment is shipped, the date upon which you Acquire the Additions, and/or the date upon which you request the Additions, whichever is earliest.

%StdPlusEquip6%

Total: %StdPlusTotal%
Total Maintenance: %StdPlusMaintTotal%

The prices shown above exclude taxes, travel expenses, *per diem* fees, related costs, insurance and shipping.

Travel Expenses / *Per Diem* Fees/Rescheduling

If the Additions require travel by HSS and/or the applicable vendor, you will pay for or promptly reimburse any travel expenses, *per diem* fees and related costs of HDOC, HSS, any vendor hereunder or their designees, including without limitation: round-trip airfare (due to frequent scheduling changes, HSS is often unable to book airline tickets more than one week in advance of travel); single room accommodations (if the Hotel cannot provide accommodations, comparable accommodations will be utilized); meals; ground transportation (all ground transportation required to get to and from the Hotel as well as transportation used during HSS' representatives' stay at the Hotel); tips; taxes; and miscellaneous expenses (including phone, internet, laundry, etc.)

Promptly following HSS' providing of the services described in this schedule where not previously paid for or reimbursed by hotel, an invoice will be submitted to Customer for HSS' representatives' out-of-pocket expenses, any additional *per diem* charges for its representatives, any re-scheduling fee, and any additional travel expenses as described herein, which invoice will be payable within fifteen days of Customer's receipt of same.

Notes:

If Customer attaches or uses third party equipment and/or interfaces with the Authorized Equipment which have not been certified or approved by HSS as meeting HSS' specifications and/or does not conform to the standards provided by the supplier of any of the Agreement Products and Services or if Customer installs other third party non-HSS proprietary software which has not been certified or approved by HSS as meeting HSS' specifications on the equipment or that does not conform to the standards provided by the supplier of any of the Agreement Products and Services, the software may need to be reconfigured and the entire cost of the reconfiguration will be borne by Customer.

All fees indicated are exclusive of applicable taxes (see Agreement sections on taxes). Unless otherwise specified by HSS in writing, Customer will make all payments in United States dollars to HSS or any other party designated by HSS in its sole discretion.

Customer will pay according to the terms of any invoice(s) submitted to Customer therefore, including any provision for late charges, the fee for the installation of any telephone line(s) or wide area network connection(s) necessary for connection of the Authorized Equipment.

Customer will purchase and replace, from any source, paper, ribbons, printer maintenance kits, toner and such other operating supplies as will be required for the operation of the Authorized Equipment, but Customer will utilize only such brands as are approved by HSS or the Authorized Equipment manufacturer.

Upon HSS' receipt of a copy of this Letter Agreement signed by a duly authorized representative of Customer, the Agreement will be deemed to have been automatically amended to incorporate the items of this Letter Agreement. Customer agrees that Customer's delivery to HSS by facsimile transmission of this Letter Agreement will be deemed to be as effective for all purposes as hand delivery of the manually executed Letter Agreement and that the terms of this Letter Agreement will be binding upon Customer without the necessity of any further action by HSS. This Letter Agreement will be effective as of the date inserted by Customer below.

Customer may be required to sign additional license agreements with the vendors or licensors of Certified Third Party Software.

Certain Other Equipment (for orders of $5,000 or greater) may be leased by Customer. Any such leases will be entered into between Customer and the applicable lessor. Neither HSS nor Hilton will be a party to such leases.

In addition to any other specific purchase terms required by a retailer of the Additions, the following purchase terms and conditions will apply to any Other Equipment obtained from a Preferred Provider (as that term is defined in the Agreement. The Other Equipment will be at all times, personal property which will not, by reason of connection to the Hotel, become a fixture or appurtenance to the Hotel, and until such time as Customer or its designated third party pays to the Preferred Provider the total sum for the Other Equipment as required hereunder, the Other Equipment will remain the property of the Preferred Provider, and title will remain with the Preferred Provider, free from any claims of Customer or the holder of any lien or encumbrance on the Hotel and/or any other property of Customer. Customer will maintain fire, extended coverage, vandalism, and malicious mischief insurance on the Other Equipment. Said insurance will name HSS as an additional insured. For so long as this obligation remains in effect, Customer will furnish to HSS a certificate of the insurance carrier describing the terms and coverage of the insurance in force, the persons insured, and the fact that the coverage may not be canceled, altered or permitted to lapse or expire without thirty (30) days advance written notice to HSS. Upon payment in full, title to the Other Equipment will vest in the Customer and will be free and clear of the above requirements relating to insurance and of all of the Preferred Provider's liens, claims and encumbrances and the Other Equipment will become the sole property of Customer.

NEITHER THE AUTHORIZED EQUIPMENT NOR THE PROPRIETARY SOFTWARE OR CERTIFIED THIRD PARTY SOFTWARE WILL BE SHIPPED, NOR WILL CUSTOMER HAVE USE OF THE PROPRIETARY SOFTWARE MODULE OR ANY EQUIPMENT LISTED IN THIS LETTER AGREEMENT UNTIL HSS RECEIVES A COPY OF THIS LETTER AGREEMENT SIGNED BY CUSTOMER.

To indicate Customer's acceptance of this Letter Agreement, please have it signed by an authorized representative of Customer and return it to me. Upon HSS' receipt of the executed Letter Agreement, you will be advised of the shipment and installation dates.

If you have any questions, please contact me at %PSAConsultantPhone%.

Sincerely,
%PSAConsultantName%

Hilton Systems Solutions, LLC

By: %HiltonApproverSignature%
Authorized Signature

Print Name: Randy Kanaya

Accepted and Agreed:

Customer Name:: %LegalEntity%

By: %HotelApproverSignature%
Signature

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

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

SCHEDULE K

CURIO OR CANOPY OR TAPESTRY AUTHORIZED EQUIPMENT REFRESH

In connection with the Information Technology Systems Agreement (the "HITS Agreement") entered into between HSS and Customer for Customer's Hotel (and if applicable, in anticipation of the Hotel's conversion and rebranding as a Curio, Canopy or Tapestry Brand Hotel), Customer provided the Authorized Equipment as defined in the HITS Agreement needed, as determined solely by HSS, for the network operation of the Proprietary Software licensed by HSS, all as described in the HITS Agreement, for the internal operation of Customer's Hotel.

In order that Customer's Authorized Equipment will maintain compatibility with the Proprietary Software and with updates to such software and in an effort to minimize Customer's expenditures for maintenance and repair associated with older, out of warranty equipment, HSS plans for Customer's Authorized Equipment to be replaced or refreshed by Customer on an approximate three (3) year cycle, commencing approximately three (3) years following Customer's initial shipment of Authorized Equipment (the "Refresh"). 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.

Accordingly, in conjunction with any Refresh, Customer commits to the following:

1. Equipment Acquisition and Installation. Customer will provide by purchase or lease the Authorized Equipment for use by Customer's Hotel, including, but not limited to, that required for any Refresh, together with shipping and transportation costs for such equipment. Customer is responsible for the fees and costs for installation services relative to all such Authorized Equipment as well as any other equipment (as described in the HITS Agreement) used by Customer.

2. Customer's Additional Obligations. Customer will:

(a) Perform all of its obligations under the HITS Agreement (including any amendments thereto), including, but not limited to, being fully responsible for maintenance of the Authorized Equipment using the designated Preferred Provider as defined in the HITS Agreement.

(b) Obtain and keep current insurance on the Authorized Equipment against all risks for the approximate value of the Authorized Equipment

(c) Pay any and all taxes (such as personal property and sales taxes) incident to the Authorized Equipment.

(d) Pay for any and all de-installation, transportation and disposal costs of any Authorized Equipment currently being used by Customer's Hotel at the time of installation by Customer of any new Authorized Equipment. It is also Customer's responsibility to handle the return to Customer's lessor of all such de-installed equipment in accordance with Customer's current lease terms. Customer will be solely responsible for any missing, bad or damaged equipment.

(e) Preserve and protect the Authorized Equipment from loss, damage or theft.

(f) Not use any unauthorized backup in connection with the Authorized Equipment.

(g) Make no unapproved repairs nor perform any unauthorized service to the Authorized Equipment.

(h) Not allow any other equipment or software to be added to the Proprietary Software and/or Authorized Equipment without prior specific written permission of HSS.

(i) Allow the removal and future refreshment of Network Authorized Equipment at such time and in such manner as may be determined by HSS in its sole discretion.

3. Customer's Conditions. Any Refresh is conditioned on the following:

(a) Customer's Hotel remains in the Curio, Canopy or Tapestry Brand division of Hilton Domestic Operating Company Inc. ("HDOC") or its affiliate or subsidiary (after conversion and rebranding if applicable).

(b) Customer remains bound by the HITS Agreement and any amendments in force at the time of a Refresh.

(c) If applicable, Customer must complete the Hotel's conversion and rebranding as a Curio, Canopy or Tapestry Brand Hotel.

4. Additional Equipment/Software. Any and all additional Authorized Equipment ("Standard Plus Equipment") may be purchased by Customer from a Preferred Provider. Any and all additional Certified Third Party Software authorized by HSS but not included in the Brand standard applicable to Customer ("Standard Plus Software"), may be licensed or sublicensed from HSS or a Preferred Provider.

5. Defined Terms. All capitalized terms used herein which are not specially defined will have the meaning ascribed to such terms in the HITS Agreement.

6. Other Important Provisions. This Schedule is a schedule to the HITS Agreement. The Refresh and its performance by the parties are a part of the transactions contemplated by the HITS Agreement. Upon Customer's Refresh of Authorized Equipment, the terms and conditions applicable to any equipment, software or services provided for the Refresh will be the same as the terms and conditions of the HITS Agreement and this Schedule. All terms and provisions hereof will apply as if the provisions of this Refresh were implemented on the Start Date (the shipment date of the Authorized Equipment to Customer's Hotel) for each such Refresh. Customer's participation in a Refresh will constitute acceptance of the terms and conditions of the Refresh. In the event of conflict between the provisions of this Schedule and the provisions of the HITS Agreement, the provisions of this Schedule will prevail.

EXHIBIT B-1

(Canada 3rd Party)
INFORMATION TECHNOLOGY SYSTEM AGREEMENT

THIS INFORMATION TECHNOLOGY SYSTEM AGREEMENT ("Agreement") is entered into as of %CreationDate% (the "Effective Date") by and between Hilton Systems Solutions, LLC ("HSS") and %LegalEntity% ("Customer"), each of which is a "Party" and both of which are, collectively, the "Parties". This Agreement includes all of its attachments, exhibits, schedules and Order Documents as well as all other documents expressly incorporated into it by reference.

RECITALS

Customer is a party to a management agreement and/or franchise agreement with an affiliate of HSS for the %BrandCodeDesc% hotel located at %PropertyAddress2%, %PropertyZip%, %PropertyCity%, %PropertyCountry% (the "Hotel"). Customer is entering into this Agreement in order to obtain and use certain information technology ("IT") products, services and systems for and at the Hotel.

ARTICLE 1.
DEFINITIONS AND ORDER DOCUMENTS

1.1 Use of Relationship Agreement. The provisions of this Agreement will be deemed to include all of the terms, requirements, covenants and conditions contained in either (i) the Customer's Franchise Agreement; or (ii) the Customer's Management Agreement, (the "Relationship Agreement"), with such modifications as are necessary to make them applicable to this Agreement and the Parties as if set out in full in this Agreement. In the event that both a Customer's Franchise Agreement and Customer's Management Agreement exist, without prejudice to Article 7 (Precedence and Interpretation) then only the terms, requirements, covenants and conditions contained in the Customer's Franchise Agreement will be deemed to be incorporated into this Agreement

1.2 Definitions. Unless otherwise defined in the body of this Agreement or in *Annex 1 – Definitions*, all of the defined words and expressions used in this Agreement have the meanings set out in the Relationship Agreement.

1.3 Ordering Software, Services and Authorized Equipment. Customer may order Software, Services and Authorized Equipment by submitting an HSS-approved form of order document ("Order Document") to HSS. Once accepted by HSS the Order Document becomes part of this Agreement.

ARTICLE 2.
SOFTWARE, FEES AND MASTER AGREEMENTS

2.1 License to Software. HSS licenses to Customer the Proprietary Software and sublicenses to Customer the Certified Third Party Software set forth in the Order Document on the terms and conditions set forth in this Agreement.

2.1.1 Customer may be required to execute a separate license agreement directly with one or more third party software providers in connection with Certified Third Party Software not licensed from HSS and such Certified Third Party Software will be licensed on the terms and conditions set out in such separate license agreement.

2.1.2 The Proprietary Software and Certified Third Party Software for which there is no separate license agreement are licensed or sublicensed to Customer under this Agreement on the following terms and conditions:

(a) The license is personal, non-exclusive and non-transferable.

(b) The Software may be used by Customer solely on the Authorized Equipment and solely for the operation of the Hotel.

(c) Except for a single copy of Certified Third Party Software which may be maintained by Customer for archival back-up purposes, Customer will not reproduce or reuse, in whole or in part, any Software, documentation or materials comprising any portion of the Information System in any manner (whether directly or in creating a new use or otherwise) without the prior written consent of HSS. Customer will not cause or permit any reverse engineering, disassembly or de-compilation of any of the Software or any review of Software data structures.

(d) Customer will accept all patches, bug fixes, updates, version upgrades, maintenance and service packs (collectively, "Patches") from HSS or the relevant Preferred Provider that are deemed necessary by HSS for the proper function and security of the Software. HSS is not responsible for performance or security issues that result from Customer's failure to accept the application of Patches. Except for emergency or security related maintenance activities, HSS will coordinate with Customer the scheduling of the application of Patches, where possible, based on HSS's next available standard maintenance window.

(e) Customer recognizes the confidential and proprietary nature of the Software and agrees to maintain the Software in confidence in accordance with Article 6 (Confidentiality). Customer will not permit the Software and related documentation to be used or accessed by anyone other than Customer's employees or contractors pursuant to Section 2.1.2 (b) who are bound by obligations of confidentiality no less stringent than those set forth herein.

2.1.3 Customer will not remove or obscure any copyright, trademark, other mark or confidentiality notices affixed to any Software.

2.1.4 No legal or equitable title to or ownership of any of the Software or any proprietary rights therein are transferred to Customer under this Agreement other than the limited software license specified herein.

2.1.5 Customer acknowledges that the Software is owned by HSS, HSS's Affiliates and/or their respective licensors and that everything in the Software, including all intellectual property, is proprietary to HSS, HSS's Affiliates and/or their licensors, respectively. Customer also acknowledges that HSS may, at its discretion, make changes in, and substitutions of the Software.

2.2 Fees and Payment. All Fees are subject to change by HSS and/or the relevant third party as applicable. Customer will make all payments under or required by this Agreement in United States Dollars and within thirty (30) days of receipt of the invoice therefore.

2.3 Master Agreements with Third Parties. HSS or its designee may, without warranty or representation of any kind, negotiate with any third party vendor a master services, software or equipment purchase or lease agreement (collectively, the "Master Agreements") and permit Customer to purchase or lease Authorized Equipment, license software and purchase services from those third party vendors (each a "Preferred Provider") pursuant to the terms of the applicable Master Agreements. The Preferred Providers may require Customer to execute a joinder or participation agreement for the applicable Master Agreement, in substantially the forms contained in schedules to the relevant Order Document (collectively, the "Joinder Agreements"). Customer will be bound by the terms of that Master Agreement as specified in the relevant Joinder Agreement(s) and will be directly and solely responsible for Customer's compliance with and performance under the Joinder Agreement.

2.4 Customer Cooperation. Customer will provide HSS and its Affiliates and its and their respective third party providers with such cooperation relating to HSS's performance of its obligations under this Agreement as HSS may reasonably request from time to time. Customer agrees to comply with the Information System's regulations, rules and policies as HSS may determine from time to time.

ARTICLE 3.
AUDITS

Customer will maintain records sufficient to permit verification of Customer's compliance with this Agreement. Upon forty-five (45) days written notice (or such shorter period of time as may be required under any applicable Master Agreement), HSS or its designee may perform examinations, tests, audits, inspections and reviews of Customer's compliance with this Agreement, including by using the Services of one or more third parties. Customer will cooperate

with HSS's audit activities and provide reasonable assistance and access to information when requested, including to all of the following: (a) any part of any facility, including the Hotel, at which any Services and products provided pursuant to this Agreement are performed, provided or used; (b) the employees and contractors Customer uses in connection with its operation of the Hotel; and (c) data and records. No such audit will unreasonably interfere with Customer's normal business operations. Customer agrees that HSS will not be responsible for any of Customer's costs incurred in cooperating with any audit.

ARTICLE 4.
TERMINATION

4.1 Termination. HSS may terminate this Agreement by written notice to Customer on any of the following grounds:

4.1.1 Customer fails to pay any sums due and payable under this Agreement and fails to cure such failure within the cure period set forth in the notice, which will not be less than ten (10) days;

4.1.2 Customer breaches its obligations under Article 6 (Confidentiality);

4.1.3 Customer fails to refresh the Authorized Equipment at the Hotel as required by HSS;

4.1.4 Customer's Third Party PMS Agreement terminates or expires; and

4.1.5 Customer breaches any other provision of this Agreement and does not cure that breach within the cure period set forth in the notice, which will not be less than thirty (30) days.

This Agreement will automatically terminate upon the termination or expiration of the Relationship Agreement.

4.2 Customer's Obligations upon Termination or Expiration. Upon any such termination the licenses granted to Customer under this Agreement, and the obligations of HSS to provide any Agreement Products and Services will immediately terminate. Customer will immediately cease using all Agreement Products and Services and promptly at HSS' discretion return any and all Agreement Products to HSS other than Authorized Equipment Customer owns or destroy the same; provided, however, that Customer must return to HSS all Software contained in such Authorized Equipment. All of Customer's covenants and obligations under this Agreement will survive termination and expiration.

4.3 Termination Fees. Upon termination of this Agreement Customer will pay: (a) all unpaid Fees related to the Agreement Products and Services, Software and Authorized Equipment incurred by Customer; (b) all costs to HSS of all the Agreement Products and Services, Software and Authorized Equipment that exceeds what the Customer paid for same; (c) all termination, penalty or administrative fees that would not be payable but for the termination for cause; (d) all costs related to disabling the Agreement Products and Services, together with the intervention or administration fees set forth in the Manual; (e) all costs and fees for any Authorized Equipment, Authorized Equipment maintenance Services, Software, Software maintenance Services, network and other Services HSS and its Affiliates, in their sole discretion, provide to Customer at Customer's request after the termination effective date; and (f) all termination fees identified in the Customer's Order Document.

4.4 Suspension of Service. If Customer fails to comply with the Information System use regulations, rules or policies, or is otherwise in default under this Agreement HSS may, in its sole discretion: (a) disable Customer's access to or use of all or any part of the Information System and suspend any part of the Services provided or supported under this Agreement and (b) suspend and withhold performance of HSS's obligations under this Agreement. Customer will not be entitled to any compensation, refund or reduction in charges as a result of such action. Customer agrees that any such disabled access and suspension from the Information System will not constitute or result in actual or constructive termination or abandonment of this Agreement, or a waiver or release of any right to terminate. HSS may charge Customer for the cost relating to such disabling and suspending and, if Customer's defaults are cured as required, re-enabling such access and resuming such obligations, if any, together with the intervention or administration fees set forth in the Manual.

4.5 Limitation on Access. If HSS determines in its sole discretion that it is necessary or advisable in order to protect in any way and for any reason the Information System, HSS may bar Customer's access to the Information System and may temporarily or permanently remove any or all data or other files. Such reasons include, without limitation, HSS or third party provider's determination that: (a) Customer's network connection, software, equipment or files may infect the Information System with Malicious Code, (b) internet access by the Customer or Customer's access to or use of the Information System is in violation of the applicable acceptable use policy governing use of the provider's services or any law or (c) Customer's network connection, software, equipment or files may cause harm to or disrupt the Information System. Neither HSS nor any such third party provider will be liable for any inconvenience or disruption to the Customer or any consequences thereof caused by such measures.

ARTICLE 5.
DISCLAIMERS

5.1 **HSS makes no representations or warranties as to any Certified Third Party Software, any Authorized Equipment or any Services provided by any Preferred Provider and will have no liability whatsoever for the terms and conditions thereof, performance of any obligations or other agreements therewith, any equipment purchased, leased, or installed, any Services performed, any use of any software, or any software licensed or sublicensed by any Preferred Provider. The sole warranties provided to Customer, if any, with respect to the Certified Third Party Software, Authorized Equipment or Services provided by the Preferred Providers are provided by the applicable third party vendor pursuant to a written warranty, if any, provided to Customer by such third party vendor. In the event Customer notifies HSS of any condition which Customer believes constitutes a breach of any warranty provided by a third party vendor, HSS will, upon Customer's request, provide reasonable cooperation and assistance in notifying such third party vendor of such condition and in urging such third party vendor to correct such condition. HSS reserves the right to make changes and substitutions in the components of the Information System.**

5.2 **Except as specifically provided in this Article 5 (Disclaimers), HSS disclaims all express or implied warranties with respect to the Software, Authorized Equipment, Services and Information System, including without limitation, any implied warranties of merchantability, fitness for a particular purpose, title, noninfringement, design, accuracy, capability, sufficiency, suitability, capacity, completeness, availability, compatibility, or those that may arise from course of dealing or course of performance or that any Software, Services or Authorized Equipment provided hereunder will not violate the intellectual property rights of and person or entity. HSS does not guarantee, warrant, or make any representations to the effect that any of the Software, Authorized Equipment, Services or Information System provided or made available to Customer under this Agreement (a) will be continuously available, uninterrupted or defect- free, delay-free, or error-free, (b) will have its defects or errors corrected, (c) will operate in combination with any Customer or third party software, system, service, data or equipment not made available by HSS, (d) will be free of Malicious Code or other harmful components, or (e) will be accurate or complete. HSS does not guaranty, warrant or make any representations regarding the use of, or the results of, any of the Software, Authorized Equipment, Services or Information System in terms of its respective correctness, accuracy, reliability, or otherwise.**

5.3 **HSS will not be liable for, and makes no warranty or guaranty of, the confidentiality or privacy of any data or other files transmitted to, on, from or through the Agreement Products and Services and/or the Information System and is not responsible for any delays, delivery failures, or other damage resulting from such problems arising in connection therewith. HSS is not responsible for any issues related to the performance, operation or security of the Services that arise from Customer content, Customer applications or third party content. HSS is not responsible for incorrect or inaccurate entry information, or destroyed, impaired or lost data, whether caused by Customer or by any of the equipment or programming associated with or utilized in the Information System or by any technical or human error which may occur in the processing of any information related to the Information System.**

5.4 **HSS will have no liability to third parties for any claims, losses or damages of any type whatsoever arising out of or in any way related to the access to or any use of any of the Agreement Products and Services or any part of the Information System. Customer will be responsible for, and Customer will indemnify HSS and its Affiliates and hold them harmless from and against any and all allegations, losses, demands, claims (including taxes), liabilities, damages (including punitive and exemplary), fines, penalties**

and interest, and all related costs and expenses of whatever nature (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, experts, settlement, judgment, interest and penalties) from any individual or entity which arise out of Customer's (a) access to or any use of any of the Agreement Products and Services or any portion of the Information System, and (b) acts and omissions under this Agreement, including without limitation infringement of any intellectual property rights.

5.5 **HSS reserves the right for any reason, including, but not limited to, Customer's failure to comply with the Information System's use regulations, rules and policies, to temporarily bar access of Customer to the Information System and/or to temporarily or permanently remove any or all data or other files if HSS or the third party provider hereunder determines or receives notice that Customer's network connection, software, equipment or files may infect the Information System with a virus, that internet access by the Customer or Customer's access to or use of the information system is in violation of the applicable acceptable use policy governing use of the internet service provider's services ("AUP") or any governmental law or regulation or that Customer's network connection, software, equipment or files may cause harm to or disrupt the Information System. HSS and the third party provider will not be liable for any inconvenience or disruption to the Customer caused by such measures.**

5.6 **HSS may inform governmental authorities or interested third parties if HSS suspects, believes or receives notice that Customer's data or other files contain legally prohibited information or are being used for illegal purposes. Customer acknowledges that HSS or the third party provider may monitor and review stored data and other files without restriction and Customer hereby acknowledges and consents to such monitoring. Customer also acknowledges that HSS or the third party provider may need to release Customer's data or other files when HSS or the third party provider believes it must do so in order to comply with a law, subpoena, warrant, order or regulation arising from litigants, law enforcement, courts and other governmental agencies. Neither HSS nor the third party provider will be responsible or liable to Customer for any such actions taken by HSS or the third party provider**

5.7 **The remedies provided in this Agreement constitute Customer's sole and exclusive remedies. In no event will HSS be liable for any special, incidental, consequential or exemplary damages, including without limitation damages for loss of use, lost profits or loss of data or information of any kind, arising out of or in connection with this Agreement, whether or not HSS has been advised of the possibility of such loss or damage. In no event will HSS' 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.**

5.8 **To the extent not prohibited by law, the warranties contained in this Article 5 (Disclaimers) are exclusive and there are no other express or implied warranties or conditions.**

ARTICLE 6.
CONFIDENTIALITY

Customer will maintain the confidential and proprietary nature of the Proprietary Software, Certified Third Party Software, Information System, Services and any and all information, documentation and materials of HSS and HSS Affiliates which are disclosed under or provided or made available to Customer under or in connection with this Agreement. The foregoing includes without limitation proprietary ideas, patentable ideas, copyrights, trade secrets, existing and contemplated products and services, software, schematics, research and development, discoveries, inventions, methods, processes, materials, algorithms, formulas, specifications, designs, data, strategies, plans, and know-how, whether tangible or intangible (collectively, the "Confidential Information"). Customer will maintain such Confidential Information in confidence and agrees not to disclose or otherwise make available the Confidential to any person or entity other than Customer's employees at the Hotel who are bound by obligations of confidentiality no less stringent than those set forth herein, without prior written consent of HSS. Customer further agrees to take all reasonable steps and precautions, including those set forth in the Manual, necessary to protect the Confidential Information from unauthorized use or disclosure.

ARTICLE 7.
PRECEDENCE AND INTERPRETATION

The terms and conditions of Customer's use of the Agreement Products and Services and the Information System will be governed exclusively by this Agreement and any applicable Joinder Agreements notwithstanding any different terms submitted by Customer to HSS. In the event of any conflict between this Agreement and any Order Document, the Order Document will control. Terms in the Relationship Agreement addressing the same issue as terms in this Agreement will be deemed to be additional and complimentary to this Agreement's terms except to the extent that such Relationship Agreement terms specifically conflict with the terms of this Agreement in which case the terms of this Agreement will control.

IN WITNESS WHEREOF, by the signature of its respective authorized representative, each of the Parties agrees to be bound by all of the terms of this Agreement.

HSS **Hilton System Solutions, LLC**	**CUSTOMER:** %LegalEntity%
By: _____	By: _____
Name: _____	Name: _____
Title:_____	Title: _____
Date:_____	Date: _____

ANNEX 1

DEFINITIONS

As used in this Agreement, the following terms have the meanings given to them below.

1. "Agreement Products and Services" means, collectively, the Software, Authorized Equipment, Services, subscriptions, Information System, Manual, documentation and all other materials identified herein that is or may be made available to Customer pursuant to this Agreement.

2. "Authorized Equipment" means equipment that has met HSS standards for operating as part of the Information System and which is made available for purchase or lease under this Agreement or a Joinder Agreement.

3. "Certified Third Party Software" means software licensed by third parties to Customer or sublicensed by HSS to Customer and listed in the applicable Order Document.

4. "Fees" means, collectively, all of the fees, charges and expenses chargeable to or due from Customer under this Agreement, including any Order Document.

5. "Information System" means, collectively, the software, equipment and IT systems made available by HSS or its Affiliates for Customer's access, use or benefit, including without limitation the OnQ® technology.

6. "Malicious Code" means any virus, worm, trojan horse, spyware, adware, rootkit, ransomware, scareware, rogueware, backdoor, trap door, logic bomb or similar item intended to cause or capable of causing undesired effects, security breaches and/or damage to a system or a system's contents.

7. "Manual" means any standards and/or operating manual(s) provided or made available to Customer in connection with this Agreement or any Franchise or Management Agreement to which Customer is party

8. "Proprietary Software" means software owned by HSS or its Affiliates.

9. "Services" means the services provided under this Agreement.

10. "Software" means the Certified Third Party Software and Proprietary Software.

11. "Third Party PMS Product" means third party products or services necessary for the proper operation of the Customer's property management system portion of the Agreement Products and Services. As of the Effective Date these include Oracle OPERA products

12. Third Party PMS Agreement" means any agreement between Customer and a third party for Third Party PMS Products. As of the Effective Date this includes Customer's contract(s) with Oracle for OPERA products.

ORDER DOCUMENT

Customer Name:	%LegalEntity%	**Customer Contact:**	%GMName% %PrimaryContactHeading%
Customer Address:	%PrimaryContactName% %PrimaryContactAddress1% %PrimaryContactAddress2% %PrimaryContactCity% %PrimaryContactState% %PrimaryContactZip% %PrimaryContactCountry%		%PropertyName% %PropertyAddress2% %PropertyCity% %PropertyState% %PropertyZip% %PropertyCountry%
Property Name:	%PropertyName%	**Issue Date:**	%CreationDate%

This Order Document is issued under and is a part of the *Information Technology System Agreement* ("Agreement") between Hilton Systems Solutions, LLC ("HSS") and %LegalEntity**%** ("Customer") and includes all of its schedules, attachments, and exhibits as well as all other documents expressly incorporated into it by reference. It becomes effective on the date identified by HSS under the signature blocks below ("Order Effective Date") and when signed by both parties is automatically incorporated into and becomes part of the Agreement. All licenses and sublicenses of software, all subscriptions, all Services and all equipment provided herein or obtained hereunder are subject to the terms and conditions of the Agreement and to the terms of this Order Document. Unless otherwise specified the defined terms in this Order Document have the meanings given them in the Agreement.

The pricing provided here for goods and services provided by Hilton is valid for a period of ninety (90) days following the date of issue of this Order Document to Customer ("Issue Date"). Should this Order Document not be signed by the Customer within those (90) days, Customer must obtain written confirmation from HSS that the pricing requested by Customer remains in effect.

Except as otherwise noted herein or in the applicable invoice all payments required by this Order Document must be made in United States Dollars within thirty (30) days of receipt of the invoice therefore. Customer acknowledges and agrees that HSS or its Affiliates may derive revenues and/or other material consideration on all or a portion of the fees paid by Customer and that HSS may use third parties to perform the Services. All fees indicated are exclusive of applicable taxes, shipping, insurance, rigging, duties and other related fees and expenses, all of which are payable by Customer. Provision of the Authorized Equipment, Software and Services is made in consideration of the Customer's promise herein to pay the fees therefor and is subject to Customer's timely payment of such fees. HSS may delegate certain of its operational responsibilities hereunder to third parties but remains responsible therefore.

EXECUTION INSTRUCTIONS: **Please sign this Order Document, each of the documents in *Schedule C* and any other Schedules indicated as needing your signature.**

IN WITNESS WHEREOF, by the signature of its respective authorized representative, each of the parties agrees to be bound by all of the terms of this Order Document.

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%

The Order Effective Date for this Order Document is the date it is signed by HSS.

1. Software and Related Services.

1.1 Software and Interfaces. This Agreement does not grant Customer the right to use or access HSS' OnQ® Proprietary Software for Customer's property management system. Instead, Customer is required to use the Third Party PMS Products in accordance with Customer's Third Party PMS Agreement. HSS does, however, hereby license to Customer the following Proprietary Software and sublicenses to Customer the following Certified Third Party Software under the terms specified in the Agreement. The fees shown are one-time payments.

A. Base Operational Software (Proprietary Software unless otherwise noted)**:**

	Software	Those Being Licensed to Customer are Noted with "X"
1.	Operations Audit	X
2.	Customer Relationship Management	X
3.	OnQ™ Insider	X
4.	OnQ™ Rate and Inventory	X

Customer will pay HSS or a retailer approved by HSS, a fee for the license of each copy of the Proprietary Software installed on the Authorized Equipment 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. The costs of Third Party PMS Products will be billed directly to Customer by the Third Party PMS supplier pursuant to Customer's Third Party PMS Agreement.

B. Certified Third Party Software.

%SoftwareListwithQTY%

HSS may require that Customer use additional Proprietary Software and Certified Third Party Software for the proper operation of the Agreement Products and Services. Some of such Software may be Certified Third Party Software, such as malware anti-virus software or Microsoft Windows, SQL, or Exchange, that may be purchased through a Master Agreement ("**Additional Certified Third Party Software**"). The fee for the license of each copy of such Additional Certified Third Party Software will be billed to and payable by Customer.

Additional Certified Third Party Software Licenses $%OnQOSandDBSoftware%

(Price excludes taxes, configuration, imaging and installation related costs)

C. Revenue Management System: Customer will pay HSS or a provider approved by HSS the license fees for certain revenue management system software needed for the operation of Customer's hotel, as determined by HSS in its sole discretion. The license fees for any such revenue management system software will be billed separately. Customer will be responsible for the cost of any services necessary for the installation of any revenue management system software and for the implementation and verification of the proper functioning of such revenue management system software on Customer's equipment. The cost of such services and the travel costs for any on-site services will be billed separately by HSS or the provider.

D. Electronic Mail: Customer will pay HSS for the license fees for electronic mail. The license fees for electronic mail will be billed separately. Certain additional Software may be required by HSS for the operation of Customer's hotel. Any such additional Software will be provided pursuant to the terms, conditions and limitations contained in the Agreement and, as applicable, the terms, conditions and limitations required by the supplier of such additional Software.

E. Project Management: HSS will exercise full Project Management for the preparation, installation and/or implementation of the Third Party PMS Products as part of OnQ®. HSS in its sole discretion may require additional HSS or Preferred Provider presence at the Customer's Site during the installation.

1.2 Training and Training Materials: Customer's employees who have responsibilities related to the use of the Proprietary Software modules described above will need on-site training for the access to and use by Customer or Customer's Hotel of the Third Party PMS Products and for Hilton Business Process Training, which may be included in this Agreement and/or in Customer's Third Party PMS Agreement, but is not provided for in the Technology Program License Agreement in *Schedule D* ("Technology Program"). HSS will charge Customer a fee related to Hilton Business Process Training and a fee related to Training and Project Management.

1.3 Cost of Certain Installation, Implementation and Training Services. The cost of certain installation, implementation, and training services (including the HSS implementation specialists) are set forth below. These costs and travel expenses will be billed to Customer by HSS or the Preferred Provider following installation of the Information System. Additional costs for training replacement General Managers or other Hotel personnel will be billed to Customer prior to such training dates at the then current rate charged by HSS for such training. There is currently no additional charge for the e-Learning training modules which are included within the Software.

1.4 Site Surveys. Customer and HSS will mutually determine the scope, schedule and timing of a site survey that may be required for the preparation, installation and/or implementation of OnQ and the Third Party PMS Products (the "Site Survey"). HSS and Customer will identify the responsible parties for each aspect of the Site Survey. In preparation for any Site Survey, Customer will provide information and documentation relative to the Hotel as requested by HSS, including, but not limited to, hotel drawings, room locations and wiring diagrams. If HSS performs on-site services during the Site Survey, the Customer is responsible for providing timely access to the Hotel property, as well as complimentary room nights with confirmed reservations at the Hotel, as needed in the course of performing the Site Survey. A Hotel representative will be appointed by Customer to provide escort and access to guest rooms for the room inspection portion of the Site Survey. The fees and costs for any work performed by HSS relative to the Site Survey, including any fees for creation and validation of the wireless network design, any travel expenses, per diem fees and other out-of-pocket related costs, will be billed separately by HSS to the Customer. Any additional costs incurred due to delays in performing the Site Survey caused by the Customer's Hotel will also be billed to Customer.

Site Survey Fees $%TSSiteSurvey% (Price excludes taxes, travel expenses, per diem fees and related costs)

1.5 Implementation Services. HSS may, in its sole discretion, provide implementation services for Customer's Authorized Equipment and related Certified Third Party Software. Some are described below but more exact requirements may be set forth in the applicable Brand and/or Standards Manual(s) and are subject to change by HSS or Hilton Domestic Operating Company Inc. ("HDOC") or their affiliates or subsidiaries from time to time. HSS will provide the services using Systems Implementation consultants. The number of consultants and number of days they will be used will be determined by HSS based upon the size and type of the Hotel and the Hotel's IT requirements. These consultants may:

(a) work with the Hotel, which is responsible for the cost of building the Hotel's database, including the verification of the proper functioning of the Software, installation, conversion, implementation, data conversion or recovery;
(b) provide procedural support for the property management system to the Hotel's management;
(c) work with the Hotel's management to adapt their use of the Information System to meet the Hotel's requirements;
(d) support the Hotel's staff in their use of the Information System through the Hotel's management;
(e) work with the Hotel's management to assure that the Hotel has all necessary tools for the implementation of the Information System (i.e., Authorized Equipment, Certified Third Party Software, documentation, etc.);
(f) install or approve the installation of equipment to meet the requirements of the Hotel, HSS and the manufacturer of the Authorized Equipment;
(g) work with third party vendors to meet the technical criteria for interface communications (i.e., central reservations, call accounting, energy management, pay movies, guest internet access, etc.);
(h) verify that all front desk staff and Hotel's management have successfully completed the Information System Guided Tour & Training;
(i) identify and address operational problems that involve the Information System;
(j) formulate and present recommendations that maximize efficient use of the Information System; and
(k) administer a trial run of the Information System to verify that the front desk staff and audit staff have been trained properly.

1.6 Authorized Equipment Installation. Whether Customer elects to purchase or lease Authorized Equipment from a Preferred Provider through one of the Master Agreements HSS will coordinate the installation of such Authorized Equipment at the Hotel.

A. Customer or HSS, in HSS's discretion, will obtain and maintain throughout the term hereof, at Customer's cost, the necessary communication vehicles and services for direct communication between HSS and the Hotel as is reasonably necessary for the operation of, and for the diagnosing of issues involving, the Agreement Products and Services, including without limitation, network access and wide area network connections to the Central Reservation System and Internet.

B. Customer will make available, at its own expense, prior to the agreed upon installation date a location that, in HSS's opinion, is suitable for installation of such Authorized Equipment. Customer will furnish any electrical connections and dedicated phone lines which may be required by HSS and will perform and pay for all work, including alterations, which in the sole discretion of HSS is necessary to prepare the Hotel for the installation and proper operation of the Authorized Equipment.

C. Any delay in shipment and installation of Authorized Equipment or Certified Third Party Software, including delays by communications vendors, Preferred Providers, or any other retailers, will, for the duration of such delay, excuse any failure of HSS to install the Authorized Equipment on or before the agreed upon installation date. However, HSS will use commercially reasonable efforts to require such approved vendors to comply with their service level agreements as to installation and shipment timing for Customer's installation, in accordance with such approved vendor agreements.

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

1.7. Software Installation.

A. Unless specifically stated as being implemented by HSS, it is Customer's obligation to install the Software on the Authorized Equipment and any related hardware at such time as HSS designates in writing to Customer. The Software may be installed in phases such that one or more Software modules may be installed and/or be operational prior to other Software modules. Customer will be responsible for all fees and costs incurred in the installation of Software and any related Software.

B. If Customer purchases the Authorized Equipment from HSS or a Preferred Provider, the Preferred Provider or HSS will install the Software and any related software as described in this Agreement on the Authorized Equipment and HSS will complete the installation at the Hotel, as applicable, on the agreed upon installation date. If Customer does not purchase the Authorized Equipment from the Preferred Provider, HSS will install the Software and any related software at such time as HSS designates in writing to Customer. The Software may be installed in phases such that one or more Software modules may be installed and/or operational prior to other Software modules. The Software modules to be installed will be as set out above and in this Agreement, and Customer hereby agrees to permit the Preferred Provider or HSS to install any and all other Software modules on the Authorized Equipment in or at the Hotel, as provided for herein.

C. If Customer purchases Authorized Equipment from a retailer other than the Preferred Provider, Customer will pay for configuring the Authorized Equipment purchased from such retailer, with the Software. Customer will also be responsible for shipping and shipping related costs to and from HSS for such configuration.

1.8 Third Party Interface Testing and Connectivity. If Customer requires the implementation of any OnQ® Interface software for connectivity to third party systems, Customer will be responsible for any fees assessed by the third party vendors to test and implement the necessary connectivity. In addition, Customer will be required to make arrangements with any such third party vendor to provide the necessary assistance required to test and to implement the interface connectivity. This assistance requires the vendor to be on-site at the time of testing and implementation, unless the third party vendor can perform all necessary tasks (as defined by HSS) through a remote connection to the Customer's third party system. The cost incurred by any third party vendors for testing and implementing connectivity to third party systems will be billed to Customer by HSS, or such vendors for the license of each copy of the Proprietary Software and the Certified Third Party Software licensed to Customer by HSS

1.9 Certain Costs and Payment Terms.

A. Software License Fees. Customer will pay HSS, Preferred Provider or another retailer approved by HSS, a fee for the license of each copy of the Proprietary Software and the Certified Third Party Software, licensed or sublicensed to Customer by third parties or installed on the Authorized Equipment at the Hotel (the "License 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.

B. Cost of the Authorized Equipment, Certified Third Party Software and Other Fees. The cost of the Authorized Equipment, Certified Third Party Software and other fees are shown below. The costs will be invoiced to Customer by HSS or by the Preferred Provider.

Authorized Equipment and Certified Third Party Software	$%System21HWFee%
Standard Upgrade Fee	$%StandardUpgradeFee%
Standard Plus Software License Fees	$%StandardPlusSoftwareFee%

C. 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 third party provider HSS may use at the same time as it renders its invoice to Customer for the License Fees. Additional costs for training replacement general managers or other hotel personnel will be invoiced to Customer prior to such training dates.

Customer will be responsible for charges incurred for use of Virtual Private Network ("VPN") to access the 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%

There is currently no additional charge for the CBT training modules which are included within the software.

Information System Planning Workshop	$%System21PlanningWS%

Sales Skills Training: For the Hampton and Homewood brands (N/A for other brands), attendance is required by general manager, assistant general manager, or full-time sales manager within ninety (90) days of employment.

$%SalesTrainingFee%

General Manager Leadership Program: For ES/HH/HIS/HW/DT/DC (N/A for other brands):	$%GMTrainingFee%
Pre-Opening Materials For ES/HH/HIS/HW/DT/DC (N/A for other brands):	$%PreOpeningFee%

D. 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 Provider Fee: (Configuration fees and Training Room Network Installation, as applicable) (Includes travel expenses)	$%ServicesPreferred%
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%
Delphi Implementation Fee	$%DELPHIIMP%
Executive Briefing and Change Management	$%DevRecovery%
Email Setup Fee:	$%Email%
Hi Tech Fee:	$%HiTechFee1%
Firewall Equipment and Configuration and/or Converged Network Install	$%Firewall%
IT Opening Project Manager	$%INTLITOPENPM%
Digital Floor Plan Billing Management	$%DigitalFloorSetup%
Salesforce Community License	$%SALESFORCE%

Promptly following HSS's providing of the Services, an invoice will be submitted to Customer for HSS's representatives' out-of-pocket expenses, any additional per diem charges for its representatives (as described in the Notes below), any re-scheduling fee, and any additional travel expenses as set forth above, which invoice will be payable within fifteen days of Customer's receipt of same.

TOTAL PRICE	**$%TotalPrice%**

***TOTAL PRICE EXCLUDES TAXES, SHIPPING & ANY MONTHLY FEE ITEMS NOTED HEREIN**

Notes:

(i) Promptly following HSS's providing of the Services, if applicable, due to implementation delays or requested incremental days on-site, an invoice will be submitted to Customer for HSS's representatives' out-of-pocket expenses, any additional per diem charges for its representatives, any re-scheduling fee, and any additional travel expenses as set forth above, which invoice will be payable within fifteen days of Customer's receipt of same.

(ii) Customer will pay according to the terms of any invoice(s) submitted to Customer, including any provision for late charges, the fee for the installation of any telephone line(s) or wide area network connection(s) necessary for connection of the Authorized Equipment

(iii) The cost to configure equipment obtained by Customer from a non-preferred retailer, to be included here, when applicable.

E. Other. If Customer attaches or uses third party equipment, software, and/or interfaces with any of the Agreement Products and Services, the Central Reservation System or the internet which have not been certified or approved by HSS as meeting HSS' specifications and/or does not conform to the standards provided by the HSS or if Customer installs other third party non-HSS proprietary software which has not been certified or approved by HSS as meeting HSS' specifications, the Agreement Products and Services or such third party equipment, software, and/or interfaces may need to be reconfigured and the entire cost of such reconfiguration will be borne by Customer. Where HSS specifications cannot be met with such third party equipment, software, and/or interfaces, such third party equipment, software and/or interfaces will, at Customer's sole cost, be removed and/or replaced as directed by HSS.

1.10 HSS Representatives on-Site at Hotel: Customer must have its representative(s) on-site at the Hotel for the implementation of the Agreement Products and Services. Once HSS's representatives are on-site, any delays will result in additional expense to Customer. If a delay in implementation of any of the Agreement Products and Services caused solely by Customer necessitates the departure and re-scheduling of HSS' representatives, then, in addition to the other fees set forth in this Order Document, Customer will be required to pay a fee consisting of charges for such representatives' work days and travel days (currently U$700.00 per representative per day), change fees, and additional travel expenses. The re-scheduled date will be determined based on the needs of the Hotel as well as the availability of HSS' representatives.

2. Proprietary Software Maintenance / Help Desk Services.

2.1 Proprietary Software Maintenance.

A. HSS will provide Customer with Proprietary Software maintenance and support services (the "Proprietary Software Maintenance") for a term of one (1) year (with annual renewals thereafter at the option of HSS) commencing on the Order Effective Date. The annual fee, payable in monthly installments, is as follows:

%SoftwareMaintTable%

B. The first monthly payment will be invoiced in advance of the shipment date to the Hotel ("Start Date") of the Authorized Equipment purchased which will operate the applicable Proprietary Software to be maintained. For the avoidance of doubt, HSS has no obligation to provide Customer with maintenance, support or Help Desk services for any Certified Third Party Software; maintenance support and services for Certified Third Party Software is to be provided by the applicable Preferred Provider pursuant to the applicable Master Agreement. The Proprietary Software Maintenance and support offered by HSS is described in *Schedule A*.

C. HSS is unable to modify, and does not provide support for, the Certified Third Party Software. Provided Customer has paid for all Software Maintenance and other fees charged hereunder and satisfied all other obligations under the Agreement, HSS will supply Customer with any standard enhancements, improvements, updates, and/or modifications to the Proprietary Software ("Updates") generally made available by HSS as options or new releases to its Customers which are not charged for separately by HSS ("Software Maintenance"). Such Updates will be HSS' sole and exclusive property and will be deemed part of the Proprietary Software hereunder. Customer agrees that it may be required to purchase some Updates to the Proprietary Software, which are charged for separately by HSS, as well as additional hardware and/or software in order to utilize certain major upgrades or enhancements.

2.2 Use of Certified Third Party Software Only. In the event Customer uses or installs any third party software other than Certified Software on the Authorized Equipment or uses equipment that is not Authorized Equipment, HSS will have no further obligations to provide any Software Maintenance services to Customer.

2.3 Increases/Decreases. HSS reserves the right to increase or decrease the Software Maintenance cost on an annual basis to reflect increases or decreases in such costs and the addition or construction of additional guest rooms (or suites) by Customer for Customer's Hotel.

3. Additional Services.

3.1 Additional Services Purchased Under This Ordering Document. HSS will provide the following additional Services (if any are listed) for the fees noted:

%Misc%

4. Authorized Equipment.

4.1 Authorized Equipment Purchased or Leased. Customer will purchase or lease the Authorized Equipment required for the proper operation of the Hotel IT functionality identified by HSS. As of the Order Effective Date the purchasing and/or leasing fees for the Authorized Equipment described in *Schedule B-1 – Authorized Equipment* are:
AUTHORIZED EQUIPMENT

NETWORK AUTHORIZED EQUIPMENT:

%NetAuthEquip1%

STANDARD PLUS EQUIPMENT:

%StdPlusEquip1%

The purchase fees will be invoiced by either HSS or the relevant Preferred Provider depending on the location of the Hotel and the source of the Authorized Equipment. Customer will be provided the specific information not later than 15 days following the Order Effective Date.

Customer will purchase and replace any source, paper, ribbons, printer maintenance kits, toner and such other operating supplies as will be required for the operation of the Authorized Equipment, but Customer will utilize only such brands as are approved by HSS or the Authorized Equipment manufacturer.

4.2. Authorized Equipment Maintenance. Customer must purchase maintenance services as described in *Schedule B-2 – Authorized Equipment Maintenance and Refresh* for all of the Authorized Equipment it purchases or leases, including for all the Network Authorized Equipment when maintenance is not provided under the terms of the applicable Brand IT program. As of the Order Effective Date Customer is purchasing Authorized Equipment Maintenance for the annual fee(s) shown, payable in monthly installments:

%HardwareMaintTable%

5. Expenses. If HSS or Preferred Provider personnel incur travel, lodging, meal, or any other out of pocket expenses in furnishing services hereunder, Customer will pay for or promptly reimburse HSS for same, subject to reasonable documentation of such expenses.

6. Customer Responsibilities. Customer will maintain on its staff at all times sufficient personnel that have been trained in and are knowledgeable about the use of the Information System in a professional, efficient and competent manner. Customer is responsible for maintaining duplicate or back-up copies of its software, data files and documentation. HSS will have no liability for any damages resulting from Customer's failure to maintain such duplicate or back-up copies nor for any costs or expenses of reconstructing any such data or information that may be destroyed, impaired or lost.

7. Exclusions. HSS's obligations under the Agreement will not apply to any errors, defects or problems caused in whole or in part by (i) any modifications or enhancements made to any Proprietary Software, Certified Third Party Software or Authorized Equipment by Customer or any third person or entity other than HSS; (ii) any software program, hardware, firmware, peripheral or communication device used in connection with the Information System which was not approved in advance in writing by HSS; (iii) the failure of Customer to follow the most current instructions promulgated by HSS or any third party vendor from time to time with respect to the proper use of the Information System; (iv) the failure of Customer to schedule regular preventive maintenance in accordance with standard HSS procedures; (v) forces or supplies external to the Authorized Equipment, including, without limitation, the reasons set forth in the force majeure provisions of the Agreement; and/or (vi) the negligence of Customer or any other third person or entity. Any corrections performed by HSS for any such errors, difficulties, or defects will be fixed, in HSS's sole discretion, at HSS's then current time and material charges. HSS will be under no obligation, however, to fix any such Customer or externally caused errors, defects or problems.

8. Joinder Agreements. *Schedules C-1 and C-2* contain Joinder Agreements under which Customer can obtain products from Microsoft and reseller Insight Direct USA, respectively. Customer is required to sign those agreements if it is obtaining any products from those Preferred Providers in connection with this Order Document.

9. Request for Products or Services. The form to use when requesting products or services is contained in *Schedule D – Form of Request for Products or Services.*

10. Notices. Questions and notices regarding this Order Document should be directed to:

The Attention of:	Scott Greenberg
Address:	Hilton System Solutions LLC 755 Crossover Lane Memphis, Tennessee 38117
Telephone Number:	(901) 374-5510
Email Address:	Scott.Greenberg@hilton.com

SCHEDULES APPLICABLE FOR THIS ORDER DOCUMENT

Schedule A: Software Maintenance
Schedule B-1: Authorized Equipment
Schedule B-2: Authorized Equipment Maintenance and Refresh
Schedule C-1: Microsoft Participation Agreement - ***To Be Signed***
Schedule C-2: Joinder to Preferred Provider Agreement - ***To Be Signed***
Schedule D: Form of Request for Products or Services

Other Schedules

[Applicable Ones are Highlighted, Attached and Noted to be Signed]

Schedule E: Total Solution Program Agreement
Schedule F: Hilton Brand Fee Based Pricing Program Agreement – .75%
Schedule G: Hilton Brand Fee Based Pricing Program Agreement – 1%
Schedule H: Hilton Brand Fee Based Pricing Program Agreement – REIT Hotel
Schedule I: Doubletree Authorized Equipment Refresh
Schedule J: Hilton Garden Inn Refresh Program Agreement
Schedule K: Curio or Canopy or Tapestry Authorized Equipment Refresh
Schedule L: TRU by Hilton Authorized Equipment Refresh
Schedule M: Independent Brand Fee Based Pricing Program Agreement – .75%
Schedule N: Conrad or Waldorf Astoria Hotel Fee Based Pricing Program Agreement – .75%
Schedule O: Conrad or Waldorf Astoria Hotel Fee Based Pricing Program Agreement – .45%

SCHEDULE A

SOFTWARE MAINTENANCE

1. General. HSS will provide Customer with maintenance and support for Proprietary Software 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.

2. Certified Third Party Software Only. Customer understands that the use of any software other than that provided by HSS pursuant to this Agreement, unless such additional third party software has been approved in writing by the HSS Information Technology Department, is not warranted for use on the Authorized Equipment. In the event Customer uses or installs any third party software other than Certified Software on the Authorized Equipment or uses equipment that is not Authorized Equipment, HSS will have no further obligations to provide any software maintenance services to Customer hereunder.

3. Software Maintenance.

(a) Customer acknowledges and understands that HSS is unable to modify the Certified Third Party Software. HSS does not provide support the Certified Third Party Software In the event Customer notifies HSS of any condition which Customer believes constitutes a breach of any warranty provided by a third party vendor or a defect in Certified Third Party Software, HSS will, upon Customer's request, provide reasonable cooperation and assistance in notifying such third party vendor of such condition and in urging such third party vendor to correct such condition.

(b) With respect to the Proprietary Software, provided Customer has paid all software maintenance and other fees and satisfied all other obligations under this Agreement, HSS will supply Customer with access to any standard enhancements, improvements, updates, and/or modifications to the Proprietary Software generally made available by HSS as options or new releases to its Customers which are not charged for separately by HSS as options or new releases. Such enhancements, improvements, updates, additions, and/or modifications which are supplied by HSS to Customer, and all Intellectual Property Rights therein, will be HSS's sole and exclusive property and will be deemed part of the Proprietary Software hereunder and will be subject to all of the terms and conditions of the Agreement. Customer acknowledges and agrees that Customer may be required to purchase some enhancements, improvements, updates, and/or modifications to the Proprietary Software which Customer will be charged for separately by HSS, as well as additional hardware and/or software in order to utilize certain major upgrades or enhancements.

4. Cooperation. Customer will provide HSS with all information, data and other required materials necessary for HSS to reproduce any problem identified by Customer. Customer will maintain for the term of this Agreement a modem and dial-up telephone line and a facsimile machine or other electronic communication capability mutually acceptable to both parties to facilitate HSS's ability to perform its maintenance services remotely.

5. Expenses. Customer will pay for all telephone toll charges incurred in providing maintenance and support hereunder.

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

7. Hotline. HSS will provide, in accordance with its customary business practices and procedures, telephone customer service support as reflected in this Schedule, for the purposes of receiving reports from Customer regarding software malfunctions subject to maintenance hereunder. HSS may attempt, to the extent practical, to resolve any reported problems by telephone or by accessing Customer's equipment remotely.

8. On-Site Services. In the event HSS is unable to resolve any reported problem by telephone or modem, HSS will dispatch service personnel to Customer's Site for the purpose of providing maintenance services hereunder at HSS's standard rates and charges.

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

10. Cost and Payment Terms. Annual Cost of Software Maintenance $ %AnnualSWMaint%. Payments will be calculated from the Start Date . payable in monthly installments of $ %MonthlySWMaint%. The monthly payment amount will be due in advance and will be billed by HSS. Interest at the then current highest rate allowed 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 Providers of such services and to reflect the addition or construction of additional guest rooms (or suites) by Customer for Customer's Hotel.

SCHEDULE B-1

AUTHORIZED EQUIPMENT

The term Authorized Equipment includes (i) the equipment needed by Customer at Customer's hotel, as determined solely by HSS, for the Customer's use of the Proprietary Software (the "Network Authorized Equipment") (ii) and any additional equipment authorized by HSS for use at Customer's hotel, over and above the Network Authorized Equipment (the "Standard Plus Equipment").

1. Authorized Equipment Purchase. Customer may purchase the Authorized Equipment from the Preferred Provider who may provide a joinder agreement with Customer or from another retailer; however, if such Authorized Equipment is obtained from another retailer, it must conform to HSS's specifications. Furthermore, if Customer elects to purchase such Authorized Equipment from a third party other than the Preferred Provider, the file server and work stations must be shipped to HSS or its designee for certification that these components comply with HSS's specifications and testing procedures. Customer will also be responsible for the shipping and shipping related costs to and from HSS or its designee for such certifications.

2. Authorized Equipment As Personal Property/Insurance Requirements. In addition to any other specific purchase terms required by the Preferred Provider, the following purchase terms and conditions will apply to any Authorized Equipment obtained from a Preferred Provider or HSS. The Authorized Equipment will be at all times, personal property which will not, by reason of connection to the Hotel, become a fixture or appurtenance to the Hotel, and until such time as Customer or its designated third party pays to the Preferred Provider the total sum for the Authorized Equipment as required hereunder, the Authorized Equipment will remain the property of the Preferred Provider, and title will remain with the Preferred Provider, free from any claims of Customer or the holder of any lien or encumbrance on the Hotel and/or any other property of Customer. Customer will maintain fire, extended coverage, vandalism, and malicious mischief insurance on the Authorized Equipment in an amount not less than the purchase price of the Authorized Equipment. Said insurance will name HSS as an additional insured. For so long as this obligation remains in effect, Customer will furnish to HSS a certificate of the insurance carrier describing the terms and coverage of the insurance in force, the persons insured, and the fact that the coverage may not be canceled, altered or permitted to lapse or expire without thirty (30) days advance written notice to HSS. Upon payment in full, title to the Authorized Equipment will vest in the Customer and will be free and clear of the above requirements relating to insurance and of all of the Preferred Provider's liens, claims and encumbrances and the Authorized Equipment will become the sole property of Customer. Customer assumes the expense of delivery and in-transit insurance for the Authorized Equipment.

3. Authorized Equipment.

NETWORK AUTHORIZED (PROGRAM FUNDED) EQUIPMENT:

%NetAuthEquip1%

STANDARD PLUS (HOTEL FUNDED) EQUIPMENT:

%StdPlusEquip1%

SCHEDULE B-2

AUTHORIZED EQUIPMENT MAINTENANCE AND REFRESH

1. Maintenance for the Authorized Equipment. Customer must take all steps necessary to provide all necessary maintenance services for the Authorized Equipment it purchases or leases so that it will receive such maintenance services for all such Authorized Equipment throughout the term of this Agreement. Customer may elect to use the maintenance company (the Preferred Provider) with whom HSS has arranged to provide maintenance services ("Equipment Maintenance") for the Authorized Equipment provided that such Authorized Equipment, if not purchased from the Preferred Provider, is first certified as being suitable for Equipment Maintenance, at the expense of Customer, by either HSS or the Preferred Provider. For such services, the Customer will pay as set forth in this *Schedule B-2* (the "Maintenance Fees") and according to the terms of any invoice(s) submitted to Customer therefor, including any provision for late charges. If Customer elects to use the Preferred Provider and Equipment Maintenance is necessary, Customer will notify HSS, which in turn will notify the Preferred Provider to dispatch a Preferred Provider representative. Notwithstanding the foregoing, Customer may elect, subject to HSS's approval in advance in writing, to not provide maintenance services through this Agreement for certain pieces of such Authorized Equipment allowed to be used in conjunction with the Information System ("Non-maintained Equipment"). Neither HSS nor the Preferred Provider will be responsible for any maintenance or support of Non-maintained Equipment.

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

%OptOutMaint%

2. Maintenance Fees. The Maintenance Fees are subject to increase or decrease by HSS, in its sole discretion, on January 1 of each year during the term of this Agreement or any extension thereof; however, HSS will not charge Customer any Maintenance Fees that are greater than the Maintenance Fees charged to any similarly situated Customer (based upon factors determined by HSS in its sole judgment) utilizing equipment substantially similar to the Authorized Equipment and pursuant to an agreement which has terms and conditions substantially similar to this Agreement. No maintenance fees will be charged to Customer for any Non-maintained Equipment as described in Section 1 above.

3. Refresh of Authorized Equipment. Under HSS's refreshment program, Customer will be responsible for and will pay for all fees and costs for the replacement or refreshment of the Authorized Equipment in HSS's sole discretion ("Refresh") on an approximate three (3) year cycle, starting approximately three (3) years after the initial shipment of such Authorized Equipment and for the provision of maintenance services by the Preferred Provider on such refreshed equipment. The terms and conditions of the Authorized Equipment maintenance services for such equipment (included in such initial Refresh and included in any additional Refresh or Refreshes of Customer's Authorized Equipment) will be the same as the terms and conditions of this *Schedule B-2*, including, but not limited to, the imposition of termination fees as described hereinafter, provided that the Maintenance Company may exclude from its maintenance obligations certain errors, defects or problems caused by Customer. Customer's Refresh will be timed to occur prior to the end of the three (3) year cycle. If Customer fails to meet HSS's timeline for such Refresh, including order dates for equipment and software, Customer will be responsible for all fees and costs incident to such delay, including, but not limited to, any rent extension costs on Network Authorized Equipment and higher fees and costs for equipment maintenance and software maintenance.

4. Termination. If this Agreement is terminated (or if Customer's use of the Preferred Provider is terminated) prior to the third anniversary of the Start Date, which will be the shipment date of the Authorized Equipment to Customer's Hotel, Customer will pay to HSS a termination fee which is designed to reimburse the Preferred Provider and/or HSS in part for any one or more of the following: reconfiguration costs, the unamortized fees and costs in the start-up and provision of maintenance services by the Preferred Provider under this Agreement. If such termination occurs during the first year following the Start Date, the termination fee will be in the amount of $3600.00. If such termination occurs during subsequent years following such Start Date, the termination fee will be as follows:

During second year -	$2,600
During third year -	$1,300
Thereafter -	$1,200

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

During first year -	$3,800
During second year -	$2,800
During third year -	$1,400
Thereafter -	$1,200

5. Use of Certified Software Only. Customer understands that use of any software other than the Proprietary Software and Certified Third Party Software provided by HSS pursuant to this Agreement, unless such additional third party software has been approved in writing by the HSS Information Technology Department, is not warranted for use on the Authorized Equipment. In the event Customer uses or installs any third party software other than Certified Third Party Software or such approved software on the Authorized Equipment, HSS will have no further obligations to provide any equipment maintenance services to Customer hereunder.

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

7. Cost and Payment Terms. Annual Cost of Equipment Maintenance for Authorized Equipment is $%AnnualHWMaint% payable in monthly installments of $%MonthlyHWMaint% per month. Payments will be calculated from the Start Date. The monthly payment amount will be due in advance and will be billed by HSS or its designee. The first invoice will be issued upon the Start Date. Interest at the then current highest rate allowed by applicable state law will be charged for any payments made by Customer after the payment due date (thirty (30) days after billing).

Travel expenses, per diem fees and related costs for any on-site maintenance will be billed separately.

HSS reserves the right to increase or decrease the Equipment Maintenance cost on an annual basis as provided in Section 2 above. When certain Authorized Equipment or parts for certain Authorized Equipment are no longer being manufactured or reasonably obtainable, HSS or the Preferred Provider will notify Customer of such circumstance and maintenance on such Authorized Equipment will no longer be available. After such notice, Customer will no longer be charged for maintenance on such Authorized Equipment.

8. Customer Responsibilities as to Equipment Maintenance. Customer will maintain on its staff at all times sufficient personnel that have been trained in and are knowledgeable about the use of the Information System in a professional, efficient and competent manner. Customer is responsible for maintaining duplicate or back-up copies of its software, data files and documentation and Certified Third Party Software. Neither HSS nor Preferred Provider will have any liability for any damages resulting from Customer's failure to maintain such copies nor for any costs or expenses of reconstructing any data or information that may be destroyed, impaired or lost. Neither HSS nor Preferred Provider has any obligation to maintain or repair any equipment other than the Authorized Equipment, nor to repair or replace any cables, cords, expendable or consumable components such as ribbons, paper, toner cartridges, print wheels, drums, batteries, or diskettes, whether or not defined as Authorized Equipment. Customer will not move or perform maintenance services on any of such Authorized Equipment without HSS's or Preferred Provider's prior written consent.

9. Cooperation. Customer will provide HSS or Preferred Provider with all information, data and other required materials necessary to reproduce any problem identified by Customer. Customer will maintain for the term of this Agreement a modem and dial-up telephone line and a facsimile machine or other electronic communication capability mutually acceptable to both parties to facilitate the ability to perform the Equipment Maintenance services remotely.

In some instances, Equipment Maintenance will be provided using a depot program, where Customer ships failed Authorized Equipment to the depot when Customer receives replacement of such Authorized Equipment. If Customer does not ship such failed equipment, Customer will be responsible for any unreturned equipment charges billed by HSS, the Preferred Provider or the depot program provider.

10. Expenses. If Equipment Maintenance personnel incur travel, lodging, meal, or any other out of pocket expenses in furnishing the services hereunder, Customer will pay for or promptly reimburse HSS for same, subject to reasonable documentation of such expenses. Customer will also pay for all telephone toll charges incurred in providing maintenance and support hereunder.

11. Exclusions. The obligation of HSS or the Preferred Provider to provide Equipment Maintenance hereunder will not apply to any Non-maintained Equipment nor to any errors, defects or problems caused in whole or in part by (i) any modifications or enhancements made to any Proprietary Software or Certified Third Party Software by Customer or any third person or entity other than HSS or its designee; (ii) any software program, hardware, cables, cords, firmware, peripheral or communication device used in connection with the Information System which was not approved in advance in writing by HSS; (iii) the failure of Customer to follow the most current instructions promulgated by HSS or any third party vendor from time to time with respect to the proper access to or any use of the Information System; (iv) the failure of Customer to schedule regular preventive maintenance in accordance with standard HSS procedures; (v) any such Authorized Equipment that is non-repairable, taken out of service or for which any such Authorized Equipment or parts for same are no longer manufactured or reasonably available; (vi) forces or supplies external to such Authorized Equipment, including, without limitation, the reasons set forth in the Force Majeure section of the HITS Agreement; and/or (vi) the negligence of Customer or any other third person or entity. Any corrections performed by HSS for any such errors, difficulties, or defects will be fixed, in HSS's or Preferred Provider 's discretion, at the then applicable current time and material charges. Neither HSS nor the Preferred Provider will be under any obligation, however, to fix any such Customer or externally caused errors, defects or problems.

SCHEDULE C-1

MICROSOFT PARTICIPATION AGREEMENT

This Participation Agreement is entered into by the party signing below ("you" or "Customer Affiliate") for the benefit of the Microsoft affiliate ("Microsoft" and "we") and will be enforceable against you by Microsoft in accordance with its terms. You acknowledge that Microsoft and Hilton Worldwide Inc. ("Customer") have entered into *Microsoft Enterprise Enrollment*, No. 68436885 (the "agreement"), under which you desire to sublicense certain Microsoft products. As used in this Participation Agreement, the term to "run" a product means to copy, install, use, access, display, run or otherwise interact with it. You acknowledge that your right to run a copy of any version of any product sublicensed under the agreement is governed by the applicable product use rights for the product and version licensed as of the date you first run that copy. Such product use rights will be made available to you by the customer, or by publication at a designated site on the World Wide Web, or by some other means. Microsoft does not transfer any ownership rights in any licensed product and it reserves all rights not expressly granted.

1. **Acknowledgment and Agreement**. You hereby acknowledge that you have obtained a copy of the product use rights located at http://microsoft.com/licensing/resources/ applicable to the products acquired under the above-referenced agreement; you have read and understood the terms and conditions as they relate to your obligations; and you agree to be bound by such terms and conditions, as well as to the following provisions:

   a. Restrictions on use. You may not:

   (i) Separate the components of a product made up of multiple components by running them on different computers, by upgrading or downgrading them at different times, or by transferring them separately, except as otherwise provided in the product use rights;

   (ii) Rent, lease, lend or host products, except where Microsoft agrees by separate agreement;

   (iii) Reverse engineer, de-compile or disassemble products or fixes, except to the extent expressly permitted by applicable law despite this limitation;

   Products, fixes and service deliverables licensed under this agreement (including any license or services agreement incorporating these terms) are subject to U.S. export jurisdiction. You must comply with all domestic and international export laws and regulations that apply to the products, fixes and service deliverables. Such laws include restrictions on destinations, end-user, and end-use for additional information, see http://www.microsoft.com/exporting/.

   b. Limited product warranty. Microsoft warrants that each version of a commercial product will perform substantially in accordance with its user documentation. This warranty is valid for a period of one year from the date you first run a copy of the version. To the maximum extent permitted by law, any warranties imposed by law concerning the products are limited to the same extent and the same one year period. This warranty does not apply to components of products which you are permitted to redistribute under applicable product use rights, or if failure of the product has resulted from accident, abuse or misapplication. If you notify Microsoft within the warranty period that a product does not meet this warranty, then Microsoft will, at its option, either (1) return the price paid for the product or (2) repair or replace the product. To the maximum extent permitted by law, this is your exclusive remedy for any failure of any commercial product to function as described in this paragraph.

   c. Free and beta products. To the maximum extent permitted by law, free and beta products, if any, are provided "as-is," without any warranties. You acknowledge that the provisions of this paragraph with regard to pre-release and beta products are reasonable having regard to, among other things, the fact that they are provided prior to commercial release so as to give you the opportunity (earlier than you would otherwise have) to assess their suitability for your business, and without full and complete testing by Microsoft.

   d. NO OTHER WARRANTIES. TO THE EXTENT PERMITTED BY APPLICABLE LAW, MICROSOFT DISCLAIMS AND EXCLUDES ALL REPRESENTATIONS, WARRANTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED OR STATUTORY, OTHER THAN THOSE IDENTIFIED EXPRESSLY IN THIS AGREEMENT, INCLUDING WITHOUT LIMITATION WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, SATISFACTORY QUALITY, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE PRODUCTS AND RELATED MATERIALS. MICROSOFT WILL NOT BE LIABLE FOR ANY PRODUCTS PROVIDED BY THIRD PARTY VENDORS, DEVELOPERS OR CONSULTANTS IDENTIFIED OR REFERRED TO YOU BY MICROSOFT UNLESS SUCH THIRD PARTY PRODUCTS ARE PROVIDED UNDER WRITTEN AGREEMENT BETWEEN YOU AND MICROSOFT, AND THEN ONLY TO THE EXTENT EXPRESSLY PROVIDED IN SUCH AGREEMENT.

   e. Defense of infringement and misappropriation claims. We will defend you against any claims, made by an unaffiliated third party, that any commercial product, fix or service deliverable infringes its patent, copyright or trademark or misappropriates its trade secret, and will pay the amount of any resulting adverse final judgment (or settlement to which we consent):

   You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance in defending the claim, and we will reimburse you for reasonable out of pocket expenses that you incur in providing that assistance. The terms "misappropriation" and "trade secret" are used as defined in the Uniform Trade Secrets Act, except in the case of claims arising under any license agreement governed by the laws of any jurisdiction outside the United States, in which case "misappropriation" will mean intentionally unlawful use and "trade secret" will mean "undisclosed information" as specified in Article 39.2 of the TRIPs agreement.

Our obligations will not apply to the extent that the claim or adverse final judgment is based on (i) your running of the product or fix after we notify you to discontinue running due to such a claim; (ii) your combining the product or fix with a non-Microsoft product, data or business process; (iii) damages attributable to the value of the use of a non-Microsoft product, data or business process; (iv) your altering the product or fix; (v) your distribution of the product or fix, or its use for the benefit of, any third party; (vi) your use of our trademark(s) without express written consent to do so; or (vii) for any trade secret claim, your acquiring a trade secret (a) through improper means; (b) under circumstances giving rise to a duty to maintain its secrecy or limit its use; or (c) from a person (other than us or our affiliates) who owed to the party asserting the claim a duty to maintain the secrecy or limit the use of the trade secret. You will reimburse us for any costs or damages that result from these actions.

If we receive information concerning an infringement claim related to a commercial product or fix, we may, at our expense and without obligation to do so, either (i) procure for you the right to continue to run the allegedly infringing product or fix, or (ii) modify the product or fix or replace it with a functional equivalent, to make it non-infringing, in which case you will stop running the allegedly infringing product or fix immediately. If, as a result of an infringement claim, your use of a commercial product or fix is enjoined by a court of competent jurisdiction, we will, at our option, either procure the right to continue its use, replace it with a functional equivalent, modify it to make it non-infringing, or refund the amount paid and terminate the license for the infringing product or fix.

If any other type of third party claim is brought against you regarding our intellectual property, you must notify us promptly in writing. We may, at our option, choose to treat these claims as being covered by this section. This Section e provides your exclusive remedy for third party infringement and trade secret misappropriation claims.

f. **Limitation of liability**. There may be situations in which you have a right to claim damages or payment from Microsoft. Except as otherwise specifically provided in this paragraph, whatever the legal basis for your claim, Microsoft's liability will be limited, to the maximum extent permitted by applicable law, to direct damages up to the amount you have paid for the product giving rise to the claim. In the case of free product, or code you are authorized to redistribute to third parties without separate payment to Microsoft, Microsoft's total liability to you will not exceed US$5000, or its equivalent in local currency. The limitations contained in this paragraph will not apply with respect to the following in connection with the performance of the agreement:

(i) our obligations to defend third party claims of patent, copyright or trademark infringement or trade secret misappropriation, and to pay damages resulting from any final adjudication (or settlement to which we consent) of such claims;

(ii) our liability for damages for gross negligence or willful misconduct, to the extent caused by us or our agent and awarded by a court of final adjudication; and

g. **No liability for certain damages**. To the maximum extent permitted by applicable law, neither you, your affiliates or suppliers, nor Microsoft, its affiliates or suppliers will be liable for any indirect damages (including, without limitation, consequential, special or incidental damages, damages for loss of profits or revenues, business interruption, or loss of business information) arising in connection with any agreement, product, or fix, even if advised of the possibility of such damages or if such possibility was reasonably foreseeable. This exclusion of liability does not apply to either party's liability to the other for violation of the other party's intellectual property rights.

h. **Application**. The limitations on and exclusions of liability for damages set forth herein apply regardless of whether the liability is based on breach of contract, tort (including negligence), strict liability, breach of warranties, or any other legal theory.

i. **Verifying compliance**. You must keep records relating to the products you run. Microsoft has the right to verify compliance with these terms and any applicable product use rights, at its expense, during the term of the enrollment and for a period of one year thereafter. To do so, Microsoft will engage an independent accountant from a nationally recognized public accounting firm, which will be subject to a confidentiality obligation. Verification will take place upon not fewer than 30 days notice, during normal business hours and in a manner that does not interfere unreasonably with your operations. As an alternative, Microsoft may require you to accurately complete its self-audit questionnaire relating to the products you use. If verification or self-audit reveals unlicensed use of products, you must promptly order sufficient licenses to permit all product usage disclosed. If material unlicensed use is found (license shortage of 5% or more), you must reimburse Microsoft for the costs it has incurred in verification and acquire the necessary additional licenses as single retail licenses within 30 days. If Microsoft undertakes such verification and does not find material unlicensed use of products, it will not undertake another such verification for at least one year. Microsoft and its auditors will use the information obtained in compliance verification only to enforce its rights and to determine whether you are in compliance with these terms and the product use rights. By invoking the rights and procedures described above, Microsoft does not waive its rights to enforce these terms or the product use rights, or to protect its intellectual property by any other means permitted by law.

j. **Dispute Resolution; Applicable Law**. This Participation Agreement will be governed and construed in accordance with the laws of the jurisdiction whose law governs the agreement. You consent to the exclusive jurisdiction and venue of the state and federal courts located in such jurisdiction. This choice of jurisdiction does not prevent either party from seeking injunctive relief with respect to a violation of intellectual property rights in any appropriate jurisdiction. The 1980 United Nations Convention on Contracts for the International Sale of Goods and its related instruments will not apply to this agreement or any license entered into with Microsoft or its affiliates under this agreement.

Your violation of the above-referenced terms and conditions will be deemed to be a breach of this Participation Agreement and will be grounds for immediate termination of all rights granted hereunder.

Dated as of %HotelApprovedDate%.

CUSTOMER AFFILIATE:

%LegalEntity%

By: %HotelApproverSignature%
Authorized Signature

Print Name: %HotelApproverName%

Title: %HotelApproverTitle%

Date: %HotelApprovedDate%

SCHEDULE C-2

JOINDER TO PREFERRED PROVIDER AGREEMENT

The undersigned HSS Customer is acting as an Eligible Recipient (as defined in the Agreement) to acquire Products (as defined in the Agreement) under the terms of the *Master Professional Products and Services Agreement*, including any amendments and Supplements entered into thereunder (the "Insight Agreement") between Hilton Worldwide, Inc. ("HWI") and Insight Direct USA, Inc. ("Preferred Service Provider"). As such Eligible Recipient, the undersigned joins in the Insight Agreement for the limited purpose of acknowledging and agreeing to be bound by and receive the benefits of the terms of the Insight Agreement to the extent of the rights, duties and responsibilities of an Eligible Recipient provided therein. The Eligible Recipient acknowledges and agrees that any dispute arising out of or relating to the Insight Agreement and any Products or Services provided by Preferred Service Provider to the Eligible Recipient will be resolved in accordance with **Article 19** of the Insight Agreement. HWI will have the right to enforce the Insight Agreement on behalf of the Eligible Recipient, subject to the limitations of liability applicable under the Insight Agreement, and Eligible Recipient will bring no claim directly against HWI or Preferred Service Provider in connection with the Insight Agreement, except for Eligible Recipient's right to seek indemnity against Preferred Service Provider under the express provisions of **Sections 17.1** and **17.3** of the Insight Agreement. HWI will be a third party beneficiary of this Joinder and the *Hilton Information Technology System Agreement* between Eligible Recipient and Hilton Systems Solutions, LLC. For the avoidance of doubt, except as set forth in the preceding sentence, this Joinder and the *Hilton Information Technology System Agreement* are for the sole benefit of the Eligible Recipient and Hilton Systems Solutions, LLC, and will not be deemed to create any third party beneficiary rights for any person other than the Eligible Recipient and Hilton Systems Solutions, LLC.

IN WITNESS WHEREOF, the Eligible Recipient, acting through its duly authorized officer or representative, has executed this Joinder, on %HotelApprovedDate%.

CUSTOMER AFFILIATE:

%LegalEntity%

By: %HotelApproverSignature%
Authorized Signature

Print Name: %HotelApproverName%

Title: %HotelApproverTitle%

Date: %HotelApprovedDate%

SCHEDULE D / H

FORM OF REQUEST FOR PRODUCTS OR SERVICES

Date: %CreationDate%

INNCODE: %InnCode%
Name of Customer: %PrimaryContactCompany%
Address of Customer: %PrimaryContactContractAddress1%, %PrimaryContactCity%, %PrimaryContactState%, %PrimaryContactZip%

Dear: %Salutation%

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

It is agreed that you will Acquire the Additions and that you will be billed by HSS or the applicable vendor for the Additions, as listed below. The effective date of billing on the new items will be the date the equipment is shipped, the date upon which you Acquire the Additions, and/or the date upon which you request the Additions, whichever is earliest.

%StdPlusEquip6%

Total: %StdPlusTotal%
Total Maintenance: %StdPlusMaintTotal%

The prices shown above exclude taxes, travel expenses, *per diem* fees, related costs, insurance and shipping.

Travel Expenses / *Per Diem* Fees/Rescheduling

If the Additions require travel by HSS and/or the applicable vendor, you will pay for or promptly reimburse any travel expenses, *per diem* fees and related costs of HDOC, HSS, any vendor hereunder or their designees, including without limitation: round-trip airfare (due to frequent scheduling changes, HSS is often unable to book airline tickets more than one week in advance of travel); single room accommodations (if the Hotel cannot provide accommodations, comparable accommodations will be utilized); meals; ground transportation (all ground transportation required to get to and from the Hotel as well as transportation used during HSS' representatives' stay at the Hotel); tips; taxes; and miscellaneous expenses (including phone, internet, laundry, etc.)

Promptly following HSS' providing of the services described in this schedule where not previously paid for or reimbursed by hotel, an invoice will be submitted to Customer for HSS' representatives' out-of-pocket expenses, any additional *per diem* charges for its representatives, any re-scheduling fee, and any additional travel expenses as described herein, which invoice will be payable within fifteen days of Customer's receipt of same.

Notes:

If Customer attaches or uses third party equipment and/or interfaces with the Authorized Equipment which have not been certified or approved by HSS as meeting HSS' specifications and/or does not conform to the standards provided by the supplier of any of the Agreement Products and Services or if Customer installs other third party non-HSS proprietary software which has not been certified or approved by HSS as meeting HSS' specifications on the equipment or that does not conform to the standards provided by the supplier of any of the Agreement Products and Services, the software may need to be reconfigured and the entire cost of the reconfiguration will be borne by Customer.

All fees indicated are exclusive of applicable taxes (see Agreement sections on taxes). Unless otherwise specified by HSS in writing, Customer will make all payments in United States dollars to HSS or any other party designated by HSS in its sole discretion.

Customer will pay according to the terms of any invoice(s) submitted to Customer therefore, including any provision for late charges, the fee for the installation of any telephone line(s) or wide area network connection(s) necessary for connection of the Authorized Equipment.

Customer will purchase and replace, from any source, paper, ribbons, printer maintenance kits, toner and such other operating supplies as will be required for the operation of the Authorized Equipment, but Customer will utilize only such brands as are approved by HSS or the Authorized Equipment manufacturer.

Upon HSS' receipt of a copy of this Letter Agreement signed by a duly authorized representative of Customer, the Agreement will be deemed to have been automatically amended to incorporate the items of this Letter Agreement. Customer agrees that Customer's delivery to HSS by facsimile transmission of this Letter Agreement will be deemed to be as effective for all purposes as hand delivery of the manually executed Letter Agreement and that the terms of this Letter Agreement will be binding upon Customer without the necessity of any further action by HSS. This Letter Agreement will be effective as of the date inserted by Customer below.

Customer may be required to sign additional license agreements with the vendors or licensors of Certified Third Party Software.

Certain Other Equipment (for orders of $5,000 or greater) may be leased by Customer. Any such leases will be entered into between Customer and the applicable lessor. Neither HSS nor Hilton will be a party to such leases.

In addition to any other specific purchase terms required by a retailer of the Additions, the following purchase terms and conditions will apply to any Other Equipment obtained from a Preferred Provider (as that term is defined in the Agreement. The Other Equipment will be at all times, personal property which will not, by reason of connection to the Hotel, become a fixture or appurtenance to the Hotel, and until such time as Customer or its designated third party pays to the Preferred Provider the total sum for the Other Equipment as required hereunder, the Other Equipment will remain the property of the Preferred Provider, and title will remain with the Preferred Provider, free from any claims of Customer or the holder of any lien or encumbrance on the Hotel and/or any other property of Customer. Customer will maintain fire, extended coverage, vandalism, and malicious mischief insurance on the Other Equipment. Said insurance will name HSS as an additional insured. For so long as this obligation remains in effect, Customer will furnish to HSS a certificate of the insurance carrier describing the terms and coverage of the insurance in force, the persons insured, and the fact that the coverage may not be canceled, altered or permitted to lapse or expire without thirty (30) days advance written notice to HSS. Upon payment in full, title to the Other Equipment will vest in the Customer and will be free and clear of the above requirements relating to insurance and of all of the Preferred Provider's liens, claims and encumbrances and the Other Equipment will become the sole property of Customer.

NEITHER THE AUTHORIZED EQUIPMENT NOR THE PROPRIETARY SOFTWARE OR CERTIFIED THIRD PARTY SOFTWARE WILL BE SHIPPED, NOR WILL CUSTOMER HAVE USE OF THE PROPRIETARY SOFTWARE MODULE OR ANY EQUIPMENT LISTED IN THIS LETTER AGREEMENT UNTIL HSS RECEIVES A COPY OF THIS LETTER AGREEMENT SIGNED BY CUSTOMER.

To indicate Customer's acceptance of this Letter Agreement, please have it signed by an authorized representative of Customer and return it to me. Upon HSS' receipt of the executed Letter Agreement, you will be advised of the shipment and installation dates.

If you have any questions, please contact me at %PSAConsultantPhone%.

Sincerely,
%PSAConsultantName%

Hilton Systems Solutions, LLC

By: %HiltonApproverSignature%
Authorized Signature

Print Name: Randy Kanaya

Accepted and Agreed:

Customer Name:: %LegalEntity%

By: %HotelApproverSignature%
Signature

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

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

SCHEDULE D

FORM OF REQUEST FOR PRODUCTS OR SERVICES

Date:
INNCODE
Name of Customer:
Address of Customer:

Dear :

EXAMPLE

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

It is agreed that you will Acquire the Additions and that you will be billed by HSS or the applicable vendor for the Additions, as listed below. The effective date of billing on the new items will be the date the equipment is shipped, the date upon which you Acquire the Additions, and/or the date upon which you request the Additions, whichever is earliest.

QTY	ITEM OF /SOFTWARE/EQUIPMENT	FEES/COSTS	MONTHLY MAINT.
	TOTAL PRICE		

The prices shown above exclude taxes, travel expenses, *per diem* fees, related costs, insurance and shipping.

Travel Expenses / *Per Diem* Fees/Rescheduling

If the Additions require travel by HSS and/or the applicable vendor, you will pay for or promptly reimburse any travel expenses, *per diem* fees and related costs of HDOC, HSS, any vendor hereunder or their designees, including without limitation: round-trip airfare (due to frequent scheduling changes, HSS is often unable to book airline tickets more than one week in advance of travel); single room accommodations (if the Hotel cannot provide accommodations, comparable accommodations will be utilized); meals; ground transportation (all ground transportation required to get to and from the Hotel as well as transportation used during HSS' representatives' stay at the Hotel); tips; taxes; and miscellaneous expenses (including phone, internet, laundry, etc.)

Promptly following HSS' providing of the services described in this schedule where not previously paid for or reimbursed by hotel, an invoice will be submitted to Customer for HSS' representatives' out-of-pocket expenses, any additional *per diem* charges for its representatives, any re-scheduling fee, and any additional travel expenses as described herein, which invoice will be payable within fifteen days of Customer's receipt of same.

Notes:

If Customer attaches or uses third party equipment and/or interfaces with the Authorized Equipment which have not been certified or approved by HSS as meeting HSS' specifications and/or does not conform to the standards provided by the supplier of any of the Agreement Products and Services or if Customer installs other third party non-HSS proprietary software which has not been certified or approved by HSS as meeting HSS' specifications on the equipment or that does not conform to the standards provided by the supplier of any of the Agreement Products and Services, the software may need to be reconfigured and the entire cost of the reconfiguration will be borne by Customer.

All fees indicated are exclusive of applicable taxes (see Agreement sections on taxes). Unless otherwise specified by HSS in writing, Customer will make all payments in United States dollars to HSS or any other party designated by HSS in its sole discretion.

Customer will pay according to the terms of any invoice(s) submitted to Customer therefore, including any provision for late charges, the fee for the installation of any telephone line(s) or wide area network connection(s) necessary for connection of the Authorized Equipment.

Customer will purchase and replace, from any source, paper, ribbons, printer maintenance kits, toner and such other operating supplies as will be required for the operation of the Authorized Equipment, but Customer will utilize only such brands as are approved by HSS or the Authorized Equipment manufacturer.

Upon HSS' receipt of a copy of this Letter Agreement signed by a duly authorized representative of Customer, the Agreement will be deemed to have been automatically amended to incorporate the items of this Letter Agreement. Customer agrees that Customer's delivery to HSS by facsimile transmission of this Letter Agreement will be deemed to be as effective for all purposes as hand delivery of the manually executed Letter Agreement and that the terms of this Letter Agreement will be binding upon Customer without the necessity of any further action by HSS. This Letter Agreement will be effective as of the date inserted by Customer below.

Customer may be required to sign additional license agreements with the vendors or licensors of Certified Third Party Software.

Certain Other Equipment (for orders of $5,000 or greater) may be leased by Customer. Any such leases will be entered into between Customer and the applicable lessor. Neither HSS nor Hilton will be a party to such leases.

In addition to any other specific purchase terms required by a retailer of the Additions, the following purchase terms and conditions will apply to any Other Equipment obtained from a Preferred Provider (as that term is defined in the Agreement. The Other Equipment will be at all times, personal property which will not, by reason of connection to the Hotel, become a fixture or appurtenance to the Hotel, and until such time as Customer or its designated third party pays to the Preferred Provider the total sum for the Other Equipment as required hereunder, the Other Equipment will remain the property of the Preferred Provider, and title will remain with the Preferred Provider, free from any claims of Customer or the holder of any lien or encumbrance on the Hotel and/or any other property of Customer. Customer will maintain fire, extended coverage, vandalism, and malicious mischief insurance on the Other Equipment. Said insurance will name HSS as an additional insured. For so long as this obligation remains in effect, Customer will furnish to HSS a certificate of the insurance carrier describing the terms and coverage of the insurance in force, the persons insured, and the fact that the coverage may not be canceled, altered or permitted to lapse or expire without thirty (30) days advance written notice to HSS. Upon payment in full, title to the Other Equipment will vest in the Customer and will be free and clear of the above requirements relating to insurance and of all of the Preferred Provider's liens, claims and encumbrances and the Other Equipment will become the sole property of Customer.

NEITHER THE AUTHORIZED EQUIPMENT NOR THE PROPRIETARY SOFTWARE OR CERTIFIED THIRD PARTY SOFTWARE WILL BE SHIPPED, NOR WILL CUSTOMER HAVE USE OF THE PROPRIETARY SOFTWARE MODULE OR ANY EQUIPMENT LISTED IN THIS LETTER AGREEMENT UNTIL HSS RECEIVES A COPY OF THIS LETTER AGREEMENT SIGNED BY CUSTOMER.

To indicate Customer's acceptance of this Letter Agreement, please have it signed by an authorized representative of Customer and return it to me. Upon HSS' receipt of the executed Letter Agreement, you will be advised of the shipment and installation dates.

If you have any questions, please contact me at _____.

Sincerely,

Hilton Systems Solutions, LLC

By: _____

Accepted and Agreed:

Customer Name

By:_____
Signature

Print Name and Title:_____

Effective Date:_____

ATTACHMENT D (1)

NETWORK AUTHORIZED (PROGRAM FUNDED) EQUIPMENT

%NetAuthEquip1%

SCHEDULE K

CURIO OR CANOPY OR TAPESTRY AUTHORIZED EQUIPMENT REFRESH

In connection with the Information Technology Systems Agreement (the "HITS Agreement") entered into between HSS and Customer for Customer's Hotel (and if applicable, in anticipation of the Hotel's conversion and rebranding as a Curio, Canopy or Tapestry Brand Hotel), Customer provided the Authorized Equipment as defined in the HITS Agreement needed, as determined solely by HSS, for the network operation of the Proprietary Software licensed by HSS, all as described in the HITS Agreement, for the internal operation of Customer's Hotel.

In order that Customer's Authorized Equipment will maintain compatibility with the Proprietary Software and with updates to such software and in an effort to minimize Customer's expenditures for maintenance and repair associated with older, out of warranty equipment, HSS plans for Customer's Authorized Equipment to be replaced or refreshed by Customer on an approximate three (3) year cycle, commencing approximately three (3) years following Customer's initial shipment of Authorized Equipment (the "Refresh"). 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.

Accordingly, in conjunction with any Refresh, Customer commits to the following:

1. Equipment Acquisition and Installation. Customer will provide by purchase or lease the Authorized Equipment for use by Customer's Hotel, including, but not limited to, that required for any Refresh, together with shipping and transportation costs for such equipment. Customer is responsible for the fees and costs for installation services relative to all such Authorized Equipment as well as any other equipment (as described in the HITS Agreement) used by Customer.

2. Customer's Additional Obligations. Customer will:

(a) Perform all of its obligations under the HITS Agreement (including any amendments thereto), including, but not limited to, being fully responsible for maintenance of the Authorized Equipment using the designated Preferred Provider as defined in the HITS Agreement.

(b) Obtain and keep current insurance on the Authorized Equipment against all risks for the approximate value of the Authorized Equipment

(c) Pay any and all taxes (such as personal property and sales taxes) incident to the Authorized Equipment.

(d) Pay for any and all de-installation, transportation and disposal costs of any Authorized Equipment currently being used by Customer's Hotel at the time of installation by Customer of any new Authorized Equipment. It is also Customer's responsibility to handle the return to Customer's lessor of all such de-installed equipment in accordance with Customer's current lease terms. Customer will be solely responsible for any missing, bad or damaged equipment.

(e) Preserve and protect the Authorized Equipment from loss, damage or theft.

(f) Not use any unauthorized backup in connection with the Authorized Equipment.

(g) Make no unapproved repairs nor perform any unauthorized service to the Authorized Equipment.

(h) Not allow any other equipment or software to be added to the Proprietary Software and/or Authorized Equipment without prior specific written permission of HSS.

(i) Allow the removal and future refreshment of Network Authorized Equipment at such time and in such manner as may be determined by HSS in its sole discretion.

3. Customer's Conditions. Any Refresh is conditioned on the following:

(a) Customer's Hotel remains in the Curio, Canopy or Tapestry Brand division of Hilton Domestic Operating Company Inc. ("HDOC") or its affiliate or subsidiary (after conversion and rebranding if applicable).

(b) Customer remains bound by the HITS Agreement and any amendments in force at the time of a Refresh.

(c) If applicable, Customer must complete the Hotel's conversion and rebranding as a Curio, Canopy or Tapestry Brand Hotel.

4. Additional Equipment/Software. Any and all additional Authorized Equipment ("Standard Plus Equipment") may be purchased by Customer from a Preferred Provider. Any and all additional Certified Third Party Software authorized by HSS but not included in the Brand standard applicable to Customer ("Standard Plus Software"), may be licensed or sublicensed from HSS or a Preferred Provider.

5. Defined Terms. All capitalized terms used herein which are not specially defined will have the meaning ascribed to such terms in the HITS Agreement.

6. Other Important Provisions. This Schedule is a schedule to the HITS Agreement. The Refresh and its performance by the parties are a part of the transactions contemplated by the HITS Agreement. Upon Customer's Refresh of Authorized Equipment, the terms and conditions applicable to any equipment, software or services provided for the Refresh will be the same as the terms and conditions of the HITS Agreement and this Schedule. All terms and provisions hereof will apply as if the provisions of this Refresh were implemented on the Start Date (the shipment date of the Authorized Equipment to Customer's Hotel) for each such Refresh. Customer's participation in a Refresh will constitute acceptance of the terms and conditions of the Refresh. In the event of conflict between the provisions of this Schedule and the provisions of the HITS Agreement, the provisions of this Schedule will prevail.

EXHIBIT C

This application is to be completed online via the Hilton Application Tracker (HAT) internet portal. The online version may appear in a different format. Alternatively, we may provide a paper application. We may update or modify this application at any time.

HILTON FRANCHISE APPLICATION

This franchise application ("Application") includes the following:

- Instructions for Submitting an Application
- Part 1 – Application Checklist
- Part 2 – Application Letter
- Part 3 – Application Form

Instructions for Submitting an Application:

1. Have a required signer for the Applicant access the current Franchise Disclosure Document ("**Disclosure Document**") for the applicable brand through the E-Disclosure procedure (not currently available in the Province of Ontario) and complete the procedure by clicking "Submit" on the Electronic Receipt page. If Applicant received a paper version of the Disclosure Document, have a required signer for the Applicant sign and date the "Receipt" page at the end of the Disclosure Document and return it immediately by mail to your development representative.

2. All information must be legible and in English. Please type or print the information. For your convenience, this Application may be filled out electronically, saved and printed.

3. Attach supporting documents/information indicated in the Application Checklist. If the Application is not completed and/or supporting documentation is not attached, you must include an explanation of why the Application is not completed or the supporting documentation is not attached.

4. The Applicant must be a natural person or an existing legal entity. You must provide a complete organizational chart up to the ultimate owning entity/entities and the ultimate individual owners of the Applicant.

5. A check (or wire transfer) for the franchise application fee ("**Franchise Application Fee**") must be submitted with the Application. Please confirm the amount of your franchise application fee with your Developer.

NOTE: APPLICANT SHOULD NOT SIGN OR SUBMIT THE APPLICATION OR PAY THE FRANCHISE APPLICATION FEE UNTIL AT LEAST THE DAY AFTER THE 14TH FULL CALENDAR DAY FOLLOWING THE DATE APPLICANT RECEIVED THE DISCLOSURE DOCUMENT IN PAPER FORM OR THROUGH THE E-DISCLOSURE PROCEDURE.

NOTE: Applicant must also pay a Property Improvement Plan ("**PIP**") fee if the Application is for a Conversion, Re-licensing, or Change of Ownership.

Required Signatures:

The Application Letter must be signed and dated by the Applicant, or on behalf of the Applicant, by a person or persons with the capacity and authority to do so. The signatures required for valid execution of the Application Letter may vary depending on the laws under which the Applicant is established or resident. These laws must be complied with. Our minimum requirements for signatures are as follows:

Applicant	**Signers**
Individual(s)	Each Individual
Corporate Entity	President, Vice President or other authorized officer
General Partnership	Each General Partner
Limited Partnership	Any General Partner
Limited Liability Company	Managing Member(s) or other authorized Member(s)
Trust	Trustee(s)
Estate	Executor or Administrator

Part 1: Application Checklist

The following items must be included for the Application to be complete. We reserve the right to request additional information as we consider appropriate:

- ☐ Disclosure Document Receipt **signed and dated** or **submitted electronically** by Applicant (see Instructions).
- ☐ Application Letter (and, if Applicant is an individual, the Addendum to the Application for Individual Applicants), signed and dated no earlier than the day after the **14th full calendar day** after the date the 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 15 days after that date, on January 16th.
- ☐ Franchise Application Fee dated and/or received no earlier than the day after the **14th full calendar day** after the date the Applicant received the Disclosure Document. Example: If you receive the Disclosure Document on January 1st, then the earliest you may pay the Franchise Application Fee will be 15 days after that date, on January 16th.
- ☐ A certification of formation or similar document evidencing the Applicant Entity's status in the jurisdiction of formation.
- ☐ Complete Ownership Structure Form for Applicant and its underlying ownership entities.
- ☐ Complete Ownership Structure Form for fee title holder or lessor/sublessor of Hotel/Hotel Site if related to Applicant.
- ☐ Market or feasibility study, if available, or on request.
- ☐ Site Control Document and all amendments (e.g., recorded deed, recorded ground lease, recorded purchase option, binding letter of intent, binding purchase agreement) in the name of Applicant or its affiliate.
- ☐ Site Plan, Aerial and Location Map with site identified (consult your Developer for site plan requirements).
- ☐ List of hotels owned or managed by Applicant.

CONVERSION PROJECTS In addition to the above, include the following items:

- ☐ Conversion Indemnity Letter (if applicable)
- ☐ 3 Years' Hotel Operating Statistics (Summary Statement)

Part 2: Application Letter

Name of Applicant:	("Applicant")
Location:	("Location")

BRAND (check one):

[ ] Canopy by Hilton
[ ] Conrad
[ ] Curio Collection by Hilton
[ ] DoubleTree by Hilton
[ ] DoubleTree Suites by Hilton
[ ] Embassy Suites*
[ ] Hampton Inn*
[ ] Hampton Inn by Hilton
[ ] Hampton Inn & Suites*
[ ] Hilton
[ ] Hilton Garden Inn
[ ] Home2 Suites by Hilton
[ ] Homewood Suites by Hilton
[ ] LXR Hotels & Resorts
[ ] Motto by Hilton
[ ] Signia Hilton
[ ] Tapestry Collection by Hilton
[ ] Tru by Hilton
[ ] Waldorf Astoria

* Brand may include "by Hilton" tag line in Franchisor's sole discretion.

This franchise application letter ("**Application Letter**") is provided to HILTON WORLDWIDE FRANCHISING LP, a limited partnership formed under the laws of England and Wales ("**Franchisor**"), an indirect subsidiary of HILTON WORLDWIDE HOLDINGS INC., a Delaware corporation ("**Hilton Worldwide**") to consider and process an application for a franchise to operate a hotel under the Brand at the Location ("**Hotel**"). Hilton Worldwide's present or future subsidiaries and affiliates and direct or indirect owners are referred to as the "**Entities**." Applicant understands that Franchisor is relying on the information provided in this application and all documents submitted by Applicant and co-owners and their agents, advisers and representatives in connection with or in support of the application, including, but not limited to, this Application Letter (together, "**Application**"). Applicant agrees to supply such additional information, statements or data as may be requested by Franchisor. Applicant represents, warrants, and undertakes to Franchisor and the Entities that:

1. All information contained in the Application is true, correct and complete as of the date of this Application Letter. Applicant will promptly inform Franchisor of any change in any of the information provided in the Application.

2. Both Applicant and the undersigned have the authority to make the Application and to enter into a franchise agreement ("**Franchise Agreement**") for the proposed Hotel at the Location. Neither the making of this Application nor the execution of a Franchise Agreement will conflict with nor put Applicant in breach of the terms of any agreements to which Applicant, its affiliates or the undersigned are a party or by which Applicant or its affiliates are bound. Neither Applicant nor its affiliates have been induced by Hilton Worldwide to terminate or breach any agreement with respect to the Location.

3. Certain information concerning Franchisor's system for the Brand, including the Disclosure Document (if required under applicable law), the manual and the Franchise Agreement (together, the "**Franchise Information**"), has been made available to Applicant. Applicant is generally familiar with the Franchise Information and its requirements and is applying for the form of Franchise Agreement provided. Applicant undertakes to treat the manual which it may receive from Franchisor as confidential. Applicant acknowledges and agrees that the Franchise Information is the property of Hilton Worldwide and/or the Entities, and that Applicant obtains no right, title or interest in or to any of the Franchise Information. Applicant agrees not to use the Franchise Information unless and until a Franchise Agreement is entered into and then in accordance with the terms and conditions of the Franchise Agreement.

4. Applicant acknowledges that Hilton Worldwide and the Entities do not enter into oral agreements or understandings with respect to the Franchise Agreement, and as that of the date of this Application Letter there are no oral agreements or understandings between Applicant and Hilton Worldwide or the Entities with respect to the proposed Franchise Agreement.

5. The Franchise Application Fee is enclosed with the Application. If the Application is not approved or if Applicant withdraws the Application before it is approved, the Franchise Application Fee will be refunded, without interest, less $7,500 for time and expenses incurred by Franchisor in processing the Application. If the Application is approved, the Franchise Application Fee will not be returned or refunded under any circumstances (even if approval is conditioned on Applicant providing additional information). For a Change of Ownership Application, if Franchisor approves the Application, and the approved change of ownership does not occur, then Franchisor will refund the Franchise Application Fee without interest, less $7,500. Franchisor reserves the sole right and discretion to approve or disapprove the Application for any reason. If the Application is approved, Applicant must provide any additional information requested, meet any additional requirements and sign the Franchise Agreement within the time period Franchisor specifies, and all other ancillary documents within the time period designated by Franchisor, failing which Franchisor may terminate the proposed hotel project and retain the Franchise Application Fee. The Franchise Application Fee may be invested, combined with other funds or otherwise used as Hilton Worldwide deems appropriate.

6. Applicant authorizes credit agencies/bureaus, financial institutions, companies and individuals to disclose to Hilton Worldwide any and all information for the purpose of Hilton Worldwide and the Entities completing any necessary credit and/or background investigations in connection with this Application and execution of any Franchise Agreement.

7. Applicant, jointly and severally if applicable, agrees to indemnify and defend Hilton Worldwide and the Entities and their respective officers, directors, employees, agents, representatives, and assignees (collectively, "**Hilton Worldwide Indemnitees**") against, and to hold them harmless from, all losses in connection with the Application and the Location, including breach of any representations, warranties or undertakings contained herein and all claims, demands, suits, causes of action, liabilities, losses or otherwise, directly or indirectly incurred (including legal and accounting fees and expenses), and including claims as a result of Franchisor processing the Application and/or approving a Franchise Agreement. Each Hilton Worldwide Indemnitee shall have the right independently to take any action it may deem necessary in its sole discretion to protect and defend itself against any threatened action subject to Applicant's indemnification, without regard to the expense, forum or other parties that may be involved. Each Hilton Worldwide Indemnitee shall have sole and exclusive control over the defense of any such action (including the right to be represented by counsel of its choosing) and over the settlement, compromise or other disposition thereof. Hilton Worldwide may rely on any information, statement or notice from the Applicant pertaining to the Location or Franchise Agreement without having to investigate or ascertain the accuracy of any fact or allegation in the information, statement or notice.

8. This Application Letter may be executed in counterparts, each of which shall be deemed an original. This Application Letter must be signed by an authorized signatory for the Applicant (see Guidelines for Submitting a Franchise Application for required signatories).

9. This Application shall be governed by and construed in accordance with the substantive laws of the State of New York, without regard to its choice of law principles.

10. The parties 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*.

Signature: _____ Date: _____

Individual's Name: _____

Entity Name, if any: _____ Position _____

CANADA ADDENDUM TO THE FRANCHISE APPLICATION FOR INDIVIDUAL APPLICANT

The provisions in this Canada Addendum to Franchise Application for Individual Applicant ("**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, Applicant expressly authorizes Franchisor, Hilton Worldwide 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, "**Hilton**") to collect, use and disclose 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 to use such information for the purpose of evaluating the Application and periodically assessing Applicant's creditworthiness, including conducting any credit and/or background investigations. 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, 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 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 for the purpose of evaluating the Application and assessing the Applicant's creditworthiness. 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 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 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 maintains about him/her in its file(s), and in order to exercise this right, he/she may contact Franchisor's or Hilton Worldwide's Director of Corporate Compliance.

_____

Printed Name: _____

Date: _____

Part 3: Application Form

FRANCHISE APPLICATION

APPLICANT

NAME OF APPLICANT (entity name may not include any of our marks or any variations/initials): _____

Province/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) [ ] Limited Liability Partnership

Birth or Formation Information:	Date: (Month/Day/Year)	State/Province, Country:	Canada SIN / US SSN (last 4 digits only) / EIN / Gov't ID #:
	_____/_____/_____	_____	_____

PRINCIPAL CORRESPONDENT

FOR LEGAL NOTICES		**FOR DAY-TO-DAY COMMUNICATIONS**	
Name:		**Name:**	
Street Address:		**Street Address:**	
City		**City**	
State/Province		**State/Province**	
Zip/Postal Code		**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: _____

Approval of this Application does not mean that your proposed management is approved.
You must obtain Franchisor's separate written approval of the proposed management of the Hotel.

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/Province	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. For complex structures, please attach a detailed organizational chart (see next page). 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	**SSN (last 4 digits), EIN, Canada SIN or Gov't ID#**	**Description of Interest**	**% Interest**	**Business Address & Telephone Number**
XYZ Corp. - John Doe, President 50% - Jane Doe, Shareholder 50%	12-3456789 1234 5678	General Partner	1%	XYZ Corp. Address/Phone John Doe Address/Phone Jane Doe Address/Phone
ABC, L.L.C. - BDC, Inc., its managing member 25% - Bill Davis, President 100% - Bill Davis Family Trust, member 25% - Bill Davis, Trustee - Bill Davis, Jr., Beneficiary 100% - Bill Davis, member 50%	23-4567891 34-5678912 9012 45-6789123 2345 6789 same as above	Limited Partner	99%	ABC, L.L.C. Address/Phone BDC, Inc. Address/Phone Trust Contact Address/Phone Bill Davis Address/Phone

ENTITY NAME: _____

OWNERSHIP STRUCTURE

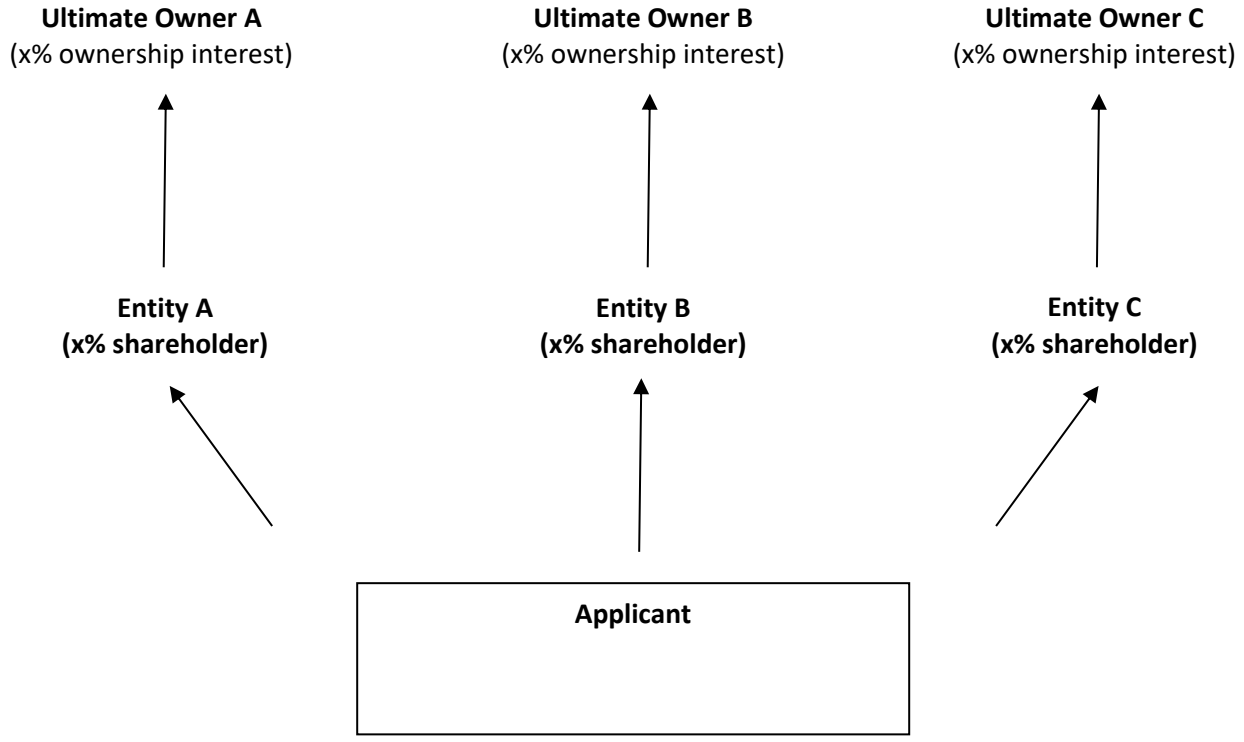
(provide additional pages if necessary)

Entity/Person's Name	**SSN (last 4 digits), EIN, Canada SIN or Gov't ID #**	**Description of Interest**	**% Interest**	**Business Address & Telephone Number**

Organizational Chart

Please attach a full organizational chart for the Applicant entity (and Applicant's affiliate that will lease or sublease the Hotel or the Hotel Site to Applicant, if applicable) showing all direct and indirect equity owners up to the ultimate individual owners (but excluding public shareholders or passive investors in an institutional investment fund). For each equity owner, please describe the type of interest held in the entity (e.g., shareholder, general partner, limited partner, manager, member, trustee, etc.) and show the percentage of ownership of each equity owner.

For example:



HOTEL/SITE/SITE CONTROL INFORMATION

Location of Hotel/Hotel site:

Street Address/Coordinates:	
City, State/Province:	
Zip/Postal Code:	
Country:	

Brand:

- ☐ Canopy by Hilton
- ☐ Conrad
- ☐ Curio Collection by Hilton
- ☐ DoubleTree by Hilton
- ☐ DoubleTree Suites by Hilton
- ☐ Embassy Suites*
- ☐ Hampton Inn*
- ☐ Hampton Inn by Hilton
- ☐ Hampton Inn & Suites *
- ☐ Hilton
- ☐ Hilton Garden Inn
- ☐ Home2 Suites by Hilton
- ☐ Homewood Suites by Hilton
- ☐ LXR Hotels & Resorts
- ☐ Motto by Hilton
- ☐ Signia Hilton
- ☐ Tapestry Collection by Hilton
- ☐ Tru by Hilton
- ☐ Waldorf Astoria

* Brand may include "by Hilton" tag line in Franchisor's sole discretion.

Development Type:

☐ New Development* ☐ Conversion ☐ Change of Ownership ☐ Re-licensing

(*new build/adaptive reuse)

Hotel Affiliation (for New Development/Conversion applications only):

Has there ever been a franchise, branded management, affiliation or similar agreement pertaining to the proposed hotel or site?
☐ No ☐ Yes/Describe:
Is the hotel currently under contract with another hotel chain?
☐ No ☐ Yes/Specify hotel chain:

Hotel Facilities (existing and/or proposed):

Total Guest Units:		# of Standard Rooms:		# of Suites:		# of Stories:	
Year Built (open hotel)		Meeting Space?	☐ No	☐ Yes: _____ sq. ft		# of Mtg Rms:	
Ballroom?	☐ No	☐ Yes/Description/square footage:					
Health Club?	☐ No	☐ Yes/Description:					
Spa?	☐ No	☐ Yes/Description:					
Swimming Pool?	☐	Indoor	☐	Outdoor	☐	None	
Food & Beverage Facilities (outlets, capacity, meals served, operated/leased, current/planned brand names):							
Other Retail Outlets (type, operated/ leased, current/planned brand names):							
Other Amenities (specify):							
Shared Facilities?	☐	No	☐	Yes/Description:			
Condo Residences?	☐	No	☐	Yes/(#):			

Hotel Rental Program?		No		Yes/Description:

Hotel Site /Building Information:

Total sq footage of site:		Zoned for hotel development?		No		Yes	
Max height allowed by zoning:	_____ Sq. Ft	Stories					
Site/Development Restrictions?		No		Yes/Describe:			

Please describe Applicant's <u>current</u> form of site control for the Hotel or Hotel Site:

	Owned by Applicant (attach copy of recorded deed)	
	Ground lease (attach copy of recorded ground lease)	Expiration Date:
	Binding option agreement (attach copy of recorded agreement)	Exercise Deadline:
	Binding purchase agreement (attach copy of executed agreement)	Closing Deadline:
	Other/Describe:	

If Hotel or Hotel Site is currently owned by someone else other than Applicant, please indicate:

Hotel/Hotel Site owner name:				
Street Address:				
State/Province:				
Zip/Postal Code:				
Country:				
Telephone:				
Fax:				
Email:				
Related to Applicant?		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:				
Street Address:				
City, State/Province:				
Zip/Postal Code:				
Country:				
Telephone:				
Fax:				
Email:				
Related to Applicant?		No		Yes/Describe and provide ownership structure of fee owner

FINANCIAL INFORMATION/PROJECT TIMELINE

Estimated Project Costs - New Development Project:

Costs	Overall	Per Key
Land:	US$	US$
Construction:	US$	US$
FF&E:	US$	US$
Other:	US$	US$
Total Project Costs :	US$	US$

Estimated Project Costs – Conversion or Change of Ownership (existing hotel):

Costs	Aggregate	Per Key
Purchase Price/Current Market Value:	US$	US$
Renovations/Upgrades:	US$	US$
Other:	US$	US$
Total Project Costs:	US$	US$

Estimated Project Timeline:

Forecasted Construction/Renovation Start Date:	
Forecasted Construction/Renovation Completion Date:	

Operating Projections:

Assumptions	Year 1	Year 2	Year 3	Year 4	Year 5
% Occupancy					
Avg. Daily Rate (US$)					

Financing/Refinancing Information:

Do you have a loan or loan commitment for this project?	___ No	___ Yes (continue)	
Name of Lender(s):			
Loan Amount:		Percentage Equity:	
Description:			
___ New?	___ Existing?		
Is the loan (or will the loan be) cross-collateralized by other hotels/real estate assets or cross-defaulted to any other loan(s)?			
___ No	___ Yes/Describe:		

Deadlines associated with Project or Application:

Are there any critical deadlines we should know about in processing your application, such as purchase closings or financing commitment deadlines?	
___ No	___ Yes/Describe:

EXHIBIT D

GUARANTY OF FRANCHISE AGREEMENT

[Hotel Name]

THIS DOCUMENT AFFECTS AND WAIVES IMPORTANT RIGHTS OF THE PERSONS AND ENTITIES SIGNING IT

THIS GUARANTY OF FRANCHISE AGREEMENT ("**Guaranty**") is executed as of _____ ("**Effective Date**") by _____, a _____/individually ("**we**," "**us**" or "**Guarantor**"), in favor of HILTON WORLDWIDE FRANCHISING LP, a United Kingdom limited partnership ("**Franchisor**"), as consideration of and as an inducement to Franchisor to execute the franchise agreement with an Effective Date of _____ (referred to in this Guaranty collectively, along with all applicable amendments, addenda, riders, supplemental agreements and assignments, as the "**Franchise Agreement**"), by and between Franchisor and _____ ("**Franchisee**"), for that certain [HOTEL NAME] located or to be located at [STREET ADDRESS, MUNICIPALITY, PROVINCE, POSTAL CODE] ("**Hotel**"). [The province in which the hotel is located must be included in the description; this form cannot be used for multiple hotels if located in different provinces.] Capitalized terms not otherwise defined in this Guaranty shall have the same meaning as in the Franchise Agreement.

For good and valuable consideration, including the execution of the Franchise Agreement by Franchisor, the receipt and sufficiency of which are acknowledged, Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally and irrevocably guaranties to Franchisor: (a) the full and prompt payment of all sums owed by Franchisee to Franchisor and to Franchisor's Affiliates under or arising in connection with the Franchise Agreement and otherwise relating to the Hotel, including, but not limited to, all fees and charges, interest, default interest, and other costs and fees (including, without limitation, legal costs in connection with enforcement of the Franchise Agreement; and (b) the performance of all other obligations of Franchisee arising under the Franchise Agreement (present and future, direct and indirect, absolute and contingent, matured or not, at any time or periodically, and whether Franchisee is bound alone, with another or with others (collectively, "**Obligations**"). On default by Franchisee and notice from Franchisor to Guarantor, Guarantor will immediately make payment in full of all amounts due and owing to Franchisor or Franchisor's Affiliates, and perform each Obligation of Franchisee.

2. Possible Termination of Guaranty. Franchisor will offer Guarantor its then-current standard form termination of guaranty agreement releasing Guarantor from future Obligations under this Guaranty if the following conditions are met: (a) Franchisor receives a copy of the deed evidencing that Franchisee owns fee simple title to the real property on which the Hotel is or will be sited or a copy of a ground lease to which Franchisee is a party with an unrelated third-party ground lessor for a term at least equal to the term of the Franchise Agreement, or Franchisee owns the immovable property on which the Hotel is located, and has emphyteutic rights to the immovable property, or rights of superficie to the Hotel; (b) Guarantor sends a written request to Franchisor to terminate the Guaranty; and (c) at the time of Guarantor's request, Franchisee is in good standing under the Franchise Agreement and has not been in default under the Franchise Agreement at any time during the twenty-four (24) month period before Guarantor's request.

3. Waivers of Certain Rights and Defences. Each Guarantor waives, to the fullest extent permitted by law: (a) all rights to payments and claims for reimbursement which any of the undersigned may have against Franchisee arising as a result of Guarantor's execution of and performance under this Guaranty; (b) presentment, protest and notice of any kind, including notice of default and notice of acceptance of this Guaranty; (c) any law or statute which requires Franchisor to make demand on, assert claims against or collect from Franchisee or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any others before making any demand on, collecting from or taking any action against Guarantor under or with respect to this Guaranty; (d) all suretyship defences or the benefits of discussion and of division; (e) any right Guarantor may have to require that Franchisor, as a condition of Guarantor's liability under this Guaranty: (1) bring an action against Franchisee or any other person; (2) accelerate the Obligation or proceed and exhaust any recourse against Franchisee or any other persons; (3) realize on any security that Franchisor holds; (4) marshal or

realize on the assets of either Franchisee or Guarantor; (5) pursue any other remedy that Guarantor may not be able to pursue itself, that might limit or reduce Guarantor's burden; and (f) any and all other rights, notices and legal or equitable defences of every nature otherwise available under the laws of the Province in which the Hotel is located, and the laws of any other jurisdiction to which Guarantor may be entitled, the assertion or exercise of which would in any way diminish the liability of Guarantor under this Guaranty.

4. Information Requests. Guarantor must periodically deliver to Franchisor: (a) complete and current financial information about Guarantor as Franchisor reasonably requests; and (b) any other information about Guarantor that Franchisor reasonably requests.

5. Additional Provisions.

(a) Notices must be in writing and delivered in person, or by prepaid overnight commercial delivery service, or by prepaid overnight or certified United States mail or registered Canadian post, with return-receipt requested, to the following addresses:

If to Franchisor: Hilton Worldwide Franchising LP
Maples Court, Central Park,
Reeds Crescent,
Watford, Hertfordshire WD24 4QQ UK

If to Guarantor: _____
_____
_____
Phone: (_____) _____
Fax: (_____) _____

If Guarantor wants to change the notice address set forth above, Guarantor (or its duly authorized representative) shall notify Franchisor in writing in accordance with the delivery procedure set forth in this Subsection. A Notice will be deemed effective on the earlier of: (i) receipt or first refusal of delivery; (ii) one (1) day after posting if sent by overnight commercial delivery service or by overnight United States mail or Canadian post; or (iii) three (3) days after placement in the United States mail or Canadian post if overnight delivery is not available to the Notice address.

(b) Each Guarantor jointly and severally holds harmless, and agrees to defend, protect, and indemnify Franchisor from any actions, causes of action, liabilities, damages, losses, and fees (including legal costs on a solicitor and the solicitor's own client basis) and all other claims of every nature which may arise as a result of any dispute between or among any of Guarantors and any other persons or entities. If any of the Obligations are not duly paid or performed by Franchisee, and are not recoverable for any reason whatsoever, Guarantor will, as a separate and distinct obligation, indemnify and save harmless Franchisor from and against all losses, costs, expenses and damages resulting from the failure of Franchisee to pay and perform any Obligation.

(c) Franchisor may assign this Guaranty without affecting Guarantor's liability in any way. This Guaranty will inure to the benefit of Franchisor and its successors and assigns and will bind Guarantor and Guarantor's heirs, executors, administrators, successors, and assigns. [INCLUDE IF GUARANTOR OWNS A BENEFICIAL INTEREST IN THE HOTEL AND FRANCHISEE IS A BARE TRUSTEE: 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 notice to Franchisor and Franchisor's express written permission, subject to and in accordance with the applicable transfer provisions of the Franchise Agreement.]

(d) Guarantor represents, warrants and covenants to Franchisor that Guarantor, including its directors, officers, senior management, shareholders and other persons having a controlling interest in Guarantor: (i) is not, and is not owned or controlled by, or acting on behalf of, Sanctioned Persons or, to Guarantor's actual knowledge, otherwise the target of Trade Restrictions; (ii) have not and will not obtain, receive, transfer or provide any funds, property, debt, equity or other financing related to the

Franchise Agreement and the Hotel or Hotel Site to/from any entity that qualifies as a Sanctioned Person or, to your actual or constructive knowledge, is otherwise the target of any applicable Trade Restrictions' (iii) Guarantor is familiar with the provisions of applicable Anti-Corruption Laws and shall comply with applicable Anti-Corruption Laws in performance of its obligations under or in connection with this Guaranty or the Franchise Agreement; (iv) any funds received or paid in connection with entry into or performance of this Guaranty have not been and will not be derived from or commingled with the proceeds of any activities that are proscribed and punishable under the criminal laws of the United States, and that Guarantor is not engaging in this transaction in furtherance of a criminal act, including acts in violation of applicable Anti-Corruption Laws; (v) in preparation for and in entering into this Guaranty, Guarantor has not made any Improper Payment or engaged in any acts or transactions otherwise in violation of any applicable Anti-Corruption Laws, and, in connection with this Guaranty or the performance of Guarantor's obligations under this Guaranty, you will not directly or indirectly make, offer to make, or authorize any Improper Payment or engage in any acts or transactions otherwise in violation of any applicable Anti-Corruption Laws; (vi) except as otherwise disclosed in writing to Franchisor, neither Guarantor, nor any of its direct or indirect shareholders (including legal or beneficial shareholders), officers, directors, employees, agents or other persons designated by you to act on your own behalf or receive any benefit under this Guaranty, is a Government Official; (vii) any statements, oral, written, electronic or otherwise, that Guarantor submits to Franchisor or to any third party in connection with the representations, warranties, and covenants described in this Subsection 5(d) are truthful and accurate and do not contain any materially false or inaccurate statements; (viii) Guarantor will make reasonable efforts to assure that its respective appointed agents in relation to this Guaranty comply in all material respects with the representations, warranties, and covenants described in this Subsection 5(d); and (ix) will notify Franchisor in writing immediately on the occurrence of any event which would render the foregoing representations and warranties of this Subsection incorrect.

(e) Each Guarantor warrants and represents to Franchisor that Guarantor has the requisite power to execute, deliver and perform the terms and provision of this Guaranty, and that this Guaranty is a valid, binding and legally enforceable obligation of each Guarantor in accordance with its terms.

(f) If there is more than one Guarantor named in this Guaranty, any reference to Guarantor will mean any one or all Guarantors. Each Guarantor agrees that all obligations of each Guarantor are joint and several.

(g) No failure or delay on Franchisor's part in exercising any power or privilege under this Guaranty will impair any such power, right or privilege or be construed as a waiver of its rights under this Guaranty. Guarantor agrees that the manner in which Franchisor may now or hereafter deal with Franchisee, Guarantor, any additional guarantor or pledgor, any security, any collateral subject to the security, or other guaranty in respect of the Obligations, shall have no effect on Guarantor's continuing liability under this Guaranty. Guarantor waives, to the fullest extent permitted by law, any defence based on (1) the unenforceability or invalidity of all or any part of the Obligations, or any other security, including any other guaranty, or any failure of Franchisor 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; or (2) any act or omission of Franchisee or any other person, including Franchisor, that directly or indirectly results in the discharge or release of Franchisee or any other person or any of the Obligations or any security for the Obligations; or (3) Franchisor's present or future method of dealing with Franchisee, any additional guarantor or pledgor, or any other security, or any collateral subject to the security, including any other guaranty.

(h) If any provision of this Guaranty is determined by a court of competent jurisdiction to be unenforceable, all of the other provisions will remain effective.

(i) This Guaranty is a continuing guaranty and shall apply to and secure any ultimate balance due or amounts remaining unpaid to Franchisor or Franchisor's Affiliates. Guarantor's liability under this Guaranty 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 or any other defence of Franchisee or any other guarantor or pledgor. This Guaranty shall not be determined or affected, or Franchisor's rights under this Guaranty prejudiced, by the termination of any of the Obligations by operation of law or otherwise, including the

bankruptcy, insolvency, dissolution or liquidation of Franchisee or Guarantor, any change in the name, business, powers, capital, structure, constitution, objects, organization, directors or management of Franchisee or Guarantor, with respect to transactions occurring either before or after such change. This Guaranty shall bind and extend to the liabilities of the person or persons for the time being and periodically carrying on the business now carried on by either Franchisee or Guarantor, notwithstanding any reorganization of Franchisee or Guarantor, or the amalgamation of Franchisee or Guarantor with one or more corporations (in this case, this Guaranty shall extend to the liabilities of the resulting corporation and, for purposes of this Guaranty, the terms "Franchisee" and "Guarantor" shall include such resulting corporation) or any sale or disposal of Franchisee'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.

(j) Guarantor agrees that any and all deposits, general or special term or demand, provision or final, matured or unmatured, and any other indebtedness at any time owed by Franchisor to Guarantor or for the credit or account of Guarantor, may be set-off and periodically applied by Franchisor at any 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.

(k) This Guaranty embodies the entire agreement between Franchisor and Guarantor with respect to the matters set forth in this Guaranty and supersedes all prior agreements with respect to the matters set forth in this Guaranty.

[ADD THE FOLLOWING ONLY FOR A CORPORATE GUARANTEE AND HOTEL OR GUARANTOR INCORPORATED IN NEWFOUNDLAND

(l) After having granted this Guaranty, Guarantor is and continues to be able to pay its liabilities as they become due, and the realizable value of the assets of Guarantor is and continues to be greater than the aggregate of the liabilities and the stated capital of all classes of shares in the Guarantor.]

6. Postponement of Claims and Subrogation. All debts and claims against Franchisee now or hereafter held by Guarantor and all of Guarantor's rights of subrogation (collectively, "**Claims**") shall be for Franchisor's security and as between Guarantor and Franchisor, the Claims are postponed to the repayment and performance of the Obligations. Until all of the Obligations have been satisfied in full, any money that Guarantor receives in respect of any such Claims shall be received by Guarantor in trust for Franchisor and shall be paid immediately to Franchisor 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 Guaranty. As security for and for the purpose of giving effect to the postponement of the Claims, Guarantor assigns, transfers and sets over to Franchisor all of the Claims and irrevocably constitutes and appoints Franchisor 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, assignment, assurances and things, and to commence and prosecute, at Franchisor's election and in Franchisor's sole discretion, any or all proceedings which may appear to Franchisor to be necessary or desirable. In the event of the bankruptcy, winding up or distribution of assets of Franchisee, Guarantor or any additional guarantor or pledgor, Franchisor's rights shall not be affected or impaired by its omission to prove its claim in full or otherwise, and Franchisor may prove such claim as it sees fit and may refrain from proving any claim in its sole discretion; and Franchisor may but shall not be obligated to prove in respect of the Claims assigned as a debt owing to it by Franchisee, and Franchisor shall be entitled to receive all amounts payable in respect of the Claims, such amounts to be applied on such part of parts of the monies periodically payable on account of the Obligations as Franchisor 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 Franchisor may do without in any way affecting, relieving, limiting or lessening Guarantor's liability under this Guaranty. 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 Franchisee unless and until the Obligations are paid in full. Franchisor shall have no duty, obligation or liability as a result of the assignment of the Claims to Franchisor to protect, preserve or ensure that the Claims do not become prescribed by statute or otherwise invalidated or rendered unenforceable.

7. Currency. All references to money in this Guaranty, unless otherwise specified, shall be in U.S. Dollars, and all amounts payable under this Guaranty shall be paid in U.S. Dollars or such other currency as we direct (collectively, "**Original Currency**").

8. Taxes. If required to pay an Obligation pursuant to this Guaranty, Guarantor shall pay each such Obligation without deduction of any kind for any present or future withholding, sales, use, excise, consumption, VAT and other similar taxes or duties, levies, fees, assessments or charges of whatsoever nature, including but not limited to goods and services taxes (collectively, "**Taxes**"), except for any taxes in the nature of income tax imposed on measurement of net income with respect to the Monthly Royalty Fees. If Guarantor is required to deduct or withhold Taxes (excluding income tax as described above), Guarantor shall pay such additional amounts as may be necessary to ensure that the net amount received by Franchisor after such deduction or withholding is equal to the full amount Franchisor would have received if such Taxes had not been deducted.

9. Judgment Currency. If, for purposes of obtaining judgment in any court, it is necessary to convert a sum due to Franchisor under this Guaranty in Original Currency into another currency ("**Other Currency**"), the parties agree that, to the extent they may effectively do so, the rate of exchange shall be that at which Franchisor could purchase the Original Currency with the Other Currency in accordance with normal banking procedures on the Business Day before the date on which final judgment is paid or satisfied. Notwithstanding any judgment in any Other Currency, the obligations of Guarantor in respect of any sum due from Guarantor to Franchisor in the Original Currency shall be discharged only to the extent that on the Business Day after receipt by Franchisor of any sum adjudged to be so due in such Other Currency. Franchisor may, in accordance with normal banking procedure, purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to Franchisor in the Original Currency, Guarantor shall, as a separate obligation and notwithstanding any such judgment, indemnify Franchisor against such loss. If the amount of the Original Currency so purchased exceeds the sum originally due to Licensor in the Original Currency, Franchisor shall remit such excess to Guarantor.

10. Governing Law. This Guaranty 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.

11. Jurisdiction and Venue. The parties agree that any action related to this Guaranty shall be brought in any court of competent jurisdiction in the Province where the Hotel is located. Guarantor consents to personal jurisdiction and venue in each of these jurisdictions and waives and agrees not to assert, move or otherwise claim that the venue in any of these jurisdictions is for any reason improper, inconvenient, prejudicial or otherwise inappropriate.

12. Choice of Language. The parties confirm that it is their wish that this Guaranty, as well as any other documents relating to this Guaranty, including notices, schedules and authorizations, have been and shall be drawn up in the English language only. Les signataires conferment leur volonté que la présente convention, de meme que tous les documents s'y rattachant, y compris out avis, annexe et autorisation, soient rédigés en anglais seulement.

13. WAIVER OF JURY TRIAL. TO THE EXTENT ANY LITIGATION INVOLVING THIS GUARANTY OR ANY ASPECT OF THE RELATIONSHIP AMONG GUARANTOR, FRANCHISEE AND FRANCHISOR, OR BETWEEN OR AMONG ANY OF FRANCHISEE OR GUARANTOR'S OWNERS, AFFILIATES, OFFICERS, EMPLOYEE OR AGENTS, (EVEN IF OTHER PARTIES OR OTHER CLAIMS ARE INCLUDED IN SUCH LITIGATION), GUARANTOR WAIVES GUARANTOR'S 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 INTERPRETATION OR ENFORCEMENT OF THIS GUARANTY, ALLEGATIONS OF PROVINCIAL OR CANADIAN 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 GUARANTOR, FRANCHISEE AND FRANCHISOR, OR BETWEEN OR AMONG ANY OF FRANCHISEE OR GUARANTOR'S OWNERS, AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS.

14. FULL KNOWLEDGE. GUARANTOR ACKNOWLEDGES THAT GUARANTOR WAS GIVEN THE OPPORTUNITY TO REVIEW THE FRANCHISE AGREEMENT, INCLUDING THE REMEDIES THAT FRANCHISOR MAY PURSUE AGAINST FRANCHISEE IF FRANCHISEE DEFAULTS UNDER THE FRANCHISE AGREEMENT, AND TO REVIEW FRANCHISEE'S FINANCIAL CONDITION AND ABILITY TO PERFORM UNDER THE FRANCHISE AGREEMENT. GUARANTOR ACKNOWLEDGES THAT GUARANTOR IS NOT RELYING ON FRANCHISOR WITH RESPECT TO THE TRANSACTIONS UNDER OR RELATED TO THE FRANCHISE AGREEMENT OR THIS GUARANTY, AND THAT FRANCHISOR HAS NO DUTY TO DISCLOSE TO GUARANTOR ANY INFORMATION PERTAINING TO FRANCHISEE. GUARANTOR ACKNOWLEDGES THAT GUARANTOR WAS GIVEN THE OPPORTUNITY TO READ THIS GUARANTY AND TO REVIEW IT WITH AN ATTORNEY OF GUARANTOR'S CHOICE BEFORE SIGNING. GUARANTOR ACKNOWLEDGES HAVING READ AND UNDERSTOOD THE MEANING AND EFFECT OF THIS DOCUMENT BEFORE SIGNING IT.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty which has an effective date as of the date first written above.

GUARANTOR:

[_____,
a _____]

By: _____
Printed Name: _____
Title: _____

GUARANTOR:

By: _____
Printed Name: _____
As: An Individual

[ADD THE FOLLOWING NOTARY BLOCK AS A SEPARATE PAGE **ONLY** IF INDIVIDUAL (NOT CORPORATE) GUARANTOR **AND** GUARANTOR IS LOCATED IN ALBERTA:]

Guarantees Acknowledgment Act
(Section 3)

CERTIFICATE OF NOTARY PUBLIC

I HEREBY CERTIFY THAT:

1. _____ of _____ in the Province of Alberta, the guarantor in the Guaranty Agreement dated _____, made in favor of _____, to which this certificate is attached or noted on, appeared in person before me and acknowledged that he/she had executed the Guaranty Agreement.

2. I satisfied myself by examination of him/her that he/she is aware of the contents of the Guaranty Agreement and understands it.

GIVEN under my hand and seal of office at _____ on _____.

(SEAL)

_____
A Notary Public in and for the Province of:

_____

_____
(Printed Name of Notary Public)

STATEMENT OF GUARANTOR

I am the person named in this certificate.

_____
_____, individually

EXHIBIT E

List of Current Franchisees

None.

EXHIBIT F

List of Former Franchisees

None.

EXHIBIT G

REPORT OF THE MEMBERS AND

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

FOR

Hilton Worldwide Franchising LP

Hilton Worldwide Franchising LP

CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

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GENERAL INFORMATION
for the year ended 31 December 2018

DESIGNATED MEMBERS:	Hilton Worldwide Limited Hilton Worldwide Manage Limited
REGISTERED OFFICE:	Maple Court Reeds Crescent Watford United Kingdom WD24 4QQ
REGISTERED NUMBER:	LP015958
INDEPENDENT AUDITORS:	Ernst & Young LLP Senior Statutory Auditor 1 More London Place London SE1 2AF

STRATEGIC REPORT
for the year ended 31 December 2018

The members present their strategic report with the financial statements of the Limited Partnership ('LP') for the year ended 31 December 2018.

The LP has applied for the first time IFRS 15 Revenue from contracts with customers and IFRS 9 Financial instruments. The nature and effect of these changes are as set out in the notes changes to accounting policies and prior year adjustment.

PRINCIPAL ACTIVITY
The principal activity of the LP under review was that of a franchise operator.

REVIEW OF BUSINESS
The LP's key financial indicators of performance during the year are considered to be:

	2018 $	2017 $ as restated
Turnover	10,283,611	168,727,950
Gross profit	9,221,337	169,387,426

On 1 January 2018 most of the franchise contracts held by the LP were transferred to another entity in the wider group at net book value. Turnover has decreased on last year as the LP transferred the majority of its franchise agreements to its designated member. The primary driver behind the movement in gross profit is related to the movement in revenue.

PRINCIPAL RISKS AND UNCERTAINTIES
Competitive risk
This LP operates in various locations around the world. Risks arise from competitors offering better franchise deals or more successful brands that would be attractive to franchisors. The company monitors its competitors' performance and participates in regular benchmarking to understand the LP's position compared to its competitors.

Economic risk
The LP is subject to the cyclical nature of the hospitality and travel industry and is also impacted by the effect that global economic trends have on its customers. On 29 March 2017, the United Kingdom (U.K) government formally announced that the U.K will leave the European Union (E.U). The outcome of the negotiations between the E.U. and the U.K as regards the framework of the future relationship, in particular, the terms and conditions for the post-Brexit access of the U.K to the European single market, is not clear. If a Withdrawal Agreement is not approved by 31 October 2019, the U.K might leave the E.U and become subject to World Trade Organisation tariffs and rules without a transition period being implemented. Brexit continues to create global economic uncertainty, but to date, Brexit is not considered to have had a material impact on Hilton's UK business although it may impact our customer's behaviours in the future, particularly with respect to closely monitoring their costs and reducing their spending on travel and corporate events. There continues to be uncertainty therefore over how it will ultimately impact the company but management continues to monitor this on an ongoing basis. Budgeting and forecasting processes enable the company to identify risks in market trends at an early stage to help mitigate such risks.

Interest rate risk
This LP is subject to interest rate risk on intercompany loans where the interest rate is linked to LIBOR. The Hilton group treasury department monitors interest rates.

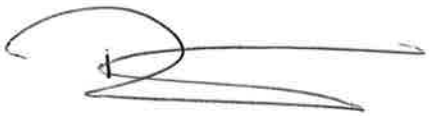
Exchange rate risk
The LP is subject to exchange rate risk on its income from franchise agreements. The company's treasury department monitors exchange rates.

Management does not believe the LP is any more exposed to financial statement risk factors than others in the industry and has a system of internal controls and procedures that attempt to mitigate such risk.

FUTURE DEVELOPMENTS

The LP will continue to operate as a franchise operator in certain countries including Canada, Russia, China and Brasil.

ON BEHALF OF THE MEMBERS:



Hilton Worldwide Manage Limited - Designated member

19 June 2019

REPORT OF THE MEMBERS
for the year ended 31 December 2018

The members present their report with the financial statements of the Limited Partnership ('LP') for the year ended 31 December 2018.

DESIGNATED MEMBERS
The designated members during the year under review were:

Hilton Worldwide Limited
Hilton Worldwide Manage Limited

RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS
The profit for the year before members' remuneration and profit shares was $491,285 (2017 - $5,646,026 loss).

MEMBERS' INTERESTS
The profits and losses (including profit and losses of a capital nature) shall be divided among the members in accordance with their percentage of capital contribution.

STATEMENT OF MEMBERS' RESPONSIBILITIES
The members are responsible for preparing the Report of the Members and the financial statements in accordance with applicable law and regulations.

Legislation applicable to limited partnerships requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under legislation applicable to limited partnerships the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LP and of the profit or loss of the LP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LP will continue in business.

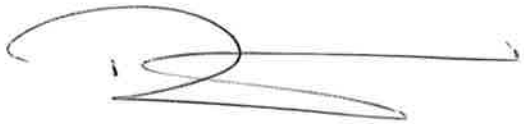
The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LP's transactions and disclose with reasonable accuracy at any time the financial position of the LP and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the LP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE MEMBERS
for the year ended 31 December 2018

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the LP's auditors are unaware, and each member has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the LP's auditors are aware of that information.

AUDITORS
The auditors, Ernst & Young LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE MEMBERS:



Hilton Worldwide Manage Limited - Designated member

19 June 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HILTON WORLDWIDE FRANCHISING LP

Opinion

We have audited the financial statements of Hilton Worldwide Franchising LP for the year ended 31 December 2018 which comprise the primary statements such as the Profit and Loss Account, the Balance Sheet and related Notes to the Financial Statements 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2018 and of its profit or the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the qualifying partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the qualifying partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the report of the members for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the strategic report and the report of the members have been prepared in accordance with applicable legal requirements;

Matters on which we are required to report by exception

In light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we have identified no material misstatements in the strategic report and the report of the members.

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of members

As explained more fully in the Members' Responsibilities Statement set out on page 3 of the financial statements, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless members either intend to liquidate the partnership or to cease operations, or have no realistic alternative but to do so

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships. Our audit work has been undertaken so that we might state to the qualifying partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the qualifying partnership's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Rebecca Turner (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP,
1 More London Place
London
SE1 2AF

19 June 2019

Hilton Worldwide Franchising LP

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2018

	Notes	2018 $	2017 $ as restated
TURNOVER		10,283,611	168,727,950
Cost of sales		(1,062,274)	659,476
GROSS PROFIT		9,221,337	169,387,426
Administrative expenses		(8,780,033)	(174,660,377)
OPERATING PROFIT/(LOSS)	4	441,304	(5,272,951)
Interest receivable and similar income		49,981	-
		491,285	(5,272,951)
Interest payable and similar charges	5	-	(373,075)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS	13	491,285	(5,646,026)

CONTINUING OPERATIONS
None of the LP's activities were acquired or discontinued during the current period.

TOTAL RECOGNISED GAINS AND LOSSES
The LP has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

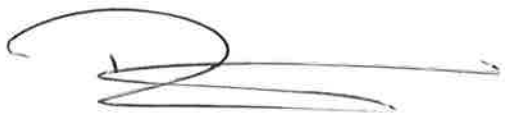
The notes form part of these financial statements

Hilton Worldwide Franchising LP (Registered number: LP015958)

BALANCE SHEET
31 December 2018

	Notes	2018 $	2017 $ as restated
FIXED ASSETS			
Intangible assets	8	3,728,092	22,865,703
CURRENT ASSETS			
Debtors: amounts falling due within one year	9	55,487,859	86,205,411
CREDITORS			
Amounts falling due within one year	10	(22,474,074)	(62,617,454)
NET CURRENT ASSETS		33,013,785	23,587,957
TOTAL ASSETS LESS CURRENT LIABILITIES		36,741,877	46,453,660
CREDITORS			
Amounts falling due after more than one year	11	(14,097,197)	(24,300,265)
NET ASSETS ATTRIBUTABLE TO MEMBERS		22,644,680	22,153,395
LOANS AND OTHER DEBTS DUE TO MEMBERS	12	491,285	-
MEMBERS' OTHER INTERESTS			
Capital accounts	13	22,153,395	22,153,395
		22,644,680	22,153,395
TOTAL MEMBERS' INTERESTS			
Loans and other debts due to members	12	491,285	-
Members' other interests	13	22,153,395	22,153,395
Amounts due from members	9	(24,776,219)	(19,851,099)
		(2,131,539)	2,302,296

The financial statements were approved by the members of the LP on 19 June 2019 and were signed by:



Hilton Worldwide Manage Limited - Designated member

The notes form part of these financial statements

1. FUNDAMENTAL ACCOUNTING CONCEPT

Hilton Worldwide Franchising LP is established and domiciled in England and Wales.

The financial statements have been prepared under the going concern basis because the LP has net assets and net current assets. Management believe that the LP has the ability to meet its liabilities as they fall due.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in US Dollar (USD), which is the LP's functional currency. Amounts have been rounded to the nearest $.

The LP has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraphs 10(d),16 and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

Accounting convention
The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships.

Changes in accounting policies
FRS 15 Revenue from contracts with customers, provides a single, five step revenue recognition model, applicable to all sales contracts, which is based on the principal revenue is recognised when control of goods or services are passed to the customer. IFRS 15 was adopted by the company with effect from 1 January 2018. The LP applied the full retrospective restatement approach to the comparative year ended 31 December 2017 in the financial statements for the year ended 31 December 2018. The primary effects of implementing IFRS 15 on revenues for the year ended 31 December 2017 is disclosed in the note 'Prior Year Adjustment'.

IFRS 9 Financial Instruments provides a standardised approach for classification, measurement and derecognition of financial assets and liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. There were no material changes identified from adoption of the new standard.

2. ACCOUNTING POLICIES - continued

Revenue recognition
Turnover which arose worldwide is derived from franchise and programme fees from franchised hotels. Turnover is recognised when earned and realised or realisable under the terms of the contract. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes.

Application, initiation and other fees, charged when new hotels enter our system, there is a change of ownership or contracts are extended, are recognized over the term of the franchise contract.

Taxation
Taxation on the profits of the Partnership is solely the responsibility of the members. Consequently neither the partnership taxation nor deferred taxation are dealt with in these financial statements. Any foreign tax deducted on non-UK income is treated as an administration expense of the LP.

Foreign currencies
Assets and liabilities in foreign currencies are translated into USD at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into USD at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2. ACCOUNTING POLICIES - continued

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through the profit and loss account. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the LP has applied the practical expedient, the LP initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through the profit and loss account, transaction costs.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the profit and loss account when the asset is derecognised, modified or impaired.

Subsequent measurement
The LP measures financial assets at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the profit and loss account when the asset is derecognised, modified or impaired.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e., removed from the LP's statement of financial position) when:
- The rights to receive cash flows from the asset have expired, or
- The LP has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement? and either (a) the LP has transferred substantially all the risks and rewards of the asset, or (b) the LP has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the LP has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the LP continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the LP also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the LP has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the could LP be required to repay.

2. ACCOUNTING POLICIES - continued

Impairment of financial assets
The LP recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through the profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the LP expects to receive, discounted at an approximation of the original effective interest rate. For trade receivables and some intercompany loans, the LP applies a simplified approach in calculating ECLs. Therefore, the LP does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The LP has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The LP considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the LP may also consider a financial asset to be in default when internal or external information indicates that the LP is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the LP. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through the profit and loss account, loans and borrowings, or payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement - Intercompany loans
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the profit and loss account when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit and loss account.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit and loss account.

Intangible assets
Intangible assets are stated at cost less accumulated amortisation and accumulated impairments losses. Intangible assets with finite lives are amortised on a straight line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed annually.

Intangible assets are comprised of key money paid to the franchisee or development commissions paid to team members directly related to the acquisition of a franchise agreement. Key money or development commission is amortised over the length of the associated franchise agreement which is typically a period of 10 to 20 years.

2. ACCOUNTING POLICIES - continued

Judgements and key sources of estimation uncertainty
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Critical judgements
The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Foreign currency
An entity's functional currency is determined (not chosen). IAS 21 (The Effects of Changes in Foreign Exchange Rates) provides factors, often referred to as indicators, that are considered when identifying the functional currency. In some cases, the indicators will clearly identify a particular currency as the functional currency. In other cases they will not. When the factors provide a varied result and the functional currency is not obvious, management must use judgement based on the entity's individual facts and circumstances to determine its functional currency in a way that gives a fair presentation (ie faithfully represents the economic effects of transactions, events and conditions). As Hilton Worldwide Franchising LP has an array of differing cash flows, economic environments, and lack of autonomy, management has used their judgement in determining the functional currency to be USD.

Key sources of estimation uncertainty
The following are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of resulting in a material adjustment to the carrying amounts of assets within the next financial year.

Impairment of trade and other debtors
The LP makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. See note "Debtors: amounts falling due within one year" for the net carrying amount of the trade debtors and associated impairment provision.

Impairment of intangibles
Determining whether an intangible asset is impaired requires an estimation of the value in use of the intangible asset. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the underlying management contract and a suitable discount rate in order to calculate present value. Each management contract is an individual cash generating unit.

3. EMPLOYEE INFORMATION

All operations of the LP during the year ended 31 December 2018 have been undertaken by employees of other companies within Hilton Worldwide Holdings Inc.. A charge of $- (2017: $-) has been included in cost of sales in respect of their services.

4. OPERATING PROFIT/(LOSS)

This is stated after charging/(crediting):

	2018 $	2017 $ as restated
Fee income repayable to group undertakings	3,001,538	79,863,318
Foreign tax deducted on non-UK income	20,650	6,859,041
Fees payable to group undertakings	5,757,845	87,938,018
Bad debt	(1,220,230)	681,134
Amortisation	13,880	126,222

The remuneration of the auditors of £16,535 (2017: £15,899) is borne entirely by Hilton Worldwide Limited.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2018 $	2017 $
Interest payable to fellow group undertakings	-	373,075

6. INFORMATION IN RELATION TO MEMBERS

	2018 $
The amount of profit for the year ended 31 December 2018 attributable to the member with the largest entitlement was	491,285

	2018	2017
The average number of members during the year was	2	2

7. PRIOR YEAR ADJUSTMENT

IFRS 15 was adopted by the company with effect from 1 January 2018. The company applied the full retrospective restatement approach to the comparative year ended 31 December 2017 in the financial statements for the year ended 31 December 2018. The impact of implementing IFRS 15 on revenues for the year ended 31 December 2017 was as follows:

- Application, initiation and other fees, charged when (i) new hotels enter our system; (ii) there is a change of ownership; or (iii) contracts are extended, are recognized over the term of the franchise contract, rather than upon execution of the contract. This change reduced franchise fees by $10.8m for the year ended 31 December 2017 and reduced members interests by $14.6m as at 1 January 2017. Bad debt expense previously recognised on application fee income was reversed. This change reduced bad debt expense in 2017 by $0.2 million and members interests at 1 January 2017 by $0.4 million. All deferred revenue associated with fully provided for contracts had a nil balance on transition.
- Certain contract acquisition costs related to our management/franchise contracts are now recognized over the term of the contracts as a reduction to revenue, instead of as amortization expense. This change has reduced franchise fees by $7.1m for the year ended 31 December 2017, which accordingly reduced depreciation and amortization by $7.1m, with no effect on the company's profit and loss account.

Revenue recognition related to our accounting for ongoing royalty and franchise fee revenues and direct reimbursable fees from our franchise contracts has otherwise remained substantially unchanged.

	2017 signed	Upfront fees	Acquisition costs	2017 restated
Profit and Loss Account	$	$	$	$
Turnover	186,630,682	(10,772,431)	(7,130,301)	168,727,950
Cost of sales	(6,672,110)	201,285	7,130,301	659,476
Gross profit	179,958,572	(10,571,146)	-	169,387,426
Admin expenses	(174,660,377)	-	-	(174,660,377)
Operating profit	5,298,195	(10,571,146)	-	(5,272,951)
Interest payable	(373,075)	-	-	(373,075)
Profit to members	4,925,120	(10,571,146)	-	(5,646,026)
Balance sheet				
Intangible assets	22,865,703	-	-	22,865,703
Debtors due <1 year	66,354,312	19,851,099	-	86,205,411
Creditors due <1 year	(62,141,500)	(475,954)	-	(62,617,454)
Net current assets	4,212,812	19,375,145	-	23,587,957
Creditors due >1 year	-	(24,300,265)	-	(24,300,265)
Net assets	27,078,515	(4,925,120)	-	22,153,395
Loans to members	4,925,120	(4,925,120)	-	-
Capital accounts	22,153,395	-	-	22,153,395
	27,078,515	(4,925,120)	-	22,153,395

8. INTANGIBLE FIXED ASSETS

	Development costs $
COST	
At 1 January 2018	26,673,146
Additions	2,925,923
Disposals	(808)
Reclassification/transfer	(25,804,919)
At 31 December 2018	3,793,342
AMORTISATION	
At 1 January 2018	3,807,443
Amortisation for year	29,333
Eliminated on disposal	(808)
Reclassification/transfer	(3,770,718)
At 31 December 2018	65,250
NET BOOK VALUE	
At 31 December 2018	3,728,092
At 31 December 2017	22,865,703

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 $	2017 $ as restated
Trade debtors	4,089,751	43,275,906
Amounts owed by group undertakings	25,197,048	21,183,990
Amounts due from members	24,776,219	19,851,099
Other debtors	1,424,841	1,894,416
	55,487,859	86,205,411

Amounts owed by group undertakings are included in amounts due within one year where there are no specified repayment terms. Amounts owed by group undertakings are technically repayable on demand and hence are included in amounts due within one year. The loans bear interest at a rate linked to LIBOR plus a margin.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 $	2017 $ as restated
Amounts owed to group undertakings	19,753,969	55,031,683
Social security and other taxes	170,033	3,796,466
Other creditors	1,847,155	3,075,219
Accruals and deferred income	702,917	714,086
	22,474,074	62,617,454

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Amounts owed to group undertakings are included in amounts due within one year where there are no specified repayment terms and there is no fixed repayment schedule in place. While amounts owed to group undertakings are technically repayable on demand, and hence are included in amounts due within one year, the members are of the opinion (as a result of their group role in relation to the group undertakings amounts are owed to) that in the ordinary course of business, repayment within such a timescale would not be required. The loans bear interest at LIBOR plus a margin.

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 $	2017 $
Accruals and deferred income	14,097,197	24,300,265

12. LOANS AND OTHER DEBTS DUE TO MEMBERS

	2018 $	2017 $
Amounts owed to members in respect of profits	491,285	-
Falling due within one year	491,285	-

13. MEMBERS' INTERESTS

	Members' other interests				
	Members' capital (classified as equity) $	Reserves $	Total $	Loans and other debts due to/(from) members $	Total $
Amount due to members	-	-	-	-	-
Amount due from members	-	-	-	(19,851,099)	-
Balance at 1 January 2018	22,153,395	-	22,153,395	(19,851,099)	2,302,296
Profit for the financial year available for discretionary division among members	-	491,285	491,285	-	491,285
Members' interests after profit for the year	22,153,395	491,285	22,644,680	(19,851,099)	2,793,581
Other divisions of profit	-	(491,285)	(491,285)	491,285	-
Introduced by members	-	-	-	(4,925,120)	(4,925,120)
Amount due to members	-	-	-	491,285	-
Amount due from members	-	-	-	(24,776,219)	-
Balance at 31 December 2018	22,153,395	-	22,153,395	(24,284,934)	(2,131,539)

14. PARENT UNDERTAKING, CONTROLLING PARTY AND CONSOLIDATING CAPITAL COMMITMENTS

The LP's members are Hilton Worldwide Manage Limited and Hilton Worldwide Limited. Both members are limited companies registered in England and Wales. Hilton Worldwide Manage Limited is the controlling party.

The ultimate parent and the only undertaking for which group financial statements were prepared and into which the company is consolidated for 31 December 2018, was Hilton Worldwide Holdings Inc., a Delaware company incorporated in the United States of America. These group financial statements are available from the company secretary, Hilton Worldwide Holdings Inc., 7930 Jones Branch Drive, McLean, Fairfax County, Virginia VA 22102-3302, United States of America.

15. CAPITAL COMMITMENTS

The LP has not entered into any capital commitments contracted for but not provided in the financial statements at period end.

16. CONTINGENT LIABILITIES

The LP had jointly and severally guaranteed the value added tax liability of other companies within the same UK VAT group, which amounted to approximately £7.9m/$10.0m (2017: £6.7m/$9.1m) at 31 December 2018.

Hilton Worldwide Franchising LP

TRADING AND PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2018

	2018		2017	
	$	$	$	$
Turnover				
Program fees	3,064,055		78,362,834	
Other income	(122,535)		708,729	
Franchise fees	6,795,846		93,180,540	
Strategic service fees	60,018		791,756	
Development service fees	-		(323,901)	
GSB income	130,556		2,678,995	
Amortisation	(15,453)		(7,130,301)	
Deferred fees	371,124		459,298	
		10,283,611		168,727,950
Cost of sales				
Other finance charges	2,268,624		(1,466,832)	
Bad debt	(1,220,230)		681,134	
Amortisation	13,880		126,222	
		1,062,274		(659,476)
GROSS PROFIT		9,221,337		169,387,426
Other income				
Interest receivable from fellow group undertakings		49,981		-
		9,271,318		169,387,426
Expenditure				
Fee income repayable to group undertakings	3,001,538		79,863,318	
Fees payable to group undertakings	5,757,845		87,938,018	
		8,759,383		167,801,336
		511,935		1,586,090
Finance costs				
Foreign tax deducted on non-UK income	20,650		6,859,041	
Interest payable to fellow group undertakings	-		373,075	
		20,650		7,232,116
NET PROFIT/(LOSS)		491,285		(5,646,026)
Divisible as follows:				
Hilton Worldwide Limited	-		(5)	
Hilton Worldwide Manage Limited	491,285		(5,646,021)	
		491,285		(5,646,026)

This page does not form part of the statutory financial statements

EXHIBIT G-1

REGISTERED NUMBER: 07462067 (England and Wales)

Hilton Worldwide Manage Limited

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Hilton Worldwide Manage Limited (Registered number: 07462067)

CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

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COMPANY INFORMATION
for the year ended 31 December 2017

DIRECTORS:	Mr S Beasley Mr J O Percival Mr J Tynan Mr B Wilson Mr C Heath Mr R Beeston
SECRETARY:	HLT Secretary Limited
REGISTERED OFFICE:	Maple Court Central Park Reeds Crescent Watford Hertfordshire WD24 4QQ
REGISTERED NUMBER:	07462067 (England and Wales)
AUDITORS:	Ernst & Young LLP Senior Statutory Auditor 1 More London Place London SE1 2AF

STRATEGIC REPORT
for the year ended 31 December 2017

The principal activity of the company in the year under review was that of a hotel development services provider and an investment holding company.

REVIEW OF BUSINESS
The company's key financial indicators of performance during the year are considered to be:

	2017	2016
	$	$
Turnover	545,059,372	481,762,181
Gross profit	514,182,492	449,399,909
Carrying value of investments	2,642,279,642	2,639,216,365

The increases in both turnover and gross profit are due to an increase in base, incentive and franchise fees as well as IP fees resulting from new hotel contracts.

During the year two of the entity's subsidiaries were recapitalised resulting in additions of $11,096,711 to investments. In addition, three investments were impaired totalling $7,926,596 as the underlying net assets were not sufficient to support the investments' carrying value. There was also an intellectual property addition in intangibles of $257,190,000.

During the prior year, as part of a wider group exercise, the company was involved in an intercompany loan rationalisation programme which was implemented to simplify and eliminate a number of intercompany loans within the Hilton Worldwide Holdings Inc. group. The impact on the company in the prior year was a reduction in the intercompany loan receivable balance of $504,508,349. This was effected through forgiveness of the loans and was recognised in the profit or loss account within other operating items.

As part of a group restructuring in the prior year, some additional subsidiaries with a net book value of $76,151,245 were acquired in exchange for intercompany consideration. Further subsidiaries were acquired with a net book value of $21,878 in exchange for issuing 4 shares of $1.25 (£1) and share premium of $21,874. In addition, investment values were increased in subsidiaries already held by $56,807,466 following contributions by Hilton Worldwide Manage Limited of assets to those subsidiaries in exchange for shares in those subsidiaries.

During the prior year, Hilton Worldwide Manage Limited undertook a capital reduction, reducing its share capital by $3,134,699,672, its share premium by $85,046,469 and creating distributable reserves of $3,219,746,141.

PRINCIPAL RISKS AND UNCERTAINTIES

Impairment Risk

One of the company's activities is that of an investment holding company. As such a risk and uncertainty facing the company relates to the recoverability of the value of its investments. The company monitors the fair value of all underlying assets to determine whether there are indicators that the carrying values of investments are not recoverable.

Competitive risk

Risks that arise come from competitors opening new hotels or improving an existing hotel. The company monitors its competitors' performance and participates in regular benchmarking to understand the company's position compared to its competitors.

Economic risk

The company is subject to the cyclical nature of the hospitality and travel industry not just in its own market but those of its customers. On 29 March 2017, the United Kingdom (U.K) government formally announced that the U.K will leave the European Union (E.U). The U.K government continues to negotiate the terms of the U.K's future relationship with the E.U and although it is unknown what those terms will be Brexit continues to create global economic uncertainty. To date Brexit is not considered to have had a material impact on Hilton's UK business although it may impact our customer's behaviours in the future, particularly with respect to closely monitoring their costs and reducing their spending on travel and corporate events. There continues to be uncertainty therefore over how it will ultimately impact the company but management continues to monitor this on an ongoing basis. Budgeting and forecasting processes enable the company to identify risks in market trends at an early stage to help mitigate such risks.

Interest rate risk

This company is subject to interest rate risk on intercompany loans where the interest rate is linked to LIBOR. The company's treasury department monitors interest rates.

Exchange rate risk

This company is subject to exchange rate risk on intercompany loans held in foreign currencies. The company's treasury department monitors exchange rates.

Management does not believe the company is any more exposed to financial statement risk factors than others in the industry and has a system of internal controls and procedures that attempt to mitigate such risk.

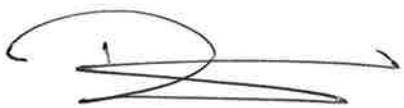
FUTURE DEVELOPMENTS

The company will continue to operate as hotel development services provider and an investment holding company in the future.

EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

On 1 January 2018 franchise contracts were transferred to the company from another entity in the wider group at net book value.

ON BEHALF OF THE BOARD:



Mr R Beeston - Director

9 July 2018

REPORT OF THE DIRECTORS
for the year ended 31 December 2017

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

DIVIDENDS
No dividends will be distributed for the year ended 31 December 2017.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

Mr S Beasley
Mr J O Percival
Mr J Tynan
Mr B Wilson
Mr C Heath

Other changes in directors holding office are as follows:

Mr R Beeston was appointed as a director after 31 December 2017 but prior to the date of this report.

GOING CONCERN
The company's activities, together with the factors likely to affect its future development, its competitive, economic and interest rate risks are set out in the 'Review of Business' and 'Principal Risks and Uncertainties' section in the Strategic Report. The financial statements have been prepared under the going concern basis because the company's ultimate parent, Hilton Worldwide Holdings Inc. has provided a letter of support stating it will provide financial support, should it be needed, to enable the company to meet its debts as they fall due.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE
During the year Hilton Worldwide Holdings Inc. purchased and maintained on behalf of the company liability insurance for its directors and officers, in respect of proceedings brought by third parties, as permitted by section 236 of the Companies Act 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE DIRECTORS
for the year ended 31 December 2017

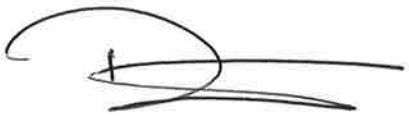
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

Ernst & Young LLP will be re-appointed as the company's auditor in accordance with the elective resolution passed by the company under section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



Mr R Beeston - Director

9 July 2018

Opinion

We have audited the financial statements of Hilton Worldwide Manage Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Profit or Loss and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

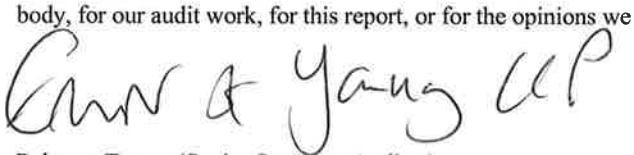
Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report. .

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Rebecca Turner (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Senior Statutory Auditor
1 More London Place
London
SE1 2AF

9 July 2018

Hilton Worldwide Manage Limited (Registered number: 07462067)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2017

	Notes	2017 $	2016 $
TURNOVER	4	545,059,372	481,762,181
Cost of sales		(30,876,880)	(32,362,272)
GROSS PROFIT		514,182,492	449,399,909
Other operating items		(92,922,587)	(484,001,849)
Administrative expenses		(373,917,035)	(437,605,767)
OPERATING PROFIT/(LOSS)		47,342,870	(472,207,707)
Profit/(loss) on disposal of tangible fixed assets	6	(90,530)	-
Profit/(loss) on disposal of investment	6	-	5,883,880
		47,252,340	(466,323,827)
Income from shares in group undertakings	7	30,384,269	119,194,109
Interest receivable	8	1,661,475	913,016
		79,298,084	(346,216,702)
Interest payable and similar expenses	9	(21,432,913)	(4,155,081)
PROFIT/(LOSS) BEFORE TAXATION	10	57,865,171	(350,371,783)
Tax on profit/(loss)	11	(18,698,228)	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		39,166,943	(350,371,783)
OTHER COMPREHENSIVE INCOME			
Item that will not be reclassified to profit or loss:			
Hedging losses		3,264	-
Income tax relating to item of other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		3,264	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		39,170,207	(350,371,783)

The notes form part of these financial statements

Hilton Worldwide Manage Limited (Registered number: 07462067)

BALANCE SHEET
31 December 2017

	Notes	2017 $	2016 $
FIXED ASSETS			
Intangible assets	13	343,636,195	57,806,981
Investments	14	2,642,279,642	2,639,216,365
		2,985,915,837	2,697,023,346
CURRENT ASSETS			
Debtors	15	349,882,838	257,113,201
Cash at bank		1,043	1,685
		349,883,881	257,114,886
CREDITORS			
Amounts falling due within one year	16	(1,481,287,870)	(1,141,569,608)
NET CURRENT LIABILITIES		(1,131,403,989)	(884,454,722)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,854,511,848	1,812,568,624
CREDITORS			
Amounts falling due after more than one year	17	(160,868)	-
NET ASSETS		1,854,350,980	1,812,568,624
CAPITAL AND RESERVES			
Called up share capital	19	31,663,638	31,663,638
Share premium	20	21,874	21,874
Other reserves	20	(532,343,264)	(532,343,264)
Retained earnings	20	2,355,008,732	2,313,226,376
SHAREHOLDERS' FUNDS		1,854,350,980	1,812,568,624

The financial statements were approved by the Board of Directors on 9 July 2018 and were signed on its behalf by:

Mr R Beeston - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2017

	Called up share capital $	Retained earnings $	Share premium $	Other reserves $	Total equity $
Balance at 1 January 2016	3,166,363,305	46,253,828	85,046,469	(532,343,264)	2,765,320,338
Changes in equity					
Issue of share capital	(3,134,699,667)	-	21,874	-	(3,134,677,793)
Dividends	-	(602,401,810)	-	-	(602,401,810)
Total comprehensive loss	-	(350,371,783)	-	-	(350,371,783)
Capital reduction	-	3,219,746,141	(85,046,469)	-	3,134,699,672
Balance at 31 December 2016	31,663,638	2,313,226,376	21,874	(532,343,264)	1,812,568,624
Changes in equity					
Total comprehensive income	-	39,170,207	-	-	39,170,207
Tax on share based payments	-	2,612,149	-	-	2,612,149
Balance at 31 December 2017	31,663,638	2,355,008,732	21,874	(532,343,264)	1,854,350,980

The notes form part of these financial statements

1. FUNDAMENTAL ACCOUNTING CONCEPT

Hilton Worldwide Manage Limited is incorporated and domiciled in England and Wales.

The financial statements have been prepared under the going concern basis because the company's ultimate parent, Hilton Worldwide Holdings Inc., has provided a letter agreeing to give financial support to enable the company to meet its debts as they fall due.

2. STATUTORY INFORMATION

Hilton Worldwide Manage Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

3. ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Hilton Worldwide Manage Limited financial statements are presented in US Dollar (USD), which is Business name's functional currency. Amounts have been rounded to the nearest $.

FRS 101 is effective for accounting periods beginning on or after 1 January 2015, although early application is permitted. Hilton Worldwide Manage Limited did select to early adopt.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraphs 10(d), 10)(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

3. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Critical judgements
The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Taxation
Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in the note "Taxation".

Operating lease commitments
The Company has entered into commercial property leases as a lessee and lessor. The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet. Leases are classified as both operating and finance leases.

Group reorganisation
In preparing these accounts, management has made the following judgements where the CRA transaction has had the most significant impact on the amounts recognised in the financial statements:

- Transfer of trade and assets that represent a business
Where management and franchise contracts have been transferred as part of the CRA transaction, management have considered whether these represent the transfer of a collection of assets and liabilities or whether they represent the transfer of trade and assets that constitute a business. Management concluded that these transfers represent a transfer of a business and therefore have applied the pooling of interest method as described in the basis of preparation. In reaching this conclusion, Management considered the relevant guidance in IFRS 3 where the definition of a business is defined as a set of activities and assets that are capable of being managed for the purpose of providing a return to the business.

In the application of the pooling of interest method, the assets and liabilities transferred are recognised at book value using the carrying values reported at the level of the financial statements of the combining entities (i.e. that entity's own financial statements) and not those reported in the consolidated financial statements of the parent. This is based on the conclusion by management that these values are considered most relevant to the users of the financial statements and ensure consistency of the results reported to group from before and after the CRA was executed.

- Gains or losses on transfers of investments and business through the group
As part of the CRA there are a number of transactions whereby investments and trade and assets which represent a business are transferred through the company to other group companies. The company only received the business on the condition that it was transferred on to its subsidiary immediately. Management concluded that the company acted as an agent in the flow through of the transaction. In these circumstances management did not consider it appropriate to recognise any gains or losses on transfer, because the intermediate entity never meaningfully had 'control' over the business, and it was simply passed through the group in accordance with the legal contractual arrangements.

3. **ACCOUNTING POLICIES - continued**

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of resulting in a material adjustment to the carrying amounts of assets within the next financial year.

Impairment of intangible fixed assets

Determining whether intangible fixed assets are impaired requires an estimation of the value in use of the cash generating unit. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Each hotel is one cash generating unit.

Details of any impairment loss are set out in the note "Intangible Fixed Assets".

Impairment of investments

Determining whether a investment is impaired requires an estimation of the value in use of the investment in it's subsidiary. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the subsidiary and a suitable discount rate in order to calculate present value. Each subsidiary is an individual CGU.

Details any impairment losses are disclosed in 'Investments' note.

3. ACCOUNTING POLICIES - continued

Changes in accounting policies - accounting standards not yet adopted
Two new standards in issue but not yet effective at the date of these financial statements that are expected to have an impact on these financial statements are:
- IFRS 15, Revenue from Contracts with Customers
- IFRS 16, Leases

IFRS 16 Leases, generally requires all leases, including operating leases, to be recognised in the balance sheet as right-of-use assets and lease liabilities by lessees. The company intends to adopt the standard on 1 January 2019 and is continuing to evaluate the effect that this standard will have on the financial statements. It is expected that this standard will have a material effect on the balance sheet but it is not practicable to provide a reasonable estimate of the effect of this standard until the company's detailed impact assessment has been completed.

IFRS 15 Revenue from contracts with customers, provides a single, five step revenue recognition model, applicable to all sales contracts, which is based on the principal revenue is recognised when control of goods or services are passed to the customer. IFRS 15 was adopted by the company with effect from 1 January 2018. The company will apply the full retrospective restatement approach to the comparative year ended 31 December 2017 in the financial statements for the year ended 31 December 2018. The primary anticipated effects of implementing IFRS 15 on revenues for the year ended 31 December 2017 are as follows:

- Application, initiation and other fees, charged when (i) new hotels enter our system; (ii) there is a change of ownership; or (iii) contracts are extended, will be recognized over the term of the management or franchise contract, rather than upon execution of the contract. This change is expected to reduce management or franchise fees by $1k for the year ended 31 December 2017 and reduce revenue reserves by $29k as at 1 January 2017.

- Certain contract acquisition costs related to our management/franchise contracts will be recognized over the term of the contracts as a reduction to revenue, instead of as amortization expense. This change is expected to reduce franchise fees/management fees by $3,139k for the year ended 31 December 2017, which will accordingly reduce depreciation and amortization by $3,139k, with no effect on the company's profit or loss account.

- Reimbursable fees related to our management and franchise contracts will be recognized as they are billed, as opposed to when we incur the related expenses. This change is expected to decrease other revenues from managed and franchised properties by $6,422k for the year ended 31 December 2017, but could increase or reduce these revenues in other periods. The impact on revenue reserves will be $21,697k as at 1 January 2017.

Revenue recognition related to our accounting for ongoing royalty and management fee revenues, direct reimbursable fees from our management and franchise contracts and hotel guest transactions at our owned and leased hotels will otherwise remain substantially unchanged.

3. ACCOUNTING POLICIES - continued

Revenue recognition

Turnover

Turnover which arose worldwide (excluding North America) is derived from management and service fees from third parties as well as intellectual property and service fees from other entities within the Hilton Worldwide group. Management fees are earned by the company through the rendering of goods and services, usually under long-term contracts with the hotel owner and can include a base fee, which is generally a percentage of hotel revenue, and/or an incentive fee, which is generally based on the hotel's profitability or cash flows.

Turnover is recognised when earned and realised or realisable under the terms of the contract. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes.

Interest income

Interest is recognised as it accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

Dividend income

Dividend income is recognised when the right to receive payment is established.

3. ACCOUNTING POLICIES - continued

Financial instruments
Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than those financial assets and liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

Financial assets

Financial assets within the scope of IAS 39 (Financial Instruments: Recognition and Measurement) are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial assets at initial recognition.

The company's financial assets are all 'loans and receivables' including trade debtors and inter company loans, and cash.

The subsequent measurement of financial assets depends on their classification as follows:

Intercompany loans are initially recognised at fair value and subsequently measured at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest in profit or loss. Losses arising from impairment are recognised in profit or loss in cost of sales.

Debtors are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision for impairment is made through profit or loss when there is objective evidence that the company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Cash in the balance sheet comprises cash at banks.

Financial liabilities

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition.

The only financial liabilities are intercompany loans and other creditors.

The measurement of financial liabilities depends on their classification as follows:

After initial recognition, intercompany loans are subsequently measured at amortised cost using the effective interest method.

Other creditors are recognised and carried at their original invoiced value. Other creditors are non-interest bearing and are normally settled on their individual terms.

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

3. ACCOUNTING POLICIES - continued

Fair values

All the company's financial instruments (except for cash) are not traded in an active market, at initial recognition the fair value is determined using appropriate valuation techniques. Due to the nature of the financial instruments as short term and market rate instruments, transaction price is considered to be the fair value.

Taxation
Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies
Assets and liabilities in foreign currencies are translated into USD at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into USD at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

3. ACCOUNTING POLICIES - continued

Investments
Investments in subsidiary undertakings are stated at cost. The carrying value of investments is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Intangible assets
Intangible assets are stated at cost less accumulated amortisation and accumulated impairments losses. Intangible assets with finite lives are amortised on a straight line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed annually. Intangible assets with infinite lives are not amortised but are assessed for impairment annually.

Development costs are comprised of key money paid to the franchisee or development commissions paid to team members directly related to the acquisition of a franchise agreement. Key money or development commission is amortised over the length of the associated franchise agreement which is typically a period of 10 to 20 years.

Group reorganisation
In accounting for a group reorganisation as a business combination under common control, the following principles have been adopted:
- Where a transfer is affected via transferring trade and assets of a business rather than shares of the company, as the transaction is the transfer of a business under common control the company has chosen to adopt the principles of merger accounting under common control as scoped out in IFRS 3.
- Where investments were acquired in exchange for the issue of shares the company has chosen to account for these transactions using the previous parent's book value with the difference between the value of the investments received and the nominal value of the shares issued being recognised within other reserves in equity.
- In circumstances where assets, including investments, were transferred in exchange for nil consideration these have been recognised at zero (i.e. the fair value of the consideration received) as the fair value of those assets could not be reliably estimated. This policy choice has been applied consistently to all contributions for nil consideration across the group.

3. ACCOUNTING POLICIES - continued

Share-based payments
Equity-settled transactions
The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award.

Fair value is determined by an external valuer using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any service and performance (vesting conditions), other than performance conditions linked to the price of the shares of Hilton Worldwide Holdings Inc. (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market vesting condition or a non-vesting condition, which are treated as vesting irrespective of whether or not the market vesting condition or non-vesting condition is satisfied, provided that all other non-market vesting conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market vesting conditions and of the number of equity instruments that will ultimately vest or, in the case of an instrument subject to a market condition or a non-vesting condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Cash-settled transactions
The cost of cash-settled transactions is measured initially at fair value at the grant date. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised in profit or loss for the period.

4. TURNOVER

The turnover and profit (2016 - loss) before taxation are attributable to the one principal activity of the company.

5. EMPLOYEES AND DIRECTORS

Most operations of the company during the year ended 31 December 2017 have been undertaken by employees of other companies within Hilton Worldwide Holdings Inc.. A charge of $- has been included in cost of sales in respect of their services (2016: $-).

During the year 31 employment contracts relating to senior management, including 6 individuals who are directors of Hilton UK Companies, were transferred to this Company. This transfer took place on 1 August 2017. These original employment contracts were previously held with Hilton UK Hotels Ltd. The table below records the costs incurred by the Company for these employees in the year.

	2017	2016
	$	$
Wages	14,205,296	-
Security costs	1,982,347	-
Pensions	516,971	-
	16,704,614	-

The average monthly number of employees during the year was 32 (2016: $-).

The costs of the directors' remuneration borne by this Company for the period from 1 August 2017 to 31 December 2017 are:

	2017	2016
Director's remuneration	$	$
Emoluments	709,496	-
Amounts paid under long term incentive schemes	289,415	-

	2017	2016
Remuneration of the highest paid director	$	$
Emoluments	182,279	-
Amounts paid under long term incentive schemes	80,817	-

The cost of the directors' remuneration for the period from 1 January 2017 to 31 July 2017 was borne by Hilton UK Hotels Ltd and disclosed within their financial statements.

6. PROFIT/(LOSS) ON DISPOSAL

	2017	2016
	$	$
Profit/(loss) on disposal of tangible fixed assets	(90,530)	-
Profit/(loss) on disposal of investment	-	5,883,880

7. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2017	2016
	$	$
Shares in group undertakings	30,384,269	119,194,109

8. INTEREST RECEIVABLE

	2017	2016
	$	$
Interest receivable from fellow group undertakings	1,571,404	863,604
Interest receivable from other third parties	90,071	49,412
	1,661,475	913,016

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	$	$
Interest payable to fellow group undertakings	21,432,913	4,155,081

10. PROFIT/(LOSS) BEFORE TAXATION

This is stated after charging:

	2017	2016
	$	$
IP and service fees payable to group undertakings	292,507,210	426,045,955
Amortisation of intangible fixed assets	3,291,019	3,734,577

Other operating items consist of:

	2017	2016
	$	$
Impairment losses on investments	7,926,595	12,927,931
Foreign exchange on currency loans	84,995,992	(33,434,431)
Loan extinguishment	-	504,508,349

The remuneration of the auditors of £ 20,579 (2016: £20,507) is borne entirely by Hilton Worldwide Limited.

11. TAXATION

Analysis of tax expense

	2017	2016
	$	$
Current tax:		
Corporation tax	160,868	-
Foreign tax	16,666,492	-
Corporation tax - prior period adjustment	2,336,220	-
Total current tax	19,163,580	-
Deferred tax:		
Origination and reversal of temporary differences	(526,847)	-
Adjustments in respect of prior periods	61,495	-
Total deferred tax	(465,352)	-
Total tax expense in statement of profit or loss and other comprehensive income	18,698,228	-

Tax effects relating to effects of other comprehensive income

	2017		
	Gross	Tax	Net
	$	$	$
Hedging losses	3,264	-	3,264

11. TAXATION - continued

Factors affecting the tax (credit)/charge
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2017 $	2016 $
Profit/(Loss) before income tax	57,865,171	(350,371,783)
(Loss) / Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.247% (2016 - 20%)	11,137,064	(70,074,357)
Effects of:		
Non-deductible depreciation and amortisation	218,312	-
Expenses not deductible for tax purposes	1,573,872	103,667,696
Group relief surrendered to/(from) fellow subsidiaries free of charge	4,646,148	(9,403,466)
Non-taxable income and profit	-	(25,015,598)
Partnership profit share	(677,320)	825,724
Non-taxable non-UK income	(1,365,598)	-
Higher tax on foreign income	7,495,338	-
Temporary differences subject to initial recognition exception	(6,463,412)	-
Profit apportionment	160,868	-
Tax rate reduction	61,497	-
Share based payments	(424,760)	-
Adjustments in respect of prior periods	2,336,219	-
Tax expense	18,698,228	-

Deferred tax assets and liabilities are netted down where they relate to income taxes receivable from and payable to the same taxation authority.

The deferred tax asset of $3,099,964 (2016: $-) is expected to be recovered and settled after more than one year. At 31 December 2017 the company did not recognise deferred tax assets on unremitted partnerhship profits of $12,519,345 (2016: $9,813,787), which are taxable in the period in which they accrue.

The enacted main rate of corporation tax was reduced from 20% to 19% from 1 April 2017 and 17% from 1 April 2020. These changes do not have a material effect on these financial statements.

The Group's future tax charge could be affected by numerous factors including, but not limited to, the UK's triggering of Article 50 and any future consequences of the UK leaving the European Union, the UK's proposal to amend the tax rules relating to the utilisation of brought forward losses and any tax reforms adopted from the OECD's BEPS actions such as those in relation to the deductibility of interest, anti-avoidance or transfer pricing. No quantification of these changes is currently possible due to uncertainty around when any currently proposed rules will be enacted or effective.

12. DIVIDENDS

	2017 $	2016 $
Ordinary shares of 0.017 each		
Final	-	602,401,810

13. INTANGIBLE FIXED ASSETS

	Intellectual Property $	Development costs $	Totals $
COST			
At 1 January 2017	-	66,205,208	66,205,208
Additions	257,190,000	32,607,205	289,797,205
Disposals	-	(720,000)	(720,000)
At 31 December 2017	257,190,000	98,092,413	355,282,413
AMORTISATION			
At 1 January 2017	-	8,398,227	8,398,227
Amortisation for year	-	3,291,019	3,291,019
Eliminated on disposal	-	(43,028)	(43,028)
At 31 December 2017	-	11,646,218	11,646,218
NET BOOK VALUE			
At 31 December 2017	257,190,000	86,446,195	343,636,195
At 31 December 2016	-	57,806,981	57,806,981

The Intellectual property addition relates to the acquisition of IP from Hilton International IP Holdings Limited, a fellow group company.

Development costs additions relate to key money and development commissions relating to future hotel openings.

14. INVESTMENTS

	Shares in group undertakings $
COST	
At 1 January 2017	2,662,054,811
Additions	11,096,711
Disposals	(106,838)
At 31 December 2017	2,673,044,684
PROVISIONS	
At 1 January 2017	22,838,446
Impairments	7,926,596
At 31 December 2017	30,765,042
NET BOOK VALUE	
At 31 December 2017	2,642,279,642
At 31 December 2016	2,639,216,365

14. **INVESTMENTS - continued**

During the year two of the entity's subsidiaries were recapitalised resulting in additions. Also, a subsidiary was liquidated resulting in disposals.

During the year three investments were impaired totalling $7,926,596 as the underlying net assets were not sufficient to support the investments' carrying value.

14. **INVESTMENTS - continued**

Details of the principal investments in which the company holds nominal value of any class of share capital are as follows:

Investments in directly held subsidiary undertakings are denoted below with an asterisk; all other investments in subsidiary undertakings are indirectly held.

	Country of registration and operation	Principal activities	Proportion of voting rights and shares held
Mayaguez Hilton LLC*	Puerto Rico	Dormant	100%
Hilton International Trinidad Limited*	Trinidad and Tobago	Hotel operator	100%
Hilton Tobago Unlimited*	Trinidad and Tobago	Hotel operator	100%
Hilton International Manage (Argentina) SRL*	Argentina	Hotel manager	100%
Hilton International Barbados Limited	Barbados	Hotel manager	100%
Livingwell Australia Pty Limited	Australia	Investment holding company	100%
Conrad International (Thailand) Limited*	Thailand	Hotel manager	100%
Conrad International Hotels (HK) Limited*	Hong Kong	Hotel manager	100%
Conrad International (Egypt) LLC*	United States	Hotel manager	100%
Hilton Hotel Management Services Private Limited	India	Hotel manager	100%
Hilton International GAMMA SASU	France	Dormant	100%
Hilton Argentina SRL*	Argentina	Dormant	100%
Hilton (Maldives) PVT Ltd*	Maldives	Dormant	100%
HIRO Verwaltungs GmbH	Germany	Dormant	100%
HIRO Hotel GmbH & Co KG	Germany	Dormant	100%
HIRO Grundstucks GmbH & Co KG	Germany	Dormant	100%
Hilton Hotel Management (Shanghai) Co. Ltd.	China	Hotel manager	100%
HLT German Manage GmbH	Germany	Investment holding company	100%
HLT German Services GmbH	Germany	Investment holding company	100%
Hilton Service Center GmbH	Germany	Investment holding company	100%
Grand Hotel Imperial DD (JV)	Croatia	Investment holding company	17.54%
Hilton Worldwide Services Limited*	United Kingdom	Investment holding company	100%
Hilton of Panama Limited*	Panama	Hotel operator	100%
Hilton International (Thailand) Limited*	Thailand	Hotel operator	100%
HI Hotel Management (Guam), Inc	Guam	Hotel manager	100%
Hilton Hotels of Australia Pty Limited	Australia	Hotel manager	100%
Hilton of Malaysia LLC*	Malaysia	Hotel manager and operator	100%
Hilton Hotels of Australia (Melbourne) Pty Ltd	Australia	Hotel manager	100%
Nagoya Hilton Co Limited (JV)	Japan	Hotel operator	24%
Osaka Hilton Co Limited (JV)	Japan	Hotel owner	71.50%
Tokyo Bay Hilton Co Limited (JV)	Japan	Hotel operator	24%
Odawara Hilton Co Limited*	Japan	Hotel operator	100%
Sunrise Resources (Australia) Pty Limited	Australia	Hotel owner	100%

14. **INVESTMENTS - continued**

259 Pitt Street Pty Limited	Australia	Dormant	100%
Addis Ababa Hilton International Pvt Limited Co	Ethiopia	Hotel operator	100%
African American Investment Corporation (PTY) Limited	South Africa	Dormant	100%
Madagascar Hilton SARL	Madagascar	Hotel operator	100%
International Hotels (Kenya) Limited (JV)	Kenya	Hotel owner	59.42%
Hilton Nairobi Limited*	Nairobi	Hotel owner	100%
Hilton International South Africa (PTY) Limited*	South Africa	Hotel operator	100%
Societe Tunis Hilton SARL	Tunisia	Dormant	100%
Hilton International (Netherlands) BV*	Netherlands	Hotel operator	100%
Hilton (Hellas) Monoprosopi EPE*	Greece	Hotel operator	100%
Hilton International (Germany) GmbH	Germany	Hotel operator	100%
Hilton Cyprus Limited*	Cyprus	Hotel manager	100%
Hilton Enternasyonal Otelcilik AS*	Turkey	Hotel operator	100%
Societe d'Exploitation Hoteliere EURL	France	Hotel operator	100%
Hilton International (France) SAS*	France	Investment holding company	100%
Hilton Italiana SRL	Italy	Hotel operator	100%
Tel Aviv Hilton Limited*	Israel	Hotel operator	100%
Hilton International (Switzerland) GmbH*	Switzerland	Hotel operator	100%
Hotelbetriebsgesellschaft Hochstrasse GmbH	Germany	Hotel operator	100%
Grundstucksgesellschaft Belvederer Allee Weimar GmbH	Germany	Dormant	100%
Hilton Malta Limited*	Malta	Hotel operator and manager	100%
Hilton International (Bulgaria) EAD*	Bulgaria	Hotel operator	100%
Konya Hilton Enternasyonal Otelcilik AS*	Turkey	Hotel manager	100%
Societe d'Exploitation Hoteliere La Defense SAS	France	Hotel operator	100%
Hilton of Spain SL*	Spain	Hotel operator	100%
Hilton Israel Limited*	Israel	Hotel manager	99%
Kayseri Hilton Enternasyonal Otelcilik AS*	Turkey	Hotel manager	100%
HLT Bradford Limited	United Kingdom	Hotel manager	100%
Hilton International Holdings LLC	United States	Investment holding company	100%
Comfort Inns BV*	Netherlands	Investment holding company	100%
HIC Roissy Netherlands BV	Netherlands	Investment holding company	100%
Comfort Lodge Limited	United Kingdom	Dormant	100%
World Hotels BV	Netherlands	Investment holding company	100%
UK Leasing Cobham Limited	United Kingdom	Hotel operator	100%
UK Leasing Croydon Limited	United Kingdom	Hotel operator	100%
UK Leasing East Midlands Limited	United Kingdom	Hotel operator	100%
UK Leasing Leeds City Limited	United Kingdom	Hotel operator	100%

14. **INVESTMENTS - continued**

UK Leasing London Kensington Limited	United Kingdom	Hotel operator	100%
UK Leasing Northampton Limited	United Kingdom	Hotel operator	100%
UK Leasing Nottingham Limited	United Kingdom	Dormant	100%
UK Leasing Watford Limited	United Kingdom	Hotel operator	100%
UK Leasing York Limited	United Kingdom	Hotel operator	100%
UK Leasing Brighton Limited	United Kingdom	Hotel operator	100%
UK Leasing Leicester Limited	United Kingdom	Hotel operator	100%
UK Leasing Puckrup Limited	United Kingdom	Hotel operator	100%
Greatkey Limited	United Kingdom	Hotel operator	100%
Hilton Worldwide Franchising LP*	United Kingdom	Franchisor entity	100%
Comfort Hotels International Limited	United Kingdom	Dormant	100%
Adda Properties Limited	Kingdom	Dormant	100%
Hilton International Australia Holding Pty Limited*	Australia	Investment holding company	100%
Hilton Worldwide Manage Branchco Limited*	United Kingdom	Investment holding company	100%
Hilton Worldwide Holding 1 Limited*	United Kingdom	Investment holding company	100%
Comfort Hotels Limited	Kingdom	Hotel operator	100%
Hotel Maatschappij Schiphol BV	Netherlands	Hotel operator	100%
Hilton Worldwide International Myanmar Limited*	Myanmar	Hotel manager	100%
Comfort Lodge (U.K.) Limited	United Kingdom	Hotel operator	100%
Adda Hotels	Kingdom	Hotel operator	100%
International Brand Hospitality GmbH (Austria)	Austria	Hotel operator	100%
International Brand Hospitality GmbH (Germany)	Germany	Hotel operator	100%
Hilton Copenhagen ApS*	Denmark	Hotel manager	100%
Maple Hotels Management Company Limited	United Kingdom	Hotel manager	100%
Dunkeld Lodges (Management) Limited	United Kingdom	Dormant	100%
Puckrup Hall Hotel Limited	Kingdom	Hotel operator	100%
Bondarea Limited	Scotland	Dormant	100%
Hilton Worldwide Limited*	United Kingdom	Investment holding company	100%
HIC Holdings BV	Netherlands	Investment holding company	100%

14. **INVESTMENTS - continued**

HLT London Manage Limited	United Kingdom	Hotel manager	100%
HLT Aro Manage Limited	United Kingdom	Hotel manager	100%
Hilton UK Manage Limited	United Kingdom	Investment holding company	100%
HLT Stakis Operator Limited	United Kingdom	Hotel manager	100%
HLT Owned Mezz V-A Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz V-B Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz V-C Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz V-D Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz V-E Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz V-F Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz V-G Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz V-H Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz V-I Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz V-J Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz V-K Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-A Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-B Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-C Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-D Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-E Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-F Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-G Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-H Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-I Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-J Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-K Limited	United Kingdom	Investment holding company	100%
HLT Managed Mezz XI-A GmbH	Germany	Investment holding company	100%

14. **INVESTMENTS - continued**

HLT Managed Mezz XI-B GmbH	Germany	Investment holding company	100%
HLT Managed Mezz XI-C GmbH	Germany	Investment holding company	100%
HLT Managed Mezz XI-D GmbH	Germany	Investment holding company	100%
HLT Managed Mezz XI-E GmbH	Germany	Investment holding company	100%
HLT Managed Mezz XI-F GmbH	Germany	Investment holding company	100%
HLT Managed Mezz XI-G GmbH	Germany	Investment holding company	100%
HLT Managed Mezz XI-H GmbH	Germany	Investment holding company	100%
HLT Managed Mezz XI-I GmbH	Germany	Investment holding company	100%
HLT Managed Mezz XI-J GmbH	Germany	Investment holding company	100%
HLT Managed Mezz XI-K GmbH	Germany	Investment holding company	100%
HLT Managed Mezz VI-A LLC	United States	Investment holding company	100%
HLT Managed Mezz VI-B LLC	United States	Investment holding company	100%
HLT Managed Mezz VI-C LLC	United States	Investment holding company	100%
HLT Managed Mezz VI-D LLC	United States	Investment holding company	100%
HLT Managed Mezz VI-E LLC	United States	Investment holding company	100%
HLT Managed Mezz VI-F LLC	United States	Investment holding company	100%
HLT Managed Mezz VI-G LLC	United States	Investment holding company	100%
HLT Managed Mezz VI-H LLC	United States	Investment holding company	100%
HLT Managed Mezz VI-I LLC	United States	Investment holding company	100%
HLT Managed Mezz VI-J LLC	United States	Investment holding company	100%
HLT Managed Mezz VI-K LLC	United States	Investment holding company	100%
HLT Operating Mezz III-K Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz V-K Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz VII-A Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz VII-B Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz VII-C Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz VII-D Limited	United Kingdom	Investment holding company	100%

14. **INVESTMENTS - continued**

HLT Operating Mezz VII-E Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz VII-F Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz VII-G Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz VII-H Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz VII-I Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz VII-J Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz VII-K Limited	United Kingdom	Investment holding company	100%
HLT Operating VII-A Borrower GmbH	Germany	Investment holding company	100%
HLT Stakis IP Limited	United Kingdom	Investment holding company	100%
Hilton UK Corporate Director Limited	United Kingdom	Dormant	100%
HLT Managed XI-A Borrower GmbH	Germany	Investment holding company	100%
HLT Owned V Holding Limited	United Kingdom	Investment holding company	100%
HLT Owned V-A Holding Limited	United Kingdom	Investment holding company	100%
HLT Owned IX Holding Limited	United Kingdom	Investment holding company	100%
HLT Owned IX-A Holding Limited	United Kingdom	Investment holding company	100%
HLT Brazil LLC	United States	Investment holding company	100%
HLT Secretary Limited*	United Kingdom	Investment holding company	100%
HLT Managed VI Holding LLC	United States	Investment holding company	100%
Hotel Corporation of Europe*	United States	Hotel manager	100%
Hilton International Canada CRA ULC (HC ULC)*	Canada	Dormant	100%
Hapeville Investors LLC	United States	Dormant	100%
Servicios y Recursos Administrativos Hoteleros S. de R.L. de C.V.	Mexico	Hotel manager	100%
Operadora de Hoteles Loreto, S. de R.L. de C.V	Mexico	Hotel manager	100%
HLT Mexico LLC	United States	Investment holding company	100%
HLT Managed XII-A Holding LLC	United States	Investment holding company	100%
Hilton International Manage LLC*	United States	Hotel manager	100%
HLT Waldorf Astoria International Manage LLC	United States	Investment holding company	100%
Hilton Internacional de Venezuela CA*	Venezuela	Hotel manager	100%
Hilton Russia LLC	United States	Hotel manager	100%
HLT International Manage LLC	United States	Hotel manager	100%
PT Hilton International Manage Indonesia	Indonesia	Hotel manager	100%
Nippon Hilton Co Limited (JV)	Japan	Hotel operator	68.76%

14. **INVESTMENTS - continued**

Ankara Enternasyonel Otelcilik AS*	Turkey	Hotel operator	10.30%
Izmir Hilton Enternasyonal Otelcilik AS*	Turkey	Hotel operator	100%
Mersin Hilton Enternasyonal Otelcilik AS*	Turkey	Hotel operator	100%
Adana Hilton Enternasyonal Otelcilik Limited Sirketi*	Turkey	Hotel operator	100%
Istanbul Park Hilton Enternasyonal Otelcilik Limited Sirketi*	Turkey	Hotel operator	100%
Hilton Worldwide International Italy SRL	Italy	Hotel manager	100%
Hilton International Wien GmbH*	Austria	Hotel operator	100%
Hilton Hotel Service Co Limited	Japan	Hotel manager	70%
Hilton Munich Airport Hotel Manage GmbH*	Germany	Catering operator	100%
Hilton International Vermogensverwaltung GmbH*	Germany	Investment holding company	100%
Societe de Developpement Hotel Pointe des Blagueurs B.V. (JV)	Netherlands	Dormant	25%
ATM Hotels Pty Limited*	Australia	Hotel business nameowner	100%
Morning Light Co Limited (JV)	Mauritius	Hotel manager	19.48%
HI Investment (Colombia) EU*	Colombia	Hotel manager	100%
Vista Real Estate Management Company (JV)	Egypt	Dormant	55%
Hilton Egypt Trading Company*	Egypt	Alcohol license holder	100%
Hilton International Jamaica Limited	Jamaica	Hotel operator	100%
Hilton International Management LLC*	United States	Investment holding company	100%
Doubletree International Franchise	United States	Franchisor entity	100%
HLT Managed VI-A Borrower LLC	United States	Investment holding company	100%
HLT Managed VI-A Holding LLC	United States	Investment holding company	100%
HLT Owned VI-A Holding LLC*	United States	Investment holding company	100%
Hilton International LLC*	United Kingdom	Investment holding company	100%
Hilton Worldwide International FS Treasury LLC*	United States	Finance company	100%
Hilton Brazil Opercoes E Ltda	Brazil	Non trading	100%
Hilmex Holdings S.de.R.L. de CV	Mexico	Non trading	100%
Hilton Germany Holdco Limited	United Kingdom	Dormant	100%
Conrad International Management Services (Singapore) PTE	Singapore	Non trading	100%
Hilton International Asia Pacific Pte Ltd	Singapore	Non trading	100%
Hilton Worldwide International Puerto Rico LLC*	Puerto Rico	Hotel operator	100%
Hilton International Manage (Maldives) PVT Ltd*	Maldives	Hotel operator	100%
Hilton Hotels (Ireland) Ltd	Ireland	Hotel operator	100%
Conrad Osaka Godo Kaisha*	Japan	Hotel operator	100%
Hilton International DEMPE Holding Limited*	United Kingdom	Dormant	100%
Hilton International Franchisor LLC*	United States	Franchisor entity	100%
Hilton Worldwide International do Brasil Ltda*	Brazil	Hotel manager	100%
Hilton Worldwide International Japan Godo-Kasiha*	Japan	Hotel operator	100%
PT. Conrad Management Indonesia*	Indonesia	Hotel manager	100%

14. **INVESTMENTS - continued**

HLT International Exisiting Franchise Holding LLC*	United States	Franchisor entity	100%
HLT English Operator	United Kingdom	Hotel operator	100%
Hilton Worldwide International Singapore Pte. Ltd	Singapore	Hotel manager	100%

Consolidated financial statements have not been prepared as the company is consolidated into the financial statements of a larger group, for which the consolidated financial statements are publicly available, as disclosed in the below note "Parent undertaking, controlling party and consolidating entity".

In the opinion of the directors the aggregate value of the investment in subsidiary and joint venture undertakings is not less than the amounts at which they are stated in these financial statements.

15. **DEBTORS**

	2017 $	2016 $
Amounts falling due within one year:		
Trade debtors	48,327,710	37,492,262
Amounts owed by group undertakings	280,188,964	214,781,611
Deferred tax asset	626,766	-
Prepayments and accrued income	147,024	95,537
	329,290,464	252,369,410
Amounts falling due after more than one year:		
Other debtors	18,119,176	4,743,791
Deferred tax asset	2,473,198	-
	20,592,374	4,743,791
Aggregate amounts	349,882,838	257,113,201

Amounts owed by group undertakings are included in amounts due within one year where there are no specified repayment terms. Amounts owed by group undertakings are technically repayable on demand and hence are included in amounts due within one year. A majority of the loans bear interest at a rate linked to LIBOR plus a margin.

Other debtors due after more than one year relate to a brand fund deficit.

16. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 $	2016 $
Amounts owed to group undertakings	1,430,532,249	1,110,399,886
Social security and other taxes	4,412,130	2,680,659
Other creditors	33,077,200	26,388,020
Accruals and deferred income	13,266,291	2,101,043
	1,481,287,870	1,141,569,608

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Amounts owed to group undertakings are included in amounts due within one year where there are no specified repayment terms and there is no fixed repayment schedule in place. While amounts owed to group undertakings are technically repayable on demand, and hence are included in amounts due within one year, the directors are of the opinion (as a result of their group role in relation to the group undertakings amounts are owed to) that in the ordinary course of business, repayment within such a timescale would not be required. The loans bear interest at LIBOR plus a margin.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	$	$
Tax	160,868	-

18. DEFERRED TAX

	$
Provided during year	(3,099,964)
Balance at 31 December 2017	(3,099,964)

The asset at 31 December 2017 relates to share based payments.

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 $	2016 $
1,860,531,927	Ordinary	0.017	31,663,638	31,663,638

The number of shares authorised and issued as at the period end was 1,860,531,927 ordinary shares of £1 each. 21,303,682 shares were recorded at $0.0162, 1,839,228,241 were recorded at $0.0170 and 4 were recorded at $1.25. These shares carry one vote per share and carry a right to dividends.

20. RESERVES

	Retained earnings $	Share premium $	Other reserves $	Totals $
At 1 January 2017	2,313,226,376	21,874	(532,343,264)	1,780,904,986
Profit for the year	39,166,943	-	-	39,166,943
Hedging losses	3,264	-	-	3,264
Tax on share based payments	2,612,149	-	-	2,612,149
At 31 December 2017	2,355,008,732	21,874	(532,343,264)	1,822,687,342

21. PARENT UNDERTAKING, CONTROLLING PARTY AND CONSOLIDATING ENTITY

The company's immediate parent undertakings are Hilton International IP Holding Ltd (19.73%) and Hilton International Hotels (UK) Ltd , both hotel operators registered in England.

The ultimate parent the only undertaking for which group financial statements were prepared and into which the company is consolidated for 31 December 2017, was Hilton Worldwide Holdings Inc., a Delaware company incorporated in the United States of America. These group financial statements are available from the company secretary, Hilton Worldwide Holdings Inc., 7930 Jones Branch Drive, McLean, Fairfax County, Virginia VA 22102-3302, United States of America .

22. CAPITAL COMMITMENTS

The company has not entered into any capital commitments contracted for but not provided in the financial statements at period end.

23. CONTINGENT LIABILITIES

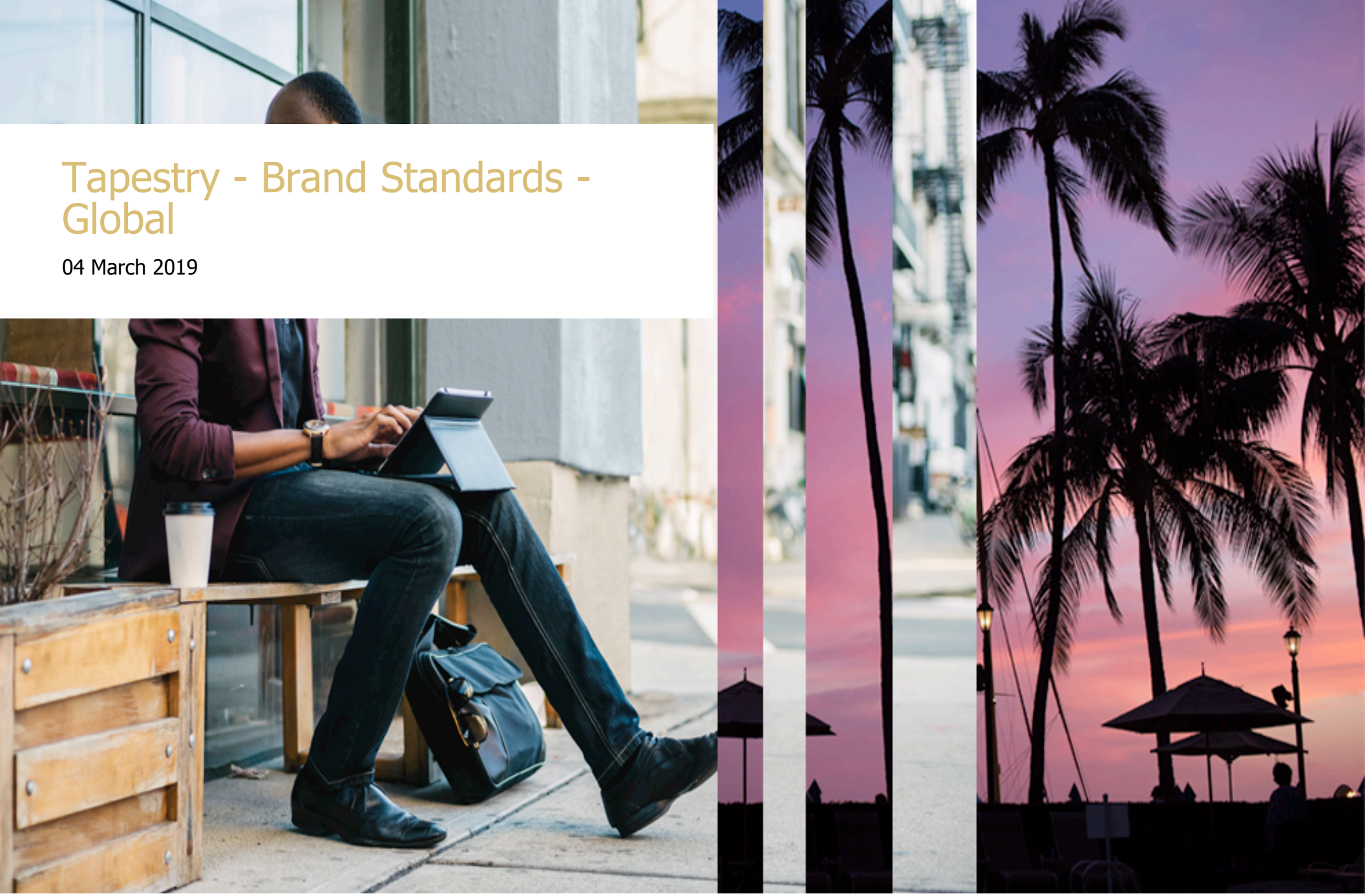
The company had jointly and severally guaranteed the value added tax liability of other companies within the same UK VAT group, which amounted to approximately £6.7m/$9.1m (2016: £6.1m/$7.5m) at 31 December 2017.

24. PENSION GUARANTEE OBLIGATION

The company has entered into a guarantee obligation to act as guarantor to Hilton HHC Limited and future obligations and liabilities (whether actual or contingent) of each of the employers to make payments to the Hilton Worldwide Holdings Inc UK Pension plan.

The guarantee obligation amounted to approximately $243m/£180m (2016: $221m/£180m) at 31 December 2017.

EXHIBIT H-1



Tapestry - Brand Standards - Global

04 March 2019

Hilton

WALDORF ASTORIA HOTELS & RESORTS · CONRAD HOTELS & RESORTS · canopy BY HILTON · Hilton HOTELS & RESORTS · CURIO A COLLECTION BY HILTON · DOUBLETREE BY HILTON · TAPESTRY COLLECTION BY HILTON · EMBASSY SUITES BY HILTON · Hilton Garden Inn · Hampton BY HILTON · tru BY HILTON · HOMEWOOD SUITES BY HILTON · HOME2 SUITES BY HILTON · Hilton Grand Vacations

Hilton HONORS

TAPESTRY COLLECTION BY HILTON

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This Standards Manual ("**Manual**") has been developed to provide the Owner (as defined below) of the Hotel with the required minimum standards, procedures, rules, regulations, policies, and techniques (the "**Brand Standards**") of the Tapestry Collection by Hilton ("**Brand**") focused service brand system (the "**System**"). To achieve and maintain high standards of quality and service and associated goodwill for the System, it is essential that Owner strictly adhere to all elements of the System, including, without limitation, the Manual and the Owner's Agreement. Notwithstanding anything in this Manual to the contrary, the policies contained in the Resources to this Manual are not required to be adopted by a franchised Hotel as long as the Hotel adopts a policy covering the subject matter in the attachment that meets all legal requirements.

All references in this Manual to "**Owner**" refer to the Owner operating under a License Agreement or Franchise Agreement (which may be the owner of the Hotel) or the owner under a Management Agreement, as applicable, with the Brand (the "**Agreement**"). All references in this Manual to the "**Hotel**" refer to the Hotel that has been provided with this Manual. At times this Manual imposes obligations on the Hotel that are essential to the System. Owner is responsible for ensuring the hotel's compliance with those obligations. All references in this Manual to the "**Brand**" refer to Hilton Franchise Holding LLC or HLT Existing Franchise Holding LLC if the hotel is designated as a USA hotel. Otherwise, these references refer to Hilton Franchising LP. All references to Hilton refer to Hilton, Inc.

These Brand Standards are subject to change, amendment, or supplement from time to time by the Brand. The Brand has the sole and absolute discretion to grant exceptions to these Brand Standards as it deems appropriate.

These Brand Standards are designed to protect the System and the trademarks and service marks associated with the System, and not to control the day-to-day operation of the Hotel. Owner at all times will remain responsible for the operation of the Hotel, and all activities occurring at the hotel. Owner must hire and train its own employees. The Brand is not responsible for and does not direct or control the conduct of any Hotel employee.

Owner must comply with and maintain the Brand Standards at a level equal to or greater than as set forth in this Manual. Violation of any of these Brand Standards by Owner shall constitute default of Owner's Agreement and would allow the Brand to take all necessary action to protect the integrity of the System.

This Manual is the property of the Brand and is provided to Owner for use and reference during the term of its Agreement with the Brand. Additions and modifications to this Manual will be posted at a website of which the Brand will provide Owner notice, or will be sent to Owner, and Owner must comply with these additions and modifications to the same extent as if set forth in this Manual at this time. For the avoidance of any doubt, any such additions or modifications set forth at such a website are incorporated herein by reference.

Owner must maintain the confidentiality of the Manual. Upon termination of its Agreement, Owner must return this Manual and all other confidential material owned, created, or used by the Brand without retaining any photocopies.

At or about the time Owner executes the Agreement, the Brand will place Owner in a Region set forth below. The Region that Owner is placed in is within the sole and absolute discretion of the Brand and may be modified from time to time. Owner must comply with all Brand Standards applicable to that Region, which includes those Brand Standards that are not limited by Region.

For the avoidance of any doubt, if the applicability of a Brand Standard or a section of a Brand Standard is limited to a specific Region and the Owner has not been placed in that Region, then the Brand Standard or section, as the case may be, is not applicable to the Owner. Conversely, if the Owner has been placed in that Region, the Owner must comply with the Brand Standard or section.

For the avoidance of doubt, wherever it is stated in this Brand Standards Manual that certain requirements/specifications would apply where the Hotel has or decides/elects to have certain elements, whether the Hotel has or will have such elements is to be determined in the sole discretion of Hilton.

Portable Document Format (PDF) Disclaimer

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Tapestry - Global Preface

The information contained in the portable document format (PDF) version of this manual represents the brand standards as of the effective date. Hilton reserves the right, at our sole and absolute discretion, to change modify, add or remove portions of these standards at any time. These brand standards should be used for internal purposes only and may not be publicly distributed. This PDF contains confidential information and any unauthorized disclosure, copying or distribution of this material is strictly prohibited.

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EXHIBIT I

Hilton

755 Crossover Lane
Memphis, TN 38117

SAVE AS NEW DOCUMENT
Insert Expected Closing Date

Lender [also insert in 2nd page header]
Attention:
Address
Address

Re: [Name of Hotel (City, State) – Facility No. _____; ALSO INSERT IN 2nd page header]

Ladies and Gentlemen:

HILTON FRANCHISE HOLDING LLC, a Delaware limited liability company [IF NEEDED:, successor by-merger to SELECT DOUBLETREE FRANCHISE LLC, a Delaware limited liability company, EMBASSY SUITES FRANCHISE LLC, a Delaware limited liability company, HILTON FRANCHISE LLC, a Delaware limited liability company, HAMPTON INNS FRANCHISE LLC, a Delaware limited liability company, HILTON GARDEN INNS FRANCHISE LLC, a Delaware limited liability company, HOMEWOOD SUITES FRANCHISE, LLC, a Delaware limited liability company, HLT ESP FRANCHISE LLC, a Delaware limited liability company OR SELECT HLT EXISTING FRANCHISE HOLDING LLC, a Delaware limited liability company, successor in interest to SELECT [DT] Doubletree Hotel Systems, Inc. [ES, HAM, HWS] Promus Hotels, Inc. [HFS, HGI, CON, WA] Hilton Inns, Inc.] SELECT FOR CANADA: HILTON WORLDWIDE FRANCHISING LP, a limited partnership formed under the laws of England and Wales] ("**Franchisor**") and _____, a _____ ("**Franchisee**") are parties to a franchise agreement dated _____, including all amendments, riders, supplemental agreements and assignments (collectively, "**Franchise Agreement**"). Franchisee operates [will operate] the [INSERT brand] hotel [to be] located at _____ ("**Hotel**") under the terms of the Franchise Agreement.

This letter agreement is being entered into in connection with a mortgage loan in the amount of $_____ dated _____, as such mortgage loan may be periodically amended, modified, supplemented, extended or restated ("**Loan**"), from _____ [IF LENDER IS NOT A BANK: , a [State] [Type of Entity] ("**Lender**") [IF NEEDED: as administrative agent for itself and other participant lenders (in its capacity as administrative agent, "**Lender**")] to Franchisee [IF NOT FRANCHISEE: _____, a [State] [Type of Entity] ("**Borrower**")] to be used [*IF MULTIPLE PROPERTIES*:, in part,] for the direct benefit of the Hotel. [*DESCRIBE BORROWER'S RELATIONSHIP TO FRANCHISEE, e.g.* Borrower is the owner of the real property on which the Hotel is located, which Borrower leases to Franchisee, its affiliate.]

[*IF MULTIPLE LENDERS, REFERENCE SHORT NAMES ABOVE AND USE CONSISTENTLY:*
FIRST ALTERNATIVE: Franchisor is entitled to presume conclusively that notice to and actions or failures to act by *INSERT NAME OF ONE LENDER* _____ ("**Lead Lender**") are sufficient for all purposes under this letter agreement and that rights under this letter agreement may only be exercised by and the obligations under this letter agreement may only run to Lead Lender. Lead Lender may designate in writing a different party to this letter agreement to represent all lenders, provided that one party must be designated to represent all lenders.

SECOND ALTERNATIVE: First Lender [MODIFY AS NEEDED], Second Lender [MODIFY AS NEEDED] and Third Lender [MODIFY AS NEEDED] will be collectively referred to as "**Lender**." First Lender, Second Lender and Third Lender have represented to Franchisor that they have entered into an intercreditor agreement that establishes priorities among the lenders. Franchisor is not a party to the

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intercreditor agreement and is relying on the representations of First Lender, Second Lender and Third Lender. Franchisor is entitled to presume conclusively that the rights and obligations under this letter agreement will run to the Lender who contacts Franchisor and represents that it is entitled by the terms of the intercreditor agreement to exercise the rights of Lender under this letter agreement. Lender agrees that Franchisor shall have no obligation to resolve inconsistent instructions if it receives instructions from more than one lender and Franchisor shall have no liability to any lender as a result of any action that Franchisor takes in good faith at the direction of another lender, or any failure of Franchisor to act in the face of inconsistent instructions.

[*IF PRIOR LENDER COMFORT LETTER EXISTS*:
Reference is also made to a letter agreement dated _____, among Franchisor [CONFIRM ENTITY], Franchisee [CONFIRM ENTITY] and Lender [CONFIRM ENTITY] ("**Existing Comfort Letter**"). [IF EXISTING COMFORT LETTER IS WITH SAME LENDER: This letter agreement replaces the Existing Comfort Letter, which is null and void, and of no further force or effect.] [IF MORE THAN ONE EXISTING COMFORT LETTER, MODIFY THIS AND ¶¶ 5 AND 6 AS NEEDED]

1. **Cure Period**.

(a) Notice of Franchisee Default. Franchisor will concurrently provide Lender a copy of any default notice sent to Franchisee under the Franchise Agreement. The notice will be sent to Lender at the address set forth above or such other address designated by Lender in writing, provided that only a single address may be designated and it may not be a P.O. Box.

(b) Lender's Cure Periods. Lender shall have the right, but not the obligation, to cure the default within fifteen (15) calendar days beyond the expiration of any cure period given to Franchisee ("**Lender's Cure Period**"). If the default is for failure to comply with physical standards or other non-monetary default which could only be cured by Lender acquiring possession and/or ownership of the Hotel (each, an "**Acquisition**"), Lender may have an additional period of one hundred eighty (180) calendar days, commencing at the expiration of Lender's Cure Period, for Lender to complete its Acquisition, through foreclosure or other appropriate proceedings ("**Additional Period**"); provided that Lender must: (i) notify Franchisor no later than the date it commences proceedings (or promptly after action is stayed or enjoined) that Lender wants the Additional Period; (ii) commence proceedings and diligently prosecute such proceedings to completion; and (iii) comply with the obligations of Franchisee under the Franchise Agreement not being performed by Franchisee during the Additional Period including payment of all monetary obligations but excluding those obligations which can only be performed by Franchisee or which Lender cannot perform without possession and/or ownership of the Hotel. On request by Lender, the Additional Period may be further extended by Franchisor in its determination, which determination shall take into consideration the period of time required to complete an Acquisition in the applicable jurisdiction, and any period of time in which Lender's action has been stayed or enjoined. If Franchisor has not issued a default notice to Franchisee or Lender has cured Franchisee's default during Lender's Cure Period and Lender commences a foreclosure or other proceeding intended to result in an Acquisition, Lender may exercise the rights under this letter agreement under the terms and timelines outlined in this Subparagraph. If Franchisor has not issued a default notice, Lender's notice to Franchisor of Franchisee's default under the Loan will be deemed to initiate the timeline outlined under the Lender's Cure Period and Additional Period. Franchisor acknowledges and agrees that an Acquisition shall not be deemed a sale or lease of the Hotel under the Franchise Agreement, nor a violation of any control or transfer provisions of the Franchise Agreement, and shall not be subject to any right of first refusal or right of first offer contained in the Franchise Agreement.

(c) Franchisor's Rights to Terminate Franchise Agreement. Notwithstanding any other provision of this letter agreement, Franchisor may terminate the Franchise Agreement if any of the following occur: (i) Franchisee's default or any subsequent default, in the sole opinion of Franchisor,

damages the image or reputation of Franchisor or any brand name owned and/or licensed by Hilton Worldwide Holdings Inc., a Delaware corporation, or its subsidiaries or affiliates (collectively, "**Hilton**"); (ii) Franchisor is required to terminate the Franchise Agreement by court order or action of any trustee in bankruptcy or debtor in possession of the Hotel; or (iii) the Additional Period expires without other arrangements, satisfactory to Franchisor in its sole discretion, having been entered into between Franchisor and Lender.

(d) Expiration of Franchise Agreement. Nothing in this letter agreement will extend the Franchise Agreement beyond its stated expiration date.

(e) Receiver Appointment. If a receiver is appointed to operate the Hotel at the request of Lender, Franchisor may require the receiver to enter into Franchisor's then-current form of receiver agreement, with such modifications as mutually agreed between Franchisor, Lender and receiver, or other documentation that Franchisor considers reasonably necessary.

2. **Acquisition and Assumption**.

(a) [DELETE THIS SUBPARAGRAPH 2(a) IF THE HOTEL IS HILTON-MANAGED WITH A FRANCHISE OR FOR PORTFOLIO LOANS IF THE NUMBER OF HOTELS OPERATING UNDER THE SAME BRAND EXCEEDS THE THRESHOLD OR IF EQUITY ACQUISITION LANGUAGE IS REQUESTED] Lender's Election to Waive Assumption of Franchise Agreement. Lender may give written notice to Franchisor of Lender's election to waive Lender's right to assume the Franchise Agreement at any time (i) during Lender's Cure Period, or the Additional Period, as the Additional Period may be extended in accordance with Subparagraph 1(b) of this letter agreement, or (ii) within twenty (20) calendar days after the Acquisition. If given, the notice will be effective twenty (20) calendar days after Franchisor's receipt of the notice, and Franchisor may rely on the notice to exercise its remedies against Franchisee under the Franchise Agreement, including termination of the Franchise Agreement. Lender shall not be liable for any termination fees or liquidated damages arising from the early termination of the Franchise Agreement; provided, however, if Lender or its designee is or comes into possession of the Hotel before the notice is effective, then Lender shall be responsible for post-termination de-identification obligations at the Hotel, and for payment of any fees owed to Franchisor pursuant to the Franchise Agreement that accrued while Lender was in possession of the Hotel before the notice is effective, but excluding termination fees or liquidated damages.

(b) Acquisition and Franchise Agreement Assumption. [DELETE FIRST SENTENCE ONLY IF ¶ 2(a) IS DELETED: If Lender does not give written notice to Franchisor under Subparagraph 2(a), the Franchise Agreement will continue in full force and effect.] If Lender acquires possession and/or ownership of the Hotel as the result of an Acquisition, Lender will be deemed to have assumed the Franchise Agreement as of the date of the Acquisition. Lender will be obligated to perform all of the obligations of Franchisee under the Franchise Agreement existing at or accruing after the Acquisition date, including the payment of fees owed to Franchisor ("**Assumption**"). Any conditions in the transfer provisions of the Franchise Agreement that Franchisor deems relevant shall apply with respect to the Assumption, including but not limited to the obligation for Lender to submit its ownership structure, organizational documents and evidence of insurance. Lender must, within ten (10) business days after receipt of a request from Franchisor, provide to Franchisor all information necessary for Franchisor to determine that Lender is not a Sanctioned Person (as defined below), as well as the other information reasonably requested. If Franchisor confirms that Lender is not a Sanctioned Person, Franchisor will promptly prepare Franchisor's then-current form assumption agreement ("**Assumption Agreement**") to document the Assumption, and deliver the Assumption Agreement to Lender. Lender must execute and return the Assumption Agreement to Franchisor within ten (10) business days after receipt from Franchisor. Lender's failure to timely execute and deliver the Assumption Agreement may be deemed a default under the Franchise Agreement entitling Franchisor to terminate the Franchise Agreement. Any

renovation requirements imposed by Franchisor in connection with the Assumption will not exceed those which Franchisor could have imposed had Franchisee remained as the Franchisee under the Franchise Agreement. In lieu of any transfer or application fee for the Assumption, Lender agrees to pay Franchisor a processing fee of Five Thousand Dollars ($5,000). In connection with the Assumption, Lender must diligently cure all defaults which it could not cure before the Acquisition under the terms of Subparagraph 1(b), within the time period determined by Franchisor based on the nature of the default and/or the condition of the Hotel at the time of Lender's Acquisition except for personal and non-curable defaults. "Personal and non-curable defaults" means that the default (i) occurred before the date of Lender's Acquisition; (ii) is a non-curable default; (iii) is purely personal to Franchisee (*e.g.*, failure to provide adequate notice or past failure to maintain Franchisee's company status); and (iv) is unrelated to the operation of the Hotel.

(c) [INCLUDE ONLY IF EQUITY ACQUISITION LANGUAGE IS REQUESTED] Equity Acquisition and Amendment. If Lender acquires ownership of the Franchisee by means of an Equity Acquisition, Lender will be deemed to have assumed the rights and obligations of the Franchisee under the Franchise Agreement as of the date of the Equity Acquisition, and Lender must diligently cure all defaults which Lender could not cure before the Equity Acquisition under the terms of Subparagraph 1(b), within the time period determined by Franchisor based on the nature of the default and/or the condition of the Hotel at the time of Lender's Equity Acquisition. Lender must enter into an amendment to the Franchise Agreement to document the change of control of Franchisee, which will, among other things, contain a new ownership structure for Franchisee ("**Amendment**"). Subject to confirmation that Lender is not a Sanctioned Person, Franchisor will prepare the Amendment promptly after receipt of any information requested under this Subparagraph 2(b). Franchisor will deliver the Amendment to Lender, and Lender will execute and return the Amendment to Franchisor within ten (10) business days after Franchisor delivers it. Lender's failure to timely execute and deliver to Franchisor the Amendment shall be a default under the Franchise Agreement entitling Franchisor to terminate the Franchise Agreement. In lieu of any transfer or application fee, Lender agrees to pay Franchisor a processing of Five Thousand Dollars ($5,000).

(d) Lender's Sale to Third Party After Assumption. The transfer provisions of the Franchise Agreement will apply to any sale, assignment or transfer by Lender after an Assumption. If the transfer is to a third party who desires to continue to operate the Hotel, these provisions require a change of ownership application, approval of the third party, and payment of an application fee.

3. **Notice to Franchisor**. Lender agrees to notify Franchisor (a) contemporaneously with commencement of any action that may result in an Acquisition, (b) contemporaneously with the filing of a petition for appointment of a receiver or any other action initiated by Lender that materially impacts possession of the Hotel, (c) promptly after an Acquisition of the date the Acquisition occurred, or (d) promptly after Lender no longer has a security interest in the Hotel or the Loan is paid in full, but Lender's failure to give notice under this Subparagraph 3(d) will not affect the automatic termination of this letter agreement under Paragraph 13 [NO ESTOPPEL] 14 [ESTOPPEL]. Lender further agrees to promptly provide to Franchisor a copy of any order appointing a receiver, or any other judicial or administrative order from an action initiated by Lender that materially impacts possession of the Hotel. All notices to Franchisor should be sent to the following address or such other address periodically designated by Franchisor in writing:

Hilton Worldwide Holdings Inc.
Attention: General Counsel
7930 Jones Branch Drive, Suite 1100
McLean, VA 22102

4. **Confidentiality and Non-Disclosure**. The provisions of this letter agreement shall not be disclosed by Lender or Franchisee to any third party, excepting (a) the respective employees, directors, officers, agents, regulators or legal and financial representatives of each of Franchisee, Lender and Lender's servicers, trustees and certificate holders, on a need-to-know basis; (b) as required by law; (c) as mutually agreed to by the parties; (d) as part of any due diligence performed as a part of a sale, assignment, participation or securitization of the Loan by Lender or a sale of the Hotel after an Acquisition; (e) any investor or potential investor in, or underwriter of, the Loan; and/or (f) any rating agency that rates securities backed by the Loan. Except as provided above, Franchisee and Lender agree not to copy, reproduce or otherwise make available in any form whatsoever to any other person, firm, corporation, or business, the provisions of this letter agreement.

5. **Franchisee Estoppel and Release**. As consideration for this letter agreement relating to the Loan:

(a) Franchisee hereby certifies to Franchisor that the Franchise Agreement is in full force and effect, and no default, claim, breach, offset, defense to full and strict enforcement, waiver, or estoppel (collectively, a "**Claim**"), or condition that could with passage of time, giving notice or otherwise become a Claim, currently exists or has existed against Franchisor under the Franchise Agreement [*IF APPLICABLE*: or the Existing Comfort Letter].

(b) [*IF APPLICABLE*: Franchisee hereby represents that the loan referenced in the Existing Comfort Letter has been paid in full [DELETE FIRST CLAUSE IF LOAN IS BEING ASSUMED] and agrees that the Existing Comfort Letter is null and void and of no further force and effect, and Franchisor has no obligations of any kind under the Existing Comfort Letter.]

(c) Franchisee hereby agrees that this letter agreement will remain in full force and effect in favor of Lender with respect to the Loan, as the Loan may periodically be modified, amended, extended, supplemented, or restated.

(d) Franchisee hereby agrees that this letter agreement was provided to Lender at Franchisee's request.

(e) Franchisee hereby fully and forever releases, discharges, and agrees to indemnify, defend, and hold harmless Franchisor, its predecessors, successors and assigns and each of their respective former and present officers, employees, directors, shareholders, partners, members, parents, subsidiaries, affiliates, alter egos, representatives, agents, and attorneys (collectively, the "**Released Parties**"), from any and all Claims, demands, liens, actions, agreements, suits, causes of action, obligations, controversies, debts, costs, attorney's fees, expenses, damages, judgments, orders, and liabilities of whatever kind or nature in law, equity, or otherwise, whether now known or suspected which have existed, may or do exist ("**Released Claims**"), based on any facts, events, or omissions occurring before the execution of this letter agreement which arise out of, concern, pertain, or relate in any way to the Franchise Agreement [*IF APPLICABLE*: or the Existing Comfort Letter]. Franchisee acknowledges that it may hereafter discover Claims presently unknown or unsuspected, or facts in addition to or different from those which it now knows or believes to be true, with respect to the matters released by this letter agreement. Nevertheless, Franchisee fully and finally settles and releases all such matters, and all Claims relative thereto, which do now exist, may exist or have existed between the Released Parties and Franchisee.

6. **Lender Estoppel and Release**. As consideration for this letter agreement relating to the Loan:

(a) Lender hereby certifies to Franchisor that Lender is not a Sanctioned Person. "**Sanctioned Person**" means any person, entity, or Government, including those with Control over such

persons or entities, or acting on behalf of such persons or entity, who is subject to Trade Restrictions that prohibit or restrict the Parties' performance of the Parties' obligations under this Agreement. "**Trade Restrictions**" means trade, economic or investment sanctions, export controls, anti-terrorism, non-proliferation, anti-money laundering and similar restrictions in force pursuant to laws, rules and regulations imposed under Laws to which the Parties are subject.

(b) [DELETE FOR OL, QQ, UP Lender hereby represents and warrants in favor of Franchisor that Lender is not a Competitor of Franchisor.

(c) Lender hereby represents and warrants in favor of Franchisor that [IF LENDER IS A BANK] Lender does not own any Equity Interest in Franchisee [IF LENDER IS NOT A BANK] neither Lender nor any of its officers or directors own any Equity Interest in Franchisee.

(d) Lender hereby agrees that this letter agreement shall remain in full force and effect in favor of Lender with respect to the Loan, as the Loan may periodically be modified, amended, extended, supplemented or restated, without the need for further action by Lender or Franchisor.

(e) [*IF LENDER IS A PARTY TO EXISTING COMFORT LETTER*:] Lender hereby certifies to Franchisor that no Claim, or condition that could with the passage of time, giving notice or otherwise become a Claim by Lender, currently exists or has existed against Franchisor under the Existing Comfort Letter; agrees that the Existing Comfort Letter is null and void and of no further force and effect; and agrees that Franchisor has no obligations of any kind under the Existing Comfort Letter.

(f) [*IF FOR A LOAN ORIGINATED AT AN EARLIER DATE*: Lender hereby represents and warrants as of the date of its signature below that Lender has not issued a notice of default with respect to the Loan and is not aware of any issue that currently constitutes a default under the Loan and that Lender has not taken any action intended to result in Lender acquiring possession and/or ownership of the Hotel.

(g) Lender hereby fully and forever releases, discharges, and agrees to indemnify, defend and hold harmless the Released Parties from any and all Released Claims by Lender based on any facts, events, or omissions occurring before the execution of this letter agreement which arise out of, concern, pertain, or relate in any way to this letter agreement. [*IF LENDER IS A PARTY TO EXISTING COMFORT LETTER, ADD* or the Existing Comfort Letter.] [FOR CANADA ONLY; provided, however that this release will not relieve any of the Released Parties from any liability imposed by the *Ontario Arthur Wishart Act (Franchise Disclosure), 2000,* that may have existed as of the Effective Date of this Agreement.]

7. [IF REQUESTED, CHECK ¶ REFERENCES IN ¶¶ 3 / 6: **Franchisor Estoppel**. Subject to the acknowledgement by Lender that Franchisor does not own or operate the Hotel, Franchisor hereby certifies to Lender that, to Franchisor's knowledge as of the date indicated on the first page of this letter agreement, (a) the Franchise Agreement is in full force and effect, and (b) no Default currently exists under the Franchise Agreement. "**Franchisor's knowledge**" means the actual knowledge of applicable and reasonably obvious Hotel operational matters regularly reviewed by company employees who have given their attention to such matters in the ordinary course of business and does not include any investigation by those employees or others of other matters or beyond their usual and customary reviews of the Hotel, nor does it include constructive notice of matters or information located in public or Hotel records. "**Default**" means matters which have been the subject of an actual notice of default under the Franchise Agreement and does not include matters which are or may be in process, under discussion, or otherwise addressed. [*IF QUALIFIERS*: Notwithstanding the foregoing, Lender is advised that the Hotel failed its most recent Quality Assurance Inspection, but the failure is not a Default.]

8. **Assignment**. This letter agreement may not be assigned by Lender without the written consent of Franchisor; provided, however, Franchisor's consent is not required for any assignment to:

(a) a direct or indirect subsidiary or affiliate of Lender in connection with an Acquisition.

(b) the trustee in a securitization **if** Lender (i) directly transfers the Loan to the trustee **and** (ii) gives notice to Franchisor within thirty (30) days of the transfer, identifying the new "Lender" and the new address for notice. If Lender fully complies with the provisions of this Subparagraph, Franchisor will recognize the trustee as "Lender" under this letter agreement; but Franchisor may, in its discretion, reject any notice that is not sent by Lender or that is not sent in a timely manner in accordance with this Subparagraph.

(c) [*IF LENDER IS ACTING AS AN ADMINISTRATIVE AGENT:*] any successor administrative agent with respect to the Loan if the successor is a national bank, a state-chartered bank, commercial bank, or the U.S. branch of a foreign bank authorized to operate in the U.S., and the administrative agent identified as "Lender" under this letter agreement gives notice to Franchisor, identifying the new "Lender" and the new address for notice, within thirty (30) days of the transfer, but Franchisor may, in its discretion, reject any notice that is not sent by Lender or that is not sent in a timely manner in accordance with this Subparagraph.

(d) any subsequent holder or holders of the Loan ("**Assignee**") **if** (1) the Loan is not in default when notice is given; (2) Lender gives notice to Franchisor, identifying Assignee and the new address for notice, within thirty (30) days of the transfer; and (3) the Assignee (i) is a national bank, state-chartered bank, commercial bank, investment bank, pension fund, finance company, insurance company, or other financial institution engaged in the business of making loans or any fund managed by any of the foregoing, (ii) is not a Competitor of Franchisor, and (iii) does not own directly or indirectly, any equity interest in Franchisee or its constituent owners; provided, however, that Franchisor may, in its discretion, reject a notice if the Loan is in default when notice is given, or if the notice is not sent by Lender, or if notice is not sent in a timely manner in accordance with this Subparagraph. On receipt and acceptance of the notice, Franchisor will promptly prepare its then-current form of Assignment and Assumption Agreement ("**Assignment**") and Lender and Assignee must promptly execute and return the Assignment. Franchisor may charge a nominal fee for processing the Assignment. If there is more than one Assignee, the Assignees must (i) designate a single representative to receive notices, negotiate on behalf of and bind each Assignee in connection with this letter agreement and any assignment thereof, and (ii) acknowledge that Franchisor shall be entitled to rely on such designation and deal solely with such representative without the necessity of notifying, negotiating with, or obtaining the consent of, each Assignee.

9. **Communication with Lender**. Franchisee agrees that Franchisor may discuss with Lender or its designee the status of the Hotel, the Franchise Agreement, or any matter to which Lender is entitled to notice under the terms of this letter agreement. Franchisee agrees that the Released Parties shall not be liable to Franchisee for taking any action or providing any information required or contemplated by this letter agreement.

10. **Management**. Any change to the management company for the Hotel ("**Management**") made by Lender or a receiver before an Assumption is subject to Franchisor's prior written approval. Franchisor will use its business judgment in determining whether to approve the new Management. After an Assumption, the terms of the Franchise Agreement will govern with respect to Management, provided, however, Lender shall not be bound by any requirements of the Franchise Agreement to manage the Hotel itself.

11. **Subordination**. Franchisor acknowledges and agrees that the Franchise Agreement, to the extent that it creates any interest in the Hotel, is and shall be subordinate to the mortgage or deed of trust of Lender placed or to be placed on the Hotel in accordance with the terms of the Loan.

12. **Collateral Assignment**. If the Franchise Agreement is being pledged by Franchisee to Lender as security for Franchisee's obligations to Lender under the Loan, issuance of this letter agreement evidences Franchisor's consent to the collateral assignment. Lender's rights in connection with the Franchise Agreement are governed by the terms and conditions in this letter agreement.

13. **Execution**. This letter agreement may be signed in counterparts, each of which will be considered an original. The parties agree to conduct the transaction by electronic means which will be initiated by Franchisor. An authorized representative of Franchisor will countersign on behalf of Franchisor when all conditions are fulfilled.

14. **Effectiveness and Termination**. This letter agreement will be effective only when Franchisor receives signatures indicating acceptance by Lender and Franchisee and Franchisor's authorized representative countersigns on the signature page. If Franchisor does not receive signed copies from Lender and Franchisee within thirty (30) days from the date indicated on the first page of this letter agreement, Franchisor's offer to enter into this letter agreement may be withdrawn. Once effective, this letter agreement will automatically terminate if (a) Lender no longer has a security interest in the Hotel or the Loan is paid in full, (b) Lender transfers the Loan to another entity unless this letter agreement is assigned in compliance with its terms, (c) Lender materially breaches this letter agreement, (d) Lender has been taken over in any manner by any state or federal agency, (e) Franchisee transfers the Franchise Agreement and the transfer results in a new franchise agreement being entered, or (f) Franchisor terminates the Franchise Agreement in accordance with the terms of this letter agreement.

15. **General**. No entity may exercise any rights as Lender under this letter agreement if the entity or any affiliate is or becomes the owner of a direct or indirect beneficial interest (except a strictly passive interest) in Franchisee, other than through the exercise of rights under the Loan. The provisions of this letter agreement are applicable only for the Hotel and the parties to this letter agreement. Issuance and execution of this letter agreement or the granting of any conditions provided in this letter agreement does not constitute an obligation on Franchisor's part to provide the same at any future date. This letter agreement sets forth the entire agreement of the parties to this letter agreement in regard to the matters addressed in this letter agreement. Capitalized terms not otherwise defined in this letter agreement shall have the meanings assigned to the term in the Franchise Agreement.

Sincerely,

HILTON FRANCHISE HOLDING LLC
OR SELECT HLT EXISTING FRANCHISE HOLDING LLC
OR IF HOTEL IS IN CANADA LOOK UP CORRECT FRANCHISOR

Signature Blocks on Following Page

LENDER:

[NAME]

By: _____

Name: _____

Title: _____

Accepted and agreed to _____
DATE

FRANCHISEE:

[NAME]

By: _____

Name: _____

Title: _____

Accepted and agreed to _____
DATE

FRANCHISOR:

HILTON FRANCHISE HOLDING LLC
OR SELECT HLT EXISTING FRANCHISE HOLDING LLC
OR IF HOTEL IS IN CANADA LOOK UP CORRECT FRANCHISOR

By: _____

Name: _____

Title: Authorized Signatory

Effective Date: _____

Hilton

755 Crossover Lane
Memphis, TN 38117

SAVE AS NEW DOCUMENT
Insert Expected Closing Date

Lender [also insert in 2nd page header]
Attention:
Address
Address

Re: [Name of Hotel (City, State) – Facility No. _____; ALSO INSERT IN 2nd page header]
Mezzanine Lender Comfort Letter

Ladies and Gentlemen:

HILTON FRANCHISE HOLDING LLC, a Delaware limited liability company [IF NEEDED:, successor-by-merger to SELECT DOUBLETREE FRANCHISE LLC, a Delaware limited liability company, EMBASSY SUITES FRANCHISE LLC, a Delaware limited liability company, HILTON FRANCHISE LLC, a Delaware limited liability company, HAMPTON INNS FRANCHISE LLC, a Delaware limited liability company, HILTON GARDEN INNS FRANCHISE LLC, a Delaware limited liability company, HOMEWOOD SUITES FRANCHISE, LLC, a Delaware limited liability company, HLT ESP FRANCHISE LLC, a Delaware limited liability company OR SELECT HLT EXISTING FRANCHISE HOLDING LLC, a Delaware limited liability company, successor-in-interest to [DT Doubletree Hotel Systems, Inc. [ES, HAM, HWS Promus Hotels, Inc. [HFS, HGI, CI, WAC Hilton Inns, Inc.] SELECT FOR CANADA: HILTON WORLDWIDE FRANCHISING LP, a limited partnership formed under the laws of England and Wales] ("**Franchisor**") and _____, a _____ ("**Franchisee**") are parties to a franchise agreement dated _____, including all amendments, riders, supplemental agreements and assignments (collectively, "**Franchise Agreement**"). Franchisee operates [will operate] the [INSERT brand] hotel [to be] located at _____ ("**Hotel**") under the terms of the Franchise Agreement.

This letter agreement is being entered into in connection with a mezzanine loan in the amount of $_____, dated _____, as such mezzanine loan may be periodically amended, modified, supplemented, extended or restated ("**Loan**") from _____ [IF LENDER IS NOT A BANK: , a [State] [Type of Entity] ("**Lender**") [IF NEEDED: as administrative agent for itself and other participant lenders (in its capacity as administrative agent, ("**Lender**"))] to Franchisee [IF NOT FRANCHISEE: _____, a [State] [Type of Entity] ("**Mezzanine Borrower**")] to be used [*IF MULTIPLE PROPERTIES*:, in part,] for the direct benefit of the Hotel. [*DESCRIBE BORROWER'S RELATIONSHIP TO FRANCHISEE. (e.g.,*Mezzanine Borrower is the owner of the real property on which the Hotel is located, which Borrower leases to Franchisee, its affiliate. *]*

[*IF MULTIPLE LENDERS, REFERENCE SHORT NAMES ABOVE AND USE CONSISTENTLY:*
FIRST ALTERNATIVE: Franchisor is entitled to presume conclusively that notice to and actions or failures to act by *INSERT NAME OF ONE LENDER* _____ ("**Lead Lender**") are sufficient for all purposes under this letter agreement and that rights under this letter agreement may only be exercised by and the obligations under this letter agreement may only run to Lead Lender. Lead Lender may designate in writing a different party to this letter agreement to represent all lenders, provided that one party must be designated to represent all lenders.

SECOND ALTERNATIVE: First Lender [MODIFY AS NEEDED], Second Lender [MODIFY AS NEEDED] and Third Lender [MODIFY AS NEEDED] will be collectively referred to as "**Lender**." First Lender, Second Lender and Third Lender have represented to Franchisor that they have entered into an

WALDORF ASTORIA CONRAD canopy Hilton CURIO DOUBLETREE TAPESTRY COLLECTION EMBASSY SUITES Hilton Garden Inn Hampton tru HOMEWOOD SUITES HOME2 Hilton Grand Vacations
Hilton HONORS

intercreditor agreement that establishes priorities among the lenders. Franchisor is not a party to the intercreditor agreement and is relying on the representations of First Lender, Second Lender and Third Lender. Franchisor is entitled to presume conclusively that the rights and obligations under this letter agreement will run to the Lender who contacts Franchisor and represents that it is entitled by the terms of the intercreditor agreement to exercise the rights of Lender under this letter agreement. Lender agrees that Franchisor shall have no obligation to resolve inconsistent instructions if it receives instructions from more than one lender and Franchisor shall have no liability to any lender as a result of any action that Franchisor takes in good faith at the direction of another lender, or any failure of Franchisor to act in the face of inconsistent instructions.

[IF THERE IS A MORTGAGE LENDER]
Franchisor, Franchisee and _____ ("**Mortgage Lender**") [SELECT: entered into a letter agreement dated _____ OR are contemporaneously entering into a letter agreement] containing substantially the same terms as this letter agreement with respect to the mortgage loan ("**Mortgage Letter Agreement**"). Lender agrees that any and all rights under this letter agreement are subordinate to any and all rights of Mortgage Lender under the Mortgage Letter Agreement as long as the Mortgage Letter Agreement is effective. [IF MORTGAGE LENDER IS THE MEZZANINE LENDER If, when a notice of default is issued, the notice address for "Lender" under more than one letter agreement is the same, Franchisor's obligation to provide notice to Lender at the address designated in more than one letter shall be satisfied by sending one notice, and multiple notices shall not be required.]

[*IF PRIOR LENDER COMFORT LETTER EXISTS*:
Reference is also made to a letter agreement dated _____ among Franchisor [CONFIRM], Franchisee [CONFIRM] and Lender [CONFIRM] ("**Existing Comfort Letter**"). [IF WITH SAME LENDER: This letter agreement replaces the Existing Comfort Letter, which is null and void, and of no further force or effect.] [IF MORE THAN ONE EXISTING COMFORT LETTER, MODIFY THIS AND ¶¶ 5 AND 6 BELOW]

1. **Cure Period**.

(a) Notice of Franchisee Default. Franchisor will concurrently provide Lender a copy of any default notice sent to Franchisee under the Franchise Agreement. The notice will be sent to Lender at the address set forth above or such other address designated by Lender in writing, provided that only a single address may be designated and it may not be a P.O. Box.

(b) Lender's Cure Periods. Lender shall have the right, but not the obligation, to cure the default within fifteen (15) calendar days beyond the expiration of any cure period given to Franchisee ("**Lender's Cure Period**"). If the default is for failure to comply with physical standards or other non-monetary default which could only be cured by Lender acquiring possession of the Hotel and/or ownership of Franchisee (each, an "**Acquisition**"), Lender may have an additional period of one hundred eighty (180) calendar days, commencing at the expiration of Lender's Cure Period, to complete its Acquisition, through UCC sale, foreclosure or other appropriate proceedings ("**Additional Period**"); provided, that Lender must: (i) notify Franchisor no later than the date it commences proceedings (or promptly after action is stayed or enjoined) that Lender wants the Additional Period; (ii) commence proceedings and diligently prosecute such proceedings to completion within the Additional Period; and (iii) comply with the obligations of Franchisee under the Franchise Agreement not being performed by Franchisee during the Additional Period including payment of all monetary obligations but excluding those obligations which can only be performed by Franchisee or which Lender cannot perform without possession of the Hotel and/or ownership of Franchisee. On request by Lender, the Additional Period may be extended by Franchisor in its determination, which determination shall take into consideration the period of time required to complete an Acquisition in the applicable jurisdiction, and any period of time in which Lender's action has been stayed or enjoined. If Franchisor has not issued a default notice to

Franchisee, and Lender commences a UCC sale, foreclosure or other proceeding intended to result in an Acquisition, Lender may exercise the rights under this letter agreement under the terms and timelines outlined in this Subparagraph. If Franchisor has not issued a default notice, Lender's notice to Franchisor will be deemed to begin Lender's Cure Period and Additional Period. Franchisor acknowledges and agrees that an Acquisition shall not be deemed a sale or lease of the Hotel under the Franchise Agreement, nor a violation of any control or transfer provisions of the Franchise Agreement, and shall not be subject to any right of first refusal or right of first offer contained in the Franchise Agreement.

(c) Franchisor's Rights to Terminate Franchise Agreement. Notwithstanding any other provision of this letter agreement, Franchisor may terminate the Franchise Agreement if any of the following occur: (i) Franchisee's default or any subsequent default, in the sole opinion of Franchisor, damages the image or reputation of Franchisor or any brand name owned and/or licensed by Hilton Worldwide Holdings Inc., a Delaware corporation, or its subsidiaries or affiliates (collectively, "**Hilton**"); (ii) Franchisor is required to terminate the Franchise Agreement by court order or action of any trustee in bankruptcy or debtor in possession of the Hotel; or (iii) the Additional Period expires without other arrangements satisfactory to Franchisor in its sole discretion having been entered into between Franchisor and Lender.

(d) Expiration of Franchise Agreement. Nothing in this letter agreement will extend the Franchise Agreement beyond its stated expiration date.

(e) Receiver Appointment. If a receiver is appointed to operate the Hotel at the request of Lender, Franchisor may require the receiver to enter into Franchisor's then-current form of receiver agreement, with such modifications as mutually agreed between Franchisor, Lender and receiver, or other documentation that Franchisor considers reasonably necessary.

2. **Assumption and Amendment**.

(a) Assumption. Lender will be deemed to have assumed the rights and obligations of Franchisee under the Franchise Agreement as of the date of the Acquisition, and will be obligated to perform all of the obligations of Franchisee under the Franchise Agreement existing at or accruing after the date of the Acquisition, including the payment of fees owed to Franchisor ("**Assumption**"). In connection with the Assumption, Lender must diligently cure all defaults which it could not cure before the Acquisition, within the time period determined by Franchisor based on the nature of the default and/or the condition of the Hotel at the time of Lender's Acquisition.

(b) Amendment. Lender must, within ten (10) business days after Franchisor's request, provide Franchisor all information necessary for Franchisor to determine that Lender is not a Sanctioned Person (as defined below), and deliver any other documents regarding Lender's ownership structure that Franchisor reasonably requests. Franchisor will promptly prepare an amendment to the Franchise Agreement ("**Amendment**") to document the Assumption, and deliver the Amendment to Lender. Lender must execute and return the Amendment to Franchisor within ten (10) business days after receipt from Franchisor. Lender's failure to timely execute and deliver to Franchisor the Amendment shall be a default under the Franchise Agreement entitling Franchisor to terminate the Franchise Agreement. Any renovation requirements imposed by Franchisor in connection with the Assumption will not exceed those which Franchisor could have imposed had Franchisee remained as the Franchisee under the Franchise Agreement. In lieu of any transfer or application fee for the Assumption, Lender agrees to pay Franchisor a processing fee equal to the permitted transfer fee in the Franchise Agreement. If the Franchise Agreement does not reference a permitted transfer fee, then the processing fee will be Five Thousand Dollars ($5,000).

(c) Lender's Sale to Third Party After Assumption. The transfer provisions of the Franchise Agreement will apply to any sale, assignment or transfer by Lender after an Assumption. If the transfer is to a third party who desires to continue to operate the Hotel, these provisions require a change of ownership application, approval of the third party and payment of an application fee.

3. **Notice to Franchisor**. Lender agrees to notify Franchisor (a) contemporaneously with the commencement of any action that may result in an Acquisition; (b) contemporaneously with the filing of a petition for appointment of a receiver or any other action initiated by Lender that materially impacts possession of the Hotel; (c) promptly after an Acquisition of the date the Acquisition occurred, or (d) promptly after Lender no longer has a security interest in the equity ownership of Franchisee or the Loan is paid in full, but Lender's failure to give notice under this Subparagraph 3(d) will not affect the automatic termination of this letter agreement under Paragraph 11 [NO ESTOPPEL] 12 [ESTOPPEL]. Lender further agrees to promptly provide to Franchisor a copy of any order appointing a receiver or any other judicial or administrative order from an action initiated by Lender that materially impacts possession of the Hotel. All notices to Franchisor should be sent to the following address or such other address periodically designated by Franchisor in writing:

Hilton Worldwide Holdings Inc.
Attention: General Counsel
7930 Jones Branch Drive, Suite 1100
McLean, VA 22102

4. **Confidentiality and Non-Disclosure**. The provisions of this letter agreement shall not be disclosed by Lender or Franchisee to any third party, excepting (a) the respective employees, directors, officers, agents, regulators or legal and financial representatives of each of Franchisee, Lender and Lender's servicers, trustees and certificate holders, on a need-to-know basis; (b) as required by law; (c) as mutually agreed to by the parties; (d) as part of any due diligence performed as a part of a sale, assignment, participation or securitization of the Loan by Lender, or a sale of the Hotel after an Acquisition; (e) any investor or potential investor in, or underwriter of, the Loan; and/or (f) any rating agency that rates securities backed by the Loan. Except as provided above, Franchisee and Lender agree not to copy, reproduce or otherwise make available in any form whatsoever to any other person, firm, corporation, or business the provisions of this letter agreement.

5. **Franchisee Estoppel and Release**. As consideration for this letter agreement relating to the Loan, Franchisee hereby:

(a) certifies to Franchisor that the Franchise Agreement is in full force and effect, and no default, claim, breach, offset, defense to full and strict enforcement, waiver, or estoppel (collectively, "**Claim**"), or condition that could with passage of time, giving notice or otherwise become a Claim, currently exists or has existed against Franchisor under the Franchise Agreement [IF APPLICABLE: or the Existing Comfort Letter].

(b) [IF APPLICABLE: represents that the loan referenced in the Existing Comfort Letter has been paid in full [DELETE FIRST CLAUSE IF LOAN IS BEING ASSUMED] and agrees that the Existing Comfort Letter is null and void and of no further force and effect, and Franchisor has no obligations of any kind under the Existing Comfort Letter.]

(c) agrees that this letter agreement will remain in full force and effect in favor of Lender with respect to the Loan, as the Loan may periodically be modified, amended, extended, supplemented, or restated.

(d) agrees that this letter agreement was provided to Lender at Franchisee's request.

(e) fully and forever releases, discharges, and agrees to indemnify, defend, and hold harmless Franchisor, its predecessors, successors and assigns and each of their respective former and present officers, employees, directors, shareholders, partners, members, parents, subsidiaries, affiliates, alter egos, representatives, agents, and attorneys (collectively, the "**Released Parties**"), from any and all Claims, demands, liens, actions, agreements, suits, causes of action, obligations, controversies, debts, costs, attorney's fees, expenses, damages, judgments, orders, and liabilities of whatever kind or nature in law, equity, or otherwise, whether now known or suspected which have existed, may or do exist ("**Released Claims**"), based on any facts, events, or omissions occurring before the execution of this letter agreement which arise out of, concern, pertain, or relate in any way to the Franchise Agreement [IF APPLICABLE: or the Existing Comfort Letter]. Franchisee acknowledges that it may hereafter discover Claims presently unknown or unsuspected, or facts in addition to or different from those which it now knows or believes to be true, with respect to the matters released by this letter agreement. Nevertheless, Franchisee fully and finally settles and releases all such matters, and all Claims relative thereto, which do now exist, may exist or have existed between the Released Parties and Franchisee.

6. **Lender Estoppel and Release**. As consideration for this letter agreement relating to the Loan:

(a) Lender hereby certifies to Franchisor that Lender is not a Sanctioned Person. "**Sanctioned Person**" means any person, entity, or Government, including those with Control over such persons or entities, or acting on behalf of such persons or entity, who is subject to Trade Restrictions that prohibit or restrict the Parties' performance of the Parties' obligations under this Agreement. "**Trade Restrictions**" means trade, economic or investment sanctions, export controls, anti-terrorism, non-proliferation, anti-money laundering and similar restrictions in force pursuant to laws, rules and regulations imposed under Laws to which the Parties are subject.

(b) [DELETE FOR OL, QQ, UP Lender hereby represents and warrants in favor of Franchisor that Lender is not a Competitor of Franchisor.

(c) Lender hereby represents and warrants in favor of Franchisor that [IF LENDER IS A BANK] Lender does not own any Equity Interest in Franchisee [IF LENDER IS NOT A BANK] neither Lender nor any of its officers or directors own any Equity Interest in Franchisee.

(d) Lender hereby agrees that this letter agreement shall remain in full force and effect in favor of Lender with respect to the Loan, as the Loan may periodically be modified, amended, extended, supplemented or restated without the need for further action by Lender or Franchisor.

(e) [*IF LENDER IS A PARTY TO EXISTING COMFORT LETTER*:] Lender hereby certifies to Franchisor that no Claim, or condition that could with the passage of time, giving notice or otherwise become a Claim by Lender, currently exists or has existed against Franchisor under the Existing Comfort Letter; agrees that the Existing Comfort Letter is null and void and of no further force and effect; and agrees that Franchisor has no obligations of any kind under the Existing Comfort Letter.

(f) [*IF FOR A LOAN ORIGINATED AT AN EARLIER DATE:* Lender hereby represents and warrants as of the date of its signature below that Lender has not issued a notice of default with respect to the Loan and is not aware of any issue that currently constitutes a default under the Loan and that Lender has not taken any action intended to result in Lender acquiring possession of the Hotel and/or ownership of Franchisee.

(g) Lender hereby fully and forever releases, discharges, and agrees to indemnify, defend and hold harmless the Released Parties from any and all Released Claims by Lender based on any facts, events, or omissions occurring before the execution of this letter agreement which arise out of, concern, pertain, or relate in any way to this letter agreement. [*IF LENDER IS A PARTY TO EXISTING COMFORT LETTER:*, ADD or the Existing Comfort Letter.] [FOR CANADA ONLY ; provided, however that this release will not relieve any of the Released Parties from any liability imposed by the *Ontario Arthur Wishart Act (Franchise Disclosure), 2000, that may have existed as of the Effective Date of this Assignment*.]

7. [*IF REQUESTED, CHECK REFERENCES in ¶¶ 3 / 6* **Franchisor Estoppel**. Subject to the acknowledgement by Lender that Franchisor does not own or operate the Hotel, Franchisor hereby certifies to Lender that, to Franchisor's knowledge as of the date indicated on the first page of this letter agreement, (a) the Franchise Agreement is in full force and effect, and (b) no Default currently exists under the Franchise Agreement. "**Franchisor's knowledge**" means the actual knowledge of applicable and reasonably obvious Hotel operational matters regularly reviewed by company employees who have given their attention to such matters in the ordinary course of business and does not include any investigation by those employees or others of other matters or beyond their usual and customary reviews of the Hotel, nor does it include constructive notice of matters or information located in public or Hotel records. "**Default**" means matters which have been the subject of an actual notice of default under the Franchise Agreement and does not include matters which are or may be in process, under discussion, or otherwise addressed. [*IF QUALIFIERS:* Notwithstanding the foregoing, Lender is advised that the Hotel failed its most recent Quality Assurance Inspection, but the failure is not a Default].

8. **Assignment**. This letter agreement may not be assigned by Lender without the written consent of Franchisor; provided, however, Franchisor's consent is not required for any assignment to:

(a) a direct or indirect subsidiary or affiliate of Lender in connection with an Acquisition.

(b) the trustee in a securitization **if** Lender (i) directly transfers the Loan to the trustee **and** (ii) gives notice to Franchisor within thirty (30) days of the transfer, identifying the new "Lender" and the new address for notice. If Lender fully complies with the provisions of this Subparagraph, Franchisor will recognize the trustee as "Lender" under this letter agreement but Franchisor may, in its discretion, reject any notice that is not sent by Lender or that is not sent in a timely manner in accordance with this Subparagraph.

(c) [*IF LENDER IS ACTING AS AN ADMINISTRATIVE AGENT:*] any successor administrative agent with respect to the Loan if the successor is a national bank, state-chartered bank, commercial bank, or the U.S. branch of a foreign bank authorized to operate in the U.S., and the administrative agent identified as "Lender" under this letter agreement gives notice to Franchisor, identifying the new "Lender" and the new address for notice, within thirty (30) days of the transfer, but Franchisor may, in its discretion, reject any notice that is not sent by Lender or that is not sent in a timely manner in accordance with this Subparagraph.

(d) any subsequent holder or holders of the Loan ("**Assignee**") **if** (1) the Loan is not in default when notice is given; (2) Lender gives notice to Franchisor, identifying Assignee and the new address for notice, within thirty (30) days of the transfer; and (3) the Assignee (i) is a national bank, state-chartered bank, commercial bank, investment bank, pension fund, finance company, insurance company, or other financial institution engaged in the business of making loans or any fund managed by any of the foregoing, (ii) is not a Competitor of Franchisor, and (iii) does not own directly or indirectly, any equity interest in Franchisee or its constituent owners; provided, however, that Franchisor may, in its discretion, reject a notice if the Loan is in default when notice is given, or if the notice is not sent by Lender, or if

notice is not sent in a timely manner in accordance with this Subparagraph. On receipt and acceptance of the notice, Franchisor will promptly prepare its then-current form of Assignment and Assumption Agreement ("**Assignment**") and Lender and Assignee must promptly execute and return the Assignment. Franchisor may charge a nominal fee for processing the Assignment. If there is more than one Assignee, the Assignees must (i) designate a single representative to receive notices, negotiate on behalf of and bind each Assignee in connection with this letter agreement and any assignment thereof, and (ii) acknowledge that Franchisor shall be entitled to rely on such designation and deal solely with such representative without the necessity of notifying, negotiating with, or obtaining the consent of, each Assignee.

9. **Communication with Lender**. Franchisee agrees that Franchisor may discuss with Lender or its designee the status of the Hotel, the Franchise Agreement, or any matter to which Lender is entitled to notice under the terms of this letter agreement. Franchisee agrees that the Released Parties shall not be liable to Franchisee for taking any action or providing any information required or contemplated by this letter agreement.

10. **Management**. Any change to the management company for the Hotel ("**Management**") made by Lender or a receiver before an Assumption is subject to Franchisor's prior written approval. Franchisor will use its business judgment in determining whether to approve the new Management. After an Assumption, the terms of the Franchise Agreement will govern with respect to Management, provided, however, Lender shall not be bound by any requirements of the Franchise Agreement to manage the Hotel itself.

11. **Execution**. This letter agreement may be signed in counterparts, each of which will be considered an original. The parties agree to conduct the transaction by electronic means which will be initiated by Franchisor. An authorized representative of Franchisor will countersign on behalf of Franchisor when all conditions are fulfilled.

12. **Effectiveness and Termination**. This letter agreement will be effective only when Franchisor receives signatures indicating acceptance by Lender and Franchisee and Franchisor's authorized representative countersigns on the signature page. If Franchisor does not receive signed copies from Lender and Franchisee within thirty (30) days from the date indicated on the first page of this letter agreement, Franchisor's offer to enter into this letter agreement may be withdrawn. Once effective, this letter agreement will automatically terminate if (a) Lender no longer has a security interest in Franchisee or the Loan is paid in full, (b) Lender transfers the Loan to another entity unless this letter agreement is assigned in compliance with its terms, (c) Lender materially breaches this letter agreement, (d) Lender has been taken over in any manner by any state or federal agency, (e) Franchisee transfers the Franchise Agreement and the transfer results in a new franchise agreement being entered, or (f) Franchisor terminates the Franchise Agreement in accordance with this letter agreement.

13. **General**. No entity may exercise any rights as Lender under this letter agreement if the entity or any affiliate is or becomes the owner of a direct or indirect beneficial interest (except a strictly passive interest) in Franchisee, other than through the exercise of rights under the Loan. The provisions of this letter agreement are applicable only for the Hotel and the parties to this letter agreement. Issuance and execution of this letter agreement or the granting of any conditions provided in this letter agreement does not constitute an obligation on Franchisor's part to provide the same at any future date. This letter agreement sets forth the entire agreement of the parties to this letter agreement in regard to the matters addressed in this letter agreement. Capitalized terms not otherwise defined in this letter agreement shall have the meanings assigned to the term in the Franchise Agreement.

Sincerely,

HILTON FRANCHISE HOLDING LLC
OR SELECT HLT EXISTING FRANCHISE HOLDING LLC
OR IF HOTEL IS IN CANADA HILTON WORLDWIDE FRANCHISING LP

Signature Blocks on Following Page

LENDER:

[NAME]

By: _____

Name: _____

Title: _____

Accepted and agreed to _____
DATE

FRANCHISEE:

[NAME]

By: _____

Name: _____

Title: _____

Accepted and agreed to _____
DATE

FRANCHISOR:

HILTON FRANCHISE HOLDING LLC
OR SELECT HLT EXISTING FRANCHISE HOLDING LLC

By: _____

Name: _____

Title: Authorized Signatory

Effective Date: _____

FRANCHISOR IF HOTEL IS IN CANADA

HILTON WORLDWIDE FRANCHISING LP,
a limited partnership formed under the laws of England and Wales

By: HILTON WORLDWIDE MANAGE LIMITED,
Its General Partner

By: _____

Name: _____

Title: Authorized Signatory

Effective Date: _____

EXHIBIT J

HILTON WORLDWIDE FRANCHISING LP

TAPESTRY

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 June 28, 2019. This disclosure document included the following exhibits.

EXHIBIT A	Franchise Agreement and Addendum
EXHIBIT A-1	Development Incentive Note
EXHIBIT A-2	Eforea Spa Amendment
EXHIBIT B	Information Technology System Agreement (HITS Agreement)
EXHIBIT B-1	Information Technology System Agreement (HITS Agreement) for Quebec
EXHIBIT C	Franchise Application
EXHIBIT D	Guaranty of Franchise Agreement
EXHIBIT E	List of Current Franchisees
EXHIBIT F	List of Former Franchisees
EXHIBIT G	Financial Statements of Hilton Worldwide Franchising LP
EXHIBIT G-1	Financial Statements of Hilton Worldwide Manage Limited
EXHIBIT H-1	Table of Contents – Brand Standards Manual
EXHIBIT H-2	Table of Contents – Eforea Spa Operating Standards Manual
EXHIBIT I	Lender Comfort Letter Forms
EXHIBIT J	Receipt

Issuance Date: June 28, 2019

_____
Signature

_____
Printed Name

_____
Address

_____
City, Province, Postal Code

_____
Area Code and Telephone Number

_____
Date Signed

HILTON WORLDWIDE FRANCHISING LP

TAPESTRY

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Issuance Date: June 28, 2019

_____
Signature

_____
Printed Name

_____
Address

_____
City, Province, Postal Code

_____
Area Code and Telephone Number

_____
Date Signed