



FRANCHISE DISCLOSURE DOCUMENT

Hyatt Franchising, L.L.C.
a Delaware limited liability company
150 North Riverside Plaza
Chicago, Illinois 60606
(312) 750-1234
information@hyattdevelopment.com
www.hyattdevelopment.com
www.hyatt.com

The franchise offered is to operate an upper-midscale, select service Hyatt Select™ hotel.

The total investment necessary to begin operation of a newly constructed Hyatt Select™ hotel ranges from \$11,066,886 to \$19,969,517. This includes \$122,417 to \$679,702 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation if you are converting an existing structure to a Hyatt Select™ hotel ranges from ~~\$2,947,876~~ \$2,947,886 to \$12,245,517. This includes \$127,417 to \$684,702 that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Rebecca Smetters (rebecca.smetters@hyatt.com) at 150 North Riverside Plaza, Chicago, Illinois 60606 and (312) 780-5828.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "[A Consumer's Guide to Buying a Franchise](#)," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance date of this Franchise Disclosure Document: March 31, 2025

Special Risks to Consider About *This Franchise*

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in Illinois. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Illinois than in your own state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.
4. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

| Column 1 Type of expenditure | Column 2 Amount | Column 3 Method of Payment | Column 4 When due | Column 5 To whom payment is to be made |
|---|---|-------------------------------|---|--|
| Liquor license (8) | \$0 to \$300,000 | As agreed | As incurred | Government agency or previous license holder |
| Operator approval fees | \$0 to \$22,500 | As agreed | Before we begin the operator screening process | Us |
| PIP fee | \$5,000 | As agreed | For our preparation of the PIP if you are converting an existing structure to a Brand Hotel | Us |
| Training expenses (fees and reimbursements payable to us) | \$12,932 to \$29,172 | As agreed | As incurred | Us |
| Training expenses (your and your personnel's costs to attend) | \$10,300 to \$20,600 | As agreed | As incurred | Suppliers |
| Additional optional training | \$0 to \$150,000 | As agreed | As incurred | Us |
| Fire and life safety consultation | \$15,000 to \$30,000 | As agreed | As incurred | Suppliers |
| Miscellaneous pre-opening costs (9) | \$150,000 to \$250,000 | As agreed | As incurred | Suppliers, employees, us and Hyatt Corporation |
| Additional funds - 3 months (10) | \$200,000 to \$400,000 | As agreed | As incurred | Suppliers, employees, us and Hyatt Corporation |
| TOTAL ESTIMATED INITIAL INVESTMENT (excluding real estate costs) (11) | \$2,947,876 <u>2,947,876</u> <u>7,886</u> to \$12,245,517 | | | |

Explanatory Notes

1. Application fee. The application fee listed above in the first table is for a newly constructed Brand Hotel with 90 to 130 guest rooms. The application fee listed above in the second table is for an existing structure that you convert to a Brand Hotel with 70 to 200 guest rooms. In Item 5, we describe the application fee and the conditions for its refund.

Item 13

TRADEMARKS

Hyatt Corporation registered the following principal Proprietary Marks on the Principal Register of the United States Patent and Trademark Office (the “PTO”):

| <u>Mark</u> | <u>Registration No.</u> | <u>Registration Date</u> |
|----------------|-------------------------|--------------------------|
| Hyatt | 945,384 | October 17, 1972 |
| World of Hyatt | 5,201,881 | May 9, 2017 |

Hyatt Corporation has made all required renewal and affidavit filings for these registrations.

In addition, Hyatt Corporation has filed applications for the following Marks on the Principal Register of the PTO:

| <u>Mark</u> | <u>Application No.</u> | <u>Application Date</u> |
|-------------------|------------------------|-------------------------|
| Hyatt Select | 99056189 | February 25, 2025 |
| Hyatt Select logo | 99053825 | February 24, 2025 |

Hyatt Corporation’s applications for these trademarks remain pending, ~~so we~~. We do not have a federal registration for our principal trademark. Therefore, our trademark does not have ~~as~~ many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Hyatt Corporation granted us the rights to use and sublicense the Proprietary Marks under a Trademark License Agreement dated November 1, 1993, as amended (the “Trademark License Agreement”). That agreement has a perpetual term, subject to termination by Hyatt Corporation for cause. Hyatt Corporation may terminate the agreement if it no longer owns a majority interest in us, if we fail to make a required payment and do not cure the failure within 7 days after notice, if we fail to maintain or require our sublicensees to maintain Hyatt Corporation’s prescribed standards of quality and service and do not cure the failure within 30 days after notice, if we fail to comply with any other provision of the agreement and do not cure the failure within 30 days after notice, or if we have an insolvency event and do not cure the failure within 60 days after notice. If Hyatt Corporation terminates the Trademark License Agreement because we failed to maintain or failed to require our sublicensees to maintain Hyatt Corporation’s standards of quality and service, Hyatt Corporation may enter into a license with our authorized franchisees, but only if the franchisee not in default of its franchise agreement. No other agreements significantly limit our rights to use or license the Proprietary Marks in a manner material to the franchise.

There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, any state trademark administrator or any court, and no pending infringement, opposition or cancellation proceedings or other material federal or state court litigation,

2. The following language is added to the end of the “Summary” section of Item 17(h) of the Franchise Disclosure Document, titled **“Cause” defined – non-curable defaults:**

Termination upon insolvency might not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.), but we will enforce it to the extent enforceable.

3. The following language is added to the end of the “Summary” section of Item 17(v) of the Franchise Disclosure Document, titled **Choice of forum:**

Franchisee may, subject to any arbitration obligations, bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law to the extent required by the Maryland Franchise Registration and Disclosure Law, unless preempted by the Federal Arbitration Act.

4. The following language is added to the end of the “Summary” section of Item 17(w) of the Franchise Disclosure Document, titled **Choice of law:**

; however, to the extent required by the Maryland Franchise Registration and Disclosure Law, subject to your arbitration obligation, you may bring an action in Maryland.

5. The following paragraphs are added to the end of Item 17 of the Franchise Disclosure Document:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

MINNESOTA

1. The following language is added to the end of Item 13 of the Franchise Disclosure Document:

The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not

[protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1\(g\).](#)

2. ~~1.~~ The following paragraphs are added to the end of Item 17 of the Franchise Disclosure Document:

For franchises governed by Minnesota law, we will comply with Minn. Stat. §80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

Any release as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by law for claims arising under Minn. Rule 2860.4400D.

Minn. Rule Part 2860.4400J prohibits a franchisee from waiving rights to a jury trial; waiving rights to any procedure, forum or remedies provided by the laws of the jurisdiction; or consenting to liquidated damages, termination penalties or judgment notes. However, we and you will enforce these provisions in our Franchise Agreement to the extent the law allows.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibits us from requiring litigation to be conducted outside Minnesota. Those provisions also provide that no condition, stipulations or provision in the Franchise Agreement shall in any way abrogate or reduce any rights you have under the Minnesota Franchises Law, including (subject to your arbitration obligation) the right to submit matters to the jurisdiction of the courts of Minnesota and the right to any procedure, forum or remedies that the laws of the jurisdiction provide.

No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

NORTH DAKOTA

1. The following language is added to the end of the "Remarks" column of the rows in the Item 6 chart of the Franchise Disclosure Document, titled "Royalty fee upon termination," "Liquidated damages upon condemnation," and "Liquidated damages upon termination":

**RIDER TO THE HYATT FRANCHISING, L.L.C.
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA**

This Rider is made and entered into as of _____, 2025 (this “**Agreement**”) by and between _____, a _____ (“**Franchisee**”) and the franchisor entity set forth in Exhibit C (“**Hyatt**”).

1. **Background.** Hyatt and Franchisee are parties to that certain Franchise Agreement dated _____, 2025 that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Brand Hotel that Franchisee will operate under the Franchise Agreement was made in the State of Minnesota, and/or (b) the Brand Hotel will be located or operated in Minnesota.

2. **Termination Penalties/Liquidated Damages.** The following language is added to the end of Sections 10.1, 10.2, and 16.5 of the Franchise Agreement

Hyatt and Franchisee acknowledge that certain parts of these provisions are not enforceable under Minn. Rule Part 2860.4400J; however, the parties will enforce these provisions to the extent the law allows.

3. **Proprietary Rights.** The following language is added to the end of Section 11 of the Franchise Agreement:

Hyatt will protect the Franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the Franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

34. **Releases.** The following language is added to the end of Sections 12.4(e) and 13.3 of the Franchise Agreement:

; however, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

45. **Termination and Renewal.** The following language is added to the end of Sections 10, 13, and 15 of the Franchise Agreement:

Minnesota law provides Franchisee with certain termination and non-renewal rights. Minn. Stat. §80C.14 Subds. 3, 4 and 5 require, except in certain specified cases, that Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of this Agreement.

56. Governing Law/Consent to Jurisdiction. The following sentence is added to the end of Sections 14.2 and 14.3 of the Franchise Agreement:

Pursuant to Minn. Stat. §80C.21 and Minn. Rule Part 2860.4400j, these sections shall not in any way abrogate or reduce franchisee’s rights as provided for in Minnesota Statutes 1984, Chapter 80C., including, subject to the parties’ arbitration obligation, the right to submit matters to the jurisdiction of the courts of Minnesota.

67. Waiver of Punitive Damages and Jury Trial. If required by the Minnesota Franchises Law, Section 14.5 of the Franchise Agreement is deleted.

78. Limitations of Claims. The following sentence is added to the end of Section 14.6 of the Franchise Agreement:

However, Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than three (3) years after the cause of action accrues.

IN WITNESS WHEREOF, the parties have signed this Rider as of the dates set forth by their signatures, to be effective as of the Effective Date (regardless of the dates of the parties’ signatures).

FRANCHISEE:

[ENTITYNAMECAPS]

By: _____
Name: _____
Title: _____
Date: _____

[FRANCHISOR ENTITY]

By: _____
Name: _____
Title: _____