



**FRANCHISE DISCLOSURE DOCUMENT
FOR MGALLERY HOTEL COLLECTION
("Disclosure Document")**

ACCOR FRANCHISING US LLC
A Delaware limited liability company
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The franchise is for the right to construct, or convert an existing hotel to, a hotel that utilizes the "MGallery Hotel Collection" name ("MGallery Hotel" or "Hotel") under a Franchise Agreement with us.

The total investment necessary to begin operation of a newly constructed 200-room MGallery Hotel is \$61,660,740 to \$113,343,740. This includes \$894,000 to \$1,720,500 that must be paid to the franchisor or an affiliate. The total investment necessary to begin operation of 200-room MGallery Hotel that has been converted from an existing hotel is \$3,379,000 to \$97,363,500. This includes \$194,000 to \$1,675,500 that must be paid to the franchisor or an 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 Accor Franchising US LLC, Attention: Accor NCA Franchising, at 711 5th Avenue, 7th Floor, New York, NY 10022 or ncafranchising@accor.com and 332.278.3001.

The terms of your contract will govern your franchise relationship. Do not 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, such as like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make a decision. 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.

Date of Issuance: April ~~25~~¹⁰, ~~2025~~²⁰²⁶

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F or G-or H .
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only MGallery Hotel business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a MGallery Hotel franchisee?	Item 20 or Exhibit F and G and H lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

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

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in [Exhibit IH](#).

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The Franchise Agreement requires you to resolve disputes with the franchisor by mediation, arbitration or litigation only in New York. Out-of-state mediation, arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the licensor in New York than in your own state.

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

**THE FOLLOWING PROVISIONS APPLY ONLY TO
TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW**

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

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

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
(517) 373-7117

Note: Despite paragraph (f) above, we intend, and we and you agree, to enforce fully the arbitration provision of our Franchise Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions.

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

The franchisor is Accor Franchising US LLC, a Delaware limited liability company organized on November 13, 2018. Our principal business address is 711 5th Avenue, 7th Floor, New York, NY 10022. To simplify the language in this Disclosure Document we refer to the franchisor as “we,” “us,” or “our.” “You” means the person or entity who buys the franchise. If you are a corporation, limited partnership, limited liability company or other entity, your owners must sign the Guarantee, Indemnification and Acknowledgment attached to the Franchise Agreement as Exhibit GF, which means that certain provisions of the Franchise Agreement will also apply to your owners. Our agents for service of process are listed on Exhibit IH to this Disclosure Document.

We conduct business under our legal name and offer franchises in the U.S. under the service mark “MGallery”. ~~In the future~~ Although we ~~may decide to also do not currently~~ offer franchises in the U.S. under different Disclosure Documents underfor one, some or all of the Accor Branded Hotels (defined below), we may do so in the future. We also became the franchisor of Sofitel Chicago, a property previously managed by AMUSI (see below), in an exempt transaction in May 2025. We do not currently own ~~or~~, manage or operate any MGallery Hotels or any other types of businesses. We began offering franchises for MGallery Hotels in the United States in March 2020. As of the issuance date of this Disclosure Document, there are approximately ~~122~~118 MGallery Hotels worldwide.

Our Parents and Affiliates

Our Parents

Our ultimate parent company is Accor SA (“Accor”), a French company. Accor’s principal business address is 82, rue Henri Farman, CS20077, 92445 Issy-les-Moulineaux, France. Accor began its hotel business in 1967 and directly and indirectly owns and/or operates approximately ~~5,700~~5,740 hotels and nearly ~~850,000~~854,700 rooms in approximately 110 countries. As used in this Disclosure Document, “Accor Branded Hotels” means the hotel and lodging facility systems, chains or brands owned, leased, under development, or operated, licensed or franchised by us, Accor, or any of our affiliates, now or in the future, anywhere in the world, including, as of the issuance date of this Disclosure Document: Orient Express, Raffles, Banyan Tree, Fairmont, Emblems, Sofitel, Sofitel Legend, MGallery Hotel Collection, 21c, 25h, Delano, Hyde, JO&JOE, Mama Shelter, Mondrian, Morgans Originals, Paris Society, Rixos, SLS, SO/, The Hoxton, Angsana, Art Series, Grand Mercure, Mantis, Movenpick, Peppers, Pullman, Swissotel, The Sebel, Adagio Original/Adagio Access/Adagio Premium, Handwritten, Mantra, Mercure, Novotel, Novotel Suites, Tribe, Breakfree, greet, hotelF1, ibis, ibis budget, ibis Styles, Faena, our Habitas and Onefinestay. As of the issuance date of this Disclosure Document, Accor Branded Hotels franchised by Accor and its subsidiaries outside the United States include: MGallery Hotel Collection, ~~Rixos 25h, Adagio Access, Adagio Original, Breakfree, Emblems~~, Grand Mercure, ~~Peppers, Pullman, Swissotel, The Sebel, Adagio Original, Adagio Access, Mantra, Mercure, Novotel, Novotel Suites, Tribe~~, greet, Handwritten, hotelF1, ibis, ibis budget ~~and~~, ibis Styles, Mantis, Mantra, Mercure, Movenpick, Novotel, Novotel Suites, Peppers, Pullman, Rixos, SLS, Sofitel, Swissotel, The Originals, The Sebel and Tribe. We currently categorize our Orient Express, Raffles, Banyan Tree, Fairmont, Emblems, Sofitel, Sofitel Legend, MGallery Hotel Collection, Faena, ~~Rixos~~ and Onefinestay hotels as our high end “Luxe Hotels.”

Accor and its affiliates are also engaged in businesses in the co-working, entertainment, lodging rental, and service voucher business industries, but do not offer franchises for those businesses.

Our direct parent company is Accor Management US Inc. (“AMUSI”), previously known as Accor Business and Leisure North America LLC (“ABLNA”). AMUSI’s principal business address is 711 5th Avenue, 7th Floor, New York, NY 10022. Neither AMUSI nor ABLNA have offered franchises for MGallery Hotels. Neither AMUSI nor ABLNA have ever operated an MGallery Hotel. However, in an isolated transaction in February 2015, ABLNA sold (in an exempt transaction) a Pullman hotel currently operating in Miami, Florida. (The Miami hotel was previously operated as a Sofitel hotel under a management agreement with one of our related companies). The franchisee who operated the Pullman hotel in Miami, Florida subsequently sold that Pullman Hotel in January 2019, and the franchise agreement was assigned to us. In September 2023, we assigned the franchise agreement to Accor PME Franchising US Inc. (“Accor PME Franchising USA”). ~~In the future we may offer pursuant to different Disclosure Documents franchises not only for the MGallery Hotel brand, but also for “ibis”, “ibis Styles”, “ibis budget”, “Pullman,” “Novotel”, “Novotel Suites”, “Mercure”, “Tribe”, “JO&JOE” and “greet” hotels throughout the U.S.~~

Except for Accor and AMUSI (f/k/a ABLNA), we have no other parent required to be disclosed in this Item 1. We have no predecessors.

Our Affiliates Who Provide Products or Services to Our Franchisees or Who Offer Franchises

Our ultimate parent company, Accor, may (either directly or indirectly through one or more of its subsidiaries) provide certain services to you such as reservation services through the Accor proprietary Reservation System (defined below); sales and marketing services specifically for MGallery Hotels, centralized sales and marketing services for all Accor Branded Hotels (including MGallery Hotels), and call center services. Accor’s principal business address is designated above.

The following companies are our affiliates who currently offer franchises. The branded hotels that some of these affiliates operate or franchise might use the same reservations systems and other systems and processes as MGallery Hotels.

- United States. In February 2015, ABLNA sold (in an exempt transaction) a franchise for what is now the Pullman Miami Airport, and Accor PME Franchising USA has been the franchisor of the Pullman Miami Airport since September 2023. Accor PME Franchising USA will begin offering franchises for Novotel hotels in 2026. Accor PME Franchising USA began offering franchises for Handwritten hotels (“Handwritten Hotels”) in the United States pursuant to applicable exemptions from registration and disclosure in July 2023. ~~Accor PME Franchising USA will, and began~~ offer offering franchises for Handwritten Hotels in the United States under a separate disclosure document in 2025. As of December 31, ~~2024~~2025, Accor PME Franchising USA was the franchisor of the Pullman Miami Airport ~~and~~, one Handwritten Hotel in California and one Handwritten Hotel in Nevada. Accor PME Franchising USA has never operated a Handwritten Hotel and does not engage in any other line of business except as disclosed in this Item 1. Accor PME Franchising USA’s principal business address is 137 National Plaza Suite 300, Unit 306, National Harbor, MD 20745. In ~~2019, 21e Management LLC (“21e”) offered a franchise for a hotel in Chicago (under an exempt transaction). That hotel opened in 2020 as the 21e Museum Hotel Chicago—MGallery, and in May 2021 converted to the 21e Museum Hotel Chicago. As of December 31, 2024, 21e Museum Hotel Chicago was 21e’s only franchised hotel operating in the United States.~~ In addition, certain of our affiliates, currently

license the following 58 hotels: 21c Cincinnati, 21c Lexington, The Hoxton Williamsburg, The Hoxton Chicago, The Hoxton Chicago Lakeshore East, ~~SLS Beverly Hills and Mondrian South Beach~~, The Hoxton Portland,

• Canada. Accor Canada Inc. (“**Accor Canada**”) offered franchises for Novotel Hotels, Suites & Resorts (“**Novotel Hotels**”) in Canada from August 2007 to August 2020. As of December 31, 20242025, Accor Canada was the franchisor of 4 franchised Novotel Hotels operating in Canada. Accor Franchising Canada Inc. (“**Accor Franchising Canada**”) offered franchises for Novotel Hotels in Canada from August 2020 to December 2023, and has offered franchises for MGallery Hotels in Canada since August 2021. Accor PME Franchising Canada Inc. (“**Accor PME Franchising Canada**”) has offered franchises for Novotel Hotels in Canada since December 2023. As of December 31, 20242025, Accor Franchising Canada was the franchisor of 1 franchised MGallery Hotel and Accor PME Franchising Canada was the franchisor of 1 franchised Novotel Hotel operating in Canada. Other than as described in this Item, neither Accor Canada, Accor Franchising Canada nor Accor PME Franchising Canada has operated or managed hotels or offered franchises in any other line of business. Accor Canada’s, Accor Franchising Canada’s and Accor PME Franchising Canada’s principal business address is 155 Wellington Street West, Suite 3300, Toronto, ON M5V0C3.

• Mexico and Central America. Accor PME México Hoteles, S.A. de C.V. (formerly known as Sociedad Inmobiliaria Hotelera de Mexico SA de CV) (“**Accor Central America**”) operates or offers franchises for ibis, ibis styles, Mercure, Handwritten and Novotel hotels in Mexico and various countries in Central America since May 2017. As of December 31, 20242025, Accor Central America was the franchisor for 1412 franchised hotels – ibis (98), ibis styles (2), Mercure (1), and Handwritten (~~1~~) and ~~Novotel~~ (1) -- operating in Mexico and various countries in Central America. Other than as described in this Item, Accor Central America has never operated hotels or offered franchises in any other line of business. Accor Central America’s principal business address is Blvd. Manuel Avila Camacho 175 Piso 4° Col. Polanco 1a Sección, 11510 Mexico City - Mexico. Accor Luxury Mexico, S.A. de C.V. (“**Accor Mexico**”) operates or offers franchises for MGallery Hotels in Mexico since December 2023. As of December 31, 20242025, Accor Mexico was the franchisor for 1 franchised MGallery Hotel operating in Mexico. Other than as described in this Item, Accor Mexico has never operated hotels or offered franchises in any other line of business. Accor Mexico’s principal business address is Blvd. Manuel Avila Camacho 175 Piso 4° Col. Polanco 1a Sección 11510 Mexico City - Mexico.

• Europe. Accor SA, AccorHotels Italia S.r.l., Leisure Hotels – Hotel and Touristic Enterprises Societe Anonyme, AccorHotels & Community Services Spain S.L., AccorHotels Portugal, SA, AccorHotels Deutschland GmbH, Accor Hotelbetriebsges G-m.b.H., Accor Switzerland S.A., Adagio Hotels UK Limited, Adagio S.A.S., Adagio Deutschland GmbH, ~~Swissotel Management GmbH~~, Russian Management Hotel Company LLC, Ukrainian Management Hotel Company LLC, Kazakhstan Management Hotel Company LLP, Accor Hotels Belgium S.A., Compagnie Internationale Des Wagons Lits Et Du Tourisme S.A, Accor Hotelservices UK Ltd., Accor Luxury UK Limited, Accor Luxury & Lifestyle SAS, Ennismore France SAS, ~~Ennismore Germany GmbH~~, Accor HotelServices Magyarorszag KFT, Accor HotelServices Magyarorszag KFT Budapesta – Sucursala Bucuresti, Accor Services Poland SP. Z O.O., Accor Luxury Poland SP. Z O.O., Rixos Hospitality BV, Accor Hotels Services Netherlands B.V. and Accor AHS AB (together, “**Accor Europe**”) operate or offer franchises throughout

Europe since 1971 and for the following brands: 25h, Adagio Original, Adagio Access, [Emblems](#), Greet, Handwritten, hotelF1, ibis, ibis budget, ibis Styles, Mercure, MGallery, Movenpick, Novotel, Novotel Suites, Pullman, Rixos, Sofitel, Swissotel and Tribe hotels. As of December 31, ~~2024~~2025, Accor Europe was the franchisor for approximately ~~2,187~~2,217 franchised hotels – 25h (1), Adagio Original (~~7~~8), Adagio Access (5), [Emblems \(1\)](#), Greet (~~424~~5), [Handwritten \(31\)](#), hotelF1 (~~70~~60), ibis (490), ibis budget (~~387~~399), ibis Styles (~~410~~427), Mercure (~~470~~456), MGallery (46), Movenpick (~~26~~29), Novotel (~~160~~165), no brand (~~11~~5), Novotel Suites (12), Pullman (~~11~~13), Rixos (4), Sofitel (2), Swissotel (~~7~~8), [and](#) Tribe (10), ~~and Handwritten (16)~~ -- operating in various countries in Europe. Other than as described in this Item, Accor Europe has never operated hotels or offered franchises in any other line of business. Accor Europe's principal business address is 10 Hammersmith Grove, Hammersmith, London W6 7AP, United Kingdom.

- [Middle East and Africa](#). Accor SA, Accor Luxury MEA FZ-LLC, ~~AccorHotels Italia Srl~~, Rixos Hospitality BV, Tamaris Turizm Anonim Sirketi, AccorHotels Middle East and Africa FZ LLC, Saudi French Company for Hotel Management, SoLuxury HMC, [Accor Afrique, and Mantis Developments \(SA\) \(PTY\) Ltd.](#) (together, “Accor MEA”) operate or offered franchises throughout the Middle East and Africa since October 9, 2008 and for the following brands: Adagio Original, Grand Mercure, Handwritten, ibis, ibis [budget](#), [ibis Styles](#), Mantis, Mercure, MGallery, Movenpick, Novotel, Novotel Suites, Pullman, Rixos, Sofitel and Swissotel. As of December 31, ~~2024~~2025, Accor MEA was the franchisor for approximately ~~87~~100 franchised hotels – Adagio Original (1), Grand Mercure (~~1~~3), Handwritten (1), ibis (~~10~~11), [ibis budget \(1\)](#), [ibis Styles \(81\)](#), Mantis (~~6~~), ~~Mercure (12)~~, ~~MGallery (3)~~, [Mercure \(15\)](#), [MGallery \(5\)](#), Movenpick (~~16~~19), Novotel (~~9~~10), Novotel Suites (1), Pullman (2), Rixos (13), Sofitel (2), and Swissotel (2) -- operating in various countries in the Middle East and Africa. Other than as described in this Item, Accor MEA has never operated hotels or offered franchises in any other line of business. Accor MEA's principal business address is GBS Building –Al Madaar street-Dubai Media City- Dubai- United Arab Emirates.

- [Asia and the South Pacific](#). AAPC Properties Pty Limited, AAPC Properties Pty Limited – New Zealand Branch, AAPC Japan KK, AAPC Singapore Pte. Ltd., S&P, Inc., AAPC (Thailand) Limited, AA Korea Hotel Management Co. Ltd., AAPC India Hotel Management Private Limited, ~~PT AAPC Indonesia~~, AAPC Hotel Management Limited, AAPC Hotel Services Limited, AAPC ~~Hotel Services (Shanghai) Co., Ltd.~~, ~~AAPC Shanghai Co., Ltd.~~, Accor Luxury Australia Pty Limited, Accor Luxury ~~New Zealand and Fiji (Thailand)~~ Limited [and, Accor Luxury Philippines Inc.](#), Ennismore ~~HK Asia Pte. Ltd.~~, [Mantra Management Pty. Ltd.](#), [and Peppers Leisure Proprietary Ltd.](#) (together, “Accor ASPAC”) operate or offer franchises throughout Asia and the Pacific since June 1, 1991 and for the following brands: Breakfree, Grand Mercure, Handwritten, ibis, ibis budget, ibis Styles, ~~JO&JOE~~, Mantra, Mercure, MGallery, ~~Movenpick~~, Novotel, Novotel Suites, Peppers, Pullman, ~~Raffles~~, Sofitel, Swissotel, [The Originals](#), The Sebel and Tribe. As of December 31, ~~2024~~2025, Accor ASPAC was the franchisor for approximately ~~295~~317 franchised hotels – Breakfree (~~5~~6), Grand Mercure (~~20~~21), Handwritten (~~2~~3), ibis (15), ibis Budget (14), ibis Styles (~~20~~), ~~JO&JOE (424)~~, Mantra (~~15~~19), Mercure (~~57~~64), MGallery (~~12~~), ~~Movenpick (414)~~, Novotel (~~46~~50), Novotel Suites (2), no brand (~~12~~8), Peppers (~~5~~9), Pullman (~~27~~), ~~Raffles (1)~~, ~~Sofitel (2)~~, ~~Swissotel (7)~~, ~~30~~, [Sofitel \(3\)](#), [Swissotel \(6\)](#), [The Originals \(1\)](#), The Sebel (~~23~~25) and Tribe (~~2~~3) -- operating in various countries in Asia and the Pacific. Other than as

described in this Item, Accor ASPAC has never operated hotels or offered franchises in any other line of business. Accor ASPAC's headquarters are located at 1 Wallich Street, #17-01 Guoco Tower, Singapore 0788881.

- South America. AccorHotels Argentina S.A., Hotelaria Accor Brasil S.A., Accor Hotels Chile SpA, AccorHotels Colombia S.A. and AccorHotels Perú S.A., (together, “**Accor South America**”) operate or offer franchises throughout South America since 1993 and for the following brands: Grand Mercure, ibis, ibis budget, ibis styles, Mercure, ~~MGallery~~, Novotel, Pullman and Swissotel. As of December 31, ~~2024~~2025, Accor South America was the franchisor for approximately ~~209~~211 franchised hotels – Grand Mercure (2), ibis (~~95~~100), ibis budget (~~35~~36), ibis Styles (~~38~~39), Mercure (~~22~~), ~~MGallery~~ (~~21~~18), Novotel (~~11~~12), Pullman (1), and Swissotel (3) – operating in various countries in South America. Other than as described in this Item, Accor South America has never operated hotels or offered franchises in any other line of business. Accor South America's principal business address is Av. Dra Ruth Cardoso, 7815, 10 andar, 05425-070 Brazil.

Except as described above, neither we nor our affiliates offer or have offered franchises in any other line of business, but we (and they) may do so in the future.

The Franchise

We offer franchises for the establishment and operation of ~~upscale~~luxury hotels operating under the System for MGallery Hotels. You must develop, open and operate your Hotel according to our System, including our Brand Standards (defined below). Our “**System**” means the collection of procedures, policies, Brand Standards (defined below), specifications, controls and other distinguishing elements that we or our affiliates have developed or acquired for use in the establishment and operation of MGallery Hotels. The distinguishing characteristics of the System include prototypical architectural plans, designs, layouts and distinctive color schemes; software; a proprietary reservation system that we designate and that we can modify or any replacement system (including, all equipment and software used in its operation) (the “**Reservation System**”); sales and marketing services specifically for MGallery Hotels (the “**MGallery Sales and Marketing Services**”); guest loyalty programs (currently “**ALL – Accor Live Limitless**”) management and personnel training programs; operational Brand Standards, policies, procedures and techniques as prescribed in the Manuals; and a quality assurance program, all of which we may change, improve or further develop over time. “**Brand Standards**” means the standards we adopt from time to time, such as all of the standards, drawings and designs related to the construction, fitting-out, equipping, and operation of an MGallery Hotel, the IT standards, as well as any equipment and technical specifications we may require.

MGallery Hotels are identified by the name and service mark “MGallery” and by certain other trade names, service marks, trademarks, logos, emblems and indicia of origin we may authorize for use (the “**Proprietary Marks**”). We may change the Proprietary Marks, or authorize other proprietary marks for use in the System.

The franchise described in this Disclosure Document is offered for the establishment and operation of newly constructed MGallery Hotels and for the conversion of existing properties to MGallery Hotels. If you would like to apply for an MGallery Hotel franchise, you must first submit to us your completed franchise application in the form attached to this Disclosure Document as Exhibit A (the “**Application**”). If we approve your Application, then we will further consider whether to grant to you an MGallery Hotel franchise. The terms and conditions under which you will operate your MGallery Hotel will be described in a Franchise Agreement that you and we sign before you begin operations (the

“**Franchise Agreement**”). Our current form of Franchise Agreement is attached to this Disclosure Document as Exhibit B-1. If you will convert an existing property to an MGallery Hotel, then you will also initial the Conversion Addendum attached as Exhibit B to the Franchise Agreement.

To promote uniform standards of operation under the System, we have prepared a set of confidential operating manuals that we may make available online or in another format, which may include more than one volume and periodic supplements and which contain our Brand Standards and recommended procedures for operating your Hotel (the “**Manuals**”).

At our discretion, we periodically implement development incentive programs or other franchise sales promotions to increase the expansion of MGallery Hotels among existing franchisees and new prospective franchisees. As of this Disclosure Document’s issuance date, we are offering a developer incentive program (the “Developer Incentive”) under which the next 25 MGallery Hotels developed in California, Colorado, Illinois, Florida, Georgia, Maryland, New York, Texas, Virginia and Washington by franchisees that meet all the requirements will receive certain incentives as further described in Items 5, 6 and 17 of this Disclosure Document. To qualify for the incentive, you and your owners must meet the requirements, which include, for example, your owners’ moral character, business reputation and credit rating, your aptitude and ability to operate the Hotel in accordance with the Brand Standards, and your financial resources and capital to operate the Hotel, the market in which you will operate the Hotel, and those other factors that we deem relevant. If you qualify for the Developer Incentive, you must sign the Developer Incentive Addendum attached as Exhibit B-3 to this Disclosure Document.

Unless otherwise defined, all capitalized terms used in this Disclosure Document will have the meanings given to them in the Franchise Agreement. All currency amounts in this Disclosure Document are in United States dollars, unless otherwise specified.

The Market and Competition

The primary markets for MGallery Hotels are business and leisure travelers seeking **upscale luxury**, full-service lodging that offers guests a modern **easy**-living experience in city centers and key leisure destinations. Presently, the largest concentrations of MGallery Hotels are in Asia Pacific and Europe.

The market for hotel services is well-developed. Depending on the location of your Hotel, your sales may be seasonal. You will compete with national and international hotel chains offering similar services, including other Accor Branded Hotels. You will also compete with independently owned and operated hotels and online hospitality brokerage services, such as AirBnB.

Industry-Specific Regulations

You must comply with federal, state and local laws and regulations that apply to the establishment and operation of hotels and to businesses in general. These include innkeeper liability laws, laws and regulations regarding food handling and preparation, truth in menu and labeling laws, alcoholic beverage control laws and dram shop acts, license, certificate and permit requirements for hotel and restaurant operation and occupancy, laws regulating the posting of hotel room rates, hotel room occupancy tax laws, laws applicable to public accommodations and services such as the Americans with Disabilities Act, laws and regulations affecting zoning and construction and laws and regulation affecting health, safety, and labor, among others. The federal government and many states, as well as the European Union, have also adopted data security and privacy legislation to protect personal data. The Payment Card Industry (“**PCI**”) Data Security Standard is the current standard of security for all merchants or

service providers that store, process or transmit cardholder data. It is your responsibility to comply with all laws and regulations applicable to the establishment and operation of the Hotel.

ITEM 2 BUSINESS EXPERIENCE

Director and Vice President, Operations: Peter Humig

Mr. Humig has served as our Director and Vice President, Operations since January 2026. He has also been Vice President Operations, Americas West of Accor Management US Inc. since December 2024. He was Executive Vice President Residential Operations from January 2023 to August 2023, and President Residential Operations from August 2023 to December 2024 of The Picerne Group Inc. in Newport Beach, California. From June 1999 to January 2023, he served in various positions at Four Seasons Hotels & Resorts, serving from June 2018 to January 2023 as Regional Vice President and General Manager in Beverly Hills, California.

Director and Treasurer: Salaheddine Fouissi

Mr. Fouissi has served as our Director since January 2024 and our Treasurer since March 2023. He has also been Vice President, Corporate Finance of Accor Management Canada Inc. since May 2023. Prior to that, he was Director of Corporate Finance of AccorHotels Middle East & Africa FZ LLC from October 2020 to May 2023, ~~and Director of Finance and Administration of AccorHotels SAE Egypt from January 2018 to September 2020.~~

~~Director: Benjamin Cadwell~~

~~Mr. Cadwell has served as our Director since August 2021. He has also served as Accor Management US Inc.'s Chief Operating Officer, North & Central America, Fairmont, since December 2023. From March 2023 to August 2023, Mr. Cadwell served as our President, from August 2021 to December 2023, he served as Accor Management US Inc.'s Chief Operating Officer, United States, and from August 2021 to March 2023, he served as our Chief Operating Officer, United States. Prior to joining Accor, he served as Executive Vice President—Asset & Investment Management from January 2020 to July 2021 with Kingdom Hotel Investments in London, England.~~

Director: Matthew Vega

Mr. Vega has served our Director since December 2024. He has also been Executive Director of Finance - Americas, Sofitel Legend, Sofitel, MGallery, Emblems of Accor Management US Inc. since August 2023. Prior to that, he was Director of Finance at Sofitel Chicago of La Touraine, L.L.C. (a subsidiary of Accor Management US Inc.) from July 2022 to August 2023. Prior to joining Accor, he served as Senior Assistant Director of Finance at Ritz Carlton Chicago in Chicago, Illinois from July 2021 to July 2022. Prior to that, he was the Controller at Ingleside Hotel in Milwaukee, Wisconsin from July 2020 to July 2021. ~~Before that, Mr. Vega served as Senior Staff Accountant at Sage Hospitality in Denver, Colorado from July 2019 to July 2020.~~

President: Markus Keller

Mr. Keller has served as our President since August 2023. He has also been Chief Operating Officer, Sofitel, MGallery & Emblems of Accor SA since January 2023. From March 2023 to August 2023, he served as our Chief Operating Officer, Sofitel, MGallery & Emblems. From April 2022 to

January 2023, he was Accor SA's Chief Sales & Distribution Officer. He has also held various other positions with Accor and its affiliates since March 2006.

~~**Senior Vice President, General Counsel, Fairmont & Luxury North America and Secretary: Barbara D. Kilner**~~

~~**Ms. Kilner has served as our Senior Vice President and Secretary since January 2019 and as our General Counsel, Fairmont & Luxury North America since March 2023. Ms. Kilner has also been Senior Vice President of Accor Management Canada Inc. since January 2019 and General Counsel, Fairmont & Luxury North America of Accor Management Canada Inc. since January 2023. She has also held various other positions with Accor Management Canada Inc. and its affiliates since January 2001. From January 2019 to March 2023, Ms. Kilner served as our General Counsel, North & Central America, and from January 2019 to January 2024, she served as our Director. From January 2019 to January 2023, Ms. Kilner served as Accor Management Canada Inc.'s General Counsel, North & Central America and Secretary.**~~

Senior Vice President, Development, Luxury Americas: Edouard Schwob

Mr. Schwob has served as our Senior Vice President, Development, Luxury Americas since August 2023. He has also been Senior Vice President, Development, Luxury Americas and Global Raffles & Orient Express of ~~ROE~~**Accor** Management US Inc. since **January 2025**. **Mr. Schwob served as ROE Management US Inc.'s Senior Vice President, Development, Luxury Americas and Global Raffles & Orient Express from July 2023 to December 2024.** From January 2008 to July 2023, he served in various positions at Jones Lang LaSalle Hotels & Hospitality Group in Paris, France and in New York, New York, serving from 2018 to July 2023 as the company's Executive Vice President.

Vice President, Legal Counsel, Luxury & Lifestyle North America and Secretary: Caroline Salomon

Ms. Salomon has served as our Vice President, Legal Counsel, Luxury & Lifestyle North America and Secretary since July 2025. She has also been Vice President, Legal Counsel, Luxury & Lifestyle North America of Accor Management US Inc. since July 2025. Prior to that, she was Senior Legal Counsel from September 2024 to July 2025; Legal Counsel, Luxury North America from October 2023 to September 2024; and Legal Counsel, North and Central America from May 2019 to September 2024 of Accor Management US Inc.

Chief Executive Officer, Sofitel, MGallery & Emblems: Maud Bailly

Ms. Bailly has served as Chief Executive Officer, Sofitel, MGallery & Emblems of Accor since January 2023. Prior to that, she was Accor's Chief Executive Officer, Southern Europe from October 2020 to January 2023, ~~and Accor's Chief Digital Officer from April 2017 to October 2020.~~

Chief Development Officer, Sofitel, MGallery & Emblems: Xavier Grange

Mr. Grange has served as our Chief Development Officer, Sofitel, MGallery & Emblems since April 2026 and as Chief Development Officer, Sofitel, MGallery & Emblems of Accor Luxury & Lifestyle SAS since January 2023. Prior to that, he was Accor's Senior Vice President, Head of Development, Southern Europe from April 2021 to January 2023.

Senior Vice President, [Operations](#), Americas, Sofitel, MGallery & Emblems, Philippe Trapp

Mr. Trapp has served as Senior Vice President, [Operations](#), Americas, Sofitel, MGallery & Emblems of Accor South America since January 2023. Prior to that, he was Accor South America's Chief Operating Officer, Luxury & Upscale Hotels South America from January 2014 to January 2023. He has also held various other positions with Accor Egypt and its affiliates since August 1999.

Senior Vice President, Finance, Sofitel, MGallery & Emblems: Paul Bizard

Ms. Bizard has served as the Senior Vice President, Finance, Sofitel, MGallery & Emblems of Accor since January 2023. From October 2020 to January 2023, he was Executive Director, Corporate Finance, NCA of Accor Management Canada Inc. ~~From December 2017 to October 2020 he was Finance Projects Director of Accor.~~

General Counsel Sofitel, MGallery, Emblems & Luxury Hotels Europe: Gabor Kerdo

Mr. Kerdo has served as the General Counsel Sofitel, MGallery, Emblems & Luxury Hotels Europe of Accor HotelServices UK Limited since January 2023. Prior to that, he was the General Counsel Development and Special Projects Europe of Accor HotelServices UK Limited from January 2019 to January 2023. He has held various other positions with Accor and its affiliates since 2008.

ITEM 3 **LITIGATION**

No litigation is required to be disclosed in this Item.

ITEM 4 **BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

ITEM 5 **INITIAL FEES**

Initial Franchise Fee

When you submit your Application to us, you must pay us in a lump sum an initial franchise fee of \$75,000 plus \$300 per room for every room over 250 rooms (the "**Initial Franchise Fee**"). Because the typical MGallery Hotel has 200 rooms, the typical Initial Franchise Fee will be \$75,000 for MGallery Hotels. If we approve your Application, then the entire Initial Franchise Fee is non-refundable. If we reject your Application, we will refund the Initial Franchise Fee, less \$10,000, to cover our costs and expenses in reviewing your Application, and without interest. Except as stated above, the Initial Franchise Fee is non-refundable.

If your MGallery Hotel qualifies for the Developer Incentive, then the Initial Franchise Fee will be \$20,000.

Conversion Costs

If you are converting an existing facility to an MGallery Hotel, then before you sign a Franchise Agreement with us, you must also pay us or our affiliates \$5,000 in a lump sum to compensate us or our affiliates for the costs we incur in preparing a furniture, fixture and equipment ("**FF&E**") and property

improvement plan (“**PIP**”) detailing the required upgrades to bring the property into conformity with the System. This fee is non-refundable.

Extension Fee

If there is any initial extension of the date to begin construction or conversion of your Hotel by more than 60 days, we may require you to pay a non-refundable extension fee of up to \$10,000 for that initial extension plus any subsequent extensions.

Initial Training Programs

Your General Manager, Director of Revenue Management, Director of Sales and Marketing and Director of **TalentPeople** & Culture of the Hotel must complete initial training before you open. We currently charge a non-refundable tuition fee of \$2,000 to \$2,500 for each of your General Manager, Director of Revenue Management and Director of Sales and Marketing, therefore, we estimate that your tuition fee for this training will be \$6,000 to \$7,500. We do not currently charge a tuition fee for your Director of **TalentPeople** & Culture. If additional individuals attend these initial training programs, then your tuition costs will increase. The training programs for your General Manager, Director of Revenue Management, Director of Sales & Marketing, and Director of **TalentPeople** & Culture may span over a period of 5-10 days, depending on the delivery method.

Your other employees must also complete initial training before you open. We currently charge a non-refundable training fee of \$400.00 per half day to \$800.00 per full day per trainer for this training. Up to 5 days of training may be required with multiple trainers based on head count and hotel size. Your training cost estimates will range from \$18,000 to \$28,000. This training fee will increase for each additional trainer that provides training.

Initial training may be conducted virtually or in person at the Hotel or at an alternate location we designate. You must pay all expenses incurred by your trainees during training, including transportation, meals, lodging and wages or salary and benefits. You also must pay all expenses associated with our trainers’ transportation, meals and lodging, if applicable, and, when training is conducted at the Hotel, provide our trainers with complimentary lodging.

Hotel Integration Project Management Fee

Before your Hotel opens, you must pay us or our affiliates a determined amount within the range of \$10,000 - \$50,000. When the project scope is determined the amount will be determined based on level of effort. The fee is for project management services, including overseeing the day-to-day responsibility of the development of the Hotel, managing milestones in the development of the Hotel, providing project updates and escalating project issues, clarifying business priorities and strategies, and coordinating/facilitating meetings based on development milestones. This cost is non-refundable.

Technology Costs

Set-up Costs for Reservation System, PMS and Other Distribution Tools

Before your Hotel opens (if you are constructing a new hotel), or before you reopen your Hotel as an MGallery Hotel (if you are converting an existing hotel to an MGallery Hotel), you must pay us or our affiliates to set up the Reservation System, the property management system (“**PMS**”) and other software, systems and internet sites owned or licensed by us or our affiliates that you will use to manage hotel reservations and guest information (“**Distribution Tools**”). The estimated setup costs for these

items will cumulatively range from \$530,000 to \$950,000 (if you are constructing a new hotel) or \$100,000 to \$950,000 (if you are converting an existing hotel to an MGallery Hotel). These costs may vary and/or change over time depending on technology changes, Brand Standards changes, as well as hotel size and construction projects. These setup costs are not refundable.

Other Software License Fees, Set-up and Training

Before your Hotel opens (if you are constructing a new hotel), or before you reopen your Hotel as an MGallery Hotel (if you are converting an existing hotel to an MGallery Hotel), you must pay us or our affiliates, installers and vendors to install and train you in other, additional software including, without limitation, software relating to training, sales and catering, the POS and Rapid Response. The estimated installation/training costs for these items will cumulatively range from \$100,000 to \$350,000 (if you are constructing a new hotel) or \$0 to \$350,000 (if you are converting an existing hotel to an MGallery Hotel). These costs may vary and/or change over time depending on technology changes, Brand Standards changes, as well as hotel size and construction projects. These costs are not refundable.

Technology-Related Project Management and IT and Security Standards Compliance Review Fee

Before your Hotel opens, you must pay us or our affiliates a determined amount within the range of \$10,000 - \$50,000. When the project scope is determined the amount will be determined based on level of effort. The fee is for technology-related project management services and IT and security standards compliance review, including providing project updates and escalating project issues, clarifying business priorities and strategies, and coordinating/facilitating meetings. This cost is non-refundable.

Technical Service Fees

Before your Hotel opens, you must pay us or our affiliates for various advisory services. The general scope of the services includes: (i) supplying the Brand Standards (design, construction, equipment); (ii) reviewing and commenting on the plans and specifications; and (iii) advising on the procurement strategy and selection of suppliers (excluding FF&E). The fees will range from \$25,000 to \$150,000 (for a conversion) to \$200,000 (for a new build). These fees are non-refundable.

General

We and our affiliates will bill you for some or all fees you owe us in Euros. In order to prepare this Disclosure Document, some amounts we bill you in Euros were converted to United States Dollars based on the exchange rate on the day these disclosures were prepared. You must pay all amounts that are billed to you under the Franchise Agreement in United States Dollars. The amount of United States Dollars that you owe for a particular payment will be calculated by using the exchange rate designated in the Franchise Agreement in effect on the day the payment is made.

We or our affiliates may increase any cost or fee provided for in this Item 5 from time to time, provided that the increase applies to a majority of MGallery Hotels in the United States.

We did not have any franchise sales in ~~2024~~2025, so we did not waive or reduce any of the fees disclosed in this Item 5 in ~~2024~~2025.

**ITEM 6
OTHER FEES**

Type of Fee*	Amount*	Due Date	Remarks
General			
Royalty	5% of the prior month's Room Revenue or, if your Hotel qualifies for the Developer Incentive, 3% of the prior month's Room Revenue ¹	Within 15 days after the end of each month.	Room Revenue is defined in Note 1.
Marketing			
Marketing Fund Fee	1.5% of the prior month's Room Revenue (or less if your Hotel qualifies for the Developer Incentive, see note 98) ¹	Within 15 days after the end of each month.	See Item 11 for important information regarding the Marketing Fund.
MGallery Sales and Marketing Services	Your share of the program costs, which are allocated among all participating MGallery Hotels.	Within 15 days after the end of each month.	“ MGallery Sales and Marketing Services ” is defined in Item 1 and may include brand-specific marketing, advertising, promotional, public relation and sales services for MGallery Hotels, which may apply to some or all MGallery Hotels.

<p>Centralized Marketing Programs</p>	<p>Your share of the program costs, which are allocated among all participating Accor Branded Hotels.</p>	<p>Within 15 days after the end of each month.</p>	<p>“Centralized Marketing Programs” means centralized marketing, advertising, promotional, public relation and sales services for two or more Accor Branded Hotel brands, which may apply to some or all MGallery Hotels. Such programs include: advertising materials and campaigns, web promotions, direct marketing, public relations, brand meetings, client identification, tourism and business travel fairs and exhibitions and guest satisfaction.</p>
<p>Voice of the Guest (VOG 2.0), powered by TrustYou</p>	<p>Basic package - starting at \$960<u>1,084</u> per year <u>(mandatory)</u> <u>or</u> Full package (additional services included) – starting at \$1,380<u>1,525</u> per year <u>(optional upgrade)</u></p>	<p>Within 60 days after receipt of invoice</p>	<p>VOG 2.0 is the reputation management and guest satisfaction survey tool that centralizes all customer feedback shared across hotel surveys and online review websites. The tool helps hotels to monitor their online reputation, manage and respond to guest feedback, and identify opportunities for service quality improvement. The tool enables hotels to benchmark their performance against the competition and optimize topline performance by improving the hotel’s online reputation.</p>

Leading Quality Assurance (LQA)	Starting at \$3,400 <u>3,085</u> per 2 days/1 night visit	Within 60 days after receipt of invoice	To ensure the consistency of the System, LQA, a third-party partner, conducts a mystery visit to the Hotel to measure the Hotel's compliance with the Brand Standards and industry standards. LQA also benchmarks the Hotel's achievement of industry standards against key competitors' achievement of industry standards, and assesses the Hotel's achievement of brand standards and Accor standards against <u>based on 3</u> targets set by the brand <u>annually: LQA basics, Accor core targets and brand core targets.</u>
Distribution			
Accor Websites ³	\$7.00 per net booking (or less if your Hotel qualifies for the Developer Incentive, see note <u>98</u>)	Within 15 days after the end of each month.	
Global Distribution Systems (GDS) Booking	\$12.00 per net booking or, if your Hotel qualifies for the Developer Incentive, \$10.00 per net booking	Within 15 days after the end of each month.	
Voice Booking	<p>If average Room Revenue¹ generated by voice booking is less than \$450.00, 5% of Room Revenue</p> <p>If average Room Revenue generated by voice booking is greater than \$450.00, \$22.50 per net voice booking (5% of \$450.00)</p> <p>These amounts will be less if your Hotel qualifies for the Developer Incentive, see note <u>98</u></p>	Within 15 days after the end of each month.	Accor's central call center service takes customer reservations for all Accor hotels.
Electronic Channel Booking	\$8.00 per net booking (or less if your Hotel qualifies for the Developer Incentive, see note <u>98</u>)	Within 15 days after the end of each month.	

Access Charge	\$2.50 per net booking (or less if your Hotel qualifies for the Developer Incentive, see note 98)	Within 15 days after the end of each month.	Bookings made at property level that flow through the Reservation System
Passkey - Individual Bookings	\$8.00 per reservation	Within 15 days after the end of each month	Passkey by Cvent is not a mandatory program. It is recommended for hotels with medium to large group/events. Passkey bridges the gap between group registration and room block. Attendees can make a reservation during the registration process
Passkey - Rooming List Block Bookings	\$4.00 per reservation	Within 15 days after the end of each month.	Passkey by Cvent is not a mandatory program. It is recommended for hotels with medium to large group/events. Passkey bridges the gap between group registration and room block. Attendees can make a reservation during the registration process
Passkey - Group Fee	Annual fee is \$7.00 per room or \$30 per room if contracted directly with Cvent Availability, Rates and Inventory (ARI): \$6 per room inventory (capped at 650 rooms)	Within 15 days after the end of each month.	For NON ORS properties, connectivity to Opera PMS is not included, and hotels without an available OXI interface will need to contact Oracle to build an interface.

Paid Acquisition Fee	<p>12% of Reservation System Direct Revenue² for the preceding calendar month generated by paid search advertising, affiliate marketing and re-targeting and 15% of Reservation System Direct Revenue² for the preceding calendar month generated by metasearch advertising, affiliate marketing and re-targeting</p> <p>If your Hotel qualifies for the Developer Incentive, then 10% of Reservation System Direct Revenue² for the preceding calendar month generated by paid search advertising, metasearch advertising, affiliate marketing and re-targeting</p>	Within 15 days after the end of each month.	Paid search and metasearch advertising, affiliate marketing and re-targeting maximizes the prominence of your official hotel page on Google and other key search engines and ensures that customers who search for your brand, destination and hotel book directly via those search engine advertisements.
Online Third Party Distribution Channels	Varies, <u>depending on the commission rates we negotiate, which may differ for each online distribution provider</u>	Within 15 days after the end of each month.	We enter into agreements with various on-line distribution providers to market overnight stays. If you participate, you must pay your share of the associated costs.
Official Hotel Photo and Video Shoot	At cost – varies based on shot list, photographers, deliverables	Within 15 days after receipt of invoice	The photos may be used in reports and marketing and promotional materials.
Loyalty			
Loyalty Fee ⁴	4.75% of all Qualified Hotel Loyalty Revenue (excluding <u>the</u> first stay for members recruited by the Hotel), 2% of all Qualified Outside Loyalty Revenue and \$0.023 per point issued attributable to all Qualified Meetings and Events Loyalty Revenue, subject to adjustment and in accordance with the terms and conditions of the Accor Loyalty Program	Within 15 days after the end of each month.	“ Accor Loyalty Program ” means our current “ ALL – Accor Live Limitless ” guest loyalty program and any successor or replacement loyalty program. You are required to participate in the Accor Loyalty Program and honor all program rules and policies.
General Group Services⁵			

<p><u>M&E Distribution Platform - Meeting Package</u> The Accor Group Solution SaaS Software as a Service TAGS On Demand</p>	<p>Set-up Ccost: \$507580</p> <p><u>Annual license cost based on number of bedrooms of the Hotel:</u></p> <p><u>1-49 bedrooms: \$1,020</u> <u>50-99 bedrooms: \$1,260</u> <u>100-199 bedrooms: \$1,500</u> <u>200+ bedrooms: \$2,160</u></p> <p><u>Additional costs might apply for S&Cs integration and some other distribution channels</u> SaaS License fee is \$1,320.00 per year</p>	<p>The annual fee is due in full irrespective of start date</p> <p><u>12 months fee starting at the day of activation.</u> Payment is required 30 days after invoice</p> <p>. The fee can be adjusted each year upon notice by us before October 1 <u>provider</u></p>	<p>RFP management system using MeetingBroker or MeetingBroker with Delphi.fde.</p> <p>12 month contract is valid from January 1-1 year with automatic renewal unless you provide us with 3 months' prior written notification of intent to cancel<u>MeetingPackage is not a mandatory program. It is recommended for hotels with meeting spaces. This solution allows hotels to manage their distributed RFP more efficiently, by funneling group leads coming from Accor sales offices, Cvent and other online M&E players; MeetingPackage tool will be connected to all official Accor listed S&Cs (Delphi, OSEM, BackYou and Ivy) allowing hotel to receive all requests directly in their tool without having to re-enter the details manually.</u></p>
<p>RFP Publisher by Cvent Lanyon</p>	<p>\$310 per year</p>	<p>Within 15 days after the end of each year.</p>	<p>Solution for Hotels to process Corporate and Travel Agencies and Annual Leisure contracting. Hotels can build and load their strategic rate plans, which they can access at any time and can be adapted to each contract.</p>

RATE Manager by Lanyon	\$125 per year	Within 15 days after the end of each year.	Rate Manager enables a streamlined approach on Corporate Transient contracts pricing. This option allows the hotel to share with the Account Owner a rate guidance to follow during negotiations: Wish rate / Want rate / Walk rate.
ANAIS Hotel	\$ 360 <u>390</u> per user, per year	Within 15 <u>30</u> days after the end of each year.	Access to all Accor B2B account information, prospect new accounts and contacts, collaborate with all Global Sales Office and Hotel users to manage commercial actions and strategy, contract and distribute your hotel (manage local and global transient contracts), reports, dashboards, etc., direct display of ongoing RFI/RFP and contracts solicitations
FASTCOM ^{5,6}	\$0.83 per transaction for consumed booking.	Within 15 days after the end of each month.	Program to manage commission payment to partners.
Frequent Flyer Programs ⁵	At cost.	Within 15 days after the end of each month.	Example: Frequent Flyer Points (“FFP”) with major airlines (e.g. Flying Blue)
Global Preferred Agreements for Consortia, Travel Management Companies & Third Party Meetings & Incentive companies ⁵	Varies between 1-4% of Room Revenue ¹	Within 15 days at the end of each quarter or at the end of the year	Examples: ABC, American Express, BCD.
Technology-Related Group Services⁵			

AccorConnect	Full Connectivity: 0.22% of prior month's Room Revenue (or less if your Hotel qualifies for the Developer Incentive, see note 98).	Monthly, within 15 days of invoice.	" AccorConnect " enables the hotel to access Accor's ecosystem seamlessly, including our Reservation System, the guest and loyalty database, various intranets, and the company directory (allowing hotel colleagues to have an "@Accor.com" email address and online storage, among other benefits).
AccorSecure	\$325 354 per account per year.	In yearly installments. Within 15 days of invoice.	" AccorSecure " is a suite of security applications and services to protect guest data, hotel systems, and the network from cybersecurity risks (including malware, ransomware, viruses, and hacking). We provide daily management of the firewall (through a managed security service provider), software licenses, antivirus protection, Level 2 support, and security forensics.
IT Assistance	\$394 430 per connected device per year.	In yearly installments. Within 15 days of invoice.	IT Assistance offers hotels a single, reliable technology support solution. Colleagues can contact the service desk to receive help and support on technology issues they face.
Mobile Device Management	\$54 per requested active user per year.	In yearly installments. Within 15 days of invoice.	This is a mandatory service that allows users to securely access Accor applications (the "Accor Mobile Apps") installed on mobile devices and On Demand.

Office 365 (over threshold)	Setup: \$ 162 <u>180</u> / Run: \$ 87 <u>95</u> per user per year Add-ons: - Advanced offer: \$ 265 <u>290</u> /user/year —M365— Apps:— \$254/device/year —PowerBI: \$11/user/year - Copilot for M365: \$ 519 <u>420</u> /user/year	In yearly installments, with one-time setup fee payable with first monthly installment. Within 15 days of invoice.	This is an optional service. Office 365 provides users with email address, calendar and contacts, presence status, instant message replies on cloud solution, including design and day to day local operations.
STIA Fee	\$2,158 per year	In yearly installments. Within 15 days of invoice.	“STIA” means specification, testing, integration and administration of Accor’s Opera shell. This fee is not applicable when Opera Cloud is deployed
Device, user management and cloud-printing	\$60 per active user per year	In yearly installments. Within 15 days of invoice.	Device and user management technology that provides secure and integrated access to Accor core technology and Accor environment. This solution can be deployed if computers and laptops are to be managed by Accor. Otherwise, ZPA is available.
ZPA / Remote connection	\$ 216 <u>236</u> per active user per year	In yearly installments. Within 15 days of invoice.	Provides remote connectivity for users.

Training and Operations

General Manager Training Program	Currently, \$2,000 to \$2,500 per attendee.	Before Attendance.	Your General Manager must attend this training. All replacement and substitute general managers must also complete this training. In addition to tuition costs, you must pay all expenses your trainees incur during training, including transportation, meals, lodging and wages or salary and benefits, and all expenses associated with our trainers' transportation, meals and lodging, if applicable.
Director of Sales and Marketing Training Program	Currently, \$2,000 to \$2,500 per attendee.	Before Attendance.	Your Director of Sales and Marketing must attend this training. All replacement and substitute Directors of Sales and Marketing must also complete this training. In addition to tuition costs, you must pay all expenses your trainees incur during training, including transportation, meals, lodging and wages or salary and benefits, and all expenses associated with our trainers' transportation, meals and lodging, if applicable.

<p>Director of Revenue Management Training Program</p>	<p>Currently, \$2,000 to \$2,500 per attendee.</p>	<p>Before attendance.</p>	<p>Your Director of Revenue Management must attend this training. All replacement and substitute Directors of Revenue Management must also complete this training. In addition to tuition costs, you must pay all expenses your trainees incur during training, including transportation, meals, lodging and wages or salary and benefits, and all expenses associated with our trainers' transportation, meals and lodging, if applicable.</p>
<p>INES Talent <u>HERO People</u> & Culture System</p>	<p>\$45.00 per head count</p>	<p>Billed annually</p>	<p>Talent Management System for Talent Acquisition, Performance Management and Delivering online / digital training. Allows access to all Accor Training programs plus database of talent and ability to advertise jobs on Accor Careers.</p>
<p>Inspection Costs/Quality Assurance Fees and Costs</p>	<p>If we (directly or through a designated agent or representative) conduct an initial or subsequent inspection of your Hotel, you must reimburse us our costs and provide complimentary lodging for those conducting the inspection. If a third party we designate conducts a quality assurance assessment of your Hotel, you must pay the third party its applicable fees and costs.</p>	<p>On demand</p>	<p>We may (directly or through a designated agent or representative) inspect your Hotel for compliance with Brand Standards. We may also require you to use a third party we designate to conduct quality assurance assessments of your Hotel.</p>

GAIA 2.0 – Utility and Sustainability Platform (Mandatory)	\$ 203 <u>235</u> per annum per hotel + \$ 307 <u>357</u> per annum per serviced utility (with a minimum of 1 utility account subscription per hotel and a maximum of 14 utility account subscriptions per hotel)	Billed annually	GAIA 2.0 is an industry-leading utility and sustainability reporting platform for energy, carbon, water and waste recycling performance management. It enables hotels to easily report, to monitor accurately and to manage time-efficiently the hotel key utilities streams and its environmental performance.
Supplier Approval Costs	Actual reasonable cost of evaluation and testing.	On demand	If you wish to make purchases for brand mandated categories from a supplier we have not approved, we may inspect the supplier’s facilities and test its products at your expense.
Transfer and Renewal			
Transfer Fee	Then-current Initial Franchise Fee.	On submission of transfer application.	This fee is paid by your buyer. We do not charge an additional transfer fee. If the transfer is of a Non-Controlling Ownership Interest in you, the fee is limited to our costs associated with the transfer.
Securities Offering Fee	\$10,000 or any greater amount necessary to reimburse our review costs.	On demand	Our review is limited to the subject of your relationship with us. You and any other participants in the offering also must indemnify us.
Renewal Fee	50% of our then-current Initial Franchise Fee included in our then-current franchise disclosure document.	On submission of your renewal application.	Payable on renewal by an existing franchisee.
Remedies			
Insurance Costs	Cost of procuring insurance for you, plus a reasonable fee for our expenses.	On demand.	Payable only if you fail to procure insurance and we do it for you.

Audit Costs	Amount of the deficiency plus interest.	On demand.	If the audit shows an underpayment of 5% or more or if you fail to make your records available at a scheduled audit, you must also reimburse our audit or re-inspection costs.
Enforcement Costs	Our reasonable attorney's fees and court costs.	On demand.	Payable only if we are the prevailing party.
Indemnification	Actual amount we pay in any action, suit, proceeding, claim, demand, investigation, inquiry or settlement arising from your ownership, construction, renovation, conversion, establishment or operation of the Hotel, your performance under the Franchise Agreement, any data breach of your local data base, and any default by you or your owners of any representations or warranties in the Franchise Agreement.	Within 10 days following written demand.	You must defend us, our affiliates, successors and assigns and our and their officers, directors, owners, agents, representatives and employees, using counsel acceptable to us.
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 before the Hotel opens for business (the " Opening Date ").
Liquidated Damages for Post-Opening Termination	The greater of: (a) your Hotel's Average Monthly Fees (defined in Note 7 below) multiplied by 60; or (b) \$10,000 multiplied by the number of approved guest rooms at your Hotel. If your Hotel qualifies for the Developer Incentive, the greater of: (a) your Hotel's Average Monthly Fees (defined in Note 7 below) multiplied by 36; or (b) \$10,000 multiplied by the number of approved guest rooms at your Hotel.	On demand.	Payable if the Franchise Agreement is terminated on or after Opening Date but before the 2nd anniversary of the Opening Date. See Note 7.

	<p>Your Hotel's Average Monthly Fees multiplied by 60.</p> <p>If your Hotel qualifies for the Developer Incentive, your Hotel's Average Monthly Fees multiplied by the number of months remaining until the third anniversary of the Opening Date.</p>	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 of the Franchise Agreement. If your Hotel qualifies for the Developer Incentive, then this is payable only if the Franchise Agreement is terminated after the 2nd anniversary of the Opening Date, but before the 3rd anniversary of the Opening Date. See Note 7.
	Your Hotel's Average Monthly Fees multiplied by the number of months remaining in the term of the Franchise Agreement.	On demand.	Payable if the Franchise Agreement is terminated within the last 60 months of the term of the Franchise Agreement. If your Hotel qualifies for the Developer Incentive, then you will not be required to pay this amount. See Note 7.
Actual Damages	Varies <u>Our actual damages.</u>	On demand	If you default, you must pay our damages. However, we cannot recover for lost future revenue or profit in excess of the specified liquidated damages.
Miscellaneous			
Lender Comfort Letter Fee	<u>Up to \$6,500</u> (Currently, \$3,500 <u>5,000</u>)	On demand	If you will have a secured lender, we or the lender may request that the parties enter into a comfort letter, which must be on terms reasonably satisfactory to us.
Interest on Past Due Amounts	1.5% per month or the maximum rate permitted by law, whichever is less.	On demand	Payable only if you do not make a payment on time.

Tax Gross Up	Varies <u>The additional amount so that we receive the full amount of the required payment if you are required to deduct taxes from amounts payable to us.</u>	On demand	If you are required to deduct taxes from amounts payable to us, you must pay us an additional amount so that we receive the full amount of the required payment. This obligation does not apply to taxes payable by us on our income.
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Notes:

* Unless otherwise noted, all fees are non-refundable, are imposed uniformly by, and are payable to, us or our affiliates. We or our affiliates may increase any cost or fee (except the Royalty and Marketing Fund Fee) provided for in this Item 6 from time to time by up to 10% per annum (or more, in the case of online third party distribution channels, which will depend on the commission rates we negotiate, which may differ for each online distribution provider) or by some other amount to the extent there is an increase in our operating expenses, third-party license or other fees, or an increase to the consumer price index, provided that the increase applies to a majority of MGallery Hotels in the United States. On a single occasion, we charged a Royalty rate which escalates over the term of the agreement and we do not intend to enter into a similar agreement in the future.

We and our affiliates will bill you for some or all fees you owe us in Euros. In order to prepare this Disclosure Document, some amounts we bill you in Euros were converted to United States Dollars based on the exchange rate on the day these disclosures were prepared. You must pay all amounts that are billed to you under the Franchise Agreement in United States Dollars. The amount of United States Dollars that you owe for a particular payment will be calculated by using the exchange rate designated in the Franchise Agreement in effect on the day the payment is made.

(1) **“Room Revenue”** means the portion of Gross Revenue derived directly from the rental of rooms (excluding excise, sales, occupancy, use, value-added or other tax levied directly on such amounts, credit card commissions, and any travel agent commission) and not from ancillary operations such as rentals, the spa and laundry. **“Gross Revenue”** means, with respect to any period of time, all revenues and income of any kind derived directly or indirectly from the operation of the Hotel, including, without limitation, total room sales, food and beverage sales, rentals, including audio visual equipment rentals, laundry sales, telephone and facsimile, internet, in room paid television, and all other revenues (including store and building revenues from the Hotel building, and rentals or other payments from unaffiliated lessees and concessionaires, but excluding the gross receipts of such lessees or concessionaires), whether on a cash basis or on credit, properly attributable to such period as determined (as to both timing and amount) in accordance with GAAP and the Uniform System of Accounts. Gross Revenues does not include (a) excise, sales, use, occupancy or admission taxes, and other excise sales, use, occupancy, admission or, value-added or similar taxes that may be imposed in the future; (b) gains arising from the sale or disposition of capital assets; (c) insurance proceeds, except for the proceeds from business interruption or rent insurance not received by Franchisee or the Hotel directly, which shall be included in Gross Revenues; (d) condemnation awards; (e) discounts, rebates and refunds; (f) net recoveries in any legal action, to the extent the amount thereof would not have been included in Gross Revenues if such amount had been collected without such legal action; (g) interest earned on any funds in the operating account or any other account or investment of the Hotel; (h) gratuities and service charges collected for payment to employees of the Hotel or others rendering services at the Hotel; (i) security deposits

refunded to guests of the Hotel; (j) commissions levied upon guests of the Hotel by third-party vendors and collected directly from guests of the Hotel; and (k) any financing proceeds.

(2) **“Reservation System Direct Revenue”** means revenue generated directly through the Reservation System. **“Reservation System Indirect Revenue”** means revenue generated through third party distribution channels, including, travel agents, online travel agents and airlines. **“Reservation System Revenue”** means Reservation System Direct Revenue plus Reservation System Indirect Revenue.

(3) **“Accor Websites”** means www.all.accor.com, any Accor brand website including www.mgallery.com, or any successor or equivalent website. The Accor Websites use Accor Payment On Line (**“APOL”**) to debit the account of the card holder for the amount of stay at prepaid rates and credit the account of the Hotel for which the booking was made. A third party provider administers APOL. If you do not enter into an e-commerce transaction agreement with the provider, your Hotel may not qualify for the most attractive prepaid rates and may not be eligible to participate in certain promotional campaigns based on prepaid rates.

(4) **“Qualified Hotel Loyalty Revenue”** means all Gross Revenue that is (i) generated through certain channels and at certain rates, both as we designate and (ii) is derived directly from Accor Loyalty Program members obtaining products and services that are provided and/or managed directly by you and/or your affiliates; provided, however, that Qualified Hotel Loyalty Revenue excludes Qualified Meetings and Events Loyalty Revenue. **“Qualified Meetings and Events Loyalty Revenue”** means the portion of Gross Revenue attributable to meetings and events that is (i) generated through certain channels and at certain rates, both as we designate and (ii) is derived directly from meeting planners that are Accor Loyalty Program members obtaining products and services that are provided and/or managed directly by you and/or your affiliates. **“Qualified Outside Loyalty Revenue”** means the portion of Gross Revenue that is derived directly from Accor Loyalty Program members obtaining services that are provided and/or managed directly by you and/or your affiliates, including private events (regardless of the number of guests attending the private events, and unless the private events are organized by a professional organizer), provided that the Accor Loyalty Program members are not staying at your Hotel, or are staying at your Hotel on an ineligible stay, and that payment for these services is made directly at the managed outlet providing the services; provided however, that Qualified Outside Loyalty Revenue excludes Qualified Meetings and Events Loyalty Revenue.

(5) In addition to the services listed, Group Services also include such additional central programs or services as may be furnished to all, or substantially all, of the MGallery Hotels in the United States. We allocate costs and expenses incurred in providing Group Services among all MGallery Hotels receiving such services. We also allocate costs and expenses associated with any Group Services that are also provided to other Accor Branded Hotels to such other brands, taking into account the level of Group Services being provided to each of the other brands.

(6) **FASTCOM** is a module used (i) to track all commissionable reservations and generate the recap of all transactions booked by travel agencies in the Reservation System for the Hotel and (ii) to facilitate payment of travel agency commissions through a centralized system in which a payment service provider we appoint acts as a consolidated intermediary. The payment service provider bills and collects the relevant fees from each participating Hotel and administers payment to travel agents in a global lump-sum settlement.

(7) For purposes of calculating liquidated damages, **“Average Monthly Fees”** means: (a) if your Hotel has been operating for at least 24 months, the amount of all monthly Royalty Fees

s plus all monthly Marketing Fund Fees due under the Franchise Agreement for the 24 month period before the month of termination divided by 24; provided that, if there has been a force majeure (irrespective of when the force majeure took place) that has effected your Hotel’s performance at any point during the 24 month period before the month of termination and we determine in our sole discretion that the calculation does not fairly represent your Hotel’s expected performance, “Average Monthly Fees” will mean the average Royalty Fees and Marketing Fund Fees payable for your Hotel during the immediately preceding 24 months during which your Hotel’s performance was not effected by a force majeure, as determined by us; and (b) if your Hotel has not been operating for at least 24 months, the amount of all monthly Royalty Fees plus all monthly Marketing Fund Fees due under the Franchise Agreement for the period between the Hotel Opening Date and the termination date (the “**Operational Period**”) divided by the number of months between the Hotel Opening Date and the termination date; provided that, if there has been a force majeure (irrespective of when the force majeure took place) that has effected your Hotel’s performance at any point during the Operational Period and we determine that the calculation does not fairly represent your Hotel’s expected performance, “Average Monthly Fees” will mean the average Royalty Fees and Marketing Fund Fees on a per room basis during the Operational Period for all MGallery Hotels for which performance was not effected during the Operational Period by a force majeure, as determined by us, multiplied by the number of guest rooms at your Hotel. Any percentage fee discounts are excluded from the calculation of Average Monthly Fees.

If your Hotel qualifies for the Developer Incentive, then starting from the first anniversary and continuing until the third anniversary of the Hotel’s opening, if you enter into a binding agreement to sell the Hotel or all or substantially all of your assets pursuant to a *bona fide* offer from a third party arm’s length purchaser, you will have the right to terminate the franchise agreement upon the closing of such sale. As a condition to exercising such termination right, you must provide at least 6 months’ advance written notice to us, which notice shall include such information as we may reasonably require, including information regarding the purchaser and its owners and the anticipated closing date. If you terminate the franchise agreement based on the above, you will not be required to pay liquidated damages.

~~(8) The fees listed may be increased annually based on any increase in operating expenses, third party license fees or the consumer price index increase (on a percentage basis, year to year).~~

(98) If your Hotel qualifies for the Developer Incentive, then the total amount you will pay for the Monthly Marketing Fee, Accor Website fees, Voice Booking fees, Electronic Channel Booking fees, Access Charge fees, and AccorConnect fees will be 2.6% of prior month’s Room Revenue.

ITEM 7
ESTIMATED INITIAL INVESTMENT

**YOUR ESTIMATED INITIAL INVESTMENT
FOR A NEWLY CONSTRUCTED 200 ROOM HOTEL¹**

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee ²	\$20,000 to \$75,000	Lump Sum	With Application	Us
Market Feasibility Study ³	\$15,000 to \$40,000	As Arranged	As Arranged	Supplier
Environmental Assessment ⁴	\$1,500 to \$3,000	As Arranged	As Arranged	Supplier

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Land ⁵	\$5,000,000 to \$15,000,000	As Arranged	As Arranged	Seller
Construction/Leasehold Improvements ⁶	\$45,000,000 to \$75,000,000	As Arranged	As Arranged	Contractors and Subcontractors
Professional Design Services ⁷	\$1,000,000 to \$3,500,000	As Arranged	As Arranged	Suppliers
FF&E ⁸	\$6,000,000 to \$7,000,000	As Arranged	Before Opening	Vendors
Hotel Project Integration Management Fee ⁹	\$10,000 to \$50,000	Lump Sum	Before Opening	Us or our affiliates
Set-up Costs for Reservation System, PMS and Other Distribution Tools ¹⁰	\$530,000 to \$950,000	As Arranged	Before Opening	Us or our affiliates
Other Software License Fees, Set-up and Training ¹⁰	\$100,000 to \$350,000	Lump Sum	As Incurred	Us or our affiliates/Installers/Vendors
Technology-Related Project Management and IT and Security Standards Compliance Review Fee ¹⁰	\$10,000 to \$50,000	As Arranged	As Arranged	Us or our affiliates
Signage ¹¹	\$5,000 to \$150,000	As Arranged	Before Opening	Installers/Vendors
Opening Operating Supplies & Equipment ¹²	\$600,000 to \$3,000,000	As Arranged	Before Opening	Vendors
Extension Fee ¹³	\$0 to \$10,000	As Arranged	Before Opening	Us
Insurance ¹⁴	\$65,000 to \$200,000	As Arranged	Before Opening	Agent/Insurers
Permits and Licenses ¹⁵	\$50,000 to \$700,000	Lump Sum	As Arranged	Governmental and other authorizing agencies.
Utility and Security Deposits ¹⁶	\$0 to \$1,000,000	As Arranged	As Arranged	Utility Companies
Training Expenses ¹⁷	\$24,000 to \$35,500	As Arranged	As Arranged	Us or our affiliates/unrelated vendors
Muse Process ¹⁸	\$30,240	As Arranged	Before Opening	Us/Brand-Approved Agency
Technical Service Fees ¹⁹	\$200,000	As Incurred	As Arranged	Us or our affiliates
Additional Funds ²⁰ (working capital for 3 months)	\$3,000,000 to \$6,000,000	As Arranged	As Arranged	Vendors/Employees
TOTAL²²	\$61,660,740 to \$113,343,740			

**YOUR ESTIMATED INITIAL INVESTMENT
FOR A CONVERTED 200 ROOM HOTEL¹**

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee ²	\$20,000 to \$75,000	Lump Sum	With Application	Us
Conversion Costs (FF&E Plan and PIP) ²¹	\$5,000	Lump Sum	Before signing Franchise Agreement	Us
Market Feasibility Study ³	\$0 to \$40,000	As Arranged	As Arranged	Supplier
Environmental Assessment ⁴	\$0 to \$3,000	As Arranged	As Arranged	Supplier
Land ⁵	\$0 to \$15,000	As Arranged	As Arranged	Seller
Construction/Leasehold Improvements ⁶	\$0 to \$75,000,000	As Arranged	As Arranged	Contractors and Subcontractors
Professional Design Services ⁷	\$0 to \$2,500,000	As Arranged	As Arranged	Suppliers
FF&E ⁸	\$0 to \$7,000,000	As Arranged	Before Opening	Vendors
Hotel Project Integration Management Fee ⁹	\$10,000 to \$50,000	Lump Sum	Before Opening	Us or our affiliates
Set-up Costs for Reservation System, PMS and Other Distribution Tools ¹⁰	\$100,000 to \$950,000	As Arranged	Before Opening	Us or our affiliates
Other Software License Fees, Set-up and Training ¹⁰	\$0 to \$350,000	Lump Sum	As Incurred	Us or our affiliates/Installers/Vendors
Technology-Related Project Management and IT and Security Standards Compliance Review Fee ¹⁰	\$10,000 to \$50,000	As Arranged	As Arranged	Us or our affiliates
Signage ¹¹	\$5,000 to \$150,000	As Arranged	Before Opening	Installers/Vendors
Opening Operating Supplies & Equipment ¹²	\$50,000 to \$3,000,000	As Arranged	Before Opening	Vendors
Extension Fee ¹³	\$0 to \$10,000	As Arranged	Before Opening	Us
Insurance ¹⁴	\$50,000 to \$250,000	As Arranged	Before Opening	Agent/Insurers
Permits and Licenses ¹⁵	\$50,000 to \$700,000	Lump Sum	As Arranged	Governmental and other authorizing agencies.

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Utility and Security Deposits ¹⁶	\$0 to \$1,000,000	As Arranged	As Arranged	Utility Companies
Training Expenses ¹⁷	\$24,000 to \$35,500	As Arranged	As Arranged	Us or our affiliates/unrelated vendors
Muse Process ¹⁸	\$30,000	As Arranged	Before Opening	Us/Brand-Approved Agency
Technical Service Fees ¹⁹	\$25,000 - \$150,000	As Incurred	As Arranged	Us or our affiliates
Additional Funds ²⁰ (working capital for 3 months)	\$3,000,000 to \$6,000,000	As Arranged	As Arranged	Vendors/Employees
TOTAL²²	\$3,379,000 to \$97,363,500			

Notes:

(1) **Basis for Estimates.** The estimates in the first table are for a newly constructed 200 room MGallery Hotel. The estimates in the second table are for a 200 room MGallery Hotel converted from an existing hotel. If you convert an existing hotel from another brand to an MGallery Hotel, then you might already have incurred many of the costs listed in the first table for a newly constructed 200 room MGallery Hotel. In some cases, you may also benefit from certain efficiencies, such as lower buildout and contractors' costs, design and engineering costs, furniture, fixtures and equipment costs, business licenses and permits. We or our affiliates may increase any cost or fee provided for in this Item 7 (which is payable to us or our affiliates), provided that the increase applies to a majority of MGallery Hotels in the United States.

We and our affiliates will bill you for some or all fees you owe us in Euros. In order to prepare this Disclosure Document, some amounts we bill you in Euros were converted to United States Dollars based on the exchange rate on the day these disclosures were prepared. You must pay all amounts that are billed to you under the Franchise Agreement in United States Dollars. The amount of United States Dollars that you owe for a particular payment will be calculated by using the exchange rate designated in the Franchise Agreement in effect on the day the payment is made.

(2) **Payment Amount.** You will pay us an Initial Franchise Fee at the time that you sign an Application for an MGallery Hotel in the amount of \$75,000 plus \$300 per room for every room over 250 rooms. If we reject your Application, we will refund the Initial Franchise Fee, less \$10,000, which covers the costs that we incurred in reviewing your Application. If your MGallery Hotel qualifies for the Developer Incentive, then the Initial Franchise Fee will be \$20,000.

(3) **Market Feasibility Study.** For all prospective franchisees, before you sign a Franchise Agreement with us, we recommend and may require you to obtain a market study from a nationally recognized independent firm which evaluates the competition in your Hotel's market, together with a minimum 5-year operating pro forma, based on the market study, showing your anticipated operating results. Market studies for prospective franchisees who are converting existing hotels to MGallery Hotels are used to evaluate the economic consequences of conversion. 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) **Environmental Assessment.** Before you purchase the land, you should consider obtaining a Phase I environmental assessment to determine the environmental condition of the land. We estimate that the cost of a Phase I environmental assessment ranges between \$1,500 and \$3,000. Based on this report, additional investigations and tests (including a Phase II environmental assessment) may be necessary before you make your decision to purchase an MGallery Hotel franchise. The costs of these additional investigations and tests will vary. Many lenders will require an environmental assessment before lending purchase money.

(5) **Land.** The cost of land for a hotel varies depending on location, size, market prices in the area, accessibility, and special assessments, among other factors. The estimated cost in the table is based on a 200-room MGallery Hotel located in the Seattle, Washington area. If you are converting an existing hotel that you already own or lease, you may have no additional real property costs.

(6) **Construction/Leasehold Improvements.** This estimate reflects the construction/leasehold improvement costs for a 200-room MGallery Hotel with the standard food and beverage offerings, recreational, and other facilities typically found at an MGallery Hotel. This estimate includes a 10% contingency and does not take into account local building requirements such as earthquake requirements or impact fees, sitework, parking costs, land or pre-opening or working capital. Your actual expenditures will depend on many variables, such as the size and location of the real property, the quantity and quality of the materials being purchased, the terms on which the purchases are made, and fluctuations in material and labor costs. Additional variables for Conversions include 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 may also elect to lease certain items such as the real property. Building construction and renovation costs vary greatly from region to region depending on material and labor costs and other variables. 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) **Professional Design Services.** This estimate is for fees and expenses relating to architectural, engineering, design (both interior and exterior) and other consultant services for the Hotel. It includes compliance with the Americans with Disabilities Act and our fire protection and life safety standards, but excludes any building permit fees, impact fees, tap fees or locally imposed development fees.

(8) **FF&E.** This is an estimate for the total cost of furnishing a 200-room MGallery Hotel. The cost of furniture, fixtures and equipment will depend on the number and type of guest rooms (for example, double rooms versus king rooms), the extent of the food and beverage service offered, restaurants, lounges and related facilities. Estimates for new construction 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 facility, your costs will most likely be lower, but you must conform the guest rooms, public areas, exterior, and all other areas to our Brand Standards.

(9) **Project Management Fee.** Before your Hotel opens, you must pay us or our affiliates a determined amount within the range of \$10,000 - \$50,000 for project management services, including overseeing the day-to-day responsibility of the development of the Hotel, managing milestones in the development of the Hotel, providing project updates and escalating project issues, clarifying business priorities and strategies, and coordinating/facilitating meetings based on development milestones.

(10) **Technology Costs.** Before your Hotel opens (if you are constructing a new hotel), or before you reopen your Hotel as an MGallery Hotel (if you are converting an existing hotel to an MGallery Hotel), you must pay (i) us or our affiliates to set up the Reservation System, the PMS and other Distribution Tools; (ii) us or our affiliates, installers and vendors to install and train you in other, additional software including, without limitation, software relating to training, the Reservation System, the PMS, sales and catering, the POS and Rapid Response; and (iii) us or our affiliates for 50 hours of technology-related project management services and IT and security standards compliance review. Additional hours will be charged at our or our affiliate's then-current rate.

If you are converting an existing hotel to an MGallery Hotel, we may allow you to use one or more of your existing technology systems if we deem them compatible with the Accor network and the Reservation System and, in the case of the PMS, capable of connecting to the Reservation System and the Distribution Tools. You will be required to provide us with the information we request so that we can decide if they are compatible.

The estimates included in this note 9 may vary and/or change over time depending on technology changes, Brand Standards changes, as well as hotel size and construction projects (these estimates do not include PBX (private branch exchange telecom switch), radio, television system and certain other technologies).

(11) **Signage.** Signs include freestanding signs and primary identification for the Hotel. The amount includes installation, freight, foundation and wiring. You must install, display, and maintain signage displaying or containing the Proprietary Marks and other distinguishing characteristics in accordance with the Brand Standards we establish for MGallery Hotels. You must purchase exterior signage from a vendor currently licensed by us. You may contact us for a current list.

(12) **Opening Operating Supplies & Equipment ("OS&E").** OS&E includes, beds and bed frames, televisions, hair dryers, safes, minibars, coffee maker and uniforms, bed sheets, linen, pillows, towels; operating supplies for all kitchens (pots, pans, cooking utensils); and other back-of-the house areas including printing, stationery, human resources, engineering tools and equipment, housekeeping equipment and supplies for cleaning and room maintenance. OS&E also includes banquet chairs and tables, china, glassware, silver, flatware and hollow-ware for the Hotel's restaurants, banquet and meeting rooms. This range, which is based on an estimated cost of \$3,000 to \$8,000 per room, also includes related purchasing fees, freight, taxes, warehousing, installation and contingency. This does not include special features and finishes.

(13) **Extension Fee.** If there is any initial extension of the date to begin construction or conversion of your Hotel by more than 60 days, we may require you to pay a non-refundable extension fee of up to \$10,000 for that initial extension plus any subsequent extensions.

(14) **Insurance.** You must buy and maintain the minimum types and levels of insurance we require and name as additional insureds the parties specified in the Franchise Agreement. Insurance costs depend on policy limits, geographic location, types of policies procured, and other factors. This insurance will be purchased from third parties.

(15) **Permits and Licenses.** 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.

(16) **Utility and Security Deposits.** Because leasing or land purchase costs vary widely, the corresponding utility deposits, security deposits, and other prepaid expenses will also vary. Generally, each utility deposit and security deposit or other prepaid expense amount is determined by the leases you

enter into and the suppliers of those utility, telephone, and other services. These types of deposits are generally held by the suppliers and sometimes refunded by contract or as required by law. The estimated cost in the table is based on a 200-room MGallery Hotel located in the Seattle, Washington area.

(17) **Training Expenses.** We provide the training programs described in Items 5 and 11 of this Disclosure Document. This estimate includes the tuition fee that you must pay to us or our affiliates for training 1 General Manager, 1 Director of Revenue Management and 1 Director of Sales and Marketing (a total of \$6,000 to \$7,500) before you open your Hotel. We do not currently charge a tuition fee for your Director of **Talent People & Culture**. It also includes the training fee that you will pay to us or our affiliates for the 5 to 8 trainers that will provide training to your other employees before your Hotel opens (\$18,000 to \$28,000). The estimate does not include the estimated expenses incurred by your trainees during training (such as transportation, meals, and lodging), for which you are responsible, or the expenses associated with our trainers' transportation, meals and lodging, if applicable, for which you are also responsible.

(18) **Muse Process.** You must participate in the Muse Process, the purpose of which is to create the story and positioning for the Hotel. There are four milestones in the Muse Process: Set, Script, Act and Onstage. Prior to the Hotel Opening, you must participate in the Set, Script and Act milestones. This estimate includes the fee that you must pay to a brand-approved agency for you and your designers to participate in the Set milestone of the Muse Process, the fee that you must pay to a brand-approved agency for your General Manager to participate in the Script milestone of the Muse Process, and an estimate of the costs you will incur to cover the expenses for the brand-approved agency's representatives' travel and lodging for the Set and Script milestones, for which you are responsible.

(19) **Technical Service Fees.** The services provided are advisory and aim to optimize functionality and comply with the Brand Standards. The general scope of the services includes: (i) supplying the Brand Standards (design, construction, equipment, energy efficiency); (ii) reviewing and commenting on the plans and specifications; and (iii) advising on the procurement strategy and selection of suppliers (excluding FF&Es). These Technical Services fees are further detailed in the following table. Expenses (including expenses incurred for travel to site visits and meetings) that are not included in the table below shall be billed at cost.

Technical Service Fees					
TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE	SCOPE
Conversion – no significant changes (signage included)	\$25,000	As Incurred	As Arranged	Us or our affiliate	<ul style="list-style-type: none"> supplying the Brand Standards (design, construction, equipment) reviewing and commenting on the plans and specifications advising on the procurement strategy and selection of suppliers (excluding FF&Es).
Renovation / Conversion – significant changes – Light	\$50,000 - \$150,000	As Incurred	As Arranged	Us or our affiliate	<u>Maximum 10 trips to Hotel / Meetings</u> <ul style="list-style-type: none"> 1st Trip D&TS complete a PIP summary if required

<p>HCSADTSA (replacement of softgoods; wallcovering; decorative lighting; art & accessories)</p>					<p>or review / assess project CAPEX Requirements</p> <ul style="list-style-type: none"> • Desktop Issue Preferred Consultant List for project and provide a Design Brief. • 2nd Trip Design Kick Off meeting with Consultants and provide LUXE Brand Standards. • Desktop Review design / mood / image boards and provide comments. • 3rd Trip Sign off Concept with Consultants and GM / Owner • Desktop Review Mock Up room package / material samples provide comments. • 4th Trip Inspect Mock Up Room and provide comments or Site visit for quality control.
<p>Renovation / Conversion – significant changes – Full HCSADTSA (full replacement of FF&E – softgoods and casegoods; decorative & hardwired lighting; art & accessories; full bathroom renovation; model rooms; elevators; full public space renovations and F&B re-concept; MEP and F&LS)</p>	<p>1% of Capex Value</p>	<p>As Incurred</p>	<p>As Arranged</p>	<p>Us or our affiliate</p>	<p>Maximum 15 trips to <u>Hotel / Meetings</u></p> <ul style="list-style-type: none"> • Participation in Hotel Visits and complete PIP as required • Participation in Brand Introduction meeting and issuance of Accor LUXE Brand Design Standards • Space Planning Review • Assist owners in primary and specialty Accor LUXE Preferred Consultants selection (including energy efficiency) • Attendance at Key Design meetings and presentations, including periodic milestone meetings and regular design workshops • Review and approval of ALL design drawings, design details, spot check of shop drawings and all specialty consultant

					<p>documentation</p> <ul style="list-style-type: none"> • Provision of High Level OS&E / FF&E and EQT Budgets and Preferred Vendors • Periodic review and approval of OS&E and FF&E Specifications / Materials / Samples etc • Participation in Value Engineering efforts • Initiation of Mock Up Room OS&E procurement process with appointed Procurement Consultant • Review and Inspection of completed Mock Up Room • Liaison with Accor Internal Group functions such as IT, F&B, Spa & Wellness etc • Approval of FF&E, OS&E and Construction quality through regular site visits • Full Desktop support throughout
New Build	\$200,000	As Incurred	As Arranged	Us or our affiliate	<p><u>Maximum 15 trips to Hotel / Meetings</u></p> <ul style="list-style-type: none"> • Participation in Site Visits • Participation in Brand Introduction meeting and issuance of Accor LUXE Brand Design Standards • Development of Preliminary Area Program & Space Planning Review • Assist owners in primary and specialty Accor LUXE Preferred Consultants selection • Attendance at Key Design meetings and presentations, including periodic milestone meetings and regular design workshops • Review and approval of ALL design drawings,

					<p>design details, spot check of shop drawings and all specialty consultant documentation including engineering systems (Mechanical, Electrical, Plumbing, FLS, IT, security etc.)</p> <ul style="list-style-type: none"> • Provision of High Level OS&E / FF&E and EQT Budgets and Preferred Vendors • Periodic review and approval of OS&E and FF&E Specifications / Materials / Samples etc • Participation in Value Engineering efforts • Initiation of Mock Up Room OS&E procurement process with appointed Procurement Consultant • Review and Inspection of completed Mock Up Room • Liaison with Accor Internal Group functions such as IT, F&B, Spa & Wellness etc • Approval of FF&E, OS&E and Construction quality through regular site visits. • During the handover stage, assist consultant team to undertake final inspection, provide critical FLS, health & hygiene, testing & commissioning sign off, and identify defects and snagging. • Full Desktop support throughout
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(20) **Additional Funds.** This is “cash on hand” to support initial operations. Cash needs will vary, but we believe this is a minimum figure for operating a 200-room Hotel during its start-up phase, which we calculate to be 3 months of working capital. This is only an estimate, however, and there is no assurance that additional funds will not be necessary during this start-up phase or after.

(21) **Conversion Costs.** If you are converting an existing facility to an MGallery Hotel, then before you sign a Franchise Agreement with us, you must also pay us or our affiliates \$5,000 in a lump sum to

compensate us or our affiliates for the costs we incur in preparing an FF&E plan and PIP detailing the required upgrades to bring the property into conformity with the System. This fee is non-refundable.

(22) **Total.** We relied on our and our affiliates' experience in the industry when preparing these figures. To the extent that the assumptions described in the notes above are not applicable to your situation, and/or to the extent your Hotel or location differs from our experience, your costs and expenses may be higher.

MGallery Hotels typically are in primary and secondary cities at urban, downtown and center city sites. They will typically range from 150,000 to 200,000 square feet and will vary depending on many factors (the amount of land the Hotel requires will vary greatly depending upon local building codes, setback requirements, parking requirements and similar factors). Related leasing or land purchase costs vary widely and depend on geographic location, size, visibility, local rental rates, other businesses in the area, other local economic conditions, the site's market potential, the type of ownership or leasehold interest and other factors. Because of these factors, this table does not estimate the costs for the Hotel's rent or security deposit for the building or land on which the Hotel is located (if you decide to lease, rather than buy, the land and/or premises). You should consult with architects, engineers, general contractors, and others who may be able to provide more specific figures for your Hotel.

Except as otherwise described above, all payments are non-refundable. We do not offer financing for any part of your initial investment. Payments made to other parties may or may not be refundable based upon your agreements with them.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases From Us, Our Affiliates and Approved Suppliers

Purchases According to Brand Standards

You may only use furniture, fixtures, equipment, signs, materials, supplies and other goods and services at the Hotel that conform to the Brand Standards in our Manuals and other writings. We may modify our Brand Standards and specifications at our discretion.

You must purchase all OS&E, FF&E (including signs and replacement parts), materials, supplies and other items required to conform to our Brand Standards only according to our procedures and solely from suppliers who demonstrate to our continuing reasonable satisfaction their ability to meet the Brand Standards, who possess adequate quality controls and the capacity to supply your needs promptly and we may require any supplier to enter into a supply agreement and also may require that any supplier maintain insurance protecting you and us. We have the right to approve or designate a single supplier (which may be us or an affiliate of ours) of certain items in order to promote compliance with the Brand Standards. We and our affiliates may benefit from your purchases and leases, including purchases and leases from approved suppliers and we and our affiliates may receive allowances, discounts, fees, commissions, reimbursements or rebates from these suppliers as a result of your purchases.

Approval Process for Alternative Suppliers

If you want to purchase any items from an unapproved supplier, then you must submit to us a written request to approve the proposed supplier, together with any evidence of the supplier's qualifications that we may reasonably require. In that written request, you must explain why you do not want to utilize the current approved supplier for the applicable item. You must also include evidence that both your proposed supplier and the item(s) you propose to purchase from that proposed supplier conform to our Brand Standards. When approving suppliers, we consider a number of factors, including the durability, quality and esthetics of the proposed supplier's products, the supplier's ability to meet our Brand Standards, and the supplier's maintenance and service capabilities. Our representatives may inspect the supplier's facilities, and that samples from the supplier be delivered for evaluation and testing to us or to an independent testing facility designated by us. You must pay for the cost of the evaluation and testing whether or not the supplier is approved. After completion of the evaluation and testing (if required by us), we will notify you in writing of our approval or disapproval of the proposed supplier. The Franchise Agreement does not specify any time within which we must notify you of our approval or disapproval. Our current practice is to try to notify you within 14 days after we complete our evaluation and testing. We may withhold our approval of a proposed supplier if the proposed supplier will not comply with, among other things, our environmental sustainability and other initiatives designed by us. Currently, we condition approval on a proposed supplier's willingness to sign our "**Sustainability Charter**," which is our environmental sustainability initiative, or offering an alternative solution that is approved by us. You cannot purchase any products or services from a proposed supplier until you receive our written approval. If we approve a proposed supplier, then we may communicate directly with that supplier to negotiate the terms and conditions under which that supplier may supply the applicable item(s) to other franchised and company-owned Accor Branded Hotels.

We may revoke our approval of particular products or suppliers if we determine that the products or suppliers no longer meet our Brand Standards. You must immediately stop offering, selling or using any disapproved products, and you must stop purchasing any products or services from any disapproved suppliers, immediately upon receiving our written notice of revocation.

Group Services

You must participate in, and pay for, the group services that we or our affiliates generally provide to MGallery Hotels. We describe these group services in Items 6 and 11.

Reservation System

You must participate in the Reservation System maintained by us or our affiliates and comply with all terms and conditions of participation, including, those in the Manuals. You must purchase, install and maintain at the Hotel all equipment necessary for participation in the Reservation System, including any required reservation terminal and related equipment and any future enhancements, additions, substitutions or other modifications specified by us in the Manuals or otherwise in writing.

Marketing, Promotional and Loyalty Programs

You must, at your expense, participate in and comply with the terms of all Centralized Marketing Programs, Reservation System, and all other advertising and marketing programs and policies required by us for MGallery Hotel (including any internet advertising and marketing conducted and prescribed by us), in the manner directed by us in the Manuals or otherwise in writing. These programs and policies may include the Accor Loyalty Program and any successor or replacement program, a guest satisfaction program, a quality assurance program, web internet and other programs designated by us. We describe your advertising requirements in Items 6 and 11.

Accor Customer Digital Card Program

You must participate in the Accor Customer Digital Card program (the “ACDC Program”), which involves Accor Branded Hotels collecting and sharing information about customers in order to offer customers more customized experiences during their hotel stays. To participate in the ACDC Program, you must adhere to the Accor Personal Data Protection Principles (the “APDP Principles”), the current form of which ~~is attached to this Disclosure Document as Exhibit F~~ will be provided to you on or before execution of the Franchise Agreement.

~~Customer Experience Community~~

~~You must participate in the Customer Experience Community (“CXC”). The CXC provides employees with dedicated quality and guest experience content, news, best practices to elevate employee expertise, and inspiration from other hotel initiatives.~~

Muse Process.

You must participate in, and pay all associated fees and expenses of, the Muse Process, the purpose of which is to create the story and positioning for the Hotel. The Muse Process consists of four milestones: Set, Script, Act and Onstage. The Set, Script and Act milestones take place before the Hotel opens, and the Onstage milestone takes place once every two years after the Hotel opens. The Muse Process is facilitated by a brand-approved agency.

Computer Systems

You must purchase or license, install, utilize and maintain at the Hotel, at your sole cost, all Software, hardware and equipment necessary to operate and maintain the Computer System and/or data processing systems (including successor systems and improvements to existing systems) specified or required from time to time by us for use by MGallery Hotels. This includes guest check-in, reservation, property management, revenue and other statistical reporting systems. We describe these computer system requirements in Item 11.

Insurance

Before you begin any activities under the Franchise Agreement, you must procure, and maintain in full force and effect at all times during the Franchise Agreement's term, at your sole expense, an insurance policy or policies of the types, in the amounts, and satisfying the requirements we specify, protecting you, us, our affiliates, and each of their respective officers, directors, owners, agents, employees, successors and assigns, against any demand, claim, loss, liability or expense arising out of or occurring upon or in connection with the establishment, construction, renovation, conversion and operation of the Hotel. We currently require franchisees to procure and maintain (i) commercial general liability insurance with a combined single limit for each occurrence of not less than \$1,000,000 and a general aggregate limit not less than \$2,000,000 per location; (ii) workers compensation insurance; (iii) automobile liability insurance with combined single limits of not less than \$1,000,000 per occurrence; (iv) property insurance in an amount not less than the Hotel's full replacement or reinstatement cost thereof, excluding land; (v) boiler and machinery insurance; (vi) employment practices liability insurance with a limit of not less than \$1,000,000 ; (vii) business interruption or loss of profits insurance covering at least 24 months loss of profits and necessary continuing expenses for interruptions caused by any occurrence covered by the insurance referred to in (iv) and (v); (viii) liquor liability insurance with combined single limits of not less than \$1,000,000 per occurrence; (ix) excess liability insurance with limits not less than \$50,000,000; (x) crime insurance for a minimum of \$2,000,000 per loss; (xi) cyber liability insurance with limits of not less than \$1,000,000 each occurrence and \$1,000,000 general aggregate; and, (xii) additional or different types of insurance and/or increased amounts of coverage as we determine to be required. All insurance must by endorsement specifically name us and our affiliates (and our and their employees and agents) as additional insureds. Your obligation to obtain and maintain the insurance policies we require is not be limited in any way by reason of any insurance which may be maintained by us or our affiliates.

Revenue from Franchisee Purchases

For the fiscal year ending December 31, ~~2024~~2025, neither we nor our affiliates received any revenues from the sale of goods or services to our MGallery Hotel franchisees operating in the United States, whether directly or through rebates from approved third party suppliers. However, we reserve the right to do so in the future.

Negotiated Purchasing Arrangements

We or our affiliates have negotiated purchase arrangements (including price terms) with suppliers on behalf of the System. In doing so, we seek to promote the overall interests of our franchise network and our interests as the franchisor. In some instances, rebates offered by these suppliers may result in a reduction in the cost of the product and this reduction in cost may be shared with everyone who purchases under the agreement. We and our affiliates may retain other rebates to compensate us for the efforts in negotiating and administering these purchase programs.

Cooperatives

We do not have any purchasing or distribution cooperatives.

Required Purchases Relative to Total Costs

We estimate that the cost of the purchases and leases you must make through us, our affiliates and approved suppliers, or in accordance with our Brand Standards represent approximately 80%-90% of the total cost of all purchases and leases (excluding land) required to establish a 200 room MGallery Hotel and approximately 45%-65% of the total annual cost of purchases and leases required to operate such a Hotel.

Ownership Interest in Supplier

As we mention above, you may be required to purchase or lease certain products or services from us, Accor (our parent company) or one or more of our affiliates. Some of our officers may (either directly or indirectly) own an interest in us, Accor (our parent company) or one or more of our affiliates. None of our officers currently owns an interest in any designated third-party supplier to the franchise network.

Material Benefits

We do not provide you with any material benefits (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

ITEM 9 **FRANCHISEE'S OBLIGATIONS**

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Recitals, Sections 2.1 and 24.2, and Exhibit A in Franchise Agreement	Items 7, 8, 11 and 12
b. Pre-opening purchases/leases	Sections 1, 3, 5, 7.4, 7.8, 7.12, 7.15, 12 and 24.2, and Exhibit B (Sections 2, 3 and 4) in Franchise Agreement	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Sections 3, 5, 7.3, 7.4, 7.8, 7.15, 11.1, 12, Exhibits B (Sections 2, 3, and 4) and ED in Franchise Agreement	Items 5, 7, 8 and 11
d. Initial and ongoing training	Sections 7.3 in Franchise Agreement	Items 5, 6, 7 and 11
e. Opening	Sections 1 and 3.6, and Exhibits A and B (Section 6) in Franchise Agreement	Items 5, 7, 11
f. Fees	Sections 1, 4.3, 5, 6.1.2, 6.1.4, 7.3.3, 7.14, 7.15, 10.4.2, 11.1.1, 11.4, 11.5, 12.4, 13.2.2, 13.3, 14.6, 15.5, and 15.6, and Exhibits A, B (Section 2),	Items 5, 6, 7, 8 and 11

Obligation	Section in Agreement	Disclosure Document Item
	and ED in Franchise Agreement; Sections entitled “Application Instructions” and “Application Checklist” in Franchise Application	
g. Compliance with standards and policies/operating manual	Sections 1, 3, 7, 8, 9, 10, 11 and 12 in Franchise Agreement	Items 6, 8, 11, 13, 14 and 15
h. Trademarks and proprietary information	Sections 1, 8, 14.2.8, 14.6, 15.1, 15.2, 15.3, 15.7, <u>and 15.9</u> , and Exhibit D in Franchise Agreement	Items 13 and 14
i. Restrictions on products/services offered	Sections 7.1, 7.4, 7.8, 7.12, 11.2, 11.6 in Franchise Agreement	Items 8, 11 and 16
j. Warranty and customer service requirements	Section 7.7 in Franchise Agreement	Items 11 and 16
k. Territorial development and sales quotas	If applicable, Exhibit A (Section 7)	Item 12
l. Ongoing product/service purchases	Sections 1, 5, 7.1, 7.2, 7.3, 7.4, 7.5, 7.8, 7.12, 7.13, 7.14, 7.15, 11 in Franchise Agreement	Items 8, 11 and 16
m. Maintenance, appearance and remodeling requirements	Sections 1, 4.2.4, 7.1, 7.4, 7.5, 13.2.13 in Franchise Agreement	Items 8 and 11
n. Insurance	Section 12 and Exhibit ED in Franchise Agreement	Items 6, 7 and 8
o. Advertising	Sections 7.13, 7.14, 11.3, 11.4, 11.5, and 11.6 in Franchise Agreement	Items 6, 7, 8 and 11
p. Indemnification	Section 18.2, and Exhibit GF in Franchise Agreement; Part 2, Section 6 in Franchise Application	Item 6
q. Owner’s participation/management/staffing	Sections 7.1, 7.2, 16, and Exhibit C in Franchise Agreement	Items 11 and 15
r. Records and reports	Sections 10, Sections 11.1.1, 14.3.1, 15.5, 15.7	Items 6 and 11
s. Inspections and Audits	Sections 3.3, 3.7, 6.1.4, 7.5.4, 7.11, 9.1, 10.2.5, 10.4.2, 15.5, and Exhibit B (Section 6) in Franchise Agreement	Items 6 and 11
t. Transfer	Sections 1 and 13 in Franchise Agreement	Items 6 and 17
u. Renewal	Sections 1 and 4.2 in Franchise Agreement	Items 6 and 17
v. Post-termination obligations	Section 15 in Franchise Agreement	Items 6 and 17
w. Non-competition covenants	Section 16.1 in the Franchise Agreement	Item 17
x. Dispute resolution	Section 23 in the Franchise Agreement	Item 17
y. Other: Guarantee of franchisee’s obligations	Section 16.2.3 and Exhibit GF in the Franchise Agreement	Items 1 and 15

ITEM 10
FINANCING

Neither we nor any of our associates offer, directly or indirectly, any financing arrangements to franchisees. Neither we nor any of our associates guarantee your note, lease or obligation.

If/when you finance, mortgage, grant a security interest in, or pledge your Hotel with a third-party lender, we may require you to provide a comfort letter, in our then-current form, signed by us, you and your lender (including a ground lessor, if applicable). Pursuant to the terms of the comfort letter, among other things: (a) you and your lender make certain representations and warranties to us in respect of the loan given by your lender to you; (b) we and your lender agree to provide each other with certain notices regarding you and the franchise; and (c) you, we and your lender agree to certain arrangements in respect of the franchise in the event of a foreclosure on the Hotel, or other exercise of rights by your lender in respect of your default.

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ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Obligations

Before you open the Hotel:

1. We will, for all prospective franchisees, and before you sign a Franchise Agreement with us, recommend (or require in certain instances) that you obtain a market study from a nationally recognized independent firm which evaluates the competition in your Hotel's market, together with a minimum 5--year operating pro forma, based on the market study, showing your anticipated operating results. Market studies for prospective franchisees who are converting existing hotels to MGallery Hotels are used to evaluate the economic consequences of conversion. (Application)

2. We will, before you sign a Franchise Agreement with us, approve your site for the Hotel. You must submit the proposed site with your Application and must include location maps, market data and other information to help us evaluate the site. Among the factors we will consider in deciding whether to approve the site are: the location and condition of the property, market demand and prevailing market rates, and the number and type of competitive properties in the market (including existing MGallery Hotels). Our site approval is merely an indication that the site meets the minimum requirements for an MGallery Hotel. (Application, Section Entitled "Hotel Location, Description and Site Information"). The Franchise Agreement will be signed only after we have approved your proposed site for the Hotel. (Franchise Agreement, Sections 1 and 2.1 & Exhibit A)

3. We will, if the Hotel is a conversion property, and before you sign a Franchise Agreement with us, prepare a PIP. The PIP will identify all improvements that must be completed to conform the Hotel to Brand Standards and the time periods for completion. (Franchise Agreement, Exhibit B--Conversion Addendum (Section 4))

4. We will review your preliminary plans. Within 6 months after you sign the Franchise Agreement, (or another timeframe designated by us), you must submit your preliminary plans to us for review. Our review and approval of the preliminary plans will be limited to assessing compliance with the Brand Standards. If we do not approve the preliminary plans within 2 weeks after we receive your preliminary plans, your preliminary plans are deemed disapproved; provided, however, that we will provide comments to you that you and your architect must incorporate into the preliminary plans. Within 2 weeks after we send you our comments, you must resubmit the revised preliminary plans to us for review and approval. The above timeframes apply if your Hotel is new construction. If your Hotel is a conversion property, then the above timeframes may differ depending on the state of the current property. (Franchise Agreement, Section 3.2.1 & Exhibit B--Conversion Addendum (Section 3.1)).

5. We will review your construction plans. Within 9 months after you sign the Franchise Agreement (or another timeframe designated by us), you must submit your preliminary construction plans to us for review. Our review and approval of the preliminary construction plans will be limited to assessing compliance with the Brand Standards. If we do not approve the preliminary construction plans within 2 weeks after we receive the preliminary construction plans from you, those preliminary construction plans are deemed disapproved; provided, however, that we will provide comments to you that you and your architect and/or contractor (as applicable) must incorporate into the preliminary

construction plans as applicable. Within 2 weeks after we send you our comments, you must resubmit the revised construction plans to us for review and approval. The above timeframes apply if your Hotel is new construction. If your Hotel is a conversion property, then the above timeframes may differ depending on the state of the current property. (Franchise Agreement, Section 3.2.2 & Exhibit B–Conversion Addendum (Section 3.2)).

6. We will, before you retain or engage an architect, interior designer, and other consultants, review your selection. You must obtain our prior written consent before moving forward with your consultant selection. (Franchise Agreement, Section 3.2.3 & Exhibit B–Conversion Addendum (Section 3.3)).

7. We will review progress reports, including digital photographs, that we may require during construction of the Hotel. We may also visit the Approved Site at any time during construction to inspect the work. If we believe that the construction does not fully comply with the final construction plans or preliminary plans that we approved, or has not been performed in a manner that we determine does not meet the Brand Standards, then we may notify you of the deficiencies, and you must correct them promptly. (Franchise Agreement, Section 3.3)

8. Before acquiring or installing any FF&E you must submit your proposed FF&E and interior design elements to us for review and approval. You must not acquire or install any FF&E or interior design elements or packages without our prior written approval. If you use FF&E that we have not approved, we may require you to remove and replace any items that do not meet the Brand Standards at your sole cost and expense (including any applicable re-inspection fee). (Franchise Agreement, Section, 3.4)

9. We will, during the pre-opening period, provide you with the assistance we deem necessary or advisable. (Franchise Agreement, Section 3.5)

10. Upon written notice from you that construction has been completed and that you have received a Certificate of Occupancy, we will conduct an on-site visit to the Hotel to determine whether the Hotel complies with Brand Standards. After this on-site visit, we may authorize you to open the Hotel and install the outside signage or we may withhold authorization to open the Hotel pending the completion of additional work. If, during the on-site visit, we identify adjustments that need to be made to the Hotel, we will provide you with a detailed list of all of the items you need to complete to comply with the Brand Standards and open the Hotel. If the adjustments are material adjustments which need to be made by you, we may, in our sole discretion, extend the projected Opening Date. If the adjustments are minor adjustments which need to be made by you and we do not consider it necessary to postpone the projected Opening Date, you must implement those minor adjustments in a timely manner. You must install all outside signage and visual identity associated with MGallery Hotels no later than 30 days before the projected Opening Date. (Franchise Agreement, Section 3.6)

11. We will provide you with access to our Manuals (Franchise Agreement, Section 6.1.1). The Manuals contains our confidential and proprietary property, and we have the right to modify and supplement it. (Franchise Agreement, Section 9.1) The table of contents for our Manuals is included in Exhibit D. Exhibit D also states the number of pages devoted to each subject and the total number of pages in the Manuals. There are a total of ~~2,286~~2,821 pages in the Manuals.

12. We will provide you with our initial training programs. (Franchise Agreement, Sections 6.1.2 and 7.3.1) We describe this training later in this Item 11.

13. We will, if you wish to engage a third-party management company to manage the Hotel on your behalf, review the proposed management company's qualifications. You cannot engage any management company to manage the Hotel unless we give our consent. (Franchise Agreement, Section 7.2 & Exhibit C–Management Company Consent and Acknowledgment)

Continuing Obligations

During your operation of the Hotel:

1. We will provide you with continued access to the Manuals. (Franchise Agreement, Section 6.1.1)

2. We will provide continuing training, consultation and advisory assistance to you in the management and operation of the Hotel. Consultation and advisory assistance will be as we deem appropriate and we reserve the right to establish fees for some of these services. (Franchise Agreement, Section 6.1.2 and 7.3.2) We describe this training, consultation and advisory assistance later in this Item 11.

3. We will maintain and administer the Reservation System. (Franchise Agreement, Sections 6.1.3 and 11.1) If you are in default, we may cease accepting reservations for the Hotel through the Reservation System until the default is cured, instead of terminating the Franchise Agreement or as a preliminary measure before termination. You must honor all reservations received before the date that reservations for the Hotel cease to be accepted. (Franchise Agreement, Section 14.4)

4. We will make available on-line distribution marketing assistance for the Hotel and maintain and administer the Accor Websites. (Franchise Agreement, Sections 6.1.3 and 11.2) If you are in default, we may refuse to provide on-line distribution services until the default is cured, instead of terminating the Franchise Agreement or as a preliminary measure before termination. You must continue to pay all amounts due under the Franchise Agreement. (Franchise Agreement, Section 14.4)

5. We will provide MGallery Sales and Marketing Services. (Franchise Agreement, Sections 6.1.3 and 11.3) If you are in default, we may refuse to provide MGallery Sales and Marketing Services until the default is cured, instead of terminating the Franchise Agreement or as a preliminary measure before termination. You must continue to pay all amounts due under the Franchise Agreement. (Franchise Agreement, Section 14.4)

6. We will provide Centralized Marketing Programs (Franchise Agreement, Sections 6.1.3 and 11.4) If you are in default, we may refuse to provide Centralized Marketing Services until the default is cured, instead of terminating the Franchise Agreement or as a preliminary measure before termination. You must continue to pay all amounts due under the Franchise Agreement. (Franchise Agreement, Section 14.4)

7. To evaluate compliance with Brand Standards, we will, at our discretion, conduct periodic inspections of the Hotel, guest satisfaction surveys, and third-party audits. (Franchise Agreement, Section 6.1.4)

8. We will establish, to the fullest extent allowable by applicable law, pricing requirements with respect to the prices that you may charge and prohibit certain types of billing practices (including price gouging) or charges (including incremental fees or surcharges that would typically be included in

the room charge). We may also, to the fullest extent allowable by applicable law, require that you price consistently in all distribution channels. (Franchise Agreement, Section 6.3)

9. We will review your plans and specifications relating to proposed changes, alterations, or renovations of the Hotel. (Franchise Agreement, Section 7.5.5)

10. We will let you use the Proprietary Marks. (Franchise Agreement, Section 8)

11. We will let you use our Confidential Information to develop, open and operate the Hotel. (Franchise Agreement, Section 9.2)

12. We will maintain and administer the Marketing Fund. (Franchise Agreement, Section 11.5) We describe the Marketing Fund below in this Item 11.

Neither the Application, Franchise Agreement, nor any other agreement, requires us to provide any other assistance or services to you during the operation of the Hotel. We may discharge our obligations to provide assistance and services to you directly or through any of our affiliates, employees, agents or designees.

Typical Length of Time Before You Open the Hotel

For a newly built MGallery Hotel, we estimate the time period between signing the Franchise Agreement and the date the Hotel opens for business will be 24 to 42 months. You must begin construction within 16 months from the date we approve your Application and must complete construction no later than 36 months after construction begins. If you fail to do so, we may terminate the Franchise Agreement on 30 days' written notice. (Franchise Agreement, Section 3.3.1)

For conversion properties, the time period between signing the Franchise Agreement and the Opening Date will be determined in accordance with your PIP on a project-by-project basis. Because of the variables that affect conversion properties, the time period within which you must begin construction, complete construction, and open for business will also be determined in accordance with your PIP on a project-by-project bases. Nevertheless, we expect that we will require most franchisees who will convert their property to an MGallery Hotel to begin construction within 6 months after the date of the Franchise Agreement and complete construction and open for business within 18 months after construction begins. If you fail to comply with and implement the necessary improvements within the time periods listing in the PIP, we may terminate the Franchise Agreement on 30 days' written notice (Franchise Agreement, Exhibit B—Conversion Addendum (Section 4))

We require franchisees to have secured a site for the Hotel at the time a franchisee applies for an MGallery Hotel franchise. At the time that you apply for an MGallery Hotel franchise, you must tell us if you will lease or own the site for the proposed Hotel and provide evidence that if you have entered into a binding option or purchase agreement for the site. The time needed to actually open the Hotel may vary depending on the availability of financing, the time required to obtain (and any delays in obtaining) necessary zoning and construction permits, licenses and other documentation for the construction and operation of the Hotel, local conditions during the construction phase and the time needed to successfully complete construction (including any construction delays) and our initial training.

Advertising and Marketing

Online Distribution Marketing Assistance, Sales and Marketing Services, and Centralized Marketing Programs

We will provide certain local, regional, national and international advertising, marketing, sales and promotional programs and services that are not paid for by the Marketing Fund (described below). (Franchise Agreement, Section 11.2, 11.3 and 11.4) Your Hotel's participation in some of these programs and services is mandatory. These mandatory programs include our MGallery Sales and Marketing Services, Centralized Marketing Programs, the Accor Websites, the Accor Mobile Apps, our central call center service, the Accor Loyalty Program, various travel agency programs (including certain online travel agencies ("OLTAs")) designated by us, and other group services we provide from time to time for MGallery Hotels in the U.S. The costs associated with the current mandatory programs and services are described in Item 6. Other programs and services are optional. These include participation in various online third party distribution channels with which we have contracted, such as various global distribution systems, OLTAs, metasearch websites and tour operators. If your Hotel participates in these arrangements, you must pay your share of the costs, as described in Item 6.

This subsection describes the online distribution marketing assistance, Sales and Marketing Services and Centralized Marketing Programs:

Online Distribution Marketing Assistance (including Accor Websites) – Participation Mandatory When Designated by Us

We will make available to you the following online distribution marketing assistance for your Hotel: (i) the Accor Websites and other electronic means developed by us or our affiliates (such as applications for mobile phones); (ii) a central call center service based on national numbers taking customer reservations; (iii) the online travel agencies connected to the Reservation System (such as Expedia, Booking, and HRS) which have signed an agreement with us or our affiliates; and (iv) Global Distribution Systems (GDS), other technology intermediaries, and international and national travel agencies that have signed agreements with Accor.

We or our affiliates enter into various distribution agreements with domestic and international distributors to market and advertise overnight stays at MGallery Hotels. You must authorize us to sign these distribution agreements on your behalf with the main online distribution strategic accounts for MGallery Hotels to be determined by us. These online distribution accounts may include Expedia, Booking, Hotel.de, HRS, Travelocity, and Orbitz. You must pay all commissions or fees related to any distribution agreement.

As mentioned above, you must permit us to advertise the Hotel on our Accor Websites (and allow for reservations to be made through our Accor Websites). In order to participate on our Accor Websites, you may sign an e-commerce contract with the bank provider approved by us to administer APOL. If you do not enter into an agreement with the approved bank provider, the Hotel will have limited opportunities to be distributed through the range of the Accor Websites. In particular, the Hotel may not qualify to offer the most attractive rates (prepaid) or participate in promotional campaigns (usually made on prepaid rates). (Franchise Agreement, Section 11.2)

The costs and fees associated with the online distribution marketing assistance is included in Item 6.

MGallery Sales and Marketing Services (MGallery-brand specific) – Participation Mandatory

We will, from time to time, provide brand-specific marketing, advertising, promotional, public relation and sales services for MGallery Hotels, which may apply to some or all MGallery Hotels. You

will pay the costs associated with these Sales and Marketing Services on the same basis as other participating MGallery Hotels. (Franchise Agreement, Section 11.3)

The costs and fees associated with the MGallery Sales and Marketing Services are included in Item 6.

Centralized Marketing Services – Participation Mandatory When Designated by Us

We will, from time to time, provide centralized marketing, advertising, promotional, public relation and sales services, which may apply to some or all Accor Branded Hotels, including some or all MGallery Hotels (“**Centralized Marketing Programs**”). These Centralized Marketing Programs may vary in duration and include: (i) communication elements and common advertising material; (ii) domestic or global advertising campaigns; (iii) web promotion actions such as keywords buying, Search Engine Optimization (SEO), affiliation platforms and online partnerships; (iv) direct marketing actions such as e-mailing; (v) press and other public relations activities and programs; (vi) referencing of the Hotel in the online and/or paper directory; (vii) meetings and events in which the Hotel is entitled to participate; (viii) identification of potential national and international clients, including individuals, companies, groups, tourism professionals and airlines; (ix) representing the network of Accor Branded Hotels (including MGallery Hotels) at professional exhibitions and fairs related to tourism and business travel; and (x) any other program or operation which is carried out for the benefit of Accor Branded Hotels (including MGallery Hotels). You must participate in all mandatory Centralized Marketing Programs and may participate in any optional Centralized Marketing Programs. You must pay the costs associated with any Centralized Marketing Program in which you participate on the same basis as other participating Accor Branded Hotels. (Franchise Agreement, Section 11.4)

The costs and fees associated with the Centralized Marketing Services are included in Item 6.

Marketing Fund

We have established, and we or one of our affiliates currently administers and controls, a global multi-brand marketing and brand fund (the “Marketing Fund”) for the advertising, marketing, promotional, client relationship management, public relations and other brand related programs and materials for all or a group of Luxe Hotels (currently, ~~Banyan Tree, Emblems, Raffles~~, Orient Express, ~~Raffles, Banyan Tree~~, Fairmont, ~~Emblems~~, Sofitel, Sofitel Legend, MGallery Hotel Collection, Faena, ~~and~~ Onefinestay ~~and Rixos~~ hotels) around the world, including MGallery Hotels. Unless your Hotel qualifies for the Developer Incentive (see Item 6 for the applicable rate under the Developer Incentive), you must contribute to the Marketing Fund 1.5% of your Hotel’s monthly Room Revenue (this “Marketing Fund Fee” is described in Item 6). Except as provided under the Developer Incentive, we expect that all of our MGallery franchisees in the United States will contribute at the same rate. MGallery franchisees outside of the United States, and franchisees of other Luxe Hotels around the world, may contribute to the Marketing Fund at different rates. Although we are not required to do so, Luxe Hotels owned, operated or managed by us or our affiliates around the world currently contribute to the Marketing Fund on the same basis as franchisees operating under the same Luxe Hotel brand in the same market.

We will designate and direct all programs that the Marketing Fund finances, with sole control over the creative and business concepts, materials and endorsements used and their geographic, market and media placement and allocation. The Marketing Fund may pay for the reasonable salaries and benefits of personnel who manage and administer the Marketing Fund and related overhead expenses, as well certain programs and related marketing services including, among others: (i) the development of communication elements and advertising materials; (ii) US and global advertising campaigns; (iii) web

promotion activities like Search Engine Optimization; (iv) direct marketing activities like emailing; (v) press and public relations; (vi) publication of an online and/or print brand directory; (vii) brand meetings and events; (viii) the identification of national and international individual, company, group, tourism, airline and other clients; (ix) global sales team attendance at tourism and business travel exhibitions and fairs to promote the brand; (x) the development and administration of guest satisfaction and incentive programs, including the Accor Loyalty Program; (xi) supporting public and customer relations, market research, and other advertising, promotion, marketing and brand-related activities and partnerships and (xii) social media and influence activation. Advertising and marketing programs and services may be local, regional, national, or international in scope. In providing these programs and services, we use various types of media, including radio, television, billboards, print, on-line, point of sale, mobile applications, social networking and other electronic and mail media. We may use an outside advertising agency or our in-house marketing department to develop advertising and marketing programs and materials, but we direct all advertising, marketing, sales and promotional programs.

We will account for the Marketing Fund separately from our other funds and not use the Marketing Fund to pay any of our general operating expenses, except to compensate us and our affiliates for the reasonable salaries, administrative costs, travel expenses, overhead and other costs we and our affiliates incur in connection with activities performed for the Marketing Fund and its programs, including conducting market research, preparing advertising, promotion and marketing materials, maintaining and administering the Accor Websites, collecting and accounting for Marketing Fund contributions, and paying taxes on contributions. The Marketing Fund is not a trust, and we do not owe you any fiduciary obligations because of our maintaining, directing or administering the Marketing Fund or any other reason. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We may, but we are not required to, either prepare an annual, unaudited statement of Marketing Fund collections and expenses and give you the statement upon written request or have the Marketing Fund audited periodically at the Marketing Fund's expense by an independent accountant that we select. We may incorporate the Marketing Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified here. We will not use the Marketing Fund for advertising, marketing and promotional programs or materials that principally solicit the sale of franchises.

We intend the Marketing Fund to maximize recognition of the Proprietary Marks and patronage of Luxe Hotels around the world, including MGallery Hotels. We will try, but are not required, to use the Marketing Fund contributions made by MGallery Hotels only to develop and/or implement advertising and marketing materials and programs and for other uses that will benefit MGallery Hotels, as opposed to other Luxe Hotels that contribute to the Marketing Fund. We need not ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to the Marketing Fund contributions from MGallery Hotels operating in that geographic area, or that any MGallery Hotel benefit directly or in proportion to the Marketing Fund contributions that it makes. We have the right, but no obligation, to use collection agents and institute legal proceedings at the Marketing Fund's expense to collect Marketing Fund contributions. We also may forgive, waive, settle and compromise all claims by or against the Marketing Fund. We have no direct or indirect liability or obligation to you for maintaining, directing or administering the Marketing Fund.

We may at any time defer or reduce a franchisee's contributions to the Marketing Fund and, upon at least 30 days' written notice to you, reduce or suspend Marketing Fund contributions and/or operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If we terminate the Marketing Fund, we will (at our option) either spend the remaining Marketing Fund assets as described here or distribute the unspent assets to Luxe Hotels (including ours and our affiliates,

if applicable) then contributing to the Marketing Fund in proportion to their contributions during the preceding 12-month period. (Franchise Agreement, Section 11.5)

As disclosed above, the Marketing Fund pools contributions from Luxe Hotels worldwide. The Marketing Fund expenditures based on the contributions from Luxe Hotels worldwide were as follows during the ~~2024~~2025 fiscal year: 10% on production, 30% on media placement, 3% on public relations, 30% on e-commerce/social/digital marketing, 20% on B2B sales/marketing support, and 7% on partnerships. These other uses include global marketing (digital and brand), public relations, tactical campaigns and promotions, partnerships and direct hotels and related administrative expenses.

We are not obligated to expend any funds for advertising, sales, marketing and promotional services in excess of the Marketing Fund Fees we collect.

We anticipate that most of Marketing Fund Fees will be spent during the year in which they are collected. Any amounts not spent will be spent in subsequent years.

Local and Other Franchisee-Directed Marketing.

You may engage in local and regional marketing programs and related activities of your choosing, so long as you do so in accordance with the Brand Standards, at your expense and with our prior approval. You must engage in monthly key brand momentum activation programs as outlined in the Manuals.

You must comply with our guidelines for social media (including, Facebook, LinkedIn, Instagram, and other social media). You may not participate in or contribute to any website or other public medium or communication the object or likely effect of which is the denigration of the MGallery brand, the Proprietary Marks, us our affiliates or any other Accor Branded Hotel. You may not include references to the Hotel on any website (other than the Accor Websites) without our prior consent. As conditions to our consent, we may require (among other things) that (i) the domain name be reserved and owned by us if it includes the MGallery name or any derivative; (ii) the website not include any online booking tool or booking email link operated for reservations; any online reservation service must be done directly via a dedicated link to the Accor Websites; (iii) the Accor IT team performs a satisfactory security check of the website; and (iv) you will not buy keywords or sponsored links in any kind of search engine including for the MGallery or any other Accor Branded Hotels. (Franchise Agreement, Section 11.6).

There is no advertising or marketing council for MGallery franchisees.

There are no cooperative advertising programs in which our franchisees must participate.

Computer Systems

You must obtain and use in the Hotel the hardware, software and systems we specify or recommend. Our Brand Standards include extensive standards and specifications relating to the computer hardware, software and systems we require and approve.

Before your Hotel opens (if you are constructing a new hotel), or before you reopen your Hotel as an MGallery Hotel (if you are converting an existing hotel to an MGallery Hotel), you must pay (i) us or our affiliates to set up the Reservation System, the PMS and other Distribution Tools at an estimated cumulative cost ranging between \$530,000 - \$950,000 (if you are constructing a new hotel) or \$100,000 to \$950,000 (if you are converting an existing hotel to an MGallery Hotel); (ii) us or our affiliates,

installers and vendors to install and train you in other, additional software including, without limitation, software relating to the sales and catering, the POS and Rapid Response, at an estimated cost ranging between \$100,000 - \$350,000 (if you are constructing a new hotel) or \$0 to \$350,000 (if you are converting an existing hotel to an MGallery Hotel); and (iii) us or our affiliates a determined amount within the range of \$10,000 - \$50,000 for technology-related project management services and IT and security standards compliance review, including providing project updates and escalating project issues, clarifying business priorities and strategies, and coordinating/facilitating meetings. Additional hours will be charged at our or our affiliate's then-current rate. The estimates included in this paragraph may vary and/or change over time depending on technology changes, complexity, Brand Standards changes, as well as hotel size and construction projects (and these estimates do not include PBX (private branch exchange telecom switch), radio, television system and certain other technologies).

Currently, unless your Hotel qualifies for the Developer Incentive (see Item 6), you must pay us or our affiliates the following ongoing fees in connection with the computer hardware, software and systems at the Hotel:

Fee	Amount	Method of Payment	Description of Service
AccorConnect	Full Connectivity: 0.22% of prior month's Room Revenue.	Monthly, within 15 days of invoice.	Enables the hotel to access Accor's ecosystem seamlessly, including our Reservation System, the guest and loyalty database, various intranets, and the company directory (allowing hotel colleagues to have an "@Accor.com" email address and online storage, among other benefits).
AccorSecure	\$325 <u>\$354</u> per account per year.	In yearly installments Within 15 days of invoice.	A suite of security applications and services to protect guest data, hotel systems, and the network from cybersecurity risks (including malware, ransomware, viruses, and hacking). We provide daily management of the firewall (through a managed security service provider), software licenses, antivirus protection, Level 2 support, and security forensics.
IT Assistance	\$394 <u>\$430</u> per connected device per year.	In yearly installments. Within 15 days of invoice.	Assistance offers hotels a single, reliable technology support solution. Colleagues can contact the service desk to receive help and support on technology issues they face.
PCI Assistance	\$2,430 per year	Invoiced by Vendor.	We support hotels in obtaining the Payment Card Industry Data Security Standard (PCI-DSS) attestation of compliance.
Hotel	On-line training	Invoiced by	The Hotel Compliance Platform

Fee	Amount	Method of Payment	Description of Service
Compliance Platform	platform fee of \$702 per 45 licenses and \$38 for every additional 5 licenses.	Vendor.	provides employee training (and a reporting proof of completion) on PCI, GDPR and other required compliance requirements.
Mobile Device Management	\$54 per requested active user per year.	In yearly installments. Within 15 days of invoice.	This is a mandatory service that allows users to securely access Accor applications (the "Accor Mobile Apps") installed on mobile devices and On-Demand.
Office 365 (over threshold)	Setup: \$162180 / Run: \$8795 per user per year Add-ons: - Advanced offer: \$265290 /user/year M365 Apps: \$254/device/year PowerBI: \$11/user/year - Copilot for M365: \$519420 /user/year	In yearly installments, with one-time setup fee payable with first monthly installment. Within 15 days of invoice.	This is an optional service. Office 365 provides users with email address, calendar and contacts, presence status, instant message replies on cloud solution, including design and day to day local operations.
STIA Fee	\$2,158 per year	In yearly installments. Within 15 days of invoice.	Specification, testing, integration and administration of Accor's Opera shell. This fee is not applicable when Opera Cloud is deployed.
Device, user management and cloud printing	\$60 per active user per year	In yearly installments. Within 15 days of invoice.	Device and user management technology that provides secure and integrated access to Accor core technology and Accor environment. This solution can be deployed if computers and laptops are to be managed by Accor. Otherwise, ZPA is available.
ZPA / Remote connection	\$216236 per active user per year	In yearly installments. Within 15 days of invoice.	Provides remote connectivity for users.

Because of varying market conditions, varying types of license, maintenance and support contracts and the confidential nature of the terms of some third party technology agreements, it is difficult to estimate the ongoing costs you will be required to pay third parties for any optional or required technology license, maintenance, updating, upgrading or support contracts. That said, we

estimate these monthly costs will range from \$10,000 to \$18,000. You must use the third party maintenance contracts that we have negotiated with vendors. These vendors will charge you directly for providing these maintenance, updating, upgrading and support services to you.

We currently require you to obtain the following systems: Oracle Opera Cloud PMS, Oracle Symphony POS, G3 revenue management system, Forcepoint Firewalls and, if your Hotel includes a meeting/event space, Oracle Opera OSEM or Delphi S&C. Samples of the Oracle General Terms and Ordering Document, which would provide you with a license to use various Oracle programs, hardware, software and systems, is attached as Exhibit E to this Disclosure Document.

There are other categories of systems which we may require you to obtain from time to time for which we permit you to use any system that meets our Brand Standards and other requirements. As of the date of this disclosure document, the following systems meet our Brand Standards and other requirements: VingCard (door locking system); Inncomm (environment system responsible for controlling guest and public area acclimatization); Freedom Pay (PCI-compliant payment gateway solution); Passman (the company we currently use to set up business centers at Accor Branded Hotels); QSA Company (for validating and providing PCI Certifications); FourWind or Janus Display (interactive digital board system for meeting rooms and public areas); GuestTek Guest Internet Management (controls guest internet environment); and Sonifi (interactive television system). We update our list of approved systems from time to time. You may request to use a different system and/or service provider, and we will approve such different system and/or service provider so long as it/they meet(s) our Brand Standards and other requirements.

You must maintain (i) all software (including operating systems) under manufacturer-supported versions and (ii) compatible and supported hardware. You must use only properly licensed software and maintain an inventory of active licenses accordingly.

We may periodically require changes, upgrades, or updates to the hardware, software and systems you are required to use at the Hotel. Any changes to our requirements will be in accordance with our Brand Standards. No contract limits the frequency or cost of changes, upgrades or updates, and you may incur initial and ongoing costs associated with those changes. For example, we or our affiliates may charge you reasonable fees for software or other technology that we license to the Hotel and for other technology maintenance and support services that we or they periodically provide to the Hotel.

You must comply with all rules and regulations issued by the companies whose credit card you accept and their associations, including the PCI data security standards, and you must provide us with proof of compliance on an annual basis.

You must permit 24 hours per day, 7 days per week, electronic communications between us and you. We will have unlimited remote independent access to your databases through our connections with the PMS and Reservation Systems. There are no limitations on our right to use such software to access the information and data you maintain.

Except as described above, neither we, nor our affiliates, nor any third parties are required to provide ongoing maintenance, repairs, upgrades, or updates. Except as described above, there are no optional or required maintenance/upgrade contracts for your systems.

Training Programs

Initial Training

Your General Manager, Director of Revenue Management, Director of Sales and Marketing and Director of **TalentPeople** & Culture of the Hotel must complete to our satisfaction initial training within not less than 14 days before the Hotel opens for business. The initial training programs for your General Manager, Director of Revenue Management, Director of Sales & Marketing, and Director of **TalentPeople** & Culture may span over a period of 5-10 days, depending on the delivery method. We contemplate conducting the initial training programs as frequently as we deem necessary. All replacement or substitute General Managers, Directors of Revenue Management, Directors of Sales and Marketing and Directors of **TalentPeople** & Culture also must attend and successfully complete our initial training programs to our satisfaction within a reasonable period of time after commencing their duties.

Your other employees must also complete to our satisfaction initial training within not less than 14 days before the Hotel opens for business. Up to 5 days of training may be required with multiple trainers based on head count and hotel size.

The following table describes our training programs:

TRAINING PROGRAM

(Column 1) SUBJECT	(Column 2) HOURS OF CLASSROOM TRAINING	(Column 3) HOURS OF ON THE JOB TRAINING	(Column 4) LOCATION
Initial Training - General Manager			
General Manager Orientation (Mandatory)	24	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Heartist Journey (Mandatory)	3	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Heartist Journey – (for in hotel trainers): Delivering the training (Mandatory)	3.5	0	In Person (At Hotel or Other Designated Location) and/or Virtual
MGallery Brand and Service Culture Training (I LOVE, I LIVE & I LEAD My brand)	20	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Ethics & Corporate Responsibility Charter (Mandatory)	2	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Sustainability and all other CSR programs such WATCH (Mandatory)	6.5	0	In Person (At Hotel or Other Designated Location) and/or Virtual

Legislative Compliance Training (Harassment, Discrimination & Prevention) (Mandatory)	8	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Initial Training – Director of Talent & People & Culture			
Heartist Journey (Highly recommended)	3	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Heartist Journey – (for in hotel trainers): Delivering the training (Highly recommended)	3.5	0	In Person (At Hotel or Other Designated Location) and/or Virtual
MGallery Brand and Service Culture Training (I LOVE, I LIVE & I LEAD My brand)	20	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Ethics & Corporate Responsibility Charter (Mandatory)	2	0	Online Module
Sustainability and all other CSR programs such WATCH (Mandatory)	6.5	0	Online Module
Legislative Compliance Training (Harassment, Discrimination & Prevention) (Mandatory)	8	0	Online Module
Initial Training - Director of Sales and Marketing (All Subjects Are Mandatory)			
Access And Initial Set Up	2	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Intranet Introduction	2	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Introduction And Access To Sales And Catering Systems	8	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Brand Orientation	4	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Ethics & Corporate Responsibility Charter (mandatory)	2	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Exposure To Accor Loyalty Programs	2	0	In Person (At Hotel or Other Designated Location) or Virtual
Introduction To Global Sales	2	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Education About Accor Sales	1	0	In Person (At Hotel or

And Marketing Training			Other Designated Location) and/or Virtual
Gain Understanding Of Accor Loyalty program	1	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Introduction To Reporting	2	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Exposure To Accor M&E Media Opportunities	1	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Exposure To And Training On Accor CSC Tools	2	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Gain Understanding Of E-Commerce Tools And Resources	2	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Introduction To Dew	1	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Gain Understanding Of PR Resources And Tools	1	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Exposure To Accor NCA Brand Agreements To Leverage	1	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Review Bi Hub if applicable	1	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Introduction To VOG 2.0 And JDP	1	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Gain Understanding Of Social Media Tools And Resources	1	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Review Of Competitive Set And Corresponding Reports	2	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Review Of Budget And Marketing Plan	2	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Review Segmentation	2	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Discuss Opportunities To Leverage Accor Customer Partnerships	2	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Discuss EncoreAlignment	1	0	In Person (At Hotel or Other Designated Location) and/or Virtual

Introduction To Accor Revenue Management Tools And Resources if applicable	3	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Review Hotel Presentations And Content	3	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Discuss Opportunity To Leverage Accor Sister Properties	1	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Review Target Accounts	2	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Attend Key Meetings	7	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Attend Dosm Orientation	16	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Hotel Orientation	0	16	In Person (At Hotel or Other Designated Location) and/or Virtual
Call Center Introduction	0	8	In Person (At Hotel or Other Designated Location) and/or Virtual
Reservations	0	2	In Person (At Hotel or Other Designated Location) and/or Virtual
Key Department Leaders within Sales and Marketing	0	6	In Person (At Hotel or Other Designated Location) and/or Virtual
Finance	0	1	In Person (At Hotel or Other Designated Location) and/or Virtual
Revenue Management	0	2	In Person (At Hotel or Other Designated Location) and/or Virtual
CS/Catering	0	2	In Person (At Hotel or Other Designated Location) and/or Virtual
General manager	0	2	In Person (At Hotel or Other Designated Location) and/or Virtual
Fellow DOSM	0	8	In Person (At Hotel or Other Designated Location) and/or Virtual
Initial Training - Director of Revenue Management (All Subjects Are Mandatory)			
Accesses And Initial Set Up	2	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Ethics & Corporate	2	0	In Person (At Hotel or

Responsibility Charter			Other Designated Location) and/or Virtual
Brand Orientation	4	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Exposure To Accor Loyalty Programs	2	0	Virtual
Intranet Introduction	2	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Segmentation & Channels - Overview	2	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Reservation System Application Training	16	0	In Person (At Hotel or Other Designated Location) and/or Virtual
NCA BI Hub - reporting platform - if applicable	2	0	Virtual and self based
Introduction to call center	1	0	Virtual
Cvent – Passkey Group booking solution - if applicable	3	0	Virtual and self based
Ota Insight	1	0	Virtual and self based – vendor offered
Agency 360	1	0	Virtual and self based – vendor offered
Demand 360	1	0	Virtual and self based – vendor offered
IDEAS G3 - ILS On Own	8	0	Virtual and self based – vendor offered
Nor1 - Estandby Platform	1	0	Virtual and self based – vendor offered
OPERA PMS Reports And Key Areas To Know	1	0	In Person (offered by Hotel team)
STR Data Entry	1	0	In Person (At Hotel or Other Designated Location) and/or Virtual
ABC Accor Business Campus - optional	24	0	Virtual self based
PMS - Profiles, Making reservations, Availability screens	2	0	In Person (At Hotel or Other Designated Location) and/or Virtual (training provided by vendors)
S&C system - Block reservations, Concession handling, Inventory management in PMS	2	0	In Person (offered by Hotel team)
IDEAS G3 – Concepts	1	0	In Person (At Hotel or Other Designated

			Location) and/or Virtual
IDEAS G3 – Decisions	1	0	In Person (At Hotel or Other Designated Location) and/or Virtual
IDEAS G3 - Group Evaluations	1	0	In Person (At Hotel or Other Designated Location) and/or Virtual
IDEAS G3 - Other things to know	1	0	In Person (At Hotel or Other Designated Location) and/or Virtual
PARITY - Process	1	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Budget process & Forecasting cycle	3	0	In Person (offered by Hotel team)
STRATEGY - By Segment	2	0	In Person (offered by Hotel team)
RevPro Culture	1	0	In Person (offered by Hotel team)
Restaurant revenue management – if applicable	1	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Hotel Orientation	0	16	In Person (offered by Hotel team)
Front Office	0	8	In Person (offered by Hotel team)
Reservations	0	8	In Person (offered by Hotel team)
Guest Relations	0	2	In Person (offered by Hotel team)
Finance	0	1	In Person (offered by Hotel team)
Sales	0	2	In Person (offered by Hotel team)
CS/Catering	0	2	In Person (offered by Hotel team)
General manager	0	1	In Person (offered by Hotel team)
Initial Employee On-site or Virtual Training (Mandatory for All Employees)			
	3.5	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Heartist Journey			
MGallery Brand and Service Culture Training (I LOVE, I LIVE & I LEAD My brand)	6	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Sustainability and CSR programs (Mandatory)	6	0	In Person (At Hotel or Other Designated Location) and/or Virtual
Legislative Compliance	2	0	In Person (At Hotel or

Training (Harassment, Discrimination & Prevention)			Other Designated Location) and/or Virtual
Safety training	14	0	In Person (At Hotel or Other Designated Location)
Ethics & Corporate Responsibility Training	2	0	In Person (At Hotel or Other Designated Location) and/or Virtual
PMS, POS, Reservation System and Other Technology Training (spread over 2 weeks)			
-PMS	4 - 40	0	In Person (At Hotel or Other Designated Location) and/or Virtual (training provided by vendors)
-POS	4 - 16		
-Other	2 - 16 *Time varies per position		

Instructors and Instructional Materials

Our training programs will be supervised locally by a regional **TalentPeople** & Culture representative responsible for North America, whose experience includes a minimum of approximately 5 years with Accor or Accor Branded Hotels and 5 years in the hospitality field. Various instructors on our training staff conduct segments of the training programs.

We use our Manuals, videos, handouts and other instructional materials to conduct our training.

Additional Training Programs or Refresher Courses

After your Hotel opens for business, your Manager and your employees that we designate (including your Director of Sales and Marketing and Director of Revenue Management) must attend, and complete to our satisfaction, any additional or refresher training courses, programs, conferences and seminars that we may require. We may also require other Hotel personnel that we specify to participate in regional and national conventions, meetings, and other brand standard training programs. (Franchise Agreement, Section 7.3.2)

Costs and Expenses of Training

All training may be conducted virtually or in person at the Hotel or at an alternate location we designate. You are responsible for all expenses incurred by your trainees, including tuition costs (if any) and the costs of transportation, meals, lodging and wages or salary and benefits. We list the current training fees for our training programs in Items 5 and 6. You also must pay all expenses associated with our trainers' transportation, meals and lodging, if applicable, and, when training is conducted at the Hotel, provide our trainers with complimentary lodging. (Franchise Agreement, Section 7.3.3)

ITEM 12 **TERRITORY**

For your Hotel, the franchise is granted only for a single site that we approve (the “**Approved Site**”). We will approve the site for your Hotel before signing the Franchise Agreement. The Franchise Agreement will identify the Approved Site at which you must operate your Hotel. You may not relocate the Hotel. There are no provisions in the standard Franchise Agreement granting franchisees a protected area or territory. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we or our affiliates own, or from other channels of distribution or

competitive brands that we or they control. We and our affiliates may, without notice to you, establish or operate, or grant any person or entity the right to establish or operate, MGallery Hotels or any other Accor Branded Hotels at any location, including locations nearby to your Hotel, which may compete directly with the operation of your Hotel. We and our affiliates have the right, without notice to you, to engage in any business activities, under any name, at any location, without granting you any right therein, including, the right to establish or operate, and to grant others the right to establish or operate at any location, hotels, motels, inns, suites, and other lodging facilities in any market segment under any marks and names.

In some limited situations, we may agree to give franchisees certain territorial protections within an area surrounding the franchised hotel (the “**Area of Protection**”). If we agree to give you an Area of Protection, it will normally be for an agreed-on time period, which is shorter than the term of the Franchise Agreement (the “**AOP Term**”). The following will apply if we agree to give you an Area of Protection in your Franchise Agreement:

1. Area of Protection Provision. The Area of Protection Provision will typically restrict us and our affiliates from operating, or authorizing someone else to operate, another MGallery Hotel during the AOP Term and within the Area of Protection (except as described in Paragraph 3 below). We determine the Area of Protection before you sign the Franchise Agreement and after considering relevant factors like market demand, hotel size, traffic circulation patterns, access and visibility, the location of other hotels in the market and our future development plans. Because of these variables, Areas of Protection may vary significantly in size. The Franchise Agreement only restricts us and our affiliates from establishing new MGallery Hotels within the Area of Protection. We and they may establish and operate MGallery Hotels outside the Area of Protection (and may grant others the right to do so), even if those Hotels compete with your Hotel. We and our affiliates also may establish and operate (and may grant others the right to establish and operate) hotels and other lodging facilities under different trademarks within and outside the Area of Protection, even if those properties compete with your Hotel.

2. Exception to the Area of Protection Provision. The one exception to this restriction is that, if we or any of our affiliates acquires (whether through purchase, sale, merger, consolidation, or other transaction) another chain, franchise system, group or portfolio of at least 4 hotels, or acquires the right to operate or manage another chain, franchise system, group or portfolio of at least 4 hotels, 1 or more of which hotels are located, or are under contract or construction to be located, in the Area of Protection, we and/or our affiliates then will have the unrestricted right to convert, or cause to be converted, the acquired hotel(s) within the Area of Protection from its (or their) original trade identity to operate under the Proprietary Marks and the System, and then to operate, or authorize any other party to operate, these hotel(s) as MGallery Hotels, even if 1 or more of the other acquired hotels, whether operating within or outside the Area of Protection, are not converted to MGallery Hotels.

3. AOP Term. The AOP Term 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 that your Application was approved. In some cases, the AOP Term may reduce in geographic scope after an agreed-on time period. The continuation of the AOP Term will not depend on your achieving any particular sales volume or market penetration. An increase in population in the Area of Protection will not affect it and, except for our right to terminate the Franchise Agreement if you are in default, there are no other circumstances when your Area of Protection may be altered.

4. Solicitation of Customers. You may advertise for and solicit customers who reside outside the Area of Protection using the Internet, catalog sales, telemarketing, or other direct marketing as long as you do so in compliance with the Franchise Agreement. However, you may only solicit and accept reservations for the Hotel in a manner that we approve in writing. We and our affiliates retain all rights that we do not specifically grant to you under the Franchise Agreement. Except for the specific protections granted in the Franchise Agreement, we and our affiliates have and retain the right to engage in any business activities under any name and at any location. We and they may solicit and accept business from guests who reside in your Area of Protection without compensating you, using the MGallery trademarks, other trademarks and any distribution channels including such alternative channels of distribution as the Internet, catalog sales, telemarketing or other direct marketing.

We and our affiliates are engaged in a variety of activities in the lodging and hospitality industry and own, operate, manage, franchise, establish and acquire numerous hotel brands like the Accor Branded Hotels. Some of these activities may be competitive with your Hotel and the System. We and/or our affiliates may own, operate, franchise, license, acquire or establish, or serve as franchisee or licensee for, competitive guest lodging facilities or networks anywhere, under any brands or marks. Currently, in the United States, we and our affiliates own, operate, manage or franchise hotels operating under the following trademarks: MGallery, ~~Onefinestay~~, Faena, Fairmont, Sofitel, Handwritten, Novotel, 21c, Raffles, Swissotel, Mama Shelter, SLS, Mondrian, Delano, Hyde, The Hoxton and Pullman. In the future, we and they may own, operate, manage or franchise hotels under other trademarks. You will not have any rights to use these other brands or their associated trademarks. There is no mechanism for resolving any conflicts that may arise between your Hotel and franchised or company-owned Accor Branded Hotels. Any resolution of conflicts regarding location, customers, support or services will be entirely within our business judgment.

We and/or our affiliates may also furnish services, products, advice and support to guest lodging facilities, networks, properties or concepts located anywhere, in any manner we or our affiliates determine. For example, our reservations, sales, and marketing personnel may market other Accor Branded Hotels in addition to MGallery Hotels, and some or all of those brands may share other common resources. Our representatives may recommend hotels other than MGallery Hotels based on the needs and wishes of prospective guests.




The Franchise Agreement does not provide you with any options, rights of first refusal or similar rights to acquire additional franchises.

ITEM 13 **TRADEMARKS**


We grant you the nonexclusive right under the Franchise Agreement to use and display the Proprietary Marks in operating your Hotel. You may only use the MGallery Proprietary Marks after we have approved the Hotel to open as an MGallery Hotel or, with our prior written approval, in a limited manner to advertise the Hotel's anticipated opening. All uses must comply with the Franchise Agreement.

The principal MGallery Proprietary Marks are described below. All required affidavits and renewals have been filed.

The following principal Proprietary Marks are registered with the United States Patent and Trademark Office on the Principal Register:

Mark	Registration Number	Registration Date
	5,839,415 class 43	August 20, 2019
	5,980,901 class 36	February 11, 2020
	7676733	February 4, 2025

The following principal Proprietary Mark is pending registration with the United States Patent and Trademark Office on the Principal Register:

Mark	Application Number	Application Date
	79407099	July 26, 2024

We do not have a federal registration for one of our principal Proprietary Marks. Therefore, that Proprietary Mark does not have many legal benefits and rights as a federally registered trademark. If our

right to use that Proprietary Mark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We may authorize additional trademarks to be used in the operation of MGallery Hotels. We also have the right to substitute different trademarks or service marks for the Proprietary Marks for use in identifying the System and the hotels operating under the System. You must comply promptly with any substitution, at your expense.

The Proprietary Marks described above are owned by Accor Luxury & Lifestyle, our affiliate. Accor Luxury & Lifestyle has licensed us to use the listed Proprietary Marks and to grant our franchisees the right to use them in the United States under an Inter-Company Master License Agreement between us and Accor Luxury & Lifestyle (the “**License Agreement**”). The License Agreement does not provide for an expiration date and gives either party the right to terminate the License Agreement at any time upon 3 months’ notice. If the License Agreement is terminated during the term of your Franchise Agreement, then you may be required to stop using the Proprietary Marks. Other than the License Agreement, there are no agreements which significantly limit our right to use or license the use of the Proprietary Marks.

You must use the Proprietary Marks in full compliance with the Franchise Agreement and the Manuals. You cannot use any Proprietary Mark as part of your corporate, partnership, or other legal name, or as part of any domain name unless we expressly authorize you to do so. You must also comply with our instructions for filing trade, fictitious or assumed name certificates.

You must promptly notify us of any unauthorized use of the Proprietary Marks or marks confusingly similar to the Proprietary Marks and any challenge to (i) the validity of the Proprietary Marks or other intellectual property rights, (ii) the ownership of the Proprietary Marks or other intellectual property rights, or (iii) our right to use and to license others to use the Proprietary Marks or other intellectual property rights. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks and other intellectual property rights and to initiate, direct and control any administrative proceeding or litigation involving the Proprietary Marks or other intellectual property rights, including any settlement. In the event of any litigation or administrative proceeding relating to the Proprietary Marks or other intellectual property rights, you must execute any and all documents and do all acts that may, in our opinion, be necessary or appropriate to carry out the defense or prosecution, including becoming a nominal party to any legal action. Except to the extent that the litigation or administrative proceeding is the result of your use of the Proprietary Marks or other intellectual property rights in a manner inconsistent with the terms of this Agreement, we will reimburse you for your out-of-pocket costs incurred in providing such assistance. As described in this paragraph, we have no obligation to defend you against any third-party claim, suit or demand arising out of your use of the Proprietary Marks. We also have no obligation to indemnify you or reimburse you (except for the limited reimbursement described in above) for any damages and expenses you incur or for which you are liable in any proceeding challenging your right to use any Proprietary Mark.

There are currently no effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board or any state trademark administrator or any court, and no pending infringement, opposition or cancellation proceedings. There is also no pending material federal or state court litigation regarding our use or ownership rights in any of the Proprietary Marks. We do not know of any infringing uses, or any person or entity with superior rights that could materially affect your use of the identified Proprietary Marks.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents or patent applications are material to the franchise. Our Manuals and training materials, as well as other information, materials and systems made available to you now or in the future to be used in the operation of your MGallery Hotel (including, among others, our databases, Accor Loyalty Program, Reservation System and PMS) are proprietary to us and our affiliates and we and they claim all rights in them, including copyright and patent rights. All guest information in our databases is also proprietary to us. We have not registered these copyrights with the U.S. Registrar of Copyrights but need not do so at this time to protect them. You may use these materials only as we specify while operating your Hotel and must modify or discontinue using them as we direct.

There currently are no effective determinations of the United States Patent and Trademark Office, the United States Copyright Office or any court regarding any of the copyrighted materials. No agreement limits our right to use or license the copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your usage of using the copyrighted materials. We need not protect or defend copyrights or take any action if notified of infringement. We may take the action we deem appropriate (including no action) and exclusively control any proceeding involving the copyrights. No agreement requires us to participate in your defense or indemnify you for damages or expenses in a proceeding involving a copyright or claims arising from your use of copyrighted items.

During the course of our relationship, we will share with you certain Confidential Information. This Confidential Information includes our Intellectual Property Rights (whether registered or unregistered and existing anywhere in any jurisdiction, such as our trademarks, trade names, designs, patents, copyrights, domain names, and database rights), proprietary software, Manuals, and any and all other know-how, materials, information, procedures, techniques or data which we or our affiliates provide to you for the development, construction and operation of the Hotel, including, site selection, operational, sales, promotional, and marketing methods and techniques.

Under the Franchise Agreement, you have an obligation to protect our Confidential Information. You may not misuse our Confidential Information or communicate, divulge or disclose it to any third party. Without our prior written consent, you may not copy, duplicate, record or reproduce any part of our Confidential Information. You may share our Confidential Information only with those persons who must have access to it in order to operate the Hotel in compliance with the Franchise Agreement and who have agreed to keep the information confidential. After the Franchise Agreement expires or is terminated, you and your owners cannot use the Confidential Information and must surrender it, in its entirety, to us.

All inventions, innovations and discoveries relating to an MGallery Hotel and based or relying upon any element of the System, including any advertising, marketing, promotional or public relations plans, programs or materials that you or your contractors develop for the Hotel (collectively, "Innovations"), whether or not protectable intellectual property and whether created by or for you, your affiliates or contractors, or your or their employees, must be promptly disclosed to us and will be deemed to be our and our affiliate's sole and exclusive property and works-made-for-hire for us and our affiliates. You may not use any Innovation in operating the Hotel that is not in compliance with Brand Standards without our prior written consent. If any Innovation does not qualify as a "work-made-for-hire" for us and our affiliates, then you must assign ownership of that Innovation, and all related intellectual property rights and other rights to that Innovation, to us and you must take whatever action (including signing assignment or other documents) that we request to evidence our ownership or to help us obtain intellectual property rights in the Innovation.

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

You must operate the Hotel directly or engage a management company that we approve. We will only approve a management company that satisfies our qualifications and that signs our form of Management Company Consent and Acknowledgment (Exhibit C to the Franchise Agreement). This document requires the management company to operate the Hotel in compliance with the Franchise Agreement. We may request a copy of the management agreement between you and the management company to confirm that it is consistent with the Franchise Agreement and the Management Company Consent and Acknowledgment.

A full time General Manager must provide on-site management of the Hotel. Each General Manager must successfully complete our mandatory training programs. We may require your General Manager to sign a confidentiality agreement, trade secret protection agreement, and/or an agreement not to compete.

We do not require the General Manager or any management company to have an equity interest in the franchised business.

If you are a corporation, limited partnership, limited liability company or other entity, your owners must sign the Guarantee, Indemnification and Acknowledgment attached to the Franchise Agreement as Exhibit GF.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must use the Approved Site only for the operation of the Hotel and for no other purpose without our prior written consent. You must operate the Hotel 24 hours a day, every day, unless we approve a different operating schedule in writing.

You must operate the Hotel in compliance with the Brand Standards published in our Manuals and other written materials. We may revise the contents of our Manuals and you must promptly comply with each new or changed Brand Standard.

You may not divert or attempt to divert any present or prospective business or customer of any MGallery Hotel or any other Accor Branded Hotel to any competitor, whether directly or indirectly. Competitors do not include other properties owned or franchised by us or one of our affiliates.

You may only offer the goods and services that we have approved in writing. You may not offer any goods or services other than those we have authorized for MGallery Hotels.

If you offer food and beverage services at the Hotel, then all food and beverage service at the Hotel must be provided in conformity with the Brand Standards. You must: (i) operate, and subject to our prior written consent, enter into concession agreements with third parties to operate, at the Hotel only those food and beverage outlets that satisfy the Brand Standards; (ii) offer and sell all, and only, the menu items and beverages prescribed in the Brand Standards or otherwise approved by us in writing; to prepare them in accordance with the Brand Standards; and to discontinue any items we disapprove in writing at any time; (iii) to keep any food and beverage outlet open and operating in the normal course for the minimum hours and days that we prescribe; and (iv) to offer room service if required by us.

You must participate in the Reservation System and make all direct bookings through the Reservation System. You must honor all reservations placed through the Reservation System up to the last available room, at the published rate. You must also offer your room inventory through other mandatory distribution channels like the Accor Websites and our Accor Mobile Apps.

The Accor Websites use APOL which automatically debits the card holder the amount of the stay for prepaid rates and credits the bank account for the hotel on whose behalf the booking was made. If you do not sign a contract with our approved APOL provider, your Hotel will have limited opportunities to be distributed through the Accor Websites. Specifically, your Hotel may not qualify to offer the most attractive prepaid rates or participate in promotional campaigns featuring prepaid rates.

We recommend that you allow for bookings through the online distribution strategic accounts that we designate, including but not limited to Expedia, Booking and HRS.

You may generally set your own rates for the goods and services you provide, but we reserve the right to establish pricing requirements permitted by law and to prohibit certain types of billing practices, like price gouging, and certain types of charges, including incremental fees or surcharges that would typically be included in the room charge. We reserve the right to require that you price consistently in all distribution channels. You may not engage in any rate practices that violate Brand Standards or which tend to mislead the public in any way.

You must provide us with the rate and other information needed to list the Hotel in the Reservation System, on the Accor Websites and with other third party distribution channels. You are responsible for ensuring that the information about the Hotel's room availability and pricing published in the Reservation System and on the Accor Websites is always up to date.

You must participate in all MGallery Sales and Marketing Services, Centralized Marketing Programs, reservation services, advertising and marketing programs and policies that we require for MGallery Hotels. Such programs and policies may include the Accor Loyalty Program, a guest satisfaction program, a quality assurance program, Internet advertising and marketing programs and other programs we designate.

You must participate in the ACDC Program, which involves Accor Branded Hotels collecting and sharing information about customers in order to offer customers more customized experiences during their hotel stays. To participate in the ACDC Program, you must adhere to the APDP Principles, the current form of which ~~is attached to this Disclosure Document as Exhibit F~~ [will be provided to you on or before execution of the Franchise Agreement.](#)

You must comply with our Brand Standards, including all guidelines for social media use. You cannot participate in or contribute to any website or other public medium which is likely to denigrate the Proprietary Marks, the Accor Branded Hotels, Accor, us, or any of our affiliates. You cannot list or reference the Hotel on any website other than the Accor Websites without our prior written consent.

Except as described above, we do not restrict the goods or services which you may offer, or the customers you may solicit.

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ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Sections 1, 4.1 and Exhibit A	<p>The initial term begins on the Effective Date of the Franchise Agreement and typically ends on the 20th anniversary the Hotel Opening Date (however, depending on the particular circumstances, we may require a term that ends more or less than 20 years after the Hotel Opening Date).</p> <p>If your Hotel qualifies for the Developer Incentive, the initial term begins on the Effective Date of the Franchise Agreement and ends on the 10th anniversary the Hotel Opening Date.</p>
b. Renewal or extension of the term	Sections 1 and 4.2	We may grant to you up to 2 renewal terms of 5 years each if you timely submit your renewal application to us and you satisfy the requirements in row (c) below.
c. Requirements for you to renew or extend	Sections 4.2 and 4.3	<p>To remain a franchisee after the expiration of the initial term for a renewal term of 5 years, you must meet all required conditions to renewal such as: meeting our then applicable standards for MGallery Hotel franchisees; substantial compliance with the terms and conditions of the Franchise Agreement, the System and all other agreements between you and us; you must be in Good Standing and not in default; satisfaction of all monetary obligations owed to us, our affiliates and all suppliers; your Hotel Manager and any other employees designated by us must comply with our then-current training requirements; upgrade the Hotel; execution of a release; signing our then-current renewal franchise agreement which could contain materially different terms and conditions than the Franchise Agreement (including on fees); and paying a renewal fee equal to 50% of the then-current initial franchise fee. “Good Standing” means that you and your affiliates are in full compliance with all obligations under the Franchise Agreement and all other agreements with us, our affiliates and all approved suppliers and that you and your affiliates have satisfied your obligations on a timely basis.</p>

Provision	Section in Franchise Agreement	Summary
d. Termination by you	Section 7.5.4 in Franchise Agreement	Under the Franchise Agreement, if the Hotel is damaged by fire or other casualty and the cost to repair damage is estimated to be more than 40% of the Hotel’s fair market value, you may terminate the Franchise Agreement (and pay us liquidated damages (see Section 14.6 of Franchise Agreement)). (Subject to state law).
e. Termination by us without cause	None	We may not terminate your Franchise Agreement without cause.
f. Termination by us with cause	Sections 3.3.1; 5.10; 14 and Exhibit B (Section 4) in Franchise Agreement	We may terminate the Franchise Agreement if you or your owners commit any one of several violations, including if you default, or if construction or conversion of the Hotel is not completed in the manner and within the time required in the Franchise Agreement. In addition, we can suspend or terminate you from the Reservation System and/or distribution channels.
g. “Cause” defined – curable defaults	Section 14.3	You have 5 days to cure monetary defaults. You have 30 days to cure lease defaults, violations of any law or ordinance, failures to adhere to upgrade or conversion requirements, default resulting from interference with Hotel inspections, failure of any quality measurement or to maintain our Brand Standards; or after written demand, and failure to timely comply with your indemnification obligations under Section 18.2 of the Franchise Agreement, and other defaults not listed in row (h) below.
h. “Cause” defined – non-curable defaults	Sections 14.1, and 14.2	<p>Non-curable defaults (where we are not required to give notice prior to termination) include: insolvency; assignment for benefit of creditors; bankruptcy; bill in equity or appointment of receiver or custodian; composition with creditors; dissolution; foreclosure; and any part or asset of the Hotel is sold after levy.</p> <p>Non-curable defaults (where we are required to give notice prior to termination) include: cessation of business or of operation under the Proprietary Marks and System; loss of rights to possess the Hotel or forfeiture of right to operate the Hotel at the Approved Site; threat or danger to public health or safety; conviction of a felony or any other crime of dishonesty or moral turpitude; if the Hotel is operated in a manner that we determine is reasonably likely to adversely affect the System, the Proprietary Marks, or the goodwill associated with them; if you, any affiliate, or any owner is or becomes a Specially Designated National or Blocked Person; transfer in</p>

Provision	Section in Franchise Agreement	Summary
		violation of Section 13 of Franchise Agreement; failure to comply with covenants in Sections 7.9 or 16 of Franchise Agreement; false statements or omissions; misuse or unauthorized use of the Proprietary Marks; commission of 3 defaults during any consecutive 12 month period; termination of the Hotel lease; unauthorized use or disclosure of the Manuals or Confidential Information; failure to timely open the Hotel.
i. Your obligations on termination/non-renewal	Section 15	Cease operation as an MGallery Hotel; stop using the Proprietary Marks; de-identify; cancel assumed name registrations; pay amounts due including any damages and attorneys' fees; cease to use Confidential Information and turn over all documents from the Manuals and records we provided; cease using guest information and personal information that you collected and/or processed; and pay us liquidated damages (see Section 14.6 of Franchise Agreement) for premature termination. If we don't exercise our purchase option, you must dispose of all items bearing the Proprietary Marks.
j. Assignment of contract by us	Section 13.8	We may transfer or assign the Franchise Agreement, and all or any part of our rights or obligations in the Franchise Agreement to any person or entity without restriction. We may transfer or assign without your approval.
k. "Transfer" by you –defined	Section 1 in Franchise Agreement	Under the Franchise Agreement, includes transfer of any of your rights or obligations under the Franchise Agreement, or the sale, assignment, transfer, conveyance, exchange, gift, lease, sublease, pledge, mortgage or other encumbrance, by you (or your owners) of any direct or indirect interest in you, the Franchise Agreement, any owner, the Hotel, or substantially all of the assets of the Hotel.
l. Our approval of Transfer by you	Section 13	We have the right to approve Transfers.
m. Conditions for our approval of Transfer	Sections 13.2, 13.3 and 13.5	<u>Controlling Ownership Interest</u> - You must give 60 days' advanced written notice, pay all monies owed, not be in default, sign a general release, remain liable for obligations before effective date of transfer and execute a written assignment. Transferee must complete our then-current franchise application and pay our then-current initial franchise fee due under the franchise application; transferee must not be a competitor or a Specially Designated National or Blocked Person; transferee and its owners must demonstrate good moral character, business

Provision	Section in Franchise Agreement	Summary
		<p>reputation, credit rating and aptitude and ability to operate the Hotel; must have adequate financial resources and capital; and if already a franchisee under the System, must be in Good Standing and have a record of guest service and Brand Standards compliance satisfactory to us; execution of then-current franchise agreement and other ancillary agreements we may require; principal owners of transferee must sign guarantee; transferor (and owners) must sign a release; General Manager must complete training; Hotel upgraded to then-current Brand Standards.</p> <p><u>Non-Controlling Ownership Interests</u> in you or any of your owners may be transferred, without our consent, if: (i) you provide written notice to us at least 30 days before the proposed transfer; (ii) if we require, new guarantees of performance are signed and each existing guarantor reaffirms and ratifies its obligations; (iii) you give us all information regarding the transferee that we require; (iv) you pay our costs associated with the transfer (including legal fees and costs); (v) you are not in default; (vi) the transfer does not create a controlling ownership interest in you or any of your owners; (vii) the transfer does not result in a change of control; (viii) you and your affiliates are in Good Standing; and (ix) the proposed transferee is not: (a) a competitor, (b) a Specially Designated National or Blocked Person, (c) a convicted felon or someone with a bad moral reputation; or (d) an affiliate of any person or entity described in (a)-(c); and (x) you satisfy any other conditions that we may require.</p> <p><u>Financing</u> - In any financing, mortgage, grant of a security interest, or pledge, we may require you to cause each secured party to sign a comfort letter or other agreement that we reasonably specify under which the secured party agrees, among other things, to assume your obligations under the Franchise Agreement if the secured party or any of its affiliates acquires title or otherwise assumes possession, or the right to sell or direct the disposition of, the Hotel's real property or building and improvements. We charge a non-refundable fee for processing the comfort letter.</p>

Provision	Section in Franchise Agreement	Summary
n. Our right of first refusal to acquire your business	Not Applicable	Not Applicable
o. Our option to purchase your business	Section 15.8	Upon expiration or termination of your franchise, we can purchase all furnishings, signs, fixtures, supplies or inventory bearing the Proprietary Marks at cost.
p. Your death or disability	Section 13.4	Transfer of Franchise Agreement (or ownership interest in business entity franchisee) to approved party within 6 months.
q. Non-competition covenants during the term of the franchise	Section 16.1	You must not divert or attempt to divert any present or prospective business or customer of your Hotel, any other MGallery Hotel, or any other Accor Branded Hotel to any competitor.
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable
s. Modification of the agreement	Section 21 in Franchise Agreement	Under the Franchise Agreement, modifications must be in writing signed by both parties, but we may change the content of the Manuals, the System, and the Brand Standards.
t. Integration/merger clause	Section 21	Only the terms of the Franchise Agreement and all of its attachments, documents, schedules, exhibits, and any other information specifically incorporated into the Franchise Agreement by reference are enforceable (subject to state law). Any other promises may not be enforceable. However, nothing in the Franchise Agreement or any related agreement is intended to disclaim our representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Sections 23.2 and 23.3	All disputes relating to the Franchise Agreement or our relationship must be submitted to non-binding mediation, and then binding arbitration, except that we can bring an action for injunctive or extraordinary relief (including specific performance) without first submitting it to mediation. (Subject to state law).
v. Choice of forum	Section 23.5 in Franchise Agreement	Under the Franchise Agreement, all parties submit to jurisdiction in any federal or state court in New York, New York. (Subject to state law).
w. Choice of law	Section 23.1 in Franchise Agreement	Under the Franchise Agreement, except for the Federal Arbitration Act and other federal law, New York law applies. (Subject to state law).

ITEM 18
PUBLIC FIGURES

We do not use any public figures to promote the franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the Franchisor’s management by contacting Accor, North & Central America, Law Department at ncafranchising@accor.com or 332.278.3001, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For years ~~2022~~2023 to ~~2024~~2025⁽¹⁾

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised⁽²⁾	2022	1	2	+1
<u>Franchised⁽²⁾</u>	2023	2	2	0
	2024	2	2 <u>1</u>	0 <u>-1</u>
Company-Owned⁽³⁾	2022 <u>2025</u>	0 <u>1</u>	0 <u>1</u>	0
<u>Company-Owned⁽³⁾</u>	2023	0	0	0
	2024	0	0	0
Total Outlets	2022 <u>2025</u>	10	20	+10
<u>Total Outlets</u>	2023	2	2	0
	2024	2	2 <u>1</u>	0 <u>-1</u>
	<u>2025</u>	<u>1</u>	<u>1</u>	<u>0</u>

Note 1: All numbers are for outlets in the United States and are as of our fiscal year end, which is December 31.

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years ~~2022~~2023 to ~~2024~~2025

Column 1	Column 2	Column 3
State	Year	Number of Transfers
All States	2022	0
<u>All States</u>	2023	0
	2024	0
Total	2022 <u>2025</u>	0
<u>Total</u>	2023	0
	2024	0
	<u>2025</u>	<u>0</u>

Note 1: All numbers are for outlets in the United States and are as of our fiscal year end, which is December 31.

Table No. 3

Status of Franchised Outlets
For years ~~2022~~2023 to ~~2024~~2025

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Florida	2022 <u>2023</u>	1	0	0	0	0	0	1
	2023 <u>2024</u>	1	0	0 <u>1</u>	0	0	0	1 <u>0</u>
	2024 <u>2025</u>	1 <u>0</u>	0	0	0	0	0	1 <u>0</u>
Washington	2022 <u>2023</u>	0 <u>1</u>	0 <u>1</u>	0	0	0	0	1
	2023 <u>2024</u>	1	0	0	0	0	0	1
	2024 <u>2025</u>	1	0	0	0	0	0	1

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations - Other Reasons	Col. 9 Outlets at End of the Year
Totals	2022 <u>2023</u>	12	10	0	0	0	0	2
	2023 <u>2024</u>	2	0	0 <u>1</u>	0	0	0	2 <u>1</u>
	2024 <u>2025</u>	21	0	0	0	0	0	21

Note 1: All numbers are for outlets in the United States and are as of our fiscal year end, which is December 31.

Table No. 4

Status of Company-Owned Outlets
For years ~~2022~~2023 to ~~2024~~2025

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
All States	2022 <u>2023</u>	0	0	0	0	0	0
	2023 <u>2024</u>	0	0	0	0	0	0
	2024 <u>2025</u>	0	0	0	0	0	0
Totals	2022 <u>2023</u>	0	0	0	0	0	0
	2023 <u>2024</u>	0	0	0	0	0	0
	2024 <u>2025</u>	0	0	0	0	0	0

Note 1: All numbers are for outlets in the United States and are as of our fiscal year end, which is December 31.

Table No. 5

Projected Openings as of December 31, ~~2024~~2025

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlet In the Next Fiscal Year
All States New York	0	0 1	0
Totals	0	0 1	0

Exhibit ~~GF~~ lists the names of all franchisees operating an MGallery Hotel as of our last fiscal year end, which was December 31, ~~2024~~2025, along with each franchised MGallery Hotel’s address and telephone number. Exhibit ~~GF~~ also lists the names of the franchisees that have signed Franchise Agreements as of the date of this Disclosure Document but have not yet opened their MGallery Hotels, along with the addresses and telephone numbers of the MGallery Hotels they will open, if available, or, if not available, the franchisees’ cities and states and business telephone numbers or e-mail addresses.

Exhibit ~~HG~~ includes the franchisees who had MGallery Hotel franchises terminated, canceled, transferred, or not renewed, or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during our last fiscal year; since the end of our last fiscal year end, which was December 31, ~~2024~~2025; and who have not communicated with us within 10 weeks of this Disclosure Document’s issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the System.

As of December 31, ~~2024~~2025, we have no current or former franchisees who have signed provisions during the last three fiscal years restricting their ability to speak openly to you about their experience with the MGallery franchise system.

As of the date of this Disclosure Document, no independent trademark-specific franchisee organizations have asked to be included in this Disclosure Document and there are no franchisee organizations sponsored or endorsed by us.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit C are our audited financial statements, which comprise the balance sheets as at December 31, ~~2025, 2024, and~~ 2023 ~~and 2022~~, and the related statements of income (loss) and comprehensive income (loss), statements of changes in member’s equity and statements of cash flows for the years ended December 31, ~~2025, 2024, and~~ 2023 ~~and 2022~~. Our fiscal year ends on December 31.

ITEM 22
CONTRACTS

The following contracts are attached to this Disclosure Document in the following order:

1. Franchise Application (Exhibit A)
2. Franchise Agreement (including Guarantee, Indemnification, Acknowledgment, and State Specific Amendments (Exhibits B-1 and B-2))
3. Sample Oracle General Terms and Ordering Document (Exhibit E)

ITEM 23
RECEIPTS

Our and your copies of the Disclosure Document Receipt are the last 2 pages of this Disclosure Document.

EXHIBIT A
FRANCHISE APPLICATION
(see attached)

MGALLERY HOTEL COLLECTION FRANCHISE APPLICATION

DATE OF APPLICATION: _____

APPLICATION INSTRUCTIONS

- **Obtain the Franchise Disclosure Document:** Prior to completing this application, obtain a Franchise Disclosure Document (“FDD”) through your MGallery Hotel Collection development representative.
- **Complete and Submit the Application:** Print, sign and submit the application, along with all supporting documents. Answer all questions completely with all necessary supplementary documents. The application must be properly signed.
- **Complete KYC Verification:** *Please refer to KYC verification details provided separately.*
- All information must be legible and in English. Please type or print the information. The Application may be filled out electronically, saved and printed.
- 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.
- 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.**
- **Pay the Initial Franchise Fee*:** Applicant must pay the initial franchise fee (“Initial Franchise Fee”) by check or wire transfer when the Application is submitted. The amount of the Initial Franchise Fee is: \$75,000 plus \$300 per room for every room over 250 rooms. *Please refer to wire transfer details for Accor Franchising US LLC provided separately.*

*** NOTE:** *Applicant should not pay the Initial Franchise Fee until at least fourteen (14) full calendar days following the date that Applicant received the FDD in paper or electronically.*

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:

- Obtain the Franchise Disclosure Document ("FDD"). Sign, date and return the **FDD Receipt**.
- Complete and Submit the **Franchise Application**. Sign and Date the Application Letter.
- Complete **KYC Verification**: Please complete KYC questionnaire online.
- Pay the Initial Franchise Fee** dated and/or received no earlier than the day after the **14th full calendar day** after the date the Applicant received the FDD.
- A certificate of formation or similar document of the Applicant Entity and the Guarantor.
- A certificate of status, certificate of compliance, or similar document evidencing the Applicant Entity's and the Guarantor'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/sub lessor 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.
- Financial Statements

If you and/or your Guarantor are applying as an individual, general partnership, or limited partnership, complete and return a signed personal financial statement (with any supplemental schedules) less than six months old for:

- Each/All Principal or partner having a 20% or greater interest in the applicant.
- Each/All general partners regardless of percentage interest.

If you and/or your Guarantor are applying as a trust, corporation, limited liability company or estate please provide:

- The most current year-end P&L Statement and Balance Sheet (if the P&L statement is more than six months old, provide a year-to-date P&L).
 - The same information as required above for each trustee, shareholder, member, or partner owing a 20% or greater interest in the applicant entity.
 - Applicant entity's financing plan covering the acquisition, renovation and initial operating losses, as applicable.
- Background and Credit Check (if requested)

CONVERSION PROJECTS In addition to the above, include the following items:

- Conversion Indemnity Letter (if applicable)
- 3 Years' Hotel Operating Statistics (Summary Statement)
- 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 2: APPLICATION LETTER

Name of Applicant: _____ (“Applicant”)

Location: _____ (“Location”)

This franchise application letter (“**Application Letter**”) is provided by Accor Franchising US LLC (“**Franchisor**”) to the Applicant (“**Applicant**”), for Franchisor to consider Applicant’s application for a franchise to operate a hotel under the Brand at the Location in the United States (“**Hotel**”). The present or future subsidiaries and affiliates and direct or indirect owners of Franchisor are collectively referred to as “entities” (“**Entities**”). Applicant understands that Franchisor is relying on the information provided in this application and all documents submitted by Applicant and co-owners and their agents, advisers and representatives in connection with or in support of the application, including, but not limited to, this Application Letter (together, the “**Application**”). Applicant agrees to supply such additional information, statements or data as may be requested by Franchisor. Applicant represents, warrants, and undertakes to Franchisor and the Entities, that:

1. All information contained in the Application is true, correct and complete as of the date of this Application Letter. Applicant will promptly inform Franchisor of any change in any of the information provided in the Application.
2. Both Applicant and the undersigned have the authority to make the Application and to enter into a franchise agreement (“**Franchise Agreement**”) for the proposed Hotel at the Location. Neither the making of this Application nor the execution of a Franchise Agreement will conflict with nor put Applicant in breach of the terms of any agreements to which Applicant, its affiliates or the undersigned are a party or by which Franchisor or its affiliates are bound. Neither Applicant nor its affiliates have been induced by Franchisor to terminate or breach any agreement with respect to the Location.
3. Applicant has received and had the opportunity to review the most recent FDD for which the application was submitted.
4. Applicant acknowledges that the Initial Franchise Fee must be enclosed with the Application. If the Application is not approved or if Applicant withdraws the Application before it is approved, the Initial Franchise Fee will be refunded, minus Franchisor’s expenses and without interest.
5. Applicant authorizes credit agencies/bureaus, financial institutions, companies and individuals to disclose to Franchisor any and all information for the purpose of Franchisor and the Entities completing any necessary credit and/or background investigations in connection with this Application and execution of any Franchise Agreement.
6. Applicant, jointly and severally if applicable, agrees to indemnify and defend Franchisor and the Entities and their respective officers, directors, employees, agents, representatives, and assignees (collectively, “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 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 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. Indemnitees 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.

7. 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.

8. This Application shall be governed by and construed in accordance with the substantive laws of New York without regard to its choice of law principles.

Signature: _____ Date: _____

Individual's Name:

Entity Name, if any: _____ Position: _____

PART 3: APPLICATION FORM

MGALLERY HOTEL COLLECTION FRANCHISE APPLICATION

APPLICANT INFORMATION

Name of Applicant: _____

Type:

<input type="checkbox"/> Corporation	<input type="checkbox"/> Limited Partnership	<input type="checkbox"/> General Partnership	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Individual	<input type="checkbox"/> Trust	<input type="checkbox"/> Other (specify)	<input type="checkbox"/> Limited Liability Partnership

Birth or Formation Date (Month/Day/Year): _____

Birth or Formation State/Province, Country: _____

- **Attach any entity formation document and a certificate of status, certificate of compliance, or similar document evidencing the Applicant Entity's status in the jurisdiction of formation**

EIN/Government ID Number:

PRINCIPAL CORRESPONDENT

For Legal Notices	For Day-To-Day Communications
Name:	Name:
Street Address:	Street Address:
City, State/Province:	City, State/Province:
Zip/Postal Code:	Zip/Postal Code:
Telephone #:	Telephone #:
Email:	Email:

MANAGEMENT INFORMATION

The proposed Hotel will be Managed by:

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: _____

Contact Information: _____

Approval of the Application does not mean that the Applicant's proposed management is approved. Applicant must obtain Franchisor's separate written approval of the proposed management of the proposed Hotel.

LIST ALL HOTELS OWNED/OPERATED BY APPLICANT AND ITS EQUITY OWNERS

Use a separate sheet if necessary.

Owner/Operator Name	Brand/Property Name, City/State	Description of Interest	% Equity
----------------------------	--	--------------------------------	-----------------

OWNERSHIP STRUCTURE OF APPLICANT ENTITY

Entity/Person's Name	EIN or Gov't ID#	Description of Interest	% Interest	Business Address & Telephone

MANAGEMENT STRUCTURE OF APPLICANT ENTITY

List Directors and Officers (e.g. Chairman, CEO, Deputy CEO, Secretary, Treasurer or equivalent).

Person's Full Name	Country of Residence	Country of Citizenship	Date of Birth

--	--	--	--

ORGANIZATIONAL CHART

Please attach a full organizational chart for the Applicant entity, 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, manager, member, trustee, etc.) and show the percentage ownership of each equity owner.

HOTEL OWNER (IF DIFFERENT THAN THE APPLICANT LISTED IN THE SECTION ABOVE)

Same as Applicant Above

If different than Applicant listed above,

Name of Hotel Owner: _____

Hotel Owner Entity: Sole Proprietor General Partnership LLC/P Corporation Limited Partnership

Other

Address _____

City _____ State/Province _____ Zip/Postal _____

Country _____ Telephone _____ Email _____ Date of Birth _____

Hotel Owner is organized under the laws of the State/Province/Country of _____

Please describe the applicant's relationship with the Hotel Owner

Hotel Owner's Officers, Shareholders and Owner

List all direct and indirect owners, stockholders, members or partners of applicant, as applicable. **Attach** additional sheets if necessary. The total percentage ownership combined must be 100%.

Name of Hotel Owner's Principal _____

Title _____ Percentage Ownership _____

Address _____

City _____ State/Province _____ Zip/Postal _____

Country _____ Telephone _____ Email _____

Date of Birth _____

Name of Hotel Owner's Principal _____

Title _____ Percentage Ownership _____

Address _____

City _____ State/Province _____ Zip/Postal _____

Country _____ Telephone _____ Email _____
Date of Birth _____

Name of Hotel Owner's Principal _____
Title _____ Percentage Ownership _____
Address _____
City _____ State/Province _____ Zip/Postal _____
Country _____ Telephone _____ Email _____
Date of Birth _____

Name of Hotel Owner's Principal _____
Title _____ Percentage Ownership _____
Address _____
City _____ State/Province _____ Zip/Postal _____
Country _____ Telephone _____ Email _____
Date of Birth _____

Do any of the above own or operate other hotels and/or resorts? If so, please provide names, brand and location.

Have any of the above previously signed a License Agreement for any MGallery Hotel Collection or Accor Brand hotel, which are not currently operating? If so, please provide names, brand and location.

Will any management or administrative functions for the Hotel be performed outside of the state in which Hotel is located? If so, please describe the functions and locations.

GUARANTOR

Name of Guarantor: _____

Guarantor Entity: Sole Proprietor General Partnership LLC/P Corporation Limited Partnership

Other

Address _____

City _____ State/Province _____ Zip/Postal _____

Country _____ Telephone _____ Email _____ Date of Birth _____

Guarantor is organized under the laws of the State/Province/Country of _____

Please describe the Guarantor's relationship with the Hotel Owner

HOTEL LOCATION, DESCRIPTION AND SITE INFORMATION

Hotel/Site Location

Proposed Hotel Address: _____

City _____ **State/Province** _____ **Zip/Postal** _____

Country _____ **Telephone** _____

Please provide a map with the hotel's precise location marked.

Development Type

<input type="checkbox"/> New Development	<input type="checkbox"/> Conversion	<input type="checkbox"/> Change of Ownership	<input type="checkbox"/> Relicensing
--	-------------------------------------	--	--------------------------------------

Current Brand and Name of Hotel (if a Conversion):

Hotel Description and Facilities

Date hotel/site will be/was legally acquired (Month/Day/Year): _____

Date construction/renovation will begin (Month/Day/Year): _____

Year Hotel was Built: _____

Proposed Opening Date of Hotel as part of the MGallery Hotel Collection group:

Name of Nearest Airport and Distance: _____

Name of Nearest Major Roadway/Interstate: _____

Total Number of Guestrooms: _____

Number of King	
Number of Double/Queen	
Number of 1 Bedroom Suites	
Number of 2 Bedroom	

Suites	
Number of Studio Suites	
Number of Banquet/Meeting Rooms and Square Footage of Largest One	
Number of Ballrooms and Description/Square Footage of Largest	
Number of Health clubs and Description/Square Footage of Largest	
Number of Spas/Description/Square Footage of Largest	
Number of Swimming Pools (Description including if Indoor or Outdoor)	
Description of Any Other Retail Outlets (type, operated, leased, current/planned brand names)	
Description of Any Other Amenities	

Total Number of Parking Spaces _____ Surface Parking Total _____ Structured Parking Total _____

Hotel Site Information

Please describe Applicant's current form of site control for the Hotel or Hotel Site:

<input type="checkbox"/> Owned by Applicant (attach copy of recorded deed)	
<input type="checkbox"/> Ground lease (attach copy of recorded ground lease)	Expiration Date:
<input type="checkbox"/> Binding option agreement (attach copy of recorded agreement)	Exercise Deadline:
<input type="checkbox"/> Binding purchase agreement (attach copy of executed agreement)	Closing Deadline:
<input type="checkbox"/> Other/Describe:	

If Hotel or Hotel Site is currently owned by someone else other than Applicant, please indicate:

Hotel/Hotel Site owner name:	
Street	
State/Province:	
Zip/Postal Code:	
Country:	
Telephone:	
Fax:	
Email:	
Related to Applicant?	<input type="checkbox"/> No <input type="checkbox"/> Yes/Describe:

If Hotel or Hotel Site will, upon close of purchase, be owned by someone other than Applicant, please indicate:

Fee owner/Lessor	
------------------	--

Street	
City, State/Province:	
Zip/Postal Code:	
Country:	
Telephone:	
Fax:	
Email:	
Related to Applicant?	<input type="checkbox"/> No <input type="checkbox"/> Yes/Describe and provide ownership structure of fee owner.

FINANCIAL INFORMATION

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					
Average Daily Rate					

Financing/Refinancing Information:

Do you have a loan or loan commitment for this project?		<input type="checkbox"/> No	<input type="checkbox"/> Yes (continue)
Name of Lender(s):			
Loan Amount:		Percentage Equity:	
Description:			
<input type="checkbox"/> New?	<input type="checkbox"/> 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)?			
<input type="checkbox"/> No	<input type="checkbox"/> 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?	
<input type="checkbox"/> No	<input type="checkbox"/> Yes/Describe:

Please list all existing loans or loan commitments secured or unsecured to finance the hotel project to which the application applies. Attach a separate list if necessary.

Mortgage Holder _____

Address _____

City _____ State/Province _____ Zip/Postal _____

Country _____ Telephone _____ Fax _____

Contact _____ Loan in the Name of _____

Value of Property _____ Interest Rate Per Annum _____

Original Amount of Loan _____ Present Balance _____ Annual
Principal and Interest (\$) _____ Maturity Date _____

Mortgage Holder _____

Address _____

City _____ State/Province _____ Zip/Postal _____

Country _____ Telephone _____ Fax _____

Contact _____ Loan in the Name of _____

Value of Property _____ Interest Rate Per Annum _____

Original Amount of Loan _____ Present Balance _____ Annual
Principal and Interest (\$) _____ Maturity Date _____

EXHIBIT B-1
FRANCHISE AGREEMENT
(see attached)

FRANCHISE AGREEMENT

by and between

ACCOR FRANCHISING US LLC

Franchisor

and

Franchisee

Dated: _____

for the

MGALLERY HOTEL

Located at: _____

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MGALLERY HOTEL
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this “**Agreement**”) is made and entered into this ____ day of _____, 20__ (“**Effective Date**”), by and between ACCOR FRANCHISING US LLC, a Delaware limited liability company (“**Franchisor**”) and _____, a _____ (“**Franchisee**”) for the MGallery Hotel identified in this Agreement.

RECITALS:

A. Franchisor has the right to grant franchises for the establishment and operation of MGallery Hotels in the United States.

B. “**MGallery Hotels**” are full service and limited service hotels offering lodging services for the business and leisure market which operate under the System and the Proprietary Marks.

C. Franchisee owns or has the right to occupy the Approved Site identified in Exhibit A to this Agreement. Franchisee wishes to obtain a franchise to operate an MGallery Hotel at the Approved Site (the “**Hotel**”). As used in this Agreement, the term “**Hotel**” includes the freehold or long-term leasehold title to the Hotel facility located at the Approved Site, together with all improvements, including, without limitation, the building(s), all associated Franchisee rights, benefits, rights of way and easements, and all furniture, fixtures, equipment (including computer and telephone systems), and inventories. The Hotel is designated either as a new construction or conversion property on Exhibit A. If the Hotel is designated on Exhibit A as a conversion property, then Franchisee shall initial – and be bound by – the Conversion Addendum attached to this Agreement as Exhibit B.

D. In reliance on the business skill, financial capacity and character of Franchisee and its Owners and the guarantee of Franchisee’s obligations under this Agreement by the Guarantor, Franchisor wishes to grant to Franchisee the right to develop and operate the Hotel at the Approved Site under the Proprietary Marks upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. DEFINITIONS. In this Agreement, and in addition to the terms otherwise defined herein, the following terms have the meanings set forth below:

Accor means Accor S.A. together with any company in which Accor S.A. directly or indirectly owns more than 50% of the share capital and voting rights.

AccorSecure means the security applications and services that protect Accor Branded Hotel IT systems and networks from cybersecurity risks (for example, malware, viruses and hacking).

Accor Branded Hotels means the hotel and lodging facility systems, chains or brands owned, leased, under development, or operated, licensed or franchised by Accor, Franchisor or any of its Affiliates, now or in the future, anywhere in the world, including: Orient Express, Raffles, Banyan Tree, Fairmont, Emblems, Sofitel, Sofitel Legend, MGallery Hotel Collection, 21c, 25h, Delano, Hyde, JO&JOE, Mama Shelter, Mondrian, Morgans Originals, Paris Society, Rixos, SLS, SO/, The Hoxton, Angsana, Art Series, Grand Mercure, Mantis, Movenpick, Peppers, Pullman, Swissotel, The Sebel,

Adagio Original/Adagio Access/Adagio Premium, Handwritten, Mantra, Mercure, Novotel, [Novotel Suites](#), Tribe, Breakfree, greet, hotelF1, ibis, ibis budget, ibis Styles, [Faena, our Habitas](#) and Onefinestay.

Accor Databases means Accor's worldwide databases (including the Accor customer and Accor Loyalty Program databases) which belong to Accor and which incorporate information from the Reservation System and the Distribution Tools.

Accor Intranet means the internal Accor information and communications network.

Accor Loyalty Program means the ALL – Accor Live Limitless guest loyalty program and any successor or replacement loyalty program that Franchisor may designate.

Accor S.A. means Accor S.A., the holding company of Franchisor, which is a company organized under French law.

Accor Websites means the websites www.all.accor.com, www.mgallery.com and any other websites that Franchisor may designate.

Affiliate means, with respect to any person or entity, any other person or entity directly or indirectly controlling, controlled by, or under common control with the named person or entity.

Agreement has the meaning given to it in the preamble to this Agreement.

ALERT means the Accor GuideLines & Emergency Response Tools, which is the crisis management manual for use in any calamity or exceptional situation in relation to the Hotel, as revised and amended by Accor and/or Franchisor during the Term.

Anti-Terrorism Laws has the meaning given to it in [Section 7.9.3](#).

APDP Principles has the meaning given to it in [Section 10.3](#).

APOL means Accor Payment On Line, a prepayment program used on Accor Websites that automatically debits the card holder the amount of stay at prepaid rates and credits the bank account of the Hotel on whose behalf the booking is made.

Applicable Law means and includes applicable common law and all applicable statutes, laws, rules, regulations, ordinances, policies and procedures established by any Governmental Authority, those governing the development, construction and/or operation of the Hotel, and all Data Protection Legislation and labor and disability laws and regulations, each as in effect on the Effective Date, and as may be enacted, modified or amended thereafter.

Approved Site means the address of the Hotel, as identified in [Exhibit A](#) to this Agreement.

[IF APPLICABLE] Area of Protection has the meaning given to it in [Exhibit A](#).

Average Monthly Fees means: (a) if the Hotel has been operating for at least twenty-four (24) months, the amount of all monthly Royalty Fees plus all monthly Marketing Fund Fees due under this Agreement for the twenty-four (24) month period before the month of termination divided by twenty-four (24); provided that, if there has been a Force Majeure (irrespective of when such Force Majeure took place) that has effected the Hotel's performance at any point during the twenty-four (24) month period before the month of termination and Franchisor determines in its sole discretion that such calculation does not fairly represent the Hotel's expected performance, "Average Monthly Fees" will mean the

average Royalty Fees and Marketing Fund Fees payable for the Hotel during the immediately preceding twenty-four (24) months during which the Hotel's performance was not effected by a Force Majeure, as determined by Franchisor; and (b) if the Hotel has not been operating for at least twenty-four (24) months, the amount of all monthly Royalty Fees plus all monthly Marketing Fund Fees due under this Agreement for the period between the Hotel Opening Date and the termination date (the "**Operational Period**") divided by the number of months between the Hotel Opening Date and the termination date; provided that, if there has been a Force Majeure (irrespective of when such Force Majeure took place) that has effected the Hotel's performance at any point during the Operational Period and Franchisor determines that such calculation does not fairly represent the Hotel's expected performance, "Average Monthly Fees" will mean the average Royalty Fees and Marketing Fund Fees on a per room basis during the Operational Period for all MGallery Hotels for which performance was not effected during the Operational Period by a Force Majeure, as determined by Franchisor, multiplied by the number of guest rooms at the Hotel. Any percentage fee discounts are excluded from the calculation of Average Monthly Fees.

Brand Standards means the standards and specifications adopted from time to time by Franchisor and included in the Manuals for MGallery Hotels, including all of the standards, specifications, drawings and designs related to the construction, fitting-out, equipping, and operation of an MGallery Hotel, the IT Standards, as well as any equipment and technical specifications issued from time to time by Franchisor.

Centralized Marketing Programs has the meaning given to it in Section 11.4.

Change of Control means, with respect to any entity, the voluntary or involuntary sale, assignment, transfer or other disposition, or transfer by operation of law, of more than 50% of any direct or indirect equity, voting or other interests in such entity.

Competitor means a person or entity that: (i) owns or Controls one or more hotel brands or (ii) is primarily engaged, directly or indirectly, in the management, licensing, franchising or operation (as opposed to the mere ownership) of hotels located in the United States, which brand(s) is/are a Competing Brand. As used herein, (i) the term "**primarily**" with respect to a particular activity of a person or entity, means that such activity generates 75% or more of the gross revenues of all activities conducted by such person or entity, as measured on a particular date by reference to the trailing 12 months preceding such date, and (ii) the term "Competing Brand" is a hotel concept that has at least five (5) hotels operating under that concept's trade name anywhere in the world that, in Franchisor's reasonable opinion, competes with MGallery Hotels.

Computer System means all hardware, Software and peripheral equipment that Franchisor, its Affiliates or designated or approved suppliers license or sell to Franchisee and are required to operate the Hotel in accordance with the System, including, without limitation, the Reservation System and PMS.

Confidential Information means all Intellectual Property Rights, proprietary Software, the contents of the Manuals, and any and all other Know-How, materials, information, procedures, techniques or data which Franchisor or its Affiliates provides in connection with the development, construction and operation of the Hotel as an MGallery Hotel, including, without limitation, site selection, operational, sales, promotional, and marketing methods and techniques. Confidential Information does not include information which Franchisee can demonstrate came to Franchisee's attention by proper means before disclosure by Franchisor or its Affiliates, or which, at or after the time of such disclosure, had become or later becomes a part of the public domain, through proper publication or communication by others and which does not violate this Agreement or any agreement Franchisor or its Affiliates may have with a third party.

Construction Commencement Date has the meaning given to it in Section 3.3.1.

Construction Completion Date has the meaning given to it in Section 3.3.1.

Construction Plans means the proposed renderings and specifications for the construction, renovation or conversion of the Hotel, including, without limitation, architectural, mechanical, electrical, structural, civil engineering, and landscaping drawings, in such detail and containing such information as Franchisor may require.

Control, Controls, or Controlling Interest means, with respect to any person or entity, the power to direct or cause the direction of the management and policies of the named person or entity, affirmatively (by direction) and negatively (by veto), directly or indirectly, whether through the ownership of voting securities or interests, by contract, or otherwise, as reasonably determined by Franchisor.

CVent Contracting means the solution that allows Franchisee's or Management Company's sales force to process corporate and travel agencies and annual leisure contracting.

Data Protection Legislation means all applicable laws and regulations regarding data protection that may be in effect on the Effective Date, and as may be enacted, modified or amended thereafter. Data Protection Legislation may include, if applicable, the EU General Data Protection Regulation 2016/679 of the European Parliament and of the Council.

Direct Owners are the Owners having a direct Ownership Interest in Franchisee, including those listed as Direct Owners in Exhibit FE to this Agreement.

Distribution Tools means the Software, systems and internet sites owned or licensed by Franchisor or its Affiliates, including those which are interfaced with the Accor Databases, used to manage hotel reservations, and which contain certain data, such Distribution Tools being made available to Franchisee for the management and use of Guest Information in accordance with this Agreement and solely in connection with the operation of the Hotel.

Effective Date means the date entered in the preamble to this Agreement.

Ethics & CSR Charter has the meaning given to it in Section 7.1.5.

Exchange Rate means the rate for converting Euros into United States Dollars as determined at the spot currency rate announced by the New York Office of Citibank as of 10:00 a.m. New York, U.S.A. time (or such other widely available currency rates as Franchisor determines) on the day a payment is made.

Expiration Date means: the date which is [_____] ([]) years from the Opening Date.

Extension Fee has the meaning given to it in Section 5.2.

FASTCOM means a module used (i) to track all commissionable reservations and generate the recap of all transactions booked by travel agencies in the Reservation System for the Hotel, and (ii) to facilitate payment of travel agency commissions through a centralized system in which a payment service provider appointed by Franchisor acts as a consolidated intermediary. Such payment service provider will bill and collect from each participating Hotel the relevant fees and administer payment to travel agents in a global lump-sum settlement.

FF&E has the meaning given to it in Section 3.4.

Force Majeure has the meaning given to it in Section 19.4.

Franchisee has the meaning given to it in preamble to this Agreement.

Franchisee Marks means the name [] and such other trade names, trademarks, service marks, logos, emblems, symbols and indicia of origin that Franchisee uses in connection with operating the Hotel, but excluding the Proprietary Marks, in any format, style, design or logo.

GAAP means generally accepted accounting principles in the United States, consistently applied, or any successor reporting standard.

Good Standing means that Franchisee and its Affiliates are in full compliance with all obligations under this Agreement and all other agreements with Franchisor, its Affiliates and all approved suppliers and that Franchisee and its Affiliates have satisfied such obligations on a timely basis. As used in Section 13.2.6, “**Good Standing**” means that the applicable franchisee to whom Franchisee shall make a Transfer and its affiliates are in full compliance with all obligations under all agreements with Franchisor, its Affiliates and all approved suppliers and that such franchisee and its affiliates have satisfied such obligations on a timely basis.

Governmental Authority means and includes all federal, state, county, municipal and local governmental and quasi-governmental agencies, commissions and authorities.

Gross Revenue means, with respect to any period of time, all revenues and income of any kind derived directly or indirectly from the operation of the Hotel, including, without limitation, total room sales, food and beverage sales, rentals, including audio visual equipment rentals, laundry sales, telephone and facsimile, internet, in room paid television, and all other revenues (including store and building revenues from the Hotel building, and rentals or other payments from unaffiliated lessees and concessionaires, but excluding the gross receipts of such lessees or concessionaires), whether on a cash basis or on credit, properly attributable to such period as determined (as to both timing and amount) in accordance with GAAP and the Uniform System of Accounts. Gross Revenues shall in no event include (a) excise, sales, use, occupancy or admission taxes, and other excise sales, use, occupancy, admission or, value-added or similar taxes that may be imposed in the future; (b) gains arising from the sale or disposition of capital assets; (c) insurance proceeds, except for the proceeds from business interruption or rent insurance not received by Franchisee or the Hotel directly, which shall be included in Gross Revenues; (d) condemnation awards; (e) discounts, rebates and refunds; (f) net recoveries in any legal action, to the extent the amount thereof would not have been included in Gross Revenues if such amount had been collected without such legal action; (g) interest earned on any funds in the operating account or any other account or investment of the Hotel; (h) gratuities and service charges collected for payment to employees of the Hotel or others rendering services at the Hotel; (i) security deposits refunded to guests of the Hotel; (j) commissions levied upon guests of the Hotel by third-party vendors and collected directly from guests of the Hotel; and (k) any financing proceeds. All Gross Revenues shall be gross and shall not be netted against the Hotel’s costs of sales.

Group Services has the meaning given to it in Section 5.8.5.

Guarantor means each individual and entity that signs the Guarantee, Indemnification and Acknowledgement, the current form of which is attached to this Agreement as Exhibit GF.

Guest Information means any Personal Information collected in relation to a guest, whether or not that guest is a member of the Accor Loyalty Program, directly from the guest or indirectly using the Distribution Tools, in relation to a hotel stay or for market research purposes.

Hotel has the meaning given to it in Recital C.

Hotel Integration Project Management Fee means the then-current fee payable to Franchisor for project management services, including overseeing the day-to-day responsibility of the development of the Hotel, managing milestones in the development of the Hotel, providing project updates and escalating project issues, clarifying business priorities and strategies, and coordinating/facilitating meetings based on development milestones.

Hotel Lease or **Lease** means the lease for the Hotel premises between Franchisee and Landlord dated _____, 20___, a true and complete copy of which has been provided to Franchisor.

Indemnitees has the meaning given to it in Section 18.2.

Indirect Owners own an indirect Ownership Interest in Franchisee and a direct Ownership Interest in one or more of Franchisee's Direct Owners, including the Owners of Franchisee's Direct Owners listed in Exhibit FE to this Agreement.

Initial Franchise Fee means the fee specified in Section 5.1 of this Agreement.

Innovations has the meaning given to it in Section 8.6.

Intellectual Property Rights means all intellectual property rights (whether registered or unregistered and existing anywhere in any jurisdiction) such as trademarks (including but not limited to the Proprietary Marks), trade names, designs, patents, copyrights, domain names, protection conferred to Software and database rights (including rights in the databases owned by Franchisor or its Affiliates), forming part of and used in connection with the operation of the MGallery Hotel chain.

IT Standards means all IT equipment and Software requirements specified by Franchisor from time to time in the Manuals or otherwise in writing in connection with the operation of the Hotel under the System.

Know How means all Confidential Information arising from Franchisor's and Accor's experience relating to hotel organization and hotel management, including, without limitation, the design and construction, development, furnishing, decoration, maintenance, operation, marketing and promotion, distribution and hotel reservation services, administration, revenue management, organization and management of human resources, procurement, quality control and crisis management.

Landlord means _____.

Local Database means the Hotel's databases which incorporate Personal Information collected and processed locally in connection with the operation of the Hotel.

Long-Term Renovations are upgrades, refurbishments and renovations which constitute capital improvements, including, without limitation, interior/exterior structural changes.

Losses and Expenses has the meaning given to it in Section 18.2.1.

Loyalty Fee means the fee described in Section 5.6 of this Agreement.

Management Company means a third-party management company (including any successor or replacement management company) engaged by Franchisee to manage the day-to-day operations of the Hotel that satisfies the Management Company Qualifications and that has been approved by Franchisor.

Management Company Consent and Acknowledgment means Franchisor's form of Management Company Consent and Acknowledgment attached as Exhibit C to this Agreement.

Management Company Qualifications means that the Management Company (i) is financially capable, sufficiently experienced, and managerially and operationally qualified, in Franchisor's sole judgment, to manage the Hotel in accordance with this Agreement, (ii) is not a Competitor, or Specially Designated National or Blocked Person or an Affiliate of a Competitor or a Specially Designated National or Blocked Person.

Manager means an individual who works at the Hotel full-time as the general manager and who has primary responsibility for the operation of the Hotel.

Manuals mean Franchisor's confidential operations manuals, which Franchisor may make available online or in another format and which may include more than one document and periodic supplements, and all other guides, resources, training materials and websites, including, but not limited to, the Brand Standards, specifications, policies (including, without limitation, Franchisor's corporate social responsibility policy, environmental and privacy policies), and procedures for the design, development, construction, and operation of franchised hotels operating under the System, whether in hard copy or electronic form. The Manuals include, without limitation, operations manuals, the ALERT manual, Brand Standards requirements, marketing and sales manuals, safety and security manuals, and Computer System user guides.

Marketing Fund has the meaning given to it in Section 11.5 of this Agreement.

Marketing Fund Fee means the fee described in Section 5.5 of this Agreement.

MGallery Hotels has the meaning given to it in Recital B.

Muse Process means the branding, positioning and marketing process carried out as part of the scope of this Agreement (which might be adjusted, updated or given a different name by Franchisor in its discretion from time to time which fulfils the same or a similar purpose), or as part of any Long-Term Renovations.

Non-Controlling Ownership Interests means less than fifty percent (50%) of the Ownership Interests in Franchisee held by the Owners of Franchisee listed on Exhibit FE.

Opening Date means the date on which the Hotel opens for business under the MGallery Hotel Collection® name in accordance with Section 3.6 of this Agreement. The projected Opening Date for the Hotel as an MGallery Hotel is set forth in Exhibit A.

Other Software License Fees, Set-up and Training means the then-current costs payable to Franchisor, Franchisor's affiliates, installers and vendors to install and train Franchisee in software other than the software covered by the Set-up Costs for Reservation System, PMS and Other Distribution Tools.

Owners includes all Direct and Indirect Owners of Franchisee as listed in Exhibit FE to this Agreement.

Ownership Interest means all forms of ownership of legal entities or property, both legal and beneficial, voting and non-voting, including stock interests, partnership interests, limited liability company interests, joint tenancy interests, leasehold interests, proprietorship interests, trust beneficiary interests, proxy interests, power-of-attorney interests, and all options, warrants, and any other forms of interest evidencing ownership.

Ownership Schedule means Exhibit FE to this Agreement.

Paid Acquisition Fee means the fee described in Section 5.7 of this Agreement.

PCI DSS has the meaning given to it in Section 7.9.17.18.

Personal Information means any data collected in the course of the operation and management of the Hotel and enabling the identification of an individual, directly or indirectly from that data. Personal Information includes personal data collected by Franchisee from Hotel guests and Franchisee's employees.

PIP or Property Improvement Plan means the contractual document listing all the adjustments that Franchisor prepared – and that Franchisee received – prior to the Effective Date of this Agreement and that Franchisee must implement within a defined timeframe in order to be able to use or continue to use and operate the Hotel as an MGallery Hotel, including the rectification of any non-compliance with Brand Standards.

PMS means the property management system.

Preliminary Plans means a site plan and preliminary architectural drawings for the Hotel, and all other documentation that is required to obtain any necessary governmental approvals.

Pre-Opening Period means the period from the Effective Date of this Agreement to the Opening Date, during which Franchisee shall complete all pre-opening obligations set forth in Section 3.

Proprietary Marks means all trade names, trademarks, service marks, logos, emblems, symbols and indicia of origin that are now designated and may hereafter be designated in writing by Franchisor for use in connection with MGallery Hotels, including the design mark “MGallery Hotel” and any derivative marks. The Proprietary Marks may be modified by Franchisor from time to time, in its sole discretion.

Qualified Hotel Loyalty Revenue means all Gross Revenue that is (i) generated through certain Franchisor-designated channels and at certain Franchisor-designated rates and (ii) is derived directly from Accor Loyalty Program members obtaining products and services that are provided and/or managed directly by Franchisee and/or its Affiliates; provided, however, that Qualified Hotel Loyalty Revenue excludes Qualified Meetings and Events Loyalty Revenue.

Qualified Meetings and Events Loyalty Revenue means the portion of Gross Revenue attributable to meetings and events that is (i) generated through certain Franchisor-designated channels and at certain Franchisor-designated rates and (ii) is derived directly from meeting planners that are Accor Loyalty Program members obtaining products and services that are provided and/or managed directly by Franchisee and/or its Affiliates.

Qualified Outside Loyalty Revenue means the portion of Gross Revenue that is derived directly from Accor Loyalty Program members obtaining services that are provided and/or managed directly by Franchisee and/or Franchisee's Affiliates, including private events (regardless of the number

of guests attending such private events, and unless such private events are organized by a professional organizer), provided that such Accor Loyalty Program members are not staying at Franchisee's Hotel, or are staying at Franchisee's Hotel on an ineligible stay, and that payment for such services is made directly at the managed outlet providing the services; provided however, that Qualified Outside Loyalty Revenue excludes Qualified Meetings and Events Loyalty Revenue.

Relevant Parties means a party and its respective Affiliates and each of their respective principals, owners, shareholders, ultimate beneficial owners, officers, directors, employees and any third party acting on their behalf or for their benefit.

Renewal Franchise Agreement has the meaning given to it in Section 4.3.

Renewal Term has the meaning given to it in Section 4.2.

Reports has the meaning given to it in Section 10.4.

Representative has the meaning given to it in Section 13.4.

Reservation System means the proprietary reservation system (currently known as TARS) or any replacement system (including, without limitation, all equipment and software used in the operation of the Reservation System), designated by Franchisor for use by Franchisee in the operation of the Hotel, as such Reservation System may be modified by Franchisor from time to time.

Reservation System Direct Revenue means revenue generated directly through the Reservation System.

Reservation System Indirect Revenue means revenue generated through third party distribution channels, including, without limitation, travel agents, online travel agents and airlines.

REVPAR means revenue per available room.

~~**RFP Publisher by Lanyon means the solution that allows Franchisee's or Management Company's sales force to process corporate and travel agencies and annual leisure contracting.**~~

Room Revenue means the portion of Gross Revenue derived directly from the rental of rooms and suites (excluding excise, sales, occupancy, use, value-added or other tax levied directly on such amounts, credit card commissions, and any travel agent commission) and not from ancillary operations such as rentals, the spa and laundry.

Royalty Fee means the on-going fee described in Section 5.4 of this Agreement.

Sales and Marketing Services means the sales and marketing services specifically for MGallery Hotels as described in Section 11.3 of this Agreement.

Set-up Costs for Reservation System, PMS and Other Distribution Tools means the then-current costs payable to Franchisor for the setup of the Reservation System, the PMS and other Distribution Tools (but not on-going fees).

Short-Term Renovations means upgrades, refurbishments and renovations which include such items as damaged or deteriorated carpet, drapes, bedspreads, paint and case goods.

Specially Designated National or Blocked Person means: (i) a person or entity designated by the U.S. Department of Treasury's Office of Foreign Assets Control from time to time as a "specially

designated national or blocked person” or similar status; (ii) a person or entity described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001; or (iii) a person or entity otherwise identified by government or legal authority as a person or entity with whom Franchisor, or any of its Affiliates, are prohibited from transacting business. As of the Effective Date, a list of such designations and the text of the Executive Order are published under the internet website address www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx (or any revision or replacement thereof, and if no longer generally published such comparable designations as reasonably agreed by the parties).

Software means software provided or specified by Franchisor for use in the System, including but not limited to, any proprietary and third-party software.

Sustainability Program has the meaning given to it in Section 7.1.5.

System means the collection of procedures, policies, Brand Standards, specifications, controls and other distinguishing elements which Franchisor or its Affiliates have developed or acquired in connection with the establishment and operation of MGallery Hotels. The distinguishing characteristics of the System include, without limitation, Brand Standards for the establishment and operation of an MGallery Hotel; prototypical architectural plans, designs, layouts and distinctive color schemes for MGallery Hotels; the Software; the Reservation System; Sales and Marketing Services; management and personnel training programs; operational Brand Standards, policies, procedures and techniques as prescribed in the Manuals; and a quality assurance program, all of which may be changed, improved or further developed from time to time. Franchisor or its Affiliates have and retain all ownership rights in and to the System and Franchisee has only the right to use the System under the terms and conditions of this Agreement.

Taxes means all taxes of any kind or all rents or charges, fees for licenses or permits, inspection fees and all other fees required for authorizations and expenses, applying to the Hotel or its operation, including unemployment taxes, sales taxes, use taxes, withholding taxes, value added taxes, excise taxes, personal property taxes, intangible property taxes, gross receipt taxes, taxes on royalties, any similar taxes or levies, which may at any time be implemented, levied or decided.

Technology-Related Project Management and IT and Security Standards Compliance Review Fee means the then-current fee payable to Franchisor for technology-related project management services and IT and security standards compliance review, including providing project updates and escalating project issues, clarifying business priorities and strategies, and coordinating/facilitating meetings.

Term has the meaning given to it in Section 4.1.

Transfer means Franchisee’s or any Owner’s assignment or delegation of any right or obligation under this Agreement, or the sale, assignment, transfer, conveyance, exchange, gift, lease, sublease, pledge, mortgage or other encumbrance, by Franchisee or any Owner of Franchisee of any direct or indirect interest in Franchisee, this Agreement, the Hotel, or substantially all of the assets of the Hotel.

Uniform System of Accounts means the latest edition of the Uniform System of Accounts for the Lodging Industry that is published by the Hotel Association of New York City, Inc. and approved by the American Hotel & Lodging Association (currently, the 11th Revised Edition, 2014), or a later edition that Franchisor approves.

Unique DNA of the Hotel means all recorded outputs of the Muse Process.

2. GRANT.

2.1. Grant of Franchise Rights. Franchisor grants Franchisee the right, and Franchisee undertakes the obligation, to use the System during the Term to build or convert, and operate the Hotel as an MGallery Hotel under the Proprietary Marks at the Approved Site in accordance with this Agreement's terms. Franchisee shall not operate the Hotel from or at any other address or location.

2.1.1. Franchisee shall use the Approved Site solely for the operation of the Hotel, and shall not use or permit the use of the Approved Site for any other purpose or activity at any time without Franchisor's prior written consent.

2.1.2. During the Term, the Hotel will be identified as “_____.”

2.1.3. The Hotel shall consist of the number of guest rooms specified in Exhibit A. Franchisee shall not increase or decrease the number of guest rooms in the Hotel without the prior written consent of Franchisor.

2.1.4. Neither Franchisor's consent to the Approved Site nor any assistance it may provide in identifying the Approved Site, constitutes any acknowledgement, warranty or representation of any kind, express or implied, including, without limitation, any warranty or representation as to the potential access, visibility or profitability of an MGallery Hotel at the Approved Site. Franchisor's consent merely signifies that Franchisor is willing to grant a franchise for an MGallery Hotel at that location. Franchisee's decision to develop and operate the Hotel as an MGallery Hotel at the Approved Site is based solely on its own independent investigation of the suitability of the Approved Site for an MGallery Hotel.

2.2. Franchisor's Reserved Rights. Franchisee acknowledges and agrees that Franchisor or its Affiliates may, without notice to Franchisee, establish or operate, or grant any person or entity the right to establish or operate, MGallery Hotels or any other Accor Branded Hotels at any location, including locations nearby to the Hotel, which may compete directly with the operation of the Hotel. Franchisee further acknowledges and agrees that, Franchisor and its Affiliates have and retain the right, without notice to Franchisee, to engage in any business activities, under any name, at any location, without granting Franchisee any right therein, including, without limitation, the right to establish or operate, and to grant others the right to establish or operate at any location, hotels, motels, inns, suites, and other lodging facilities in any market segment under any marks and names, including the Proprietary Marks.

2.3. Other Operations of Franchisor and Its Affiliates. Franchisee acknowledges that Franchisor and its Affiliates have and may have business interests other than the operation of the network of MGallery Hotels and that they, in their sole discretion, may identify, define, and act upon such interests in the manner they deem appropriate. Without limitation of the foregoing, nothing will prevent Franchisor from allowing other Accor Branded Hotels operated, licensed, or franchised by Franchisor or its Affiliates to use various components of the System, including the Reservation System and the Accor Loyalty Program. Franchisee further acknowledges that business decisions made by Franchisor and its Affiliates may affect Franchisee and agrees that Franchisor and its Affiliates have no express obligation or implied duty to protect Franchisee from the consequences of such business decisions and expressly waives any right to assert any claims, demands, or damages as a result of these activities, whether under breach of contract, unfair competition, implied covenant of good faith and fair dealing, divided loyalty, or other theories, because Franchisee has expressly allowed Franchisor and its Affiliates to engage in all such activities without restriction.

2.4. **[IF APPLICABLE] Area of Protection.** The Area of Protection is set forth in Exhibit A.

3. PRE-OPENING OBLIGATIONS.

3.1. **Hotel Development.** Franchisee shall construct, convert, equip and furnish the Hotel in accordance with the provisions of this Agreement, all Applicable Laws and Franchisor's Brand Standards. If Franchisee will convert the Hotel to an MGallery Hotel, then Franchisee must initial – and shall be bound by – the Conversion Addendum attached to this Agreement as Exhibit B. Franchisor may, but is not obligated to, provide Franchisee a prototypical set of standard plans and specifications for MGallery Hotels. If provided, such prototypical plans will not contain the requirements of any federal, state or local law, code or regulation, including the Americans with Disabilities Act or similar rules governing accommodations for persons with disabilities, nor will such plans contain the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorizations to build a specific MGallery Hotel. Franchisee shall not reproduce, use, or permit the use of, any of Franchisor's design concepts, drawings, or specifications, without Franchisor's prior written consent.

3.2. **Preliminary Plans and Construction Plans for New Construction Properties.** If the Hotel is designated as a new construction property on Exhibit A, then this Section 3.2 applies. If the Hotel is designated as a conversion property on Exhibit A, then this Section 3.2 does not apply and Section 3 in the Conversion Addendum attached to this Agreement as Exhibit B applies.

3.2.1 **Preliminary Plans.** Within ninety (90) days after the Effective Date, or such other timeframe designated by Franchisor in Franchisor's sole judgment, Franchisee shall retain the services of a qualified architect to develop Preliminary Plans for the development and renovation of the Hotel. In accordance with Section 3.2.3 below, Franchisee must first obtain Franchisor's prior written consent before retaining or engaging any such architect. Within six (6) months after the Effective Date, or such other timeframe designated by Franchisor in Franchisor's sole judgment, Franchisee shall submit its Preliminary Plans to Franchisor for review. Franchisor's review and approval of the Preliminary Plans will be limited to assessing compliance with the Brand Standards. If Franchisor does not approve the Preliminary Plans within two (2) weeks after Franchisor receives such Preliminary Plans from Franchisee, such Preliminary Plans shall be deemed disapproved; provided, however, that Franchisor shall provide comments to Franchisee that Franchisee and its architect shall incorporate into the Preliminary Plans as applicable. Within two (2) weeks after Franchisor sends Franchisee its comments, Franchisee shall resubmit the revised Preliminary Plans to Franchisor for review and approval. Following Franchisor's approval of the Preliminary Plans (including any changes made in response to Franchisor's comments), Franchisee shall obtain, at Franchisee's sole cost and expense, all governmental licenses and permits that are required for completion of the Hotel in accordance with the approved Preliminary Plans, including any required building, occupancy, sewer and utility permits.

3.2.2 **Construction Plans.** Within nine (9) months after the Effective Date, or such other timeframe designated by Franchisor in Franchisor's sole judgment, Franchisee shall submit its preliminary Construction Plans to Franchisor for review. Franchisor's review and approval of the preliminary Construction Plans will be limited to assessing compliance with the Brand Standards. If Franchisor does not approve the preliminary Construction Plans within two (2) weeks after Franchisor receives such preliminary Construction Plans from Franchisee, such preliminary Construction Plans shall be deemed disapproved; provided, however, that Franchisor shall provide comments to Franchisee that Franchisee and its architect and/or contractor (as

applicable) shall incorporate into the preliminary Construction Plans as applicable. Within two (2) weeks after Franchisor sends Franchisee its comments, Franchisee shall resubmit the revised Construction Plans to Franchisor for review and approval. Following Franchisor's approval of the Construction Plans (including any changes made in response to Franchisor's comments), Franchisee shall obtain, at Franchisee's sole cost and expense, all governmental licenses and permits that are required for completion of the Hotel in accordance with the approved final Construction Plans, including any required building, occupancy, sewer and utility permits.

3.2.3 Franchisee must first obtain Franchisor's prior written consent before retaining or engaging any consultant, architect, decorator, interior designer, engineer, general contractor and major subcontractors for the Hotel, which consent will not be unreasonably withheld.

3.2.4 Franchisor is not responsible for, and shall have no liability for, the architecture, design, engineering or construction of the Hotel, for the Hotel's compliance with any federal, state or local law (including the Americans With Disabilities Act and any other federal, state or local law or ordinance regulating standards for access to, use of the, or modification of buildings for and by persons who are protected by law by virtue of such disability or whose disabilities are otherwise recognized by law), for any errors, omissions or discrepancies of any nature in any drawings or specifications with respect to the Hotel, or for any other matter relating to the development, use or operation of the Hotel.

3.3. Hotel Construction or Renovation. No future construction, conversion or renovation may commence until Franchisor has approved the Construction Plans and Preliminary Plans and Franchisee has obtained building permits and has otherwise complied with all Applicable Laws (including all applicable codes and regulations). Franchisee shall construct the Hotel in full compliance with the approved Construction Plans and Preliminary Plans, and no material and/or design changes may be made to the Construction Plans or Preliminary Plans without Franchisor's prior written consent. During construction, Franchisor may require Franchisee to provide progress reports, including digital photographs. Franchisor also has the right to visit the Approved Site at any time to inspect the work. If Franchisor believes that the construction does not fully comply with the approved Construction Plans or Preliminary Plans or has not been performed in a manner that Franchisor determines in its sole judgment does not meet the Brand Standards, Franchisor may notify Franchisee of the deficiencies, and Franchisee shall correct them promptly. Franchisor will not authorize the Hotel to open as an MGallery Hotel until such time as all deficiencies are corrected.

3.3.1. If the Hotel is designated as a new construction property on Exhibit A, Franchisee shall begin the construction of the Hotel within sixteen (16) months from the date on which Franchisor approved your franchise application ("**Construction Commencement Date**") and shall complete construction in accordance with all Brand Standards and Applicable Laws, no later than thirty-six (36) months after the start of the construction ("**Construction Completion Date**"). If construction of the Hotel is not completed in the manner and within the time period set forth herein, Franchisor may elect to terminate this Agreement upon thirty (30) days' prior written notice to Franchisee. The Hotel completion certificate issued by the relevant authorities shall have no bearing on whether Franchisor confirms that the Hotel is compliant with the Brand Standards.

3.4. Standard Interior Design Package and Furniture, Fixtures and Equipment. Franchisor will provide to Franchisee its standard interior design package(s) for MGallery Hotels. Before acquiring or installing any furniture, fixtures, telephone systems; communications systems; facsimile machines; copiers; signs; the technology system and other property management, revenue management, in-room entertainment, and other computer and technology systems; and other similar items or equipment that

Franchisor periodically specifies for the Hotel (“**FF&E**”) or interior design elements for the Hotel which are not part of Franchisor’s standard interior design packages for MGallery Hotels or have not otherwise previously been approved by Franchisor as meeting the Brand Standards, Franchisee shall submit its proposed FF&E and interior design elements and packages to Franchisor for review and approval. Franchisee shall not acquire or install any non-standard FF&E or interior design elements or packages without Franchisor’s prior written approval. If Franchisee uses a non-standard interior design package or individual item that Franchisor has not approved, Franchisor may require Franchisee to remove and replace any items that do not meet the Brand Standards at Franchisee’s sole cost and expense (including any applicable re-inspection fee).

3.5. Franchisor’s Assistance. In addition to Franchisor’s obligations under Sections 3.2, 3.3, 3.4, and 3.6, Franchisor will provide such additional advice and assistance to Franchisee during the Pre-Opening Period as Franchisor deems necessary or advisable. Franchisee shall implement all requirements identified by Franchisor to comply with Brand Standards and shall engage qualified consultants, architects, decorators, interior designers, engineers, general contractors and major subcontractors to rectify and address any issues identified by Franchisor. In accordance with Section 3.2.3 of this Agreement, Franchisee must first obtain Franchisor’s prior written consent before retaining or engaging any consultant, architect, decorator, interior designer, engineer, general contractor and major subcontractors for the Hotel, which consent will not be unreasonably withheld.

3.6. Hotel Opening. Upon written notice from Franchisee that construction has been completed and that Franchisee has received a Certificate of Occupancy, Franchisor will conduct an on-site visit to the Hotel to determine whether the Hotel complies with the Brand Standards to Franchisor’s satisfaction. After this on-site visit, Franchisor may authorize Franchisee to open the Hotel as an MGallery Hotel and install the outside signage or may withhold authorization to open the Hotel as an MGallery Hotel pending the completion of additional work. If, during the on-site visit, Franchisor identifies adjustments that need to be made to the Hotel, Franchisor shall provide Franchisee with a detailed list of all of the items Franchisee needs to complete to comply with the Brand Standards and open the Hotel. If such adjustments are material adjustments which need to be made by Franchisee, Franchisor may, in its sole discretion, extend the projected Opening Date. If such adjustments are minor adjustments which need to be made by Franchisee, and Franchisor does not consider it necessary to postpone the projected Opening Date, Franchisee agrees to implement those minor adjustments in a timely manner. Franchisee shall install all outside signage and visual identity associated with MGallery Hotels no later than thirty (30) days before the projected Opening Date. All costs associated with this signage and visual identity (including the installation costs) will be borne by Franchisee. Franchisee acknowledges that it will make commercial commitments several months before the projected Opening Date. Therefore, Franchisee shall be fully responsible for any delays in opening the Hotel to the public due to Franchisee’s failure to complete its pre-opening obligations prior to the projected Opening Date.

3.7. Scope of Franchisor’s Rights. The exercise of Franchisor’s right to approve the site layout, to approve any plans, to inspect the construction or conversion of the Hotel and to authorize the opening of the Hotel as an MGallery Hotel shall be solely for the purpose of assuring compliance with the Brand Standards and shall not be construed as any express or implied representation or warranty that the Hotel complies with any Applicable Laws, codes or regulations (including the Americans With Disabilities Act or any other federal, state, or local law or ordinance regulating standards for the access to, use of, or modification of buildings for and by persons whose disabilities are protected by law) or that the construction is sound or free from defects. Franchisor’s criteria for approval or disapproval do not encompass technical, architectural or engineering considerations. Franchisor shall have no liability or obligation with respect to the construction or conversion of the Hotel.

4. TERM.

4.1. Term. The term of this Agreement shall commence on the Effective Date and shall expire on the Expiration Date, unless sooner terminated in accordance with the provisions hereof (“**Term**”). Upon Franchisor’s determination that the Opening Date has occurred in accordance with Section 3.6, Franchisor shall deliver a notice to Franchisee establishing the date on which the Opening Date occurred and confirming the Expiration Date, which Franchisee shall acknowledge and return to Franchisor; provided, however, if Franchisee fails to acknowledge and return the notice of the Opening Date to Franchisor, it shall not affect the Opening Date or the Expiration date and the Opening Date and the Expiration Date shall be the dates set forth in the notice delivered by Franchisor to Franchisee.

4.2. Renewal. If Franchisee desires to renew the franchise for up to two (2) additional periods of five (5) years each (each, a “**Renewal Term**”), Franchisee shall submit a renewal application to Franchisor not less than twelve (12) months nor more than eighteen (18) months before the end of the then-current term. Franchisor shall notify Franchisee of its preliminary decision to approve or disapprove the renewal application, in writing, not less than nine (9) months before the end of the current term. Notwithstanding any preliminary approval of Franchisee’s renewal application by Franchisor, Franchisee’s right and Franchisor’s decision to renew this franchise is expressly subject to Franchisee’s continuing compliance with the following terms and conditions:

4.2.1. Franchisee and its Owners meeting Franchisor’s then applicable standards for franchisees and owners of franchisees of MGallery Hotels;

4.2.2. Franchisee shall have substantially complied with all the terms and conditions of this Agreement, the System and all other agreements between Franchisee and Franchisor and its Affiliates and shall remain in compliance with this Agreement, the System and all such other agreements throughout the remainder of the then-current term; upon the expiration of the current term, Franchisee shall be in Good Standing and shall not then be in default of any provision of this Agreement or any other agreement between Franchisee and Franchisor or its Affiliates;

4.2.3. Upon the expiration of the then-current term, Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its Affiliates and to all suppliers to the Hotel and shall have met these obligations on a timely basis throughout the Term;

4.2.4. Not less than six (6) months before the end of the prior term, Franchisee shall, among other things, cause the Hotel Manager and any other employees designated by Franchisor to comply with Franchisor’s then-current training requirements and shall upgrade the Hotel, at Franchisee’s expense, to conform to Franchisor’s then-current Brand Standards, including, without limitation, such structural changes, remodeling, redecoration, and modifications to existing improvements as may be set forth by Franchisor in the PIP or otherwise. All such training requirements and upgrades shall have been completed, to Franchisor’s sole satisfaction, upon the expiration of the prior term; and

4.2.5. Franchisee and its Owners shall execute a general release of any and all claims Franchisee or its Affiliates have against Franchisor and its Affiliates and their respective officers, directors, employees, owners, Affiliates, agents and representatives, including, without limitation, claims arising under this Agreement and under Applicable Laws.

4.3. Renewal Franchise Agreement. Provided that Franchisee has complied with the foregoing requirements and Franchisor elects to renew the franchise, upon the expiration of the prior term, Franchisor shall issue to Franchisee Franchisor’s then-current renewal franchise agreement (each, a “**Renewal Franchise Agreement**”) for the Renewal Term. Such renewal franchise agreement shall

supersede this Agreement in all respects and may differ from the terms of this Agreement, including, without limitation, a higher Royalty Fee and other fees. Franchisee shall not be required to pay any additional initial fee but shall pay a renewal fee in an amount equal to fifty percent (50%) of Franchisor's then-current Initial Franchise Fee as set forth in Franchisor's then-current franchise disclosure document. For clarity, Franchisee shall have no express or implied right to enter into a Renewal Franchise Agreement for an additional term after the expiration of the second (and final) Renewal Term.

4.4. Holdover. If Franchisee continues to operate the Hotel following expiration of the Term or any Renewal Term, without any further written agreement between the parties, this Agreement (or the Renewal Franchise Agreement, as applicable) shall continue on a month-to-month basis, during which time the parties shall be bound by, and comply with, each and every provision of this Agreement or, in the case of the expiration of a Renewal Term, the Renewal Franchise Agreement, until the later of: (i) thirty (30) days after either party provides written notice to the other party of its intent to not renew this Agreement, or, if applicable, the Renewal Franchise Agreement, or (ii) in the case of notice provided by Franchisor, effective immediately after the expiration of the notice period required for non-renewal under applicable laws, including state franchise relationship laws, if any.

5. FEES AND COSTS.

Franchisee shall pay to Franchisor (or its Affiliates) the following fees and costs, at the times, and in the manner, specified in Section 5.9 below. Franchisee acknowledges and agrees that Franchisor, or its Affiliates, may increase any cost or fee (except the Royalty Fee and Marketing Fund Fee) provided for in this Agreement **from time to time by up to ten percent (10%) per annum (or more, in the case of online third party distribution channels, which will depend on the commission rates Franchisor negotiates, which may differ for each online distribution provider) or by some other amount to the extent there is an increase in Franchisor's operating expenses, third-party license or other fees, or an increase to the consumer price index**, provided that the increase applies to a majority of MGallery Hotels in the United States. Franchisor must provide written notice to Franchisee of any such increase, and Franchisee acknowledges that Franchisor's inclusion of fees and related updates in budget guidelines that Franchisor provides annually shall satisfy the notice requirement under this section. Unless otherwise specified below, none of the costs or fees are refundable:

5.1. Initial Franchise Fee. Franchisor and Franchisee acknowledge that, before Franchisor and Franchisee signed this Agreement, Franchisee paid Franchisor an initial franchise fee listed in Exhibit A, which is an amount equal to Seventy-Five Thousand Dollars (\$75,000) plus Three Hundred Dollars (\$300) multiplied by the number of guest rooms at the Hotel over two hundred fifty (250) guest rooms (the "**Initial Franchise Fee**"). The Initial Franchise Fee was fully earned by Franchisor and non-refundable upon Franchisor's approval of Franchisee's franchise application before Franchisor and Franchisee signed this Agreement.

5.2. Extension Fee. If Franchisor agrees to extend the date on which Franchisor must begin construction or conversion of the Hotel by more than sixty (60) days, then Franchisor may require Franchisee to pay to Franchisor a non-refundable extension fee in an amount up to Ten Thousand Dollars (\$10,000) for that initial extension and any subsequent extension (the "**Extension Fee**").

5.3. Technical Service Fees. Franchisee must pay to Franchisor or its Affiliates the technical service fees for various advisory services provided by Franchisor or its Affiliates to Franchisee before the Hotel opens for business. These services may include: (i) supplying the Brand Standards (design, construction, equipment); (ii) reviewing and commenting on the plans and specifications; and (iii) advising on the procurement strategy and selection of suppliers where applicable.

5.4. Royalty Fee. A monthly Royalty Fee in an amount equal to five percent (5%) of Room Revenue for the preceding calendar month.

5.5. Marketing Fund Fee. A monthly Marketing Fund Fee in an amount equal to one and one-half percent (1.5%) of Room Revenue for the preceding calendar month. Commissions to be paid to travel agencies are not included in the Marketing Fund Fee and shall be payable by Franchisee in accordance with Section 5.8.5 below.

5.6. Loyalty Fee. Under the Accor Loyalty Program, Accor Loyalty Program members earn points on their eligible spending, and Franchisee must pay Franchisor a monthly Loyalty Fee for Franchisee's participation in the program. The Loyalty Fee equals four and three-quarters percent (4.75%) of all Qualified Hotel Loyalty Revenue (excluding first stay for members recruited by the Hotel), two percent (2%) of all Qualified Outside Loyalty Revenue and twenty-three thousandths of one Dollar (\$0.023) per point issued attributable to all Qualified Meetings and Events Loyalty Revenue, subject to adjustment and in accordance with the terms and conditions of the Accor Loyalty Program.

5.7. Paid Acquisition Fee. A monthly Paid Acquisition Fee in an amount equal to twelve percent (12%) of Reservation System Direct Revenue for the preceding calendar month generated by paid search advertising, affiliate marketing and re-targeting and fifteen percent (15%) of Reservation System Direct Revenue for the preceding calendar month generated by metasearch advertising, affiliate marketing and re-targeting.

5.8. Other Fees and Costs. In addition to the fees and costs listed above, Franchisee must pay to Franchisor, or reimburse Franchisor or its Affiliates for, the following fees and costs at the times, and in the manner, specified in Section 5.9 below:

5.8.1. Set-up Costs for Reservation System, PMS and Other Distribution Tools. ~~This does not include on-going fees incurred by Franchisee relating to the PMS, along with all other costs and fees set forth in Sections 11.1, 11.2, 11.3 and 11.4 relating to the Reservation System, Online Distribution Channels, Sales and Marketing Services, and Centralized Sales and Marketing Programs.~~

5.8.2. Other Software License Fees, Set-up and Training for the installation and training of Franchisee in software other than the software covered by the Set-up Costs for Reservation System, PMS and Other Distribution Tools.

5.8.3. Technology-Related Project Management and IT and Security Standards Compliance Review Fee.

5.8.4. Hotel Integration Project Management Fee for project management services, including overseeing the day-to-day responsibility of the development of the Hotel, managing milestones in the development of the Hotel, providing project updates and escalating project issues, clarifying business priorities and strategies, and coordinating/facilitating meetings based on development milestones.

5.8.5. Fees for the group services that are generally provided by Franchisor or its Affiliates to all or substantially all of the MGallery Hotels, including, without limitation, (i) technology-related group services, (ii) certain general group services, and (iii) such additional central programs or services as may, from time to time, be furnished to all or substantially all, of the MGallery Hotels in the United States ("**Group Services**"). Costs and expenses incurred in providing Group Services shall be allocated on a fair and consistent basis among all MGallery Hotels receiving such services. The costs and expenses associated with any Group Services that

are also provided to other Accor Branded Hotels shall be allocated to such other brands on a fair and consistent basis taking into account the level of such Group Services being provided to each of such other brands.

5.9. Time and Manner of Payment.

5.9.1. All monthly payments required by this Section 5 shall be paid to Franchisor within fifteen (15) days after the end of each calendar month for amounts accrued during the immediately preceding calendar month, commencing with the calendar month in which the Opening Date occurs, and shall be submitted together with all monthly reports required under this Agreement. Franchisor may direct that all such monthly payments be made to a bank account designated by Franchisor by wire transfer, by automated clearinghouse (ACH) transfer, or by other means which Franchisor may specify from time to time, in accordance with procedures set forth in the Manuals. All other payments required by this Agreement shall be made no later than fifteen (15) days following the date of Franchisor's invoice therefor.

5.9.2. Franchisor (or its affiliate) may bill Franchisee for amounts due under this Agreement in Euros and Franchisee will be required to pay Franchisor (or its affiliate) in United States Dollars, calculated by using the Exchange Rate in effect on the day on which the payment is made.

5.10. Late Payments. If any payment due to Franchisor or its Affiliates by Franchisee is not received on or before its due date, the payment shall be deemed overdue and Franchisee shall pay to Franchisor or its Affiliates, in addition to the amount overdue, interest on the overdue amount from the day it was due until paid at the rate equal to the lesser of one and one-half percent (1.5%) per month or the maximum rate permitted by law. In addition to other remedies available to Franchisor, Franchisee may be subject to suspension or termination from the Reservation System and/or other distribution channels if Franchisee fails to timely pay Franchisor, its Affiliates, or a third-party distribution channel, as applicable.

5.11. Payments Net of Taxes. Any and all amounts expressed as being payable pursuant to this Agreement are exclusive of any applicable taxes. Accordingly, if applicable, all payments by Franchisee shall, in addition, include an amount equal to any and all goods and services taxes, sales taxes, value added taxes, or other taxes, assessments or amounts of a like nature imposed by Applicable Law on any payments to be made pursuant to this Agreement. If Applicable Law requires Franchisee to withhold or deduct taxes from any payments due under this Agreement, so that Franchisor would not actually receive for its own benefit on the due date the full amounts provided for under this Agreement, Franchisee agrees to promptly pay to Franchisor an additional amount to ensure that the amount Franchisor retains, after deduction or payment of such taxes, equals the net amount of the payments Franchisee is required to pay to Franchisor or its Affiliates had such tax not been imposed. Nothing in this Section 5.11 shall require Franchisee to pay or reimburse Franchisor for Franchisor's income taxes payable by Franchisor on its net income.

6. DUTIES OF FRANCHISOR.

6.1. Franchisor Support Services. Franchisor shall:

6.1.1. Provide Franchisee with access to the Manuals;

6.1.2. Make available to Franchisee the initial and continuing training programs

described in Section 7.3 of this Agreement on the terms and conditions set forth herein and provide such additional consultation and advisory assistance to Franchisee in the management, operation and marketing of the Hotel in the manner, to the degree, at the times, and upon such terms and conditions (including, but not limited to, Franchisee's payment of fees for such assistance) that Franchisor deems advisable;

6.1.3. Maintain and administer the Reservation System, make available online distribution marketing assistance and provide the Sales and Marketing Services and Centralized Marketing Programs, in accordance with Section 11 of this Agreement;

6.1.4. To evaluate the Hotel's compliance with Brand Standards, in Franchisor's reasonable discretion, as it deems advisable, enter (or have a designated agent or representative enter) upon the premises of the Hotel at any time to conduct an inspection or evaluation of the Franchisee's Hotel facilities and operations, conduct guest satisfaction surveys and conduct third-party audits. Franchisee must reimburse Franchisor for all costs associated with conducting such an inspection, survey or audit, and must provide lodging for Franchisor's (or its designated agent's or representative's, as applicable) personnel evaluating the Hotel at Franchisee's sole cost and expense.

6.2. Provision of Support Services. Any obligation imposed on Franchisor by this Agreement may be performed, at Franchisor's discretion, by any Affiliate, designee, employee or agent of Franchisor, as Franchisor may direct. If Franchisee enters into an agreement with a third party for any support services, such third party – and not Franchisor – is liable to Franchisee for adequate performance under the applicable agreement.

6.3. Pricing. Franchisor reserves the right, to the fullest extent allowable by Applicable Law, to establish pricing requirements with respect to the prices that Franchisee may charge and to prohibit certain types of billing practices (including price gouging) or charges (including incremental fees or surcharges that would typically be included in the room charge). Franchisor also reserves the right, to the fullest extent allowable by Applicable Law, to require that Franchisee price consistently in all distribution channels.

7. DUTIES OF FRANCHISEE.

7.1. Operation in Accordance with Brand Standards. Franchisee acknowledges that every detail of the System is important to Franchisor and other franchisees operating under the System in order to maintain the Brand Standards and brand image of the System, to protect Franchisor's reputation and goodwill, and to increase the demand for the lodging services offered by MGallery Hotels. Franchisee agrees to comply with the Brand Standards and not to deviate therefrom. Among other things:

7.1.1. Franchisee agrees that the Hotel may offer only such services as are specifically approved by Franchisor in writing for the System and Franchisee shall not offer any goods or services except those authorized or sanctioned by Franchisor;

7.1.2. Franchisee shall operate the Hotel in strict conformity with the Brand Standards twenty-four (24) hours a day, three hundred sixty-five (365) days a year, except as otherwise approved in writing by Franchisor. If temporary closure of the Hotel is required for maintenance or refurbishment, Franchisee shall seek Franchisor's prior written approval at least three (3) months before the proposed date of closure;

7.1.3. All food and beverage service at the Hotel will be provided in conformity with the Brand Standards. Franchisee expressly agrees:

(i) to operate, and subject to Franchisor's prior written consent, enter into concession agreements with third parties to operate, at the Hotel only those food and beverage outlets that satisfy the Brand Standards;

(ii) to offer and sell all, and only, the menu items and beverages prescribed in the Brand Standards or otherwise approved by Franchisor in writing; to prepare them in accordance with the Brand Standards; and to discontinue any items Franchisor may, in its discretion, disapprove in writing at any time;

(iii) to keep any food and beverage outlet open and operating in the normal course for the minimum hours and days that Franchisor may prescribe; and

(iv) to offer room service if required by Franchisor.

7.1.4. Franchisee shall not operate the Hotel in any manner which Franchisor reasonably believes adversely reflects on Franchisor, the System, the Proprietary Marks, the associated goodwill, or Franchisor's rights therein. Franchisee shall not, directly or indirectly, operate any business at the Approved Site or otherwise, which violates this Section 7.1.4.

7.1.5. Franchisee acknowledges that Franchisor has adopted various principles, standards and social and environmental commitments applicable on a worldwide basis to Accor Branded Hotels in relation to Ethics, Corporate Social and Compliance Responsibilities, as reflected in the Accor Ethics and Corporate Social Responsibility Charter, the Sustainability Environmental Program and the Compliance Program available on the Accor's website or otherwise made available to Franchisee, as such Charter and Programs may evolve from time to time (the "**Ethics & CSR Charter**", the "**Sustainability Program**" and the "**Compliance Program**" respectively).

In furtherance of the best business interests of the System, Franchisor expects its franchisees to share its principles, standards and commitments to social and environmental causes encompassed in the Ethics & CSR Charter.

Franchisee shall pay fees imposed by Franchisor related to sustainability, including fees for reporting programs or trainings, in accordance with the Brand Standards.

Franchisee shall continuously seek to improve its operations with respect to environmental and social topics that are deemed material by Franchisor, including management of energy and water consumptions, reducing greenhouse gases, decreasing recyclable waste, and decreasing food waste.

Franchisor shall be entitled to access and use from time to time data and information in relation to the Hotel, to the extent necessary to enable Franchisor and its Affiliates to comply with their own environmental and social reporting activities and duties regarding Accor Branded Hotels on a worldwide basis.

7.2. Management of the Hotel. The Hotel will at all times be operated by Franchisee or by a Management Company approved by Franchisor in its sole discretion. Franchisee shall comply, and will cause any Management Company to comply, with the provisions of this Agreement regarding the management and operation of the Hotel. The Hotel operator will be identified on Exhibit A. Franchisee agrees to initial and deliver to Franchisor a revised Exhibit A to reflect any changes in the information that Exhibit A now contains, including any new or replacement operators.

7.2.1. Franchisee shall cause any Management Company retained by Franchisee to: (i) provide Franchisor with all information that Franchisor reasonably requests to enable Franchisor to evaluate Management Company's satisfaction of the Management Company Qualifications, (ii) provide to Franchisor, at Franchisor's request, any management agreement for the Hotel for the purpose of allowing Franchisor to confirm that such management agreement is consistent with the terms of this Agreement and the Management Company Consent and Acknowledgment; and (iii) execute a Management Company Consent and Acknowledgment in the form of Exhibit C to this Agreement. Franchisor may withdraw or withhold its consent to a Management Company at any time that there is a Change of Control of the Management Company or Franchisor determines that such Management Company no longer satisfies the Management Company Qualifications, in which case Franchisee may be required to engage a qualified replacement management company approved by Franchisor.

7.2.2. Franchisee agrees that Franchisor may communicate directly with all managers at the Hotel regarding day-to-day operations of the Hotel, and is authorized to rely on communications with the Management Company and the Hotel Manager, as binding Franchisee.

7.3. Training. The Hotel must at all times be managed by personnel who have completed Franchisor's training requirements to Franchisor's satisfaction.

7.3.1. Within not less than fourteen (14) days before the Opening Date,

(A) Franchisee's Manager and any other employees that Franchisor designates (which may include Director of Revenue Management, Director of Sales and Marketing and Director of **TalentPeople** & Culture) must attend and complete to Franchisor's satisfaction, Franchisor's training programs. All replacement or substitute Managers (and Directors of Revenue Management, Directors of Sales and Marketing and Directors of **TalentPeople** & Culture) also must attend and successfully complete, Franchisor's training programs to Franchisor's satisfaction within a reasonable period of time after commencing their duties.

(B) Franchisee shall cause its employees at the Hotel to attend and complete to Franchisor's satisfaction any training programs conducted by Franchisor, its Affiliates or Franchisee to prepare them to operate the Hotel in compliance with Franchisor's Brand Standards.

7.3.2. After the Opening Date, Franchisee, its Manager and its employees (including Franchisee's Director of Revenue Management, Director of Sales and Marketing and Director of **TalentPeople** & Culture) shall attend such other training courses, programs, conferences and seminars as Franchisor may require. Further, Franchisor may, at such times and places as it deems best, require Hotel personnel that Franchisor specifies to participate in regional and national conventions, meetings, and other brand standard training programs that Franchisor periodically specifies.

7.3.3. All training, programs, conferences and seminars may be provided virtually or at

such locations as Franchisor may designate. Franchisee shall be responsible for all expenses incurred by its trainees, including tuition costs (if any) and the costs of transportation, meals, lodging and wages or salary and benefits. Franchisor reserves the right to limit the availability of, and to charge tuition for, any training program. Franchisee also must pay all expenses associated with Franchisor's trainers' transportation, meals and lodging, if applicable, and, when training is conducted at the Hotel, provide Franchisor's trainers with complimentary lodging.

7.4. Furniture, Fixtures, Equipment and Signage. Franchisee shall purchase and install, at Franchisee's expense, all FF&E, decor and other items (including signs and other brand identification items) as may be required from time to time by the Brand Standards. Franchisee shall refrain from installing or permitting to be installed in, on or about the Hotel, any FF&E (including signs), or other items that do not comply with the Brand Standards. Franchisee shall prominently display in and upon the premises of the Hotel such signs as are required by Franchisor in the Manuals or as otherwise directed or approved by Franchisor from time to time in writing. All such signs shall be of a nature and in the form, color, number, location, size and content as specified by Franchisor in the Manuals or otherwise in writing. Franchisee shall comply with all Brand Standards, including, without limitation, those concerning the types of services and products that may be promoted or advertised at the Hotel and those concerning presentation of the Proprietary Marks.

7.5. Maintenance, Renovations and Restoration.

7.5.1. Franchisee shall maintain the Hotel in a condition consistent with the Brand Standards and shall make such additions, alterations, repairs and replacements as may be required for that purpose, including, without limitation, periodic repainting and replacement of FF&E (including signs) in accordance with the Brand Standards. Any maintenance, additions, alterations, repairs or replacements that would not be consistent with Brand Standards require Franchisor's prior written consent, not to be unreasonably withheld, before beginning such work. Without limitation of the foregoing, Franchisee shall periodically and in accordance with Franchisor's policies, at Franchisee's expense, conduct a hygiene control assessment of the Hotel by an accredited laboratory approved by Franchisor as well as an assessment by an accredited third-party organization approved by Franchisor of the risks of legionnaire's disease. If any such assessment identifies an area of risk, Franchisee shall promptly cure any identified deficiencies to Franchisor's satisfaction.

7.5.2. At Franchisor's request, Franchisee shall make Short-Term Renovations to the Hotel. Additionally, at Franchisor's request, which shall not be made more often than once every five (5) years during the Term, Franchisee shall make Long-Term Renovations to the Hotel to conform the Hotel to the then-current Brand Standards. All Short-Term Renovations and Long-Term Renovations shall be at Franchisee's sole expense.

7.5.3. In order to assist Franchisee in having funds available to make any necessary expenditures under Section 7.5.2 at the Hotel and comply with its obligations under Section 7.5.2 (but without limiting those obligations), Franchisee shall deposit into a separate account that Franchisee controls an amount equal to the greater of (i) the amount required by Franchisee's lender, or (ii) four percent (4%) of the Hotel's Gross Revenue each month. Upon Franchisor's reasonable request, Franchisee will periodically provide Franchisor information concerning the funds in and expenditures from that account. Franchisee shall use such funds only for the purpose of making approved expenditures and complying with its upgrade and other obligations under Section 7.5.2, although such obligations may require Franchisee to spend more than the amount then in that account in order to comply with Brand Standards.

7.5.4. If the Hotel is damaged by fire or other casualty and the cost to repair such damage is reasonably estimated to be not more than forty percent (40%) of the fair market value of the Hotel, Franchisee shall use commercially reasonable efforts to repair the damage within the time period designated by Franchisor. If the reasonable estimated cost to repair the damage exceeds such amount and the amount of insurance proceeds made available to Franchisee in connection with the fire or casualty, Franchisee shall immediately notify Franchisor and shall elect, by written notice to Franchisor delivered within sixty (60) days following the date of the casualty, to repair or rebuild the Hotel in accordance with the Brand Standards or to terminate this Agreement. Franchisee must provide Franchisor such documentation as Franchisor may reasonably request reflecting the damages estimate and the insurance proceeds Franchisee receives in connection with any fire or other casualty. Any notice of termination shall be effective sixty (60) days after receipt of the notice by Franchisor. If Franchisee elects to terminate this Agreement in accordance with this Section 7.5.4, Franchisor shall be entitled to liquidated damages as provided for in Section 14.6 of this Agreement. If Franchisee elects to repair the damage, Franchisee shall commence reconstruction within six (6) months after the date of the casualty, shall continue with such reconstruction on an uninterrupted basis and, subject to Franchisor's inspection and final approval, shall reopen the Hotel for continuous business operations as soon as practicable, but in any event within eighteen (18) months after closing of the Hotel, giving Franchisor four (4) weeks' advance notice of the date of reopening. Franchisor shall have the right to terminate this Agreement by written notice to Franchisee if Franchisee fails to reconstruct the Hotel and recommence operations in compliance with the Brand Standards and in accordance with the time periods specified in this Section.

7.5.5. To ensure compliance with Brand Standards, Franchisee shall submit to Franchisor for its prior written consent, any and all plans and specifications relating to proposed changes, alterations, or renovations of the Hotel, and shall enter into such technical assistance agreements with Franchisor or its Affiliates as Franchisor may require.

7.6. Extension of the Term. The Term will be extended for the period of time during which the Hotel is closed due to fire or other casualty. Franchisee need not make any payments of Royalty Fees, Marketing Fund Fees, or Loyalty Fees while the Hotel is closed by reason of condemnation or casualty unless and to the extent Franchisee receives insurance proceeds covered by the definition of Gross Revenue.

7.7. Employment Practices. Franchisee shall take such steps as are necessary to ensure that its employees preserve good guest relations, render competent, prompt, courteous and knowledgeable service, and meet the Brand Standards. Franchisee shall be solely responsible for all employment decisions and functions at and for the Hotel, including, without limitation, those related to hiring, firing, training, wage and hour requirements, payment and provision of wages, salaries and fringe benefits, record-keeping, supervision and discipline. Franchisee acknowledges and agrees that Franchisee shall be solely responsible for the acts and omissions of its employees. Franchisee shall specify on all employment applications used at the Hotel that Franchisee or the Management Company is the sole employer of the Hotel's employees and that no employment relationship exists between Franchisor and any such employee. Franchisor and Franchisee agree that any materials or guidance Franchisor provides with respect to employment-related policies or procedures, whether in the Manuals or otherwise, are solely for Franchisees optional use. Any such materials or guidance do not form part of the Brand Standards. Franchisee shall determine in its sole discretion to what extent, if any, these materials or guidance should apply to Franchisee's employees and Franchisee's Hotel operations. Franchisor and Franchisee recognize that Franchisor neither dictates nor controls labor or employment matters for franchisees and their employees and that Franchisor is not responsible for the safety and security of Franchisee's Hotel employees or guests.

7.8. Suppliers. Franchisee shall at all times purchase the FF&E (including signs and replacement parts), materials, supplies and other items required to conform to Franchisor's Brand Standards in accordance with Franchisor's procedures and solely from suppliers who demonstrate to Franchisor's continuing reasonable satisfaction their ability to meet the Brand Standards, who possess adequate quality controls and the capacity to supply Franchisee's needs promptly and reliably, and who have been approved by Franchisor in the Manuals or otherwise in writing. Without limitation of the foregoing, Franchisor may require any supplier using the Intellectual Property Rights to enter into an agreement for their use and also may require that any supplier maintain insurance protecting Franchisor and Franchisee. Franchisor reserves the right to approve or designate a single supplier (which may be Franchisor or an Affiliate) of certain items in order to promote compliance with the Brand Standards. Franchisee acknowledges and agrees that Franchisor and/or its Affiliates may benefit from Franchisee's purchases and leases, including purchases and leases from approved suppliers and may receive allowances, discounts, fees, commissions, reimbursements or rebates from such suppliers in respect of Franchisee's purchases.

7.8.1. If Franchisee desires to purchase any items from an unapproved supplier, then Franchisee shall submit to Franchisor a written request to approve the proposed supplier, together with such evidence of the supplier's qualifications as Franchisor may reasonably require. In such written request, Franchisee shall explain why Franchisee desires not to utilize the approved supplier for the applicable item and evidence that both Franchisee's proposed supplier and the item(s) Franchisee proposes to purchase from such proposed supplier conform to Franchisor's Brand Standards. Franchisor shall have the right to require that its representatives

be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered for evaluation and testing to Franchisor or to an independent testing facility designated by Franchisor. A charge, not to exceed the reasonable cost of the evaluation and testing, shall be paid by Franchisee whether or not the supplier is approved. After completion of such evaluation and testing (if required by Franchisor), Franchisor shall notify Franchisee in writing of its approval or disapproval of the proposed supplier. Approval shall not be unreasonably withheld; provided, however, that Franchisor may withhold its approval of a proposed supplier if the proposed supplier will not comply with, among other things, Franchisor's environmental sustainability and other initiatives designed by Franchisor from time to time. Franchisee shall not purchase any products or services from the proposed supplier until Franchisor's written approval of the proposed supplier is received. For the avoidance of doubt, if Franchisor approves a proposed supplier, then Franchisor may, in its sole judgment, communicate directly with such supplier to negotiate the terms and conditions under which such supplier may supply the applicable item(s) to Franchisor's other franchised and company-owned Accor Branded Hotels.

7.8.2. Franchisor may from time to time revoke its approval of particular products or suppliers if Franchisor determines, in its sole discretion, that such products or suppliers no longer meet the Brand Standards. Upon receipt of a written notice of revocation, Franchisee shall immediately cease to offer, sell or use any disapproved products and shall cease to purchase from any disapproved supplier.

7.9. Legal Compliance. Franchisee shall comply with all Applicable Laws, including but not limited to Data Protection Legislation, public accommodation laws, and shall timely obtain any and all permits, certificates and licenses necessary for the full and proper development and operation of the Hotel, including, without limitation, licenses to do business, trade, fictitious or assumed name registrations, building permits, sales tax permits, health and sanitation permits and ratings, and fire clearances. Franchisee shall be solely responsible for and Franchisor shall have no responsibility for architecture or engineering, for code, zoning, or other requirements of Applicable Law, including any errors, omissions, or discrepancies of any nature in any drawings or specifications obtained by Franchisee, including those provided by Franchisor. Without limiting the foregoing,

7.9.1. Franchisee shall be solely responsible for compliance with any requirements of the Americans with Disabilities Act, ~~Payment Card Industry Data Security Standards ("PCI DSS")~~, and all Data Protection Legislation, including state and federal privacy and data security laws and regulations, and shall provide such proof as Franchisor may require.

7.9.2. Franchisee, its Owners, officers, directors and Affiliates (i) are, and will remain, in full compliance with all Applicable Laws of the United States that prohibit unfair, fraudulent, or corrupt business practices, including any such actions or inactions that would constitute a violation of Applicable Law regarding money laundering or terrorist financing, and (ii) have not taken, and during the Term will not take, any action that would constitute a violation of any anti-corruption law, including the U.S. Foreign Corrupt Practices Act or any similar law.

7.9.3. Franchisee certifies that neither Franchisee nor its Owners, employees or anyone associated with Franchisee is listed in the Annex to Executive Order 13224. (The Annex is currently available at <https://www.state.gov/executive-order-13224/#state>) Franchisee agrees not to hire or have any dealings with a person listed in the Annex. Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee, its Owners, employees, or anyone associated with Franchisee being listed in the Annex to Executive Order 13224. Franchisee and its Owners agree to comply with and/or assist

Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and its Owners certify, represent, and warrant that none of its property or interests are subject to being "**blocked**" under any of the Anti-Terrorism Laws and that Franchisee and its Owners are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that Franchisee's indemnification responsibilities as provided in Section 18.2 of this Agreement pertain to Franchisee's obligations under this Section 7.9.3. Any misrepresentation by Franchisee under this Section or any violation of the Anti-Terrorism Laws by Franchisee, its Owners, or employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered into with Franchisor or one of Franchisor's affiliates. As used herein, "**Anti-Terrorism Laws**" means any applicable anti-terrorism laws, including the United Nations Security Council Resolutions, Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, the European Union Financial Sanctions List, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war. Franchisee shall implement appropriate policies and procedures to comply with relevant anti-corruption laws, money laundering laws and the Anti-Terrorism Laws.

7.10. Safety and Security. Franchisee shall promptly report to Franchisor all incidents involving safety, security, or serious injury to persons or property that occur at, or involve, the Hotel and shall consult with Franchisor or its designated Affiliate before speaking to or corresponding with the media about any such incident. Franchisee shall also comply with those portions of the public relations provisions designated as mandatory in the Manuals. Franchisor may also include in the Manuals suggested guidelines relating to safety and security. Notwithstanding the foregoing, Franchisee acknowledges and agrees that it is Franchisee's sole responsibility to maintain the safety and security of its employees, guests and others who may be on the Hotel premises.

7.11. Cooperation with Franchisor Inspections. Franchisee shall cooperate, and shall cause its Manager and Hotel employees to cooperate, with Franchisor and its designated agents and representatives in connection with any inspection or evaluation of the Hotel. Franchisee shall promptly complete and return to Franchisor, within thirty (30) days of receipt, any questionnaire provided by Franchisor to assess Franchisee's performance with its obligations under this Agreement. In connection with any on-site inspection conducted by or on behalf of Franchisor, Franchisee shall reimburse Franchisor for all costs associated with such inspection and provide Franchisor's (or its designated agents' or representatives', as applicable) personnel with lodging at the Hotel during such inspection, without charge. Upon the written request of Franchisor or its agent, Franchisee shall take such steps as may be necessary to correct any deficiencies detected during an inspection, within the time specified by Franchisor. If Franchisee fails an inspection, Franchisee shall reimburse Franchisor for all costs associated with any subsequent inspections, and provide Franchisor's (or its designated agents' or representatives', as applicable) personnel with lodging at the Hotel during such subsequent inspections, to determine whether all deficiencies have been corrected.

7.12. Reservation System. Franchisee agrees to participate in the Reservation System maintained by Franchisor and to comply with all terms and conditions of participation, including, without limitation, those set forth in Section 11 of this Agreement and in the Manuals. Franchisee shall purchase, install and maintain at the Hotel all equipment necessary for participation in the Reservation System, including any required reservation terminal and related equipment and any future enhancements, additions, substitutions or other modifications specified by Franchisor in the Manuals or otherwise in writing. Franchisee shall be responsible for telephone line charges or other charges to connect Franchisee's equipment to the Reservation System, for the cost of supplies used in the operation of the equipment, and for all other related expenses.

7.13. Rate and Other Hotel Information. Franchisee shall timely furnish to Franchisor in writing such information as Franchisor may request to list the Hotel in the Reservation System, on the Accor Websites and with third party distribution channels in accordance with Section 11 of this Agreement. Failure to timely respond to Franchisor's request for such information may result in Franchisee's Hotel not being listed and, in such event, Franchisee agrees that neither Franchisor nor Franchisor's Affiliates shall be liable for any such omission. Franchisee shall not engage in any rate practices that violate Brand Standards or which tend to mislead the public in any way.

7.14. Marketing, Promotional and Loyalty Programs. Franchisee shall, at its expense, participate in and comply with the terms of all Centralized Marketing Programs, Reservation System, and all other advertising and marketing programs and policies required by Franchisor for MGallery Hotels (including, without limitation, any Internet advertising and marketing conducted and prescribed by Franchisor), in the manner directed by Franchisor in the Manuals or otherwise in writing. Such programs and policies may include, without limitation, the Accor Loyalty Program and any successor or replacement program, a guest satisfaction program (including reputation management and guest satisfaction survey tools), a quality assurance program (including mystery visits conducted by Franchisor and/or third parties), web internet and other programs designated by Franchisor. Franchisee shall not, without the prior approval of Franchisor, promote or participate in any loyalty program (including online travel agency loyalty programs) or subscription programs other than those of Franchisor or its Affiliates.

7.15. Computer Systems. Franchisee shall purchase or license, install, utilize and maintain at the Hotel, at its sole cost, all Software, hardware and equipment necessary to operate and maintain the Computer System and/or data processing systems (including successor systems and improvements to existing systems) specified or required from time to time by Franchisor or its Affiliates for use by MGallery Hotels, including, but not limited to, guest check-in, reservation, property management, revenue and other statistical reporting systems. The foregoing obligation shall include any enhancements, additions, substitutions or other modifications to the Software, hardware and equipment that may be required from time to time. Franchisee shall be responsible for all costs incurred in fulfilling its obligations hereunder, including, without limitation, data circuit charges, charges for connecting Franchisee's equipment to Franchisor's systems and databases, the cost of supplies used in the operation of the equipment, maintenance, help desk, and support services, and for other related expenses. In furtherance of its obligation hereunder, Franchisee shall, concurrently with the execution of this Agreement, execute and deliver to Franchisor's approved third-party supplier of the PMS Software the software license agreement required by such supplier. Franchisee shall be responsible for the payment of all license and other fees required by the terms of such PMS Software license agreement. Franchisee shall not purchase, install, utilize, or maintain any computer software, hardware, or other telecommunications equipment that has not been previously approved in writing by Franchisor.

7.16. IT Security. Franchisee expressly acknowledges that security of its local IT system is critical, and that any breach of security may have a material adverse impact on the MGallery Hotel brand and Franchisor's and Accor S.A.'s business and reputation. Accordingly, Franchisee shall establish and

maintain security arrangements in accordance with the IT Standards contingency arrangements which are sufficient to: (i) prevent attacks, including improper access, to the security of the Local Database and IT system for the Hotel and the information and data, including Guest Information, entered therein; (ii) ensure the availability of the Hotel's IT system to Franchisor (or its designee) twenty-four (24) hours a day, seven (7) days a week, three hundred sixty-five (365) days a year; (iii) protect the integrity and security of Guest Information (including credit card information); (iv) ensure that Guest Information is not lost, altered, destroyed, corrupted or (without appropriate authorization) disclosed; (v) ensure that there is not breach of confidentiality; and (vi) in case of any IT security problem, immediately notify Franchisor's IT team. Franchisor reserves the right to view remotely or in person Franchisee's computer system for compliance with security requirements. ~~Without limiting the foregoing, Franchisee shall maintain compliance with the then-current PCI DSS).~~

7.17. IT Compliance. Franchisee agrees that the information technology equipment at the Hotel shall comply at all times with the IT Standards. In particular:

7.17.1. Franchisee acknowledges that the Accor policies include a policy against purchasing, installing, or using counterfeit hardware or software. Franchisee agrees to support this corporate policy and shall not purchase, install or use any software or hardware which: (i) does not have a valid and current license or other legal right to use (for each machine on which it is loaded); or (ii) may be in breach of the intellectual property rights of any third party. Where Franchisee has installed such unlicensed software or hardware, Franchisee shall remove such unlicensed software or hardware immediately and indemnify Franchisor against any loss or claim arising from such unlicensed installation and use; and

7.17.2. Franchisee agrees not to copy, alter, modify or adapt any proprietary or licensed software made available to Franchisee by Franchisor or its Affiliates. Franchisee shall not acquire any Intellectual Property Rights in such software other than a right to use it in accordance with this Agreement and Franchisee shall not decompile, reverse engineer or disassemble the software, nor permit others to do so.

7.18. PCI DSS Compliance.

7.18.1. Franchisee shall ensure that the Hotel complies with the PCI DSS certification and standards as established by the Payment Card Industry Security Standards Council (which as of the Effective Date are set out on the Payment Card Industry Security Standards Council website) and as set out in the Standards (the "PCI DSS Standards"). The following provisions apply in respect of PCI DSS:

(A) Franchisee shall update and maintain the Hotel's electronic payment system in accordance with requirements under Applicable Law, current industry practices and the PCI DSS Standards;

(B) Franchisee shall ensure that the Hotel implements a Franchisor referenced or approved "In-Hotel Payment partner" (the third-party service provider that facilitates and processes payments in connection with Hotel operation) which shall, amongst other capabilities, provide terminals capable of reading the relevant bank credit cards as determined by Franchisor;

(C) Franchisee acknowledges and accepts that the implementation of an "In-Hotel Payment partner" which has not been referenced or approved by Franchisor as required in Section 7.18(b) above may result in adverse or other impacts on the Hotel's integration with the wider Accor network, adverse or other

impacts on payment processing features and related functionalities in connection with the Hotel operation; and reduced security functionality;

(D) Franchisor is not responsible or liable for the security of the bank credit card data in connection with the Hotel;

(E) during the Operational Period, Franchisee shall in connection with the Hotel, at its cost, obtain and maintain (on an annual basis) the PCI DSS compliance certificate (known as of the Effective Date as the PCI Attestation of Compliance) as required in accordance with the PCI DSS Standards (the “PCI DSS Compliance Certificate”);

(F) Franchisee shall provide Franchisor with a copy of the Hotel’s PCI DSS Compliance Certificate (indicating the version of the standard obtained) within thirty (30) days of Franchisee obtaining it each year and Franchisee shall renew each PCI DSS Compliance Certificate upon its expiry (which is a twelve (12) month period as of the Effective Date);

(G) Franchisee shall update the Hotel’s PCI DSS Compliance Certificate each year as required in accordance with the PCI DSS Standards at Franchisee’s cost. Franchisor (or any third-party auditor) may monitor Franchisee’s compliance with this Section 7.18 in accordance with Section 6.1; and

(H) Franchisee shall inform Franchisor promptly if Franchisee and/or the Hotel no longer holds its PCI DSS Certificate (as required by this Section 7.18) at any time during the Term (setting out how Franchisee shall rectify this), and Franchisee shall rectify this non-compliance promptly.

7.187.19. Guest Relations. Franchisee shall comply with Franchisor’s policies and procedures set forth in the Manuals concerning guest relations and guest complaints.

7.197.20. Communications from Government Agency. Franchisee shall notify Franchisor within forty-eight (48) hours after Franchisee receives any communication or correspondence from any state or federal agency, or other governmental instrumentality, which might materially adversely affect the operation or financial condition of Franchisee or the Hotel.

8. PROPRIETARY MARKS AND OTHER INTELLECTUAL PROPERTY.

8.1. Ownership of Proprietary Marks. Franchisor represents that one or more of Franchisor’s Affiliates has registered or has filed an application to register one or more Proprietary Marks with the United States Patent and Trademark Office and Franchisor has received a license from its Affiliate(s) to use, and to license others to use, the Proprietary Marks in the United States in the manner contemplated by this Agreement.

8.2. Franchisee’s Use of Proprietary Marks and Other Intellectual Property Rights. Franchisee agrees that it shall use the Proprietary Marks and other Intellectual Property Rights only in compliance with this Agreement and the Manuals. Franchisee further agrees that:

8.2.1. Franchisee shall use only the Proprietary Marks designated by Franchisor and shall use them only in the manner authorized by Franchisor. Any unauthorized use shall constitute an infringement of the rights of Franchisor and its Affiliates.

8.2.2. Franchisee shall use the Proprietary Marks and other Intellectual Property Rights only for the operation of the Hotel at the Approved Site.

8.2.3. Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor or its Affiliates.

8.2.4. Franchisee shall not use the Proprietary Marks or any abbreviation or variation thereof as part of its corporate or other legal name nor shall Franchisee use the Proprietary Marks as part of its domain name except as permitted by and subject to Franchisee's strict compliance with Franchisor's requirements as set forth in the Manuals.

8.2.5. Franchisee shall comply with Franchisor's instructions in filing and maintaining the requisite trade name, fictitious or assumed name registrations, and shall execute any documents deemed necessary by Franchisor to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

8.2.6. Franchisee shall identify itself as the owner of the Hotel in conjunction with any use of the Proprietary Marks, including, but not limited to, on stationery, invoices, order forms, receipts, business cards, and contracts, and at such conspicuous locations on the Hotel premises as Franchisor may direct in writing.

8.3. Franchisee's Acknowledgments. Franchisee understands and acknowledges that:

8.3.1. Franchisor or its Affiliate is the owner of all right, title and interest in and to the Proprietary Marks and other Intellectual Property Rights and the goodwill associated with and symbolized by them, and Franchisor has the exclusive right to use, and to license others to use, the Proprietary Marks and other Intellectual Property Rights in connection with the franchising, promotion and development of the System.

8.3.2. The Proprietary Marks are valid and serve to identify the System and MGallery Hotels operating under the System.

8.3.3. During the Term and after the Expiration Date, Franchisee shall not directly or indirectly contest the ownership or validity of the Proprietary Marks and other Intellectual Property Rights, or Franchisor's right to use and license others to use the Proprietary Marks and other Intellectual Property Rights.

8.3.4. Franchisee's use of the Proprietary Marks and other Intellectual Property Rights pursuant to this Agreement does not give Franchisee any ownership or other interest therein.

8.3.5. Any and all goodwill arising from Franchisee's use of the Proprietary Marks and other Intellectual Property Rights in the operation of its Hotel under the System shall inure exclusively to the benefit of Franchisor and its Affiliates, and upon the expiration or termination of this Agreement, no monetary amount shall be attributed to any goodwill associated with Franchisee's use of the Proprietary Marks and other Intellectual Property Rights.

8.3.6. The parties shall engage in the Muse Process in order to create the Unique DNA of the Hotel. The Unique DNA of the Hotel shall be deemed to form part of the Brand Standards in their application to the Hotel, and where reference to Brand Standards is made in this Agreement in the context of their application to and implementation at the Hotel, it shall be read as incorporating the Unique DNA of the Hotel where applicable. As part of any major refurbishment of the Hotel, Franchisee may be required to repeat or revisit the Muse Process as

reasonably required by Franchisor, the costs of which shall be borne by Franchisee in the amounts designated by Franchisor.

8.4. Substitution of Proprietary Marks. Franchisor reserves the right, in its sole discretion, to substitute different trademarks or service marks for the Proprietary Marks for use in identifying the System and the hotels operating under the System. Franchisee agrees to comply promptly with any such substitution, at Franchisee's expense.

8.5. Enforcement. Franchisee shall promptly notify Franchisor of any unauthorized use of the Proprietary Marks or marks confusingly similar to the Proprietary Marks and any challenge to (i) the validity of the Proprietary Marks or other Intellectual Property Rights, (ii) the ownership of the Proprietary Marks or other Intellectual Property Rights, or (iii) Franchisor's right to use and to license others to use the Proprietary Marks or other Intellectual Property Rights. Franchisee acknowledges that Franchisor and its Affiliate have the sole right (but no obligation) to take action against uses by others that may constitute infringement of the Proprietary Marks and other Intellectual Property Rights and to initiate, direct and control any administrative proceeding or litigation involving the Proprietary Marks or other Intellectual Property Rights, including any settlement thereof. In the event of any litigation or administrative proceeding relating to the Proprietary Marks or other Intellectual Property Rights, Franchisee shall execute any and all documents and do all acts that may, in the opinion of Franchisor, be necessary or appropriate to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action. Except to the extent that such litigation or administrative proceeding is the result of Franchisee's use of the Proprietary Marks or other Intellectual Property Rights in a manner inconsistent with the terms of this Agreement, Franchisor agrees to reimburse Franchisee for its out-of-pocket costs incurred in providing such assistance.

8.6. Innovations. All inventions, innovations and discoveries relating to a MGallery Hotel and based or relying upon any element of the System, including any advertising, marketing, promotional or public relations plans, programs or materials that Franchisee or its contractors develop for the Hotel (collectively, "**Innovations**"), whether or not protectable intellectual property and whether created by or for Franchisee, its Affiliates or contractors, or its or their employees, must be promptly disclosed to Franchisor and will be deemed to be Franchisor's and its Affiliate's sole and exclusive property and works made-for-hire for Franchisor and its Affiliates. However, Franchisee may not use any Innovation in operating the Hotel that is not in compliance with Brand Standards without Franchisor's prior written consent. If any Innovation does not qualify as a "work-made-for-hire" for Franchisor and its Affiliates, by this paragraph Franchisee assigns ownership of that Innovation, and all related intellectual property rights and other rights to that Innovation, to Franchisor and agrees to take whatever action (including signing assignment or other documents) that Franchisor requests to evidence its ownership or to help Franchisor obtain intellectual property rights in the Innovation.

8.7. Ownership of Franchisee Marks. Franchisee represents to Franchisor that Franchisee is the owner of the Franchisee Marks and that such Franchisee Marks will be distinctive of Franchisee. Franchisee agrees, however, that this Agreement shall constitute a license from Franchisee to Franchisor providing for the use of the Franchisee Marks on behalf of Franchisee free of charge for the purposes of this Agreement, and shall be effective only for so long as this Agreement is in full force and effect and any such license shall automatically terminate upon expiration or early termination of this Agreement.

9. MANUALS AND OTHER CONFIDENTIAL INFORMATION.

9.1. Manuals. Franchisee and its Owners shall at all times treat the Manuals and the information contained therein as confidential and shall use all reasonable efforts to maintain the confidentiality thereof, in accordance with Section 9.2 of this Agreement. The Manuals shall remain at all times the sole property of Franchisor or its Affiliates. Franchisee shall keep any hard copies of the Manuals in a secure place on the Hotel premises and shall keep access to the Manuals secure. Franchisor may from time to time revise the contents of the Manuals, and Franchisee agrees to comply promptly with each new or changed Standard. In the event of any dispute as to the contents of the Manuals, the master copies of the Manuals maintained by Franchisor shall control. Franchisor may (but is not obligated to) inspect Franchisee's printed hard copy of the Manuals at any time during business hours to determine whether Franchisee is complying with its obligations under this Section 9.1.

9.2. Confidential Information. Franchisee acknowledges that, pursuant to this Agreement, Franchisee and its Owners will receive valuable Confidential Information and Franchisee agrees that Franchisee shall not, and shall cause its Owners not to, during the Term or thereafter, misuse, communicate, divulge, disclose to any third party, or use for the benefit of any other person or any other business any such Confidential Information. After the termination or expiration of this Agreement, Franchisee and its Owners shall not use the Confidential Information for its or their own benefit and shall surrender all Confidential Information, and all copies thereof, to Franchisor. Neither Franchisee nor its Owners shall at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part. Franchisee shall divulge such Confidential Information only to such of its employees, contractors, lawyers, architects, lenders, investors, agents or others who must have access to the Confidential Information in connection with the performance of this Agreement or the operation of the Hotel pursuant hereto and who have executed covenants satisfactory to Franchisor to maintain the confidentiality of the Confidential Information, copies of which shall be submitted to Franchisor at Franchisor's request.

9.3. Franchisor's Remedies. Franchisee agrees that the existence of any claims it or its Owners may have against Franchisor or Franchisor's Affiliates, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 9. Franchisee further acknowledges that any violation of the terms of this Section 9 would result in irreparable injury to Franchisor or its Affiliates for which no adequate remedy at law may be available, and Franchisee, for itself and its Owners, accordingly consents to the issuance of an injunction prohibiting any conduct by them in violation of the terms of this Section 9, without the requirement to post bond. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees and court costs) incurred by Franchisor or its Affiliates in connection with the enforcement of this Section 9, including all costs and expenses for obtaining specific performance, or an injunction against any violation, of the requirements of this Section 9.

10. ACCOUNTING, RECORDS, DATA AND REPORTS.

10.1. Books and Records. Franchisee shall maintain in accordance with the Uniform System of Accounts, US GAAP and Applicable Law, complete and accurate books, records, and accounts showing the results of operation of the Hotel, in the form and manner prescribed by Franchisor in the Manuals or otherwise in writing. Franchisee shall preserve such books, records and accounts for at least five (5) years from the date of their preparation.

10.2. Reports. Franchisee shall submit to Franchisor at the times and in the manner required by Franchisor:

10.2.1. sales and/or occupancy tax returns;

10.2.2. an annual income statement and balance sheet as of the end of each calendar year, signed by an authorized representative of Franchisee attesting that it is true and correct;

10.2.3. using ~~RFP-Publisher by Lanyon~~CVent Contracting, the data required by Franchisor and overnight stays linked to (i) the strategic and key accounts identified on the Accor Intranet and (ii) all the accounts for which Franchisee has contracted;

10.2.4. information regarding Gross Revenue, Room Revenue, food & beverage revenue, other sales revenue, total revenue, number of operated rooms, number of rooms sold, number of rooms available, occupancy rate, average room rate, REVPAR, Accor Loyalty Program members as guests, guest satisfaction surveys, commissions, and other similar information;

10.2.5. copies of all inspection reports, warnings, certificates, letters and ratings issued by any Governmental Authority during the Term in connection with the operation of the Hotel, which indicate Franchisee's failure to meet or maintain the Brand Standards or less than full compliance with any Applicable Law;

10.2.6. the commencement of any action, suit, or proceeding, and the issuance of any order, writ, injunction, award or decree, of any court, agency or other Governmental Authority relating to the Hotel.

10.2.7. such other forms, periodic and other reports, records, information, and data as Franchisor may reasonably designate from time to time in the Manuals or otherwise in writing (including, without limitation, an annual reconciliation of Gross Revenue and Room Revenue, certified by Franchisee's auditors). All such reports and information received by Franchisor pursuant to this Agreement shall be the property of Franchisor, and Franchisor and its Affiliates shall have the right, in Franchisor's reasonable discretion, to use and disclose such information to third parties, including in reports of hotel/motel industry data and franchise financial performance representations.

10.3. Data Protection.

10.3.1. The parties acknowledge that the operation of the Hotel and arrangements under this Agreement require the processing of Personal Information, and that the protection of Personal Information is of utmost importance.

10.3.2. The parties agree to:

- (A) comply with Applicable Law in relation to the collection and use of such Personal Information arising from the operation of the Hotel and arrangements under this Agreement; and
- (B) cooperate with the relevant Governmental Authorities in accordance with Applicable Law.

10.3.3. Franchisee further agrees that its collection, storage, processing, use, maintenance and dissemination of Guest Information and Personal Information will be in compliance with all Brand Standards.

10.3.4. The parties agree to comply with the provisions of the Accor Personal Data Protection Principles (the “APDP Principles”), ~~attached to~~ as a binding contractual obligation, which will be provided to Franchisee on or before execution of this Agreement ~~as Exhibit D~~, as amended from time to time.

10.3.5. The provisions of this Section 10.3 shall survive the expiration or earlier termination of this Agreement.

10.4. Franchisor’s Access to Records.

10.4.1. Franchisee shall, at Franchisee’s expense, install and maintain any and all such equipment and systems (including computer hardware and Software), make such arrangements and follow such procedures as Franchisor may require, to permit Franchisor to access daily, from Franchisee’s Computer System, information on the occupancy, average daily room rate, rooms sold, Gross Revenue, Room Revenue and such other data and information of the Hotel as Franchisor may require (the “Reports”). If Franchisor is unable to access the Reports as provided herein, Franchisee shall submit such Reports to Franchisor at the time and in the manner required by Franchisor in writing.

10.4.2. Franchisor or its designated agents shall have the right at any reasonable time to examine and copy, at Franchisor’s expense, all books, records and tax returns of Franchisee related to the Hotel and, at Franchisor’s option, to have an independent audit made. Such records shall be made available to Franchisor or its agents at the Approved Site or other Franchisor designated location, as soon as practical but not more than three (3) days after Franchisee receives written notice of the request. If Franchisee fails to provide the requested books, records or returns within ten (10) days of the written request from Franchisor, Franchisee will be in default. If an inspection or audit reveals that Franchisee has failed to pay Franchisor or its Affiliates any sums payable under this Agreement, then Franchisee shall immediately pay Franchisor or its Affiliates the amount of such deficiency and interest from the date such amount was due until paid, as provided in Section 5.10 of this Agreement. If an inspection discloses an underpayment to Franchisor or its Affiliates of five percent (5%) or more, Franchisee shall, in addition to payment of such deficiency, with interest, reimburse Franchisor or its Affiliates for any and all costs and expenses incurred in connection with the inspection or audit (including, without limitation, reasonable accounting and attorneys’ fees). If all books, records and tax returns of Franchisee related to the Hotel are not made available to Franchisor at a scheduled audit, the audit is deemed failed. If Franchisee fails an audit, Franchisor may re-inspect the books and Franchisee shall bear the re-inspection costs. The foregoing remedies shall be in addition to any and all other remedies Franchisor may have.

11. RESERVATION SYSTEM; DISTRIBUTION; SALES AND MARKETING.

11.1. Reservation System. Franchisee acknowledges and agrees that offering the public a single, efficient, reservation referral service is essential to the goodwill, reputation and success of MGallery Hotels.

11.1.1. Prior to the Opening Date, Franchisee will provide to Franchisor an accurate description of the Hotel, with information on the location, the room types, the available facilities and the services to be rendered at or from the Hotel. Franchisee will further inform Franchisor immediately of any changes to that data during the Term in order to be inserted in the Reservation System data content. Franchisee shall pay the costs of a one-day photo shoot by a photographer selected by Franchisor in order to get satisfactory photos of the Hotel according to the Brand Standards to be used for marketing, website and other purposes as determined by

Franchisor in its sole judgment. Franchisee grants Franchisor permission to compile and use one or more photographs of the Hotel (in particular in Accor's photograph library "photothèque") without Franchisee being able to require removal of the photos or any financial compensation, regardless of whether the Hotel is a member of the MGallery Hotel network at the time of distribution of the relevant report. In addition, Franchisee will provide all other information relating to the Hotel and the services to be rendered by or on behalf of Franchisee at the Hotel that Franchisor requests.

11.1.2. Franchisee will ensure that the information on the Hotel in the Reservation System and on the Accor Websites regarding room availability and pricing is always up to date. Franchisee acknowledges that the accuracy of the information in the Reservation System is essential for the functionality of the Reservation System.

11.1.3. Franchisee grants Franchisor the right to process and use the information relating to the Hotel which has been provided by Franchisee for marketing and sales purposes and to list the Hotel in the external and internal distribution and reservation channels that Franchisor determines in Franchisor's sole judgment are appropriate.

11.1.4. Franchisee shall be responsible for the interface between Franchisee's software (including Franchisee's Software) and the Reservation System. This interface must be operational and available in compliance with the IT Standards. The PMS equipment is the required Distribution Tool for fully accessing the Reservation System and other applications.

11.1.5. Franchisee further agrees to:

- (A) pay Franchisor its then-current fees for use of the Reservation System;
- (B) make all direct bookings through the Reservation System;
- (C) honor and execute all reservations placed via the Reservation System;
- (D) accept all means of payments and payment cards usually accepted by MGallery Hotels, as updated from time to time by Franchisor;
- (E) provide Reservation System instruction and training as defined by Franchisor and refresher courses for new and current employees;
- (F) use the information in the Reservation System only for the marketing and advertising of the Hotel and other MGallery Hotels and not to communicate, reproduce and distribute that information for any other purposes;
- (G) enroll in the FASTCOM program by signing any commitment form and any direct debit form that Franchisor may require; Franchisee must be fully enrolled in the FASTCOM program in order to participate in the preferred deals negotiated by Franchisor with certain travel agencies (including online travel agencies).

11.2. Online Distribution Channels. In addition to the Reservation System, Franchisor shall, in exchange for Franchisee's payment of Franchisor's then-current fees, make available to Franchisee the following online distribution marketing assistance for MGallery Hotels: (i) the Accor Websites and other electronic means developed by Accor (such as applications for mobile phones); (ii) a central call center service based on national numbers taking customer reservations for all the hotels in the Accor [network](#); (iii) the online travel agencies connected to the Reservation System (such as Expedia, Booking, and HRS) which have signed an agreement with Accor; and (iv) Global Distribution Systems (GDS), other technology intermediaries, systems and channels, and international and national travel agencies that have signed agreements with Accor.

11.2.1. In furtherance of its distribution and marketing assistance, Franchisor or its Affiliates enter into distribution agreements with domestic and international distributors to market overnight stays. Franchisee hereby authorizes Franchisor to sign in its name and for its account, distribution agreements with the main online distribution strategic accounts for MGallery Hotels as determined by Franchisor in its sole judgment, including, without limitation, Expedia, Booking, Hotel.de, HRS, Travelocity, and Orbitz, and agrees to provide immediately upon Franchisor's request all documents required by such third-party distributors certifying full compliance with Applicable Laws. Franchisee shall pay all commissions or fees related to any such distribution agreement and Franchisor will not be liable and will not pay any amounts owed by Franchisee.

11.2.2. Franchisee may sign an e-commerce contract with the bank provider approved by Franchisor to administer APOL. Franchisee acknowledges that if Franchisee does not enter into such agreement with the approved bank provider, the Hotel will have limited opportunities to be distributed throughout the range of the Accor Websites. In particular, the Hotel may not qualify to offer the most attractive rates (prepaid) or participate in promotional campaigns (usually made on prepaid rates).

11.3. Sales and Marketing Services for MGallery Hotels. In addition to the Reservation System, Marketing Fund, online distribution channels, and Centralized Sales and Marketing Programs (described below), Franchisor will from time to time provide brand-specific marketing, advertising, promotional, public relation and sales services for MGallery Hotels, which may apply to some or all MGallery Hotels. Franchisee will pay the costs associated with any such Sales and Marketing Services on the same basis as other participating MGallery Hotels.

11.4. Centralized Sales and Marketing Services. In addition to the Reservation System, Marketing Fund, and online distribution channels, Franchisor will from time to time provide centralized marketing, advertising, promotional, public relation and sales services, which may apply to some or all MGallery Hotels and which will include other Accor Branded Hotels ("**Centralized Marketing Programs**"). Such Centralized Marketing Programs may vary in duration and include, without limitation: (i) communication elements and common advertising material; (ii) domestic or global advertising campaigns; (iii) web promotion actions such as keywords buying, Search Engine Optimization (SEO), affiliation platforms and online partnerships; (iv) direct marketing actions such as e-mailing; (v) press and other public relations activities and programs; (vi) referencing of the Hotel in the online and/or paper directory; (vii) meetings and events in which the Hotel is entitled to participate; (viii) identification of potential national and international clients, including individuals, companies, groups, tourism professionals and airlines; (ix) representing the network of Accor Branded Hotels (including MGallery Hotels) at professional exhibitions and fairs related to tourism and business travel; (x) guest satisfaction and incentive programs, including the Accor Loyalty Program; and (xi) any other program or operation which is carried out for the benefit of Accor Branded Hotels (including MGallery Hotels). Franchisee will participate in all mandatory Centralized Marketing Programs and may participate in any optional

Centralized Marketing Programs. Franchisee will pay the costs associated with any Centralized Marketing Program in which it participates on the same basis as other participating Accor Branded Hotels.

11.5. Marketing Fund.

11.5.1. At Franchisor's option, upon at least thirty (30) days' notice to Franchisee, Franchisor may establish, and thereafter may administer and control, a marketing and brand fund (the "**Marketing Fund**") for the advertising, marketing, promotional, client relationship management, public relations and other brand-related programs and materials for all or a group of MGallery Hotels that Franchisor deems appropriate, which may include MGallery Hotels operating outside of the United States. Franchisee shall pay to Franchisor the Marketing Fund Fee in accordance with Sections 5.5 and 5.9 of this Agreement.

11.5.2. Franchisor will designate and direct all programs that the Marketing Fund finances, with sole control over the creative and business concepts, materials and endorsements used and their geographic, market and media placement and allocation. The Marketing Fund may pay for the reasonable salaries and benefits of personnel who manage and administer the Marketing Fund and the related overhead expenses, as well certain programs and related marketing services including, among others: (i) the development of communication elements and advertising materials; (ii) US and global advertising campaigns; (iii) web promotion activities like Search Engine Optimization; (iv) direct marketing activities like emailing; (v) press and public relations; (vi) publication of an online and/or print brand directory; (vii) brand meetings and events; (viii) the identification of national and international individual, company, group, tourism, airline and other clients; (ix) global sales team attendance at tourism and business travel exhibitions and fairs to promote the brand; (x) the development and administration of guest satisfaction and incentive programs; (xi) supporting public and customer relations, market research, and other advertising, promotion, marketing and brand-related activities and partnerships and (xii) social media and influence activation. Advertising and marketing programs and services may be local, regional, national, or international in scope. In providing these programs and services, Franchisor may use various types of media, including radio, television, billboards, print, on-line, point of sale, mobile applications, social networking and other electronic and mail media. Franchisor may use an outside advertising agency or our in-house marketing department to develop advertising and marketing programs and materials.

11.5.3. Franchisor will account for the Marketing Fund separately from our other funds and not use the Marketing Fund to pay any of Franchisor's general operating expenses, except to compensate Franchisor and Franchisor's Affiliates for the reasonable salaries, administrative costs, travel expenses, overhead and other costs Franchisor and Franchisor's Affiliates incur in connection with activities performed for the Marketing Fund and its programs, including conducting market research, preparing advertising, promotion and marketing materials, maintaining and administering the Accor Websites, collecting and accounting for Marketing Fund contributions, and paying taxes on contributions. The Marketing Fund is not a trust, and Franchisor does not owe Franchisee any fiduciary obligations because of Franchisor's maintaining, directing or administering the Marketing Fund or any other reason. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund contributions in that year, borrow from Franchisor or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. Franchisor may, but is not required to, either prepare an annual, unaudited statement of Marketing Fund collections and expenses and give Franchisee the statement upon written request or have the Marketing Fund audited periodically at the Marketing Fund's expense by an independent accountant Franchisor selects. Franchisor may incorporate the Marketing Fund or operate it through a separate entity whenever Franchisor deems appropriate. The successor entity will have all of the rights and duties specified in this Section 11.5.

11.5.4. Franchisor intends the Marketing Fund to maximize recognition of the Proprietary Marks and patronage of MGallery Hotels. Although Franchisor will try to use the Marketing Fund to develop and/or implement advertising and marketing materials and programs and for other uses (consistent with this Section 11.5) that will benefit all contributing MGallery Hotels, Franchisor need not ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to the Marketing Fund contributions from MGallery Hotels operating in that geographic area, or that any MGallery Hotels benefits directly or in proportion to the Marketing Fund contributions that it makes. Franchisor has the right, but no obligation, to use collection agents and institute legal proceedings at the Marketing Fund's expense to collect Marketing Fund contributions. Franchisor also may forgive, waive, settle and compromise all claims by or against the Marketing Fund. Except as expressly provided in this Section 11.4, Franchisor assumes no direct or indirect liability or obligation to Franchisee for maintaining, directing or administering the Marketing Fund.

11.5.5. Franchisor may at any time defer or reduce a franchisee's contributions to the Marketing Fund and, upon at least thirty (30) days' written notice to Franchisee, reduce or suspend Marketing Fund contributions and/or operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If Franchisor terminates the Marketing Fund, Franchisor will (at its option) either spend the remaining Marketing Fund assets in accordance with this Section 11.5 or distribute the unspent assets to MGallery Hotels (including Franchisor's and its Affiliates, if applicable) then contributing to the Marketing Fund in proportion to their contributions during the preceding twelve (12)-month period.

11.6. Local and Other Franchisee-Directed Marketing.

11.6.1. If Franchisee elects to engage in local and regional marketing programs and related activities, Franchisee must do so in accordance with the Brand Standards, at Franchisee's expense and subject to Franchisor's approval. Franchisee must engage in monthly key brand momentum activation programs as outlined in the Manuals.

11.6.2. Franchisee shall comply with Franchisor's guidelines for social media (including, but not limited to Facebook, LinkedIn, Instagram, and other social media). Franchisee shall not participate in or contribute to any website or other public medium or communication the object or likely effect of which is the denigration of the MGallery Hotel Collection brand, the Proprietary Marks, Accor S.A. and/or Accor. Franchisee shall not include references to the Hotel in any website other than the Accor Websites except with the prior written consent of Franchisor. Franchisor will not unreasonably withhold its consent but shall be entitled to withhold or to grant its consent subject to conditions relating to the quality of content, format and security of the website. As conditions to its consent, Franchisor may require (among other things) that (i) the domain name shall be reserved and owned by Franchisor if it includes the MGallery Hotel Collection name or any derivative thereof; (ii) the website shall not include any online booking tool or booking email link operated for Franchisee for reservations; any online reservation service must be done directly via a dedicated link to the Accor Websites; (iii) the Accor IT team performs a satisfactory security check of the website; and (iv) Franchisee shall not buy keywords or sponsored links in any kind of search engine including for the MGallery Hotel Collection or any other Accor brands. If Franchisee breaches any of its obligations as set out herein, Franchisor will notify Franchisee in writing and if Franchisee does not cure the default within the time period stated in the notice, and in addition to any other remedies that Franchisor may have under this Agreement or otherwise, Franchisor may disconnect Franchisee's website from the Accor Websites.

12. INSURANCE.

12.1. Requirement to Maintain Insurance. Before the commencement of any activities under this Agreement, Franchisee shall procure, and shall maintain in full force and effect at all times during the Term, at Franchisee's sole expense, an insurance policy or policies of the types, in the amounts, and satisfying the requirements specified in Exhibit ED, protecting Franchisee, Franchisor, Franchisor's Affiliates, and their respective officers, directors, owners, agents, employees, successors and assigns, against any demand, claim, loss, liability or expense arising out of or occurring upon or in connection with the establishment, construction, renovation, conversion and operation of the Hotel. All insurance must by endorsement specifically name Franchisor and its Affiliates (and Franchisor's and their employees and agents) as additional insureds. Franchisee's obligation to obtain and maintain the policies described in Exhibit ED shall not be limited in any way by reason of any insurance which may be maintained by Franchisor or its Affiliates, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions of this Agreement. Nothing contained herein shall be deemed to be a representation by Franchisor that the required insurance coverages will insure Franchisee in part or in whole against any or all insurable risk arising from or in connection with the establishment, construction, renovation, conversion or operation of the Hotel.

12.2. Changes in Required Coverage. Franchisor may from time to time during the Term, at its sole option, require that the minimum limits and types of insurance coverage described on Exhibit ED be reasonably increased or changed in any manner (including, without limitation, amounts and types of coverage) as determined solely by Franchisor to respond to insurance market trends, customer demands, economic conditions, technological advances and other factors affecting the hotel industry. Franchisee shall comply with such requirements, at Franchisee's sole cost and expense, and shall deliver evidence of such compliance to Franchisor within thirty (30) days of its receipt of written demand by or on behalf of Franchisor for any such increase or change in such insurance coverage.

12.3. Evidence of Insurance. At Franchisor's sole discretion, Franchisor shall have the right to review Franchisee's insurance policies. Franchisee agrees to produce copies of such policies in full within five (5) business days after the date of Franchisor's written request. Upon the execution of this Agreement, on each policy renewal date thereafter, and each time a change is made in any insurance or insurance carrier, Franchisee shall submit evidence of satisfactory insurance, as specified in Exhibit ED.

12.4. Remedies for Failure to Maintain Insurance. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by Franchisor in the Manuals or otherwise in writing, Franchisor and its Affiliates shall have the right and authority (but not the obligation) to procure such insurance and to charge the cost thereof to Franchisee, which charge, together with a reasonable fee for Franchisor's or its Affiliates' expenses in so acting, shall be payable by Franchisee immediately upon notice from Franchisor. The foregoing remedies shall be in addition to any other remedies Franchisor or its Affiliates may have. Notwithstanding anything to the contrary stated herein, Franchisor shall under no circumstances be liable for any premiums or other costs or expenses incurred by Franchisee to fulfill any of the insurance requirements stated herein.

13. TRANSFER.

13.1. Ownership Interests and Control.

13.1.1. Franchisee represents and warrants that Exhibit FE to this Agreement completely and accurately identifies all Owners and describes their Ownership Interests (whether direct or indirect) in Franchisee. Upon Franchisor's request, Franchisee shall from time to time furnish

Franchisor with a current list of all Owners, their addresses and any other information that Franchisor requests from time to time about the identity of the Owners and their ownership interests.

13.1.2. Franchisee's governing documents shall at all times provide that no Transfer of any interest in Franchisee may be made except in accordance with this Section 13, and any certificate issued by Franchisee evidencing such interests shall bear a conspicuous printed legend to that effect. Upon Franchisor's request, Franchisee shall furnish to Franchisor copies of its governing documents and any other documents Franchisor may reasonably request. No change affecting the power to direct and Control the affairs of Franchisee shall be made in Franchisee's governing documents, nor shall Franchisee or its Owners enter into any shareholders' agreement, management agreement, voting trust or other arrangement affecting the power to direct and Control the affairs of Franchisee, without Franchisor's prior written consent.

13.2. Transfers by Franchisee and Owners. Except as set forth in Section 13.3, without Franchisor's prior written consent, Franchisee may not assign or delegate any right or obligation of Franchisee under this Agreement, nor may Franchisee or any Owner Transfer any direct or indirect Controlling Interest in Franchisee, this Agreement, the Hotel, any Owner or substantially all of the assets of the Hotel, whether voluntarily, by operation of law or otherwise. Franchisor will not unreasonably withhold its consent to a Transfer but may condition its consent on any or all of the conditions set forth below. Any Transfer or attempted Transfer in violation of this Section 13.2 shall be a material event of default of this Agreement.

13.2.1. Franchisee must give Franchisor at least sixty (60) days prior written notice of any proposed Transfer, including all information which Franchisor reasonably requests in connection with its review of the proposed Transfer;

13.2.2. The transferee shall complete Franchisor's then-current franchise application and pay Franchisor's then-current initial franchise fee due under the franchise application;

13.2.3. All of Franchisee's accrued monetary obligations to Franchisor and its Affiliates shall have been satisfied;

13.2.4. Franchisee shall not be in default of any provision of this Agreement or any other agreement between Franchisee or any of its Affiliates and Franchisor or any of its Affiliates;

13.2.5. The transferee shall not be a Competitor or a Specially Designated National or Blocked Person, or the Affiliate of a Competitor or Specially Designated National or Blocked Person;

13.2.6. The transferee shall demonstrate to Franchisor's satisfaction that the transferee and its owners possess good moral character, business reputation and credit rating and have the aptitude and ability to operate the Hotel in accordance with the Brand Standards; have adequate financial resources and capital to operate the Hotel; and, in the case of a transferee which is already a franchisee under the System, be in Good Standing and have a record of guest service and Brand Standards compliance, each of which is satisfactory to Franchisor;

13.2.7. The transferee executes Franchisor's then-current form of franchise agreement for an MGallery Hotel (which may include, without limitation, changes to the Royalty Fee and Marketing Fund Fee) and such other ancillary agreements as Franchisor may require, all of which shall supersede this Agreement in all respects. The term under such agreement shall end on the

later of: (1) the Expiration Date of this Agreement, or (2) ten (10) years after transferee executes Franchisor's then-current form of franchise agreement;

13.2.8. Franchisee and the transferee enter into a contemporaneous written agreement, in a form satisfactory to Franchisor, transferring the Hotel and all of the assets of the Hotel to the transferee;

13.2.9. If the transferee is a corporation, partnership or limited liability company, such Direct Owners of the transferee as Franchisor may request, shall execute a guarantee of the transferee's performance of its obligations under the franchise agreement;

13.2.10. The transferor (and, if the transferor is Franchisee, all Owners) shall execute a general release, in a form satisfactory to Franchisor, of all claims that Franchisee, Owners, their Affiliates and the respective officers, directors, employees and agents of each of them have or may have against Franchisor, its Affiliates and its and their respective officers, directors, owners, employees or agents arising or accruing up to the date of Transfer;

13.2.11. The transferor remains liable for all of its obligations to Franchisor which arose before the effective date of the Transfer and executes any and all instruments reasonably requested by Franchisor to evidence such liability;

13.2.12. Unless otherwise permitted, the transferee's prospective Manager completes any training programs then in effect, at the transferee's expense, within the time period required by Franchisor;

13.2.13. The transferee shall, at its expense and upon the reasonable request of Franchisor, agree to complete a PIP and upgrade the Hotel to conform to the then-current Brand Standards for MGallery Hotels, and to complete the upgrade and other requirements within a reasonable time specified by Franchisor.

13.3. Transfer of Non-Controlling Ownership Interests. Non-Controlling Ownership Interests in Franchisee or any of its Owners may be Transferred in one (1) transaction or a series of transactions, without Franchisor's consent, if: (i) Franchisee provides written notice of the proposed Transfer to Franchisor at least thirty (30) days prior to the proposed Transfer date; (ii) such persons or entities as Franchisor may require execute a guarantee substantially similar to the Guarantee, Indemnification and Acknowledgment attached as Exhibit GF to this Agreement and each existing Guarantor acknowledges the Transfer and reaffirms and ratifies its obligations under the Guarantee; (iii) Franchisee provides to Franchisor all information regarding the transferee that Franchisor requires, including information about the transferee's organization, authority, and ownership; (iv) Franchisee pays Franchisor's costs associated with the Transfer (including legal fees and expenses); (v) Franchisee is not in default under this Agreement or any other agreement with Franchisor or Franchisor's Affiliates; (vi) such transfer does not, whether in one transaction or a series of related transactions (regardless of the time period over which these transactions take place), result in the transfer or creation of a direct or indirect Controlling Ownership Interest in Franchisee or in any of its Owners; (vii) such transfer does not result in a Change of Control; (viii) Franchisee and its Affiliates are in Good Standing; and (ix) the proposed transferee is not: (a) a Competitor, (b) a Specially Designated National or Blocked Person, (c) a convicted felon or someone with a bad moral reputation; or (d) an Affiliate of any person or entity described in subsections (ix)(a)-(c) of this Section 13.3; and (x) Franchisee satisfies such other conditions that Franchisor may require.

13.4. Transfers of Equity Interest Upon Death. Upon the death or mental incompetency of a person with a Controlling Interest in Franchisee or one of its Owners, that person's executor,

administrator, or personal representative (“**Representative**”) must, within six (6) months after the date of death or mental incompetency, transfer the Owner’s interest in Franchisee or the Owner to a third party, subject to Franchisor’s approval and the conditions set forth in Section 13.2. In the case of a transfer by devise or inheritance, if the heirs or beneficiaries cannot meet the conditions of Section 13.2 within this six (6)-month period, the Representative will have nine (9) months from the date of death or mental incompetency to dispose of the interest, subject to Franchisor’s approval and the conditions set forth in Section 13.2. Franchisor may terminate this Agreement if this required transfer fails to occur in compliance with this Agreement within the required timeframe.

13.5. Financing.

13.5.1. Franchisee will not, and will cause each Owner not to, incur or replace any indebtedness that is secured by a lien on or mortgage on the Hotel, or the revenues of the Hotel, or a pledge of Ownership Interests in Franchisee unless: (i) the indebtedness is with a person or entity in the business of originating and making loans as its primary business, including private lenders and any state or federally chartered bank, thrift, or savings and loan, and insured by the FDIC or FSLIC; (ii) the terms of such indebtedness are consistent with prevailing commercial practices; and (iii) there is no violation of Section 13.5.2 of this Agreement.

13.5.2. In connection with any financing benefiting the Hotel or otherwise with respect to the Hotel, Franchisee will not, and will not allow any Owner to, mortgage, grant a security interest in, or otherwise pledge as collateral the Hotel, the revenues of the Hotel, or an Ownership Interest in Franchisee or in a Direct Owner unless such financing meets the requirements of Section 13.5.1 or Franchisor otherwise consents to such financing in writing. Franchisee may not assign, mortgage, or grant a security interest in, or pledge as collateral, this Agreement. If a lender forecloses on, or otherwise exercises its rights against the Hotel, the revenues of the Hotel, or such Ownership Interests, or Franchisee violates this Section 13.5, Franchisor will have the right to terminate this Agreement. Franchisor has no obligation to enter into, or be a party to, a franchise or license agreement with a lender or any person acting on behalf of a lender, including a receiver or servicer of a loan, unless that obligation arises from a valid and binding written agreement between Franchisor and a lender.

13.5.3 In connection with any financing, mortgage, grant of a security interest, or pledge pursuant to Sections 13.5.1 or 13.5.2, Franchisee will cause each secured party to sign a comfort letter or other agreement that Franchisor reasonably specifies under which such secured party agrees, among other things, to assume Franchisee’s obligations under this Agreement (subject to Franchisor’s rights under this Article 13) if the secured party or any of its Affiliates acquires title or otherwise assumes possession, or the right to sell or direct the disposition of, the Hotel’s real property or building and improvements. Franchisor charges its then-current, non-refundable fee for processing a lender comfort letter. In addition, upon Franchisor’s request from time to time, Franchisee must cause each secured party to sign and deliver to Franchisor an estoppel in the form that Franchisor reasonably specifies concerning the status of Franchisee’s contractual relationship with that secured party.

13.5.4. Notwithstanding anything herein to the contrary, Franchisee shall not permit any liens, mortgages or charges on the Hotel in connection with any financing which secure amounts in excess of: (i) until the third anniversary of the Opening Date, 80% of the appraised value of the Hotel at the time of such financing, or (ii) following the third anniversary of the Opening Date, 85% of the appraised value of the Hotel at the time of such financing.

13.6. Securities Offering. In addition to the other requirements of this Section 13, securities in Franchisee may be offered to the public only in compliance with this Section 13.6. All materials required by federal or state law to be filed in connection with the offer or sale of any interest in Franchisee shall be submitted to Franchisor for review before filing with any governmental agency and any materials to be used in any offering of interests exempt from filing shall be submitted to Franchisor for review before their use. Franchisor's review of any offering materials shall be limited solely to the subject of the relationship between Franchisee and Franchisor. No Franchisee offering shall imply, by use of the Proprietary Marks or otherwise, that Franchisor is participating as an underwriter, issuer or offeror of Franchisee's or Franchisor's securities. Franchisee and other participants in the offering must fully indemnify Franchisor in connection with the offering. For each proposed offering, Franchisee shall pay to Franchisor a non-refundable fee of Ten Thousand Dollars (\$10,000) or such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the proposed offering, including, without limitation, legal and accounting fees.

13.7. No Waiver. Franchisor's consent to a Transfer shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver or release of Franchisor's right to demand exact compliance with any of the terms of this Agreement.

13.8. Franchisor's Right to Transfer. Franchisee represents that Franchisee has not signed this Agreement in reliance on any particular direct or indirect owner, director, officer, or employee remaining with Franchisor in that capacity. Franchisor may, without restriction, freely transfer or assign this Agreement, and all or any part of its rights or obligations in this Agreement to any person or entity, including a person or entity that operates one or more businesses that are similar to or competitive with the System. Franchisor also may, without restriction, sell its assets, any ownership interest in Franchisor or in any of its Affiliates or owners, its rights in the Proprietary Marks or other Intellectual Property Rights, or the System to any person or entity; may offer its securities privately or publicly; may merge, spin-off, acquire other companies or be acquired; may undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and with regard to any or all of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands, or damages against Franchisor arising from or related to the transfer. Upon any such transfer, the transferee shall be solely responsible for all obligations and duties arising subsequent to such transfer, such transfer will constitute a novation, and Franchisor will have no further obligation to Franchisee.

14. DEFAULT AND TERMINATION.

14.1. Automatic Termination. Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee becomes insolvent or makes a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by Franchisee or such a petition is filed against, and consented to by, Franchisee; if Franchisee is adjudicated as bankrupt; if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law is instituted by or against Franchisee; if Franchisee is dissolved; if execution is levied against the Hotel or any part or asset of the Hotel, or suit to foreclose any lien or mortgage against the Hotel or any part or asset of the Hotel is instituted against Franchisee and not dismissed within ninety (90) days; or if the Hotel or any part or asset of the Hotel is sold after levy.

14.2. Termination by Franchisor on Notice Without Cure. Franchisee shall be deemed to be in default under this Agreement and Franchisor may, at its option, terminate this Agreement and all rights

granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon delivery of written notice, upon the occurrence of any of the following:

14.2.1. If Franchisee ceases to do business at the Approved Site, or ceases to operate the Hotel under the Proprietary Marks and System, or loses the right to possession of the Hotel, or otherwise forfeits the right to operate the Hotel at the Approved Site; provided, that if the cessation of business or loss of possession results from a fire or other casualty, then the provisions of Section 7.5 of this Agreement shall apply;

14.2.2. If Franchisor, or a Governmental Authority, determines that a serious threat or danger to public health or safety results from the construction, renovation, conversion, maintenance or operation of the Hotel, such that an immediate shutdown of the Hotel is necessary to avoid a substantial liability or loss of goodwill to the System, and Franchisee fails to close the Hotel and remove said threat or danger within three (3) days thereafter;

14.2.3. If Franchisee or any Owner is convicted of a felony or any other crime of dishonesty or moral turpitude, or if Franchisee or any Owner acts, or operates the Hotel or any other business, in any manner that is reasonably likely, in the sole opinion of Franchisor, to adversely affect the System, the Proprietary Marks, the goodwill associated therewith or Franchisor's or its Affiliate's interests therein;

14.2.4. If Franchisee, any Affiliate of Franchisee, any Guarantor or any Owner of Franchisee or any of its Affiliates is or becomes a Specially Designated National or Blocked Person;

14.2.5. If Franchisee or any Owner Transfers or purports to Transfer any rights or obligations in violation of Section 13 of this Agreement;

14.2.6. If Franchisee or any Owner fails to comply with the covenants in Section 16;

14.2.7. If Franchisee or any Owner makes any material false statements or omissions in connection with Franchisee's application for the franchise, the execution of this Agreement, or any information submitted to Franchisor;

14.2.8. If Franchisee or any Owner misuses or participates in any unauthorized use of the Proprietary Marks or otherwise adversely affects the goodwill associated therewith or Franchisor's or its Affiliate's rights therein, including, without limitation, any use of the Proprietary Marks before receiving written authorization to open the Hotel as an MGallery Hotel;

14.2.9. If Franchisee commits a default more than three (3) times during any consecutive twelve (12) month period, whether the same or different defaults, and whether or not such defaults are cured after notice;

14.2.10. Upon termination of the Hotel Lease;

14.2.11. Franchisee (or any of its Owners) knowingly makes any unauthorized use or disclosure of any part of the Manuals or any other Confidential Information; or

14.2.12. Franchisee fails to open the Hotel to the public on or before the projected Opening Deadline as required in Section 3.6 of this Agreement.

14.3. Termination by Franchisor on Notice With Right to Cure. Except as provided in Sections 14.1 and 14.2 of this Agreement, Franchisee shall have thirty (30) days (five (5) days for monetary

defaults under Section 14.3.1 below), or such longer period as Franchisor may specify in writing, from its receipt of a written notice of default (stating the nature of the default) within which to remedy any default under this Section 14.3 and to provide evidence thereof to Franchisor. If any such default is not cured and evidence of such cure provided to Franchisor within the time specified in the notice (or such longer period as Applicable Law may require), Franchisor may, at its option, terminate this Agreement and all rights granted hereunder. Franchisee shall be in default under this Section 14.3 for any failure to comply with any of the terms or requirements or perform any obligations imposed by this Agreement, as this Agreement may from time to time reasonably be supplemented by the Manuals, or to perform Franchisee's obligations under this Agreement. Such defaults shall include, without limitation, the occurrence of any of the following:

14.3.1. If Franchisee fails, refuses or neglects to pay any monies owing to Franchisor or its Affiliates when due, or to submit the financial information or Reports required by Franchisor under this Agreement;

14.3.2. If Franchisee receives a notice of default under the Hotel Lease and fails to cure such default within the time period specified;

14.3.3. If, in connection with the establishment or operation of the Hotel, Franchisee, by act or omission, allows a continuing violation of any law, ordinance, rule or regulation of a Governmental Authority, in the absence of a good faith dispute over its application or legality and without having promptly resorted to an appropriate administrative or judicial forum for relief therefrom;

14.3.4. If Franchisee fails to comply with the requirements concerning the upgrading of the Hotel set forth in this Agreement;

14.3.5. If Franchisee or any of its Owners interferes with Franchisor's right to inspect the Hotel or observe its operation;

14.3.6. If Franchisee fails any quality measurement of the Hotel, including any inspection of the Hotel as provided for in Section 7.11 of this Agreement, or otherwise fails to maintain Franchisor's Brand Standards; or

14.3.7. If after receipt of a written demand from Franchisor, Franchisee fails to timely comply with its obligations under Section 18.2 of this Agreement.

14.4. Suspension of Services During Default Period. If Franchisee defaults under this Agreement (including, without limitation, any failure to comply with the Brand Standards), and if Franchisee fails to cure any such default which may be cured as permitted hereunder, Franchisor may, and in its sole discretion, in lieu of, or as a preliminary action before terminating this Agreement, cease accepting reservations for Franchisee's Hotel through the Reservation System (provided, that Franchisor shall preserve, and Franchisee shall honor, all reservations received before the date that reservations for the Hotel cease to be accepted), and/or refuse to provide any other online distribution marketing assistance and/or allow Franchisee to participate in Centralized Marketing Programs and/or suspend the Sales and Marketing Services, until the default is cured. During any period in which some or all of the services listed above are suspended, Franchisee shall nevertheless comply with all of its obligations under this Agreement, including the obligation to pay Royalty Fees and the Marketing Fund Fee.

14.5. Sale in Lieu of Termination. Notwithstanding anything to the contrary in this Section 14, following an event of default by Franchisee which could otherwise result in the termination of this Agreement, Franchisor may, in its sole discretion and in lieu of exercising its termination rights

hereunder, require Franchisee to sell the Hotel to a third party that satisfies Franchisor's requirements and that agrees to operate the Hotel following the sale as a franchised MGallery Hotel. In such event Franchisor may require Franchisee to assign this Agreement to the Hotel purchaser in connection with the sale or may, in its sole discretion, enter into its then-current franchise agreement for MGallery Hotels with such purchaser. If the Hotel is sold pursuant to this Section 14.5, Franchisee shall have no liability for liquidated damages pursuant to Section 14.6 of this Agreement but shall continue to be bound by all other applicable post-termination obligations.

14.6. Liquidated Damages. Franchisee acknowledges and agrees that, in the event this Agreement is terminated as a result of Franchisee's default under Sections 14.1, 14.2 or 14.3 above, or Franchisee terminates this Agreement under Section 7.5.4 above, such termination may result in lost future revenue and profits to Franchisor, harm to the goodwill associated with the System and the Proprietary Marks, and increased costs to Franchisor to redevelop or re-franchise the market in which the Hotel is located. Franchisor and Franchisee agree that such damages may be difficult to quantify or estimate. Therefore, in addition to any other monies owed hereunder, including but not limited to any liability for damages to the Proprietary Marks, but in lieu of the payment of damages as a result of or related to such termination, Franchisee agrees to pay, as liquidated damages and not as a penalty, as follows:

(i) if termination occurs before the Opening Date, then Franchisee will pay to Franchisor liquidated damages in an amount equal to Ten Thousand Dollars (\$10,000) multiplied by the number of approved guest rooms at the Hotel.

(ii) if termination occurs after the Opening Date but before the second anniversary of the Opening Date, Franchisee will pay to Franchisor liquidated damages in an amount equal to the greater of: (a) the Hotel's Average Monthly Fees multiplied by sixty (60), or (b) Ten Thousand Dollars (\$10,000) multiplied by the number of approved guest rooms at the Hotel;

(iii) if termination occurs after the second anniversary of the Opening Date but before the final sixty (60) calendar months of the Term, Franchisee will pay to Franchisor liquidated damages in an amount equal to the Hotel's Average Monthly Fees multiplied by sixty (60); and

(iv) if there are fewer than sixty (60) months remaining in the Term on the date of termination, Franchisee will pay to Franchisor liquidated damages in an amount equal to the Hotel's Average Monthly Fees multiplied by the number of months remaining in the Term.

Franchisee shall pay Franchisor the payment specified in this Section 14.6 no later than five (5) days following the termination of this Agreement. In addition to Franchisor's right to the payment of liquidated damages as provided in this Section 14.6, Franchisor shall not otherwise be limited in its ability to recover other monies due under this Agreement and to otherwise seek damages or equitable relief for the harm caused by the conduct which gave rise to the termination, as well as for any other defaults of Franchisee under this Agreement and to obtain such other relief in law or equity as provided for in this Agreement, including without limitation, enforcing Franchisee's compliance with the post-termination obligations set forth in Section 15 of this Agreement; provided, that Franchisor shall not be entitled to recover damages for lost future revenue or profits in excess of the liquidated damages specified in this Section 14.6.

15. OBLIGATIONS UPON TERMINATION.

Upon the termination or expiration of this Agreement:

15.1. Cease Operation as an MGallery Hotel. Franchisee shall immediately cease to operate the Hotel under the System and shall not thereafter, directly or indirectly, represent itself to the public or hold itself out as a present or former MGallery Hotel franchisee.

15.2. Cease Use of the Proprietary Marks. Franchisee shall immediately and permanently cease to use, by advertising or in any other manner whatsoever, the name “MGallery Hotel Collection” or any variation thereof, any other Proprietary Marks or identifying characteristics of the System. Franchisee shall discontinue using for any purpose, any and all signs, advertising, materials, stationery, supplies, forms or other items, which display the Proprietary Marks and shall dispose of such items as instructed by Franchisor. Any signs bearing the Proprietary Marks which Franchisee is unable to remove within one (1) day following expiration or termination of this Agreement shall be completely covered by Franchisee within such one (1) day and until the time of their removal, which shall be within ten (10) days following the expiration or termination of this Agreement. Franchisee agrees that all signs that are not timely removed pursuant to this section may be removed by Franchisor, and all risk and all legal and other costs related to such removal shall be borne by Franchisee. In the event Franchisee continues to operate or subsequently begins to operate any other business, Franchisee agrees not to use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks, either in connection with the operation of such other business or the promotion thereof. Franchisee further agrees not to utilize any design or decor features, designation of origin, description or representation (including, but not limited to, reference to Franchisor, the System, or the Proprietary Marks) which, in Franchisor’s sole discretion, suggests or represents a present or former association or connection with Franchisor, the System, or the Proprietary Marks.

15.3. De-Identify. Franchisee shall, at its expense, immediately make such modifications or alterations to the Hotel as may be necessary to distinguish the Hotel so clearly from its former appearance and from other MGallery Hotels as to prevent any possibility of confusion by the public, including, without limitation, removal of all distinctive physical and structural features identifying Hotel as an MGallery Hotel, removal of all distinctive signs and emblems, and removal or alteration of any design or decor features that Franchisor, in its sole discretion, determines to be indicative of MGallery Hotels.

15.3.1. Until all modifications and alterations required by this Section 15.3 are completed, Franchisee shall (i) maintain a conspicuous sign at the registration desk in a form specified by Franchisor stating that the Hotel is no longer associated with the System, and (ii) advise all guests or prospective guests who telephone the Hotel that it is no longer associated with the System.

15.3.2. If Franchisee fails to initiate immediately and timely complete the alterations described herein, as and when required by this Section 15.3, Franchisee acknowledges and agrees that Franchisor or its designated agents may enter the premises of the Hotel and adjacent areas at any reasonable time and make such alterations, at Franchisee’s sole risk and expense, without responsibility for any actual or consequential damages to the property of Franchisee or others, and without liability for trespass or other tort or criminal act. Franchisee expressly acknowledges that its failure to make such alterations, timely and completely, will cause irreparable injury to Franchisor.

15.4. Cancel Assumed Names. Franchisee shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the mark “MGallery Hotel Collection” or any other Proprietary Marks, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

15.5. Pay Amounts Owed. Franchisee shall promptly pay all sums owing to Franchisor, its Affiliates and all approved suppliers and third-party distribution channels. Franchisor shall have the right, within sixty (60) days following the termination or expiration of this Agreement, to inspect the Hotel premises, and conduct a review and/or an audit of Franchisee’s books and records for the purpose, among other things, of assuring Franchisee’s compliance with the provisions of this Section 15. Such books and records shall be made available to Franchisor or its Affiliates at the Approved Site upon five (5) days’ written notice to Franchisee.

15.6. Pay Damages. Franchisee shall pay upon demand to Franchisor all damages, costs and expenses, including reasonable attorneys’ fees, incurred by Franchisor in connection with Franchisee’s default and/or the early termination or expiration of this Agreement including, without limitation, those incurred to enforce and/or obtain injunctive or other relief to enforce this Section 15.

15.7. Return Confidential Information. Franchisee shall immediately and permanently cease to use any and all Confidential Information and shall return to Franchisor or destroy all printed materials of the Manuals and other Confidential Information, and all other records, files, instructions, correspondence and other materials provided by Franchisor related to the operation of the Hotel, and all copies thereof (all of which are acknowledged to be Franchisor’s property), and shall retain no copy or record of any of the foregoing, with the exception of Franchisee’s copy of this Agreement, any correspondence between the parties, and any other documents which Franchisee reasonably needs for compliance with Applicable Law.

15.8. Franchisor’s Purchase Option. Franchisor or its Affiliates shall have the option, to be exercised within twenty (20) days after the termination or expiration of this Agreement, to purchase from Franchisee at cost any or all of the furnishings, signs, fixtures, supplies or inventory of Franchisee bearing the Proprietary Marks. If Franchisor elects to exercise this option, it shall have the right to set off all amounts due from Franchisee, if any, against any payment due hereunder to Franchisor or its Affiliates. If Franchisor does not elect to exercise this option, Franchisee shall dispose of any and all items bearing the Proprietary Marks in accordance with Franchisor’s instructions.

15.9. Guest Information and Personal Information. Franchisee shall only retain Guest Information and Personal Information processed pursuant to this Agreement or relating to the Hotel that Franchisee collected directly from individuals. Any Guest Information or Personal Information collected by Franchisee from Franchisor shall be immediately and permanently destroyed. To the extent permitted by Applicable Law, including any Data Protection Legislation, Franchisee shall immediately transfer to Franchisor any and all Guest Information and Personal Information not yet transmitted to Franchisor pursuant to Section 10.3 above. Franchisee shall transfer such information and data in accordance with all Applicable Law, include all Data Protection Legislation. Franchisor shall cease to use any of Franchisee’s, or Franchisee’s employees’ Personal Information.

16. COVENANTS.

16.1. No Diversion of Business. In recognition of the valuable specialized training and Confidential Information received by them pursuant to this Agreement, Franchisee covenants that during the Term Franchisee and its Owners shall not, directly or indirectly, for itself or themselves, or through, on behalf of, or in conjunction with any other person or legal entity, divert or attempt to divert any

present or prospective business or customer of the MGallery Hotel or any other Hotel operating under the System to any Competitor, other than a property owned or franchised by an Affiliate of Franchisor. Franchisee and its Owners agree that the existence of any claims they may have against Franchisor or its Affiliates, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 16.1.

16.2. Owner, Manager and Employee Covenants.

16.2.1. At Franchisor's request, Franchisee shall obtain and submit to Franchisor's covenants similar in substance to those in Section 9 (Manuals and Other Confidential Information), in a form acceptable to Franchisor, from Franchisee's Manager, any of its Owners, officers and other personnel as Franchisor may require, and those employees, contractors, lawyers, architects, lenders, investors, agents, and others described in Section 9.2 (Confidential Information) above.

16.2.2. At Franchisor's request, Franchisee shall obtain covenants similar in substance to those in Section 7.9 (Legal Compliance), Section 13.1 (Ownership Interests and Control) and this Section 16, in a form acceptable to Franchisor, from any of its Owners and from such of Franchisee's officers and directors as Franchisor may require.

16.2.3. Each Guarantor must sign an agreement in the form Franchisor designates undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between Franchisee and Franchisor (a "**Guarantee Indemnification, and Acknowledgment**"), the current version of which is Exhibit GF to this Agreement.

17. TAXES, PERMITS AND INDEBTEDNESS.

17.1. Payment of Taxes and Other Operational Expenses. Franchisee shall promptly pay when due all Taxes levied or assessed by any federal, state or local tax authority, and any and all other indebtedness incurred by Franchisee in connection with the operation of the Hotel, including, without limitation, amounts owed to approved suppliers and third-party distribution channels.

17.2. Bona Fide Payment Disputes. In the event of any *bona fide* dispute as to liability for Taxes assessed or other indebtedness, Franchisee may contest the validity of the amount of the Tax or indebtedness in accordance with the procedures of the taxing authority or Applicable Law, provided that such action does not result in any liability to or assessment of, any fine, penalty, or fee against, Franchisor or its Affiliates; however, in no event shall Franchisee permit a Tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the Hotel, any part thereof, or any of its assets.

18. INDEPENDENT CONTRACTOR AND INDEMNIFICATION.

18.1. Independent Contractor. The parties understand and agree that, in connection with its performance under this Agreement, Franchisee, its agents and employees, shall act as independent contractors, and nothing herein shall at any time be construed to create the relationship of employer and employee, partnership, principal and agent, or joint venturer between Franchisor or its Affiliates and Franchisee. In addition, Franchisee shall have no right or authority to enter into any contract, commitment, or agreement, or to speak on behalf of, or incur any debt or obligation in the name or on behalf of, Franchisor or its Affiliates unless expressly authorized to do so in writing by Franchisor. Franchisee shall exercise full and complete control over, and have full responsibility for, its contracts, daily operations, labor relations, employment practices and policies, including but not limited to recruitment, selection, hiring, disciplining, firing, compensation, work rules and schedules of its employees. Further, Franchisor and Franchisee are not and do not intend to be partners, associates, or joint employers in any way, and Franchisor shall not be construed to be jointly liable for any of Franchisee's acts or omissions under any circumstances. Franchisor has no relationship with Franchisee's employees and Franchisee has no relationship with Franchisor's employees. Franchisee also agrees to communicate clearly with its employees in employment agreements, manuals, handbooks and other materials that Franchisee, and not Franchisor or its Affiliates, are the employer of all Hotel employees. During the Term, Franchisee shall at all times hold itself out to the public as an independent contractor that independently owns and operates the Hotel pursuant to a franchise agreement with Franchisor and to place notices of independent ownership on the forms, business cards, stationery, employment materials, advertising and other materials Franchisor requires from time to time.

18.2. Indemnity. Franchisee shall defend (using counsel acceptable to Franchisor), protect, indemnify and hold Franchisor, its Affiliates, their respective successors and assigns, and the officers, directors, owners, agents, representatives, and employees of each of them, past or present (the "**Indemnitees**") harmless, to the fullest extent permitted by law, from and against any and all Losses and Expenses (defined below) incurred in connection with any action, suit, proceeding, claim, demand, investigation, inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which may arise out of, or in connection with, Franchisee's ownership, construction, renovation, conversion, establishment or operation of the Hotel, the performance of Franchisee, its employees or agents under this Agreement including any allegation that Franchisor or another Indemnitee is a joint employer or otherwise responsible for Franchisee's acts or omissions relating to your employees, any data breach of Franchisee's Local Database as described in Section 10.3, or the default by Franchisee or its Owners of any representation or warranty herein, without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be sole, joint or concurrent, active or passive) or strict liability of any Indemnitee or any other party or parties in connection therewith. Notwithstanding the foregoing, this indemnity shall not apply to any liability arising from Franchisor's gross negligence or willful misconduct, except to the extent joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to Franchisee, its Owners, officers, directors, employees or agents.

18.2.1. For purposes of this Section 18.2 "**Losses and Expenses**" includes, without limitation, all liabilities, losses, damages (including damages for injury to property or persons, including death, and, without limitation, the injury or death of any of Franchisee's employees or agents or damage to any of their property, fines, settlement amounts, costs, expenses, attorneys' fees, investigative fees and court costs).

18.2.2. Franchisee shall have ten (10) business days from its receipt of a written demand from Franchisor for indemnification to comply with its obligations hereunder. Franchisor will in

any event have the right, through counsel of its choice, at Franchisee's expense, to control the defense or response to any such action to the extent such action affects the interests of Franchisor, and such undertaking by Franchisor will not, in any manner or form, diminish Franchisee's obligations to Franchisor hereunder. Under no circumstances shall Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against Franchisee under this Section. Such indemnity shall survive the termination or expiration of this Agreement.

18.3. No Liability. Franchisor and its Affiliates shall in no event be liable by reason of any act or omission of Franchisee in its construction, renovation, conversion, establishment or operation of the Hotel or its performance under this Agreement or for any claim or judgment arising therefrom against Franchisee or Franchisor or its Affiliates. Franchisee agrees and understands that Franchisor and its Affiliates shall not, nor shall they have the obligation to, indemnify or hold Franchisee harmless from and against any action or claim by any third party based upon Franchisor's or Franchisor's Affiliates' exercise of any of its rights in accordance with the terms of this Agreement.

19. APPROVALS AND WAIVERS.

19.1. Franchisor Consent. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request therefor to Franchisor (where no such time period is otherwise provided in the application section of this Agreement), and such approval or consent shall not be valid unless given in writing and signed by an authorized officer of Franchisor. Franchisor may, in its sole discretion, withhold its approval or consent to any such request unless otherwise provided herein.

19.2. No Reliance. Except for the obligations of Franchisor specifically set forth in this Agreement, Franchisor makes no warranties or guaranties. Franchisor assumes no liability or obligation to Franchisee by providing any waiver, approval, consent or suggestion to Franchisee in connection with this Agreement, or by reason of any delay or denial of any request therefor.

19.3. No Waiver. Franchisor will not be deemed to waive or impair any right, power or option this Agreement reserves (including, without limitation, Franchisor's right to demand exact compliance with every term, condition and covenant of this Agreement) because of any custom or practice at variance with the terms of this Agreement's terms; Franchisor's waiver of or failure to exercise any right, power or option, whether of the same, similar or different nature, with other MGallery Hotel franchisees; or the existence of franchise agreements for other MGallery Hotels which contain provisions different from those contained in this Agreement. Franchisor's waiver of any particular default of Franchisee shall not affect or impair Franchisor's rights with respect to any subsequent default of the same, similar or different nature; nor shall any delay, forbearance or omission of Franchisor to exercise any power or right arising out of any breach or default by Franchisee affect or impair Franchisor's rights with respect to such default, or Franchisor's right to declare any subsequent breach or default and to terminate this Agreement before the expiration of its Term. Subsequent acceptance by Franchisor or its Affiliates of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding default by Franchisee of any terms, covenants or conditions of this Agreement.

19.4. Force Majeure. In the event that either party shall be delayed, hindered in, or prevented from, the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, or local, regional or world threats or outbreak of infectious disease, epidemic or pandemic disease(s) (all referred to herein as "**Force Majeure**"), which was not caused by the party claiming it and beyond the reasonable control of the party claiming it and could not have been reasonably foreseen or

avoided by reasonable means, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Force Majeure shall not include Franchisee's lack of adequate financing. Notwithstanding the foregoing, in no event shall the time periods established for commencement or completion of construction, conversion or renovation be excused, and/or extended, in the aggregate for longer than one (1) year due to one or more events of Force Majeure.

20. NOTICES.

All notices pursuant to this Agreement shall be in writing and shall be personally delivered; sent by facsimile or electronic mail; mailed by registered or certified mail, return receipt requested; or dispatched by overnight delivery to the respective parties at the following addresses, unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: Accor Franchising US LLC
 711 5th Avenue, 7th Floor
 New York, NY 10022
 Attention: Senior Vice President, General Counsel
 Email: lawdept@accor.com

With a copy to: Accor Franchising US LLC
 c/o Accor Luxury North America
 155 Wellington Street West
 Suite 3300
 Toronto, ON M5V 0C3
 Attention: Senior Vice President, General Counsel
 Email: lawdept@accor.com

And a copy to: Accor, Europe
 10 Hammersmith Grove
 London W6 7AP
 United Kingdom
 Attention: General Counsel
 Email: gabor.kerdo@accor.com

Notices to Franchisee: _____

 Facsimile No.: _____
 Attention: _____

Notice shall be deemed to have been received as follows: by personal delivery – at the time of delivery; by facsimile or electronic mail (if confirmed by regular mail as set forth above) – at time of transmission; by overnight delivery service – on the next business day following the date on which the notice was given to the overnight delivery service; and by registered or certified mail, return receipt requested – three (3) days after the date of mailing.

21. ENTIRE AGREEMENT. This Agreement together with the exhibits and schedules therein and the technical assistance agreements entered into pursuant to Section 7.5.5 are intended by Franchisor and Franchisee to be the final and binding expression of their agreement, contain all of the material terms agreed to, are a complete and exclusive statement of the terms thereof and supersede all prior oral or written agreements, negotiations and representations, provided, however, that nothing in this or any related agreement is intended to disclaim the representations Franchisor made in the franchise disclosure document that Franchisor furnished to Franchisee. No representation, understanding or agreement, oral or written, have been made or relied upon in the making of this Agreement other than as specifically set forth herein. Unless otherwise provided in this Agreement, this Agreement and the exhibits and schedules therein may only be amended, modified, or supplemented by a writing signed by both Franchisor and Franchisee. Oral modification of this Agreement is not permitted, and Franchisee hereby waives any right to claim an oral modification of this Agreement.

22. SEVERABILITY AND CONSTRUCTION.

22.1. Construction. The parties agree that if any provision of this Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable, and the other of which would render the provision valid and enforceable, such provision shall have the meaning which renders it valid and enforceable. The language of all provisions of this Agreement shall be construed according to its fair meaning, but in no event shall it be presumed that such language is to be construed against the drafter. It is the intent of the parties that the provisions of this Agreement be enforced to the fullest extent and should any court or other public agency determine that any provision herein is not enforceable as written in this Agreement, the provision shall be amended so that it is enforceable to the fullest extent permissible under the laws and public policies of the jurisdiction in which the enforcement is sought.

22.2. Severability. The provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained in the Agreement, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable; provided, that if any court or other public agency determines that one or more provision is invalid, illegal or unenforceable, and such determination would, in the reasonable opinion of Franchisor, frustrate the purpose of this Agreement as determined by Franchisor, then Franchisor may terminate this Agreement.

22.3. No Third-Party Beneficiary. Except as expressly provided herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor or Franchisor's Affiliates and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated (and, as to Franchisee, permitted), any rights or remedies under or by reason of this Agreement.

22.4. Maximum Scope of Covenants. Franchisee agrees to be bound by any promise or covenant imposing the maximum duty permitted by Applicable Law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Franchisee is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

23. DISPUTE RESOLUTION.

23.1. Governing Law. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, this Agreement, the franchise, and all claims arising from the relationship between Franchisor and Franchisee will be governed by the laws of the state of New York, without regard to its conflict of laws rules, except that any New York law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this subsection.

23.2. Mediation. The parties agree to submit any claim, controversy or dispute arising out of or relating to this Agreement or the relationship created by this Agreement to non-binding mediation before bringing such claim, controversy or dispute in a court or before any other tribunal. The parties shall select a mediator within thirty (30) days after request of mediation by either party. The mediation shall be conducted through either an individual mediator or a mediator appointed by a mediation services organization or body approved by Franchisor and experienced in the mediation of lodging service business disputes or franchise disputes and shall be conducted at a location selected by Franchisor that is proximate to Franchisor's principal place of business. The costs and expenses of any such mediation, including compensation and expenses of the mediator (and except for the attorney's fees incurred by either party), shall be borne by both parties equally.

23.3. Arbitration. Subject to Sections 23.2 and 23.4, any dispute arising out of or relating to this Agreement shall be settled by arbitration as follows:

23.3.1. each party shall be entitled to serve upon the other party written notice of its desire to settle the matter by binding arbitration. Within 10 days after the date of delivery of such notice, either party may submit the dispute to the American Arbitration Association for binding arbitration under the then existing Commercial Arbitration Rules of the American Arbitration Association, with such submission requesting a single arbitrator. Any arbitrator appointed or designated pursuant to this Section 23.3 shall possess significant professional experience in the luxury hotel business but shall not be an Affiliate of or a person who has a present or currently contemplated business or personal relationship, or has had any personal or business relationship at any time during the ten (10) years immediately preceding the submission to arbitration, with either Franchisee, any Affiliates or any of its or their Owners. The parties may also provide the names of suggested arbitrators who possess the requisite qualifications for the purposes of supplementing any American Arbitration Association list of potential arbitrators. The arbitrator shall be instructed to apply the internal laws of the State of New York (without regard to conflict of laws principles) in resolving the subject dispute;

23.3.2. the decision of the arbitrator shall be made within 30 days of the close of the hearing with respect to the arbitration (or such longer time as may be agreed to, if necessary, which agreement shall not be unreasonably withheld) and the decision of such arbitrator when reduced to writing and signed by it shall be final, conclusive and binding upon the parties hereto, and may be enforced in any court having jurisdiction;

- 23.3.3. the arbitration shall be held in New York, New York and all matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.) and not by any state arbitration law. Notwithstanding the foregoing sentence, except for those procedures specifically set forth in this Section 23.3, including, without limitation, the application (to substantive issues) of the internal laws of the State of New York (without regard to conflict of laws principles), arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date thereof;
- 23.3.4. the arbitrator shall be directed to establish (i) a schedule for the conduct of the arbitration which shall yield a conclusion within 120 days following the appointment of the arbitrator and (ii) economic or procedural sanctions (which may include default judgment) for any party the arbitrator determines has intentionally delayed the conduct of the proceedings;
- 23.3.5. the arbitrator shall determine the proportions of the expenses of such arbitration which each party shall bear; provided, however, that each party shall be responsible for its own legal fees; and
- 23.3.6. arbitration will be conducted on an individual, not a class-wide, basis.

Notwithstanding anything contained in this Section 23.3, (i) either Franchisor or Franchisee shall be entitled to (A) commence legal proceedings seeking such mandatory, declaratory or injunctive relief as may be necessary to define or protect the rights and enforce the obligations contained herein pending the settlement of a dispute in accordance with the arbitration procedures set forth in this Section 23.3, or (B) commence legal proceedings involving the enforcement of an arbitration decision or award arising out of this Agreement, and (ii) no party shall (A) be entitled to any default remedy or remedies until the conclusion of the arbitration process, or (B) join any arbitration proceeding arising out of this Agreement with any other arbitration proceeding.

23.4. Extraordinary Relief. Notwithstanding Sections 23.2 and 23.3, Franchisor may bring an action for injunctive or other extraordinary relief (including, without limitation, specific performance), in any court of competent jurisdiction, without first submitting such action to mediation or arbitration.

23.5. Jurisdiction and Venue. With respect to any claims, controversies or disputes which are not finally resolved through mediation or arbitration as provided above, Franchisor, Franchisee and Owners hereby irrevocably submit themselves to the jurisdiction of any court, whether federal or state, in New York, New York and hereby waive all objections to personal jurisdiction for the purpose of carrying out this provision. Franchisee and Owners hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by New York or federal law.

23.6. Non-Exclusive Remedies. No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy provided herein or permitted by law or equity, but each shall be cumulative of every other right or remedy.

23.7. **JURY WAIVER**. **FRANCHISOR, FRANCHISEE AND ITS OWNERS IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER NOTWITHSTANDING ANY STATE OR FEDERAL CONSTITUTIONAL OR**

STATUTORY RIGHT AND HEREBY AGREE THAT ANY JUDICIAL PROCEEDING SHALL BE TRIED BEFORE THE COURT SITTING WITHOUT A JURY. FRANCHISEE AND ITS OWNERS FURTHER AGREE THAT ANY ACTIONS SUIT OR PROCEEDING SHALL BE CONDUCTED ON AN INDIVIDUAL BASIS, AND NOT AS PART OF A COMMON, CONSOLIDATED OR CLASS ACTION.

23.8. LIMITATIONS PERIOD. EXCEPT FOR CLAIMS BROUGHT BY FRANCHISOR WITH REGARD TO (1) ANY MISREPRESENTATION OR OMISSION MADE BY FRANCHISEE OR ANY IF ITS OWNERS, (2) FRANCHISEE'S OBLIGATIONS TO PROTECT FRANCHISOR'S CONFIDENTIAL INFORMATION, OR (3) FRANCHISEE'S OBLIGATIONS TO INDEMNIFY FRANCHISOR PURSUANT TO SECTION 18.2, ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP OF FRANCHISEE AND FRANCHISOR, OR FRANCHISEE'S OPERATION OF THE HOTEL, BROUGHT BY EITHER PARTY HERETO AGAINST THE OTHER, WHETHER IN MEDIATION, ARBITRATION OR A JUDICIAL ACTION, SHALL BE COMMENCED WITHIN TWO (2) YEARS FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM OR ACTION, NOTWITHSTANDING ANY APPLICABLE STATUTE OF LIMITATIONS, OR SUCH CLAIM OR ACTION SHALL BE BARRED.

23.9. Damages Waiver. Except with respect to obligations regarding use of the Proprietary Marks and other Intellectual Property Rights and Confidential Information, Franchisor and Franchisee (and its Owners) each waives, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary or special damages against the other. Franchisee and each of its Owners also waive, to the fullest extent permitted by law, the right to recover consequential damages (including lost profits) for any claim directly or indirectly arising from or relating to this Agreement. Franchisor retains all other rights and remedies, including the right to obtain liquidated damages as provided in this Agreement, direct and general damages, compensatory and consequential damages, injunctive and extraordinary relief, and attorney fees and costs.

23.10. Enforcement Costs. In connection with any suit or proceeding, brought by Franchisor or its Affiliates or Franchisee to enforce any of their respective rights under this Agreement, the prevailing party in such suit or proceeding shall be entitled to recover its reasonable attorney's fees and court costs incurred therein.

23.11. Business Judgment. Franchisee and its Owners acknowledge that various provisions of this Agreement specify certain matters that are within the sole discretion or judgment of Franchisor. If the exercise of Franchisor's sole discretion or judgment as to any such matter is subsequently challenged, the parties to this Agreement (as well as Owners of Franchisee) agree that if a trier of fact finds that Franchisor relied on a business reason in the exercise of its sole judgment or discretion, then Franchisor's exercise of its discretion or judgment is to be viewed as a reasonable and proper exercise of such sole discretion or judgment, without regard to whether other reasons for its decision may exist and without regard to whether the trier of fact would independently accord the same weight to such business reason.

24. REPRESENTATIONS AND ACKNOWLEDGMENTS.

Franchisee represents to Franchisor that:

24.1. **Accuracy of Information.** It has provided to Franchisor complete, accurate and up to date information relating to its experience, qualification and the financial situation of both itself and the Hotel, including, as applicable, the past performance of the Hotel (including Gross Revenue, Room Revenue, REVPAR, and similar information). Details of Franchisee's ownership structure as of the Effective Date is set out in **Exhibit FF** and Franchisee shall promptly notify Franchisor of changes to the same. **Prior to any proposed Transfer or any deemed Transfer pursuant to this Agreement, Franchisee shall provide updates to such information so that such information is complete and accurate as at the date of such Transfer or deemed Transfer.**

24.2. **Hotel Premises.** Franchisee owns or has the right to occupy the Hotel premises and its contents and, where Franchisee is not the owner of the Hotel premises, is the sole lessee of the real property used in the operation of the Hotel which Franchisee has the right to possess, use, occupy or access pursuant to the Hotel Lease. Franchisee has provided to Franchisor a true and complete copy of the Hotel Lease; Franchisee is not in default under the Lease and no event has occurred or circumstance exists that would result in a default under the Lease.

24.2.1. Franchisee has the right to complete the construction, conversion or renovation of the Hotel and to peaceful and undisturbed possession of the Hotel premises throughout the Term. The Hotel premises are not subject to any encumbrances that could adversely affect the ability of the Hotel to be operated in accordance with this Agreement, limit or restrict Franchisor's rights under this Agreement, or limit or restrict Franchisee's ability to perform its obligations under this Agreement. Franchisee has not leased (as landlord) or otherwise granted any person or entity the right to possess, use, occupy or access any part of the Hotel premises except guests and customers of the Hotel in the ordinary course of business.

24.2.2. Franchisee will comply with all of its obligations under the Lease and will take all reasonable steps to ensure that the Landlord complies with its obligations under the Lease. During the Term, Franchisee shall not amend or terminate the Lease, or cause the Lease to be terminated, or take any other action that could adversely affect the operation of the Hotel or the rights or obligations of Franchisor without Franchisor's prior written consent. Franchisee will promptly, and within ten (10) days after receipt, provide to Franchisor a copy of any Lease amendment, any change of Landlord and a copy of any notice of default or termination that it receives from the Landlord.

24.2.3. Upon Franchisor's request, Franchisee shall ensure that each landlord that is or becomes an Affiliate of Franchisee enters into an agreement with Franchisor, in form and content reasonably satisfactory to Franchisor, which provides that the landlord (i) guarantees Franchisee's obligations under this Agreement; and (ii) Franchisor will not be disturbed in its rights under this Agreement.

24.3. Warranties and Undertakings.

24.3.1. Franchisee shall comply with Franchisor's know your counterparty processes from time to time in connection with the Hotel and this Agreement and Franchisee shall provide such information to Franchisor as Franchisor may from time to time require in this regard;

24.3.2. Franchisee's interest in the Hotel and the Hotel premises has been acquired and/or developed lawfully and is not derived from, or connected to, any activity that would constitute a violation of any anti-corruption laws, money laundering laws or sanctions laws in any jurisdiction in which Accor S.A. and its Affiliates is present;

24.3.3. in connection with the Hotel and any activities carried out under this Agreement, including but not limited to its negotiation, signing and execution, neither Franchisee, nor any of its Relevant Parties shall, whether directly or indirectly, give, offer, solicit, authorize, promise, or cause any form of payment or valuable item (including gifts or benefits in kind) to any person with the intention to: influence or secure any action or decision; or induce or persuade someone to act (or not act) in a way that results in an unfair advantage, favour, approval or permission; or induce or encourage any public official to use their influence within or over a Governmental Authority or to affect any decision or action by such Governmental Authority; and

24.3.4. no Specially Designated National or Blocked Person has any direct or indirect control over Franchisee or any of its Relevant Parties.

~~24.3~~24.4. Independent Investigation. Franchisee and its Owners have independently investigated the business franchised hereunder, including current and potential market conditions, competitive factors and risks, and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of Franchisee as an independent business owner. Franchisor expressly disclaims the making of, and Franchisee acknowledges that Franchisee has not received or relied on, any representation, warranty or guaranty, express or implied, whatsoever, including, but not limited to, the potential volume, profits or success of the business venture contemplated by this Agreement.

~~24.4~~24.5. System Changes. It understands the System may be supplemented, improved and otherwise modified from time to time by, and in the sole discretion of, Franchisor, and Franchisee agrees to comply with all requirements of Franchisor in that regard.

~~24.5~~24.6. Franchise Law Compliance. If applicable, Franchisee shall execute the Exemption Acknowledgment included in Exhibit HG attached to this Agreement.

~~24.6~~24.7. Opportunity to Review. It has read and understood this Agreement, including the exhibits and schedules therein, and the agreements relating thereto, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

~~24.7~~24.8. Reliance. Franchisee is relying solely on Franchisor, and not on any affiliated entities or parent companies related to Franchisor, with regard to Franchisor's financial and other obligations under this Agreement, and no employee or other person speaking on behalf of, or otherwise representing, Franchisor has made any statement or promise to the effect that Franchisor's affiliated entities or parent companies guarantee Franchisor's performance or financially back Franchisor.

~~24.8~~24.9. Survival. In addition to, and without limitation of, the terms of this Agreement that contemplate performance after the termination or expiration of this Agreement or the Transfer of Franchisee's interest herein, all of which are deemed to survive such termination, expiration or Transfer, the terms of Section 7.5.5 and of Sections 8, 9, 10, 12, 15, 18, 20, 21, 23, and 24 shall survive the termination, expiration or Transfer of this Agreement.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date first above written.

FRANCHISEE

By: _____
Name: _____
Title: _____

FRANCHISOR

ACCOR FRANCHISING US LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A

SELECTED TERMS

1. Initial Franchise Fee: _____.
2. Projected Opening Date: _____.
3. Approved Site: The Approved Site for the Hotel is _____.
4. The Hotel is (check the box): new construction a conversion property
5. Guest Rooms: The Hotel shall have _____, guest rooms.
6. The approved operator of the Hotel is: _____.
7. **[IF APPLICABLE]** Area of Protection Provision.

Notwithstanding the provisions of Section 2 of this Agreement, during the AOP Term neither Franchisor nor any of its Affiliates will open and operate, nor authorize any other party to open and operate, any other MGallery Hotels the physical premises of which are located within the Area of Protection (described below). The one exception to this restriction is that, if Franchisor or any of its Affiliates acquires (whether through purchase, sale, merger, consolidation, or other transaction) during the Term another chain, franchise system, group or portfolio of at least four (4) hotels, or acquires the right to operate or manage another chain, franchise system, group or portfolio of at least four (4) hotels, one (1) or more of which hotels are located, or are under contract or construction to be located, in the Area of Protection (as Franchisor and its Affiliates have the right to do), Franchisor and/or its Affiliates then will have the unrestricted right to convert, or cause to be converted, the acquired hotel(s) within the Area of Protection from its (or their) original trade identity to operate under the Proprietary Marks and the System, and then to operate, or authorize any other party to operate, such hotel(s) as MGallery Hotels, even if one (1) or more of the other acquired hotels, whether operating within or outside the Area of Protection, are not converted to MGallery Hotels.

As used in this provision, “**AOP Term**” means _____.

As used in this provision, “**Area of Protection**” means the area located within the following boundaries: _____
_____. The Area of Protection is depicted on the map attached below. However, if there is an inconsistency between the language in this Exhibit A and the attached map, the language in this Exhibit A shall Control.

[AOP MAP TO BE INSERTED]

Except for the limited exclusivity provided in in this provision, Franchisee’s rights under this Agreement are nonexclusive in all respects and there are no restrictions on Franchisor or its Affiliates. Other than as provided in this provision, the Hotel has no territorial protection whatsoever, and Franchisor and its Affiliates have the right without any restrictions at all to engage in any and all activities Franchisor and its Affiliates desire (including with respect to any and all types of lodging facilities), at any time and place, whether or not using the Proprietary Marks or any aspect of the System, whether or not those activities compete with the Hotel, and whether or not Franchisor or its Affiliates start those activities themselves or purchase, are purchased by, merge with, acquire, are acquired by, or affiliate with businesses that already engage in such activities. Franchisor and its Affiliates may engage in all activities not expressly prohibited in this Agreement.

Initial: _____
Franchisee

Initial: _____
Franchisor

EXHIBIT B

CONVERSION ADDENDUM

If Franchisee will convert the Hotel to an MGallery Hotel, then Franchisee must initial this Conversion Addendum (the “**Addendum**”) and must upgrade and convert the Hotel in accordance with this Addendum:

1. Definitions. As used in this Addendum, the following terms have the meanings set forth below. All capitalized terms used, but not defined, in this Addendum have the meanings given to them in the Agreement:

Conversion Commencement Date has the meaning given to it in Section 4 of this Addendum.

Conversion Completion Date has the meaning given to it in Section 4 of this Addendum.

2. Acknowledgment of Conversion Costs. Franchisee acknowledges that, before Franchisor and Franchisee signed the Agreement and initialed this Addendum, Franchisee paid to Franchisor Five Thousand Dollars (\$5,000) to compensate Franchisor for the costs Franchisor incurred in preparing the PIP attached to this Addendum, which details the required upgrades (including upgrades to FF&E) to bring the property into conformity with the System. This cost is not refundable.

3. Preliminary Plans and Construction Plans for Conversion Properties.

3.1. Preliminary Plans. Within _____ () days after the Effective Date, or such other timeframe designated by Franchisor in Franchisor’s sole judgment, Franchisee shall retain the services of a qualified architect to develop Preliminary Plans for the conversion of the Hotel. In accordance with Section 3.3 below, Franchisee must first obtain Franchisor’s prior written consent before retaining or engaging any such architect. Within _____ () months after the Effective Date, or such other timeframe designated by Franchisor in Franchisor’s sole judgment, Franchisee shall submit its Preliminary Plans to Franchisor for review. Franchisor’s review and approval of the Preliminary Plans will be limited to assessing compliance with the Brand Standards. If Franchisor does not approve the Preliminary Plans within _____ () weeks after Franchisor receives such Preliminary Plans from Franchisee, such Preliminary Plans shall be deemed disapproved; provided, however, that Franchisor shall provide comments to Franchisee that Franchisee and its architect shall incorporate into the Preliminary Plans as applicable. Within _____ () weeks after Franchisor sends Franchisee its comments, Franchisee shall resubmit the revised Preliminary Plans to Franchisor for review and approval. Following Franchisor’s approval of the Preliminary Plans (including any changes made in response to Franchisor’s comments), Franchisee shall obtain, at Franchisee’s sole cost and expense, all governmental licenses and permits that are required for completion of the conversion of the Hotel in accordance with the approved Preliminary Plans, including any required building, occupancy, sewer and utility permits.

3.2. Construction Plans. Within _____ () months after the Effective Date, or such other timeframe designated by Franchisor in Franchisor’s sole judgment, Franchisee shall submit its preliminary Construction Plans to Franchisor for review. Franchisor’s review and approval of the preliminary Construction Plans will be limited to assessing compliance with the Brand Standards. If Franchisor does not approve the preliminary Construction Plans within _____ () weeks after Franchisor receives such preliminary Construction Plans from Franchisee, such preliminary Construction Plans shall be deemed disapproved; provided, however, that Franchisor shall provide comments to Franchisee that Franchisee and its architect and/or contractor (as applicable) shall incorporate into the preliminary Construction Plans as applicable. Within _____ () weeks after Franchisor sends

Franchisee its comments, Franchisee shall resubmit the revised Construction Plans to Franchisor for review and approval. Following Franchisor's approval of the Construction Plans (including any changes made in response to Franchisor's comments), Franchisee shall obtain, at Franchisee's sole cost and expense, all governmental licenses and permits that are required for completion of the conversion of the Hotel in accordance with the approved final Construction Plans, including any required building, occupancy, sewer and utility permits.

3.3. Franchisee must first obtain Franchisor's prior written consent before retaining or engaging any consultant, architect, decorator, interior designer, engineer, general contractor and major subcontractors for the Hotel, which consent will not be unreasonably withheld.

3.4 Franchisor is not responsible for, and shall have no liability for, the architecture, design, engineering or construction of the Hotel, for the Hotel's compliance with any federal, state or local law (including the Americans With Disabilities Act and any other federal, state or local law or ordinance regulating standards for access to, use of the, or modification of buildings for and by persons who are protected by law by virtue of such disability or whose disabilities are otherwise recognized by law), for any errors, omissions or discrepancies of any nature in any drawings or specifications with respect to the Hotel, or for any other matter relating to the development, use or operation of the Hotel.

4. Conversion Requirements. If the Hotel is designated as a conversion property on Exhibit A, then Franchisee acknowledges, agrees and represents that Franchisor prepared – and Franchisee received – a PIP before the Effective Date identifying any and all improvements, work, and other items (including fire safety) that must be completed by Franchisee within the time periods identified in the PIP to conform the Hotel to Brand Standards. All conversion renovations shall be undertaken and completed in accordance with the PIP and will conform to the then-current Brand Standards. Franchisee is responsible for the entire cost of renovating, equipping, supplying and furnishing the Hotel as an MGallery Hotel in accordance with the PIP, the final approved Construction Plans, this Agreement and Applicable Law. Without limitation of the foregoing, Franchisee shall obtain all permits and certifications required for the lawful renovation and operation of the Hotel, including zoning, access, sign, building permits and fire requirements, and will ensure that the Hotel complies with Applicable Law and the Brand Standards, including fire safety standards (even if such standards exceed local code requirements). Franchisee will provide written evidence at the times requested by Franchisor demonstrating that all the required improvements in the PIP are fully implemented. Franchisee shall commence conversion renovations within _____ () months after the Effective Date (“**Conversion Commencement Date**”). Conversion renovations and all work described in the PIP shall be completed, and the Hotel shall open for business as an MGallery Hotel, within _____ () months after the date that construction commences (“**Conversion Completion Date**”). All conversion renovations shall be completed in accordance with this Addendum. If Franchisee fails to implement the improvements, actions or works listed in the PIP within the specified time periods, Franchisor may terminate this Agreement pursuant to Section 14.3.

5. Conversion Schedule. On or before the Conversion Commencement Date, Franchisee shall have (i) obtained all necessary written financing commitments and building permits to complete the conversion renovations in accordance with the final approved Construction Plans and Applicable Law; and (ii) begun conversion renovations. Franchisee shall have completed the conversion renovations and furnished the Hotel in accordance with the final approved Construction Plans, the Brand Standards, Applicable Law and this Franchise Agreement not later than the Conversion Completion Date. Franchisee acknowledges that time is of the essence. However, the Conversion Commencement Date and/or the Conversion Completion Date may be equitably extended for any delay caused by an event of Force Majeure or upon Franchisee's written request to Franchisor explaining the reasons for the delay. Upon its receipt of such a request, Franchisor may, in its sole discretion, extend the deadlines, which such consent shall not be unreasonably withheld or delayed. For any extension of more than sixty (60)

days, Franchisor may require Franchisee to pay a nonrefundable fee not to exceed Ten Thousand Dollars (\$10,000) for each 30-day extension period. Any extension of the Conversion Commencement Date will automatically extend the Conversion Completion Date for the same amount of time.

6. Opening Authorization. Franchisor will use commercially reasonable efforts to inspect the Hotel within a reasonable period of time following its receipt of the notice specified in Section 3.6 of the Agreement to determine whether Franchisee has satisfied all of its pre-opening obligations. Without Franchisor's prior approval, Franchisee will not advertise, promote or operate the Hotel as a System Hotel until:

A. All construction renovations have been completed in accordance with the PIP, the final approved Construction Plans, the Brand Standards and this Franchise Agreement, as determined by Franchisor in its sole discretion. Franchisor may require Franchisee to deliver an architect's certification that the Hotel has been renovated in accordance with the PIP and the final approved Construction Plans and a copy of the certificate of occupancy for the Hotel;

B. Franchisee has installed all FF&E, and other items, equipment and Software for opening the Hotel as an MGallery Hotel;

C. Franchisee's Manager and other required personnel have successfully completed Franchisor's initial training programs;

D. Franchisee has paid all amounts due Franchisor;

E. Franchisee has obtained all insurance required by this Franchise Agreement; and

F. Franchisor has authorized Franchisee in writing to open and operate the Hotel as an MGallery Hotel. If, as contemplated by Section 3.6 of the Agreement, additional minor adjustments are required following Franchisor's inspection of the Hotel, Franchisee's opening authorization will be conditioned on Franchisee's diligent completion of such additional minor adjustments, and failure to timely complete such adjustments shall constitute a default under the Franchise Agreement.

Initial: _____
Franchisee

Initial: _____
Franchisor

ATTACHMENT TO CONVERSION ADDENDUM

PIP

EXHIBIT C

MANAGEMENT COMPANY CONSENT AND ACKNOWLEDGMENT

This Management Company Consent and Acknowledgment (“**Consent**”) is executed this ____ day of _____, 20____, by and among ACCOR FRANCHISING US LLC, a Delaware limited liability company (“**Franchisor**”), _____, a _____ (“**Franchisee**”), and _____, a _____ (“**Management Company**”).

RECITALS

Franchisor and Franchisee are parties to the MGallery Hotel Franchise Agreement dated _____, 20____ (as such agreement may be amended, supplemented, restated or modified, the “**Franchise Agreement**”) for the hotel located at _____ (the “**Hotel**”).

Management Company and Franchisee wish to enter into an agreement (“**Management Agreement**”), pursuant to which Management Company will operate the Hotel.

Franchisee has requested that Franchisor consent to the operation of the Hotel by Management Company under the Management Agreement and in accordance with the Franchise Agreement.

NOW, THEREFORE, in consideration of the mutual undertakings and benefits to be derived herefrom, the receipt and sufficiency of which are acknowledged by each of the parties hereto, it is hereby agreed as follows:

1. Definitions. All initially capitalized terms not defined in this Consent shall have the meanings given to them in the Franchise Agreement.

2. Franchisor’s Consent. Subject to the terms and conditions of this Consent and the Franchise Agreement, Franchisor consents to the operation of the Hotel by Management Company on Franchisee’s behalf under the Management Agreement and in accordance with the Franchise Agreement and the System, including all Brand Standards. This Consent will terminate without notice upon: (a) any expiration or termination of the Franchise Agreement or the Management Agreement, or (b) notice by Franchisor that there has been a breach of this Consent; provided, however, that the obligations of Management Company that survive such expiration or termination, will continue in full force and effect notwithstanding the expiration or termination of this Consent.

3. Management Company’s Undertakings.

A. Management Company will fully comply with all of Franchisee’s obligation under the Franchise Agreement that relate to the management and operation of the Hotel (including the permitted and prohibited uses of Franchisor’s Intellectual Property Rights and Confidential Information) and will be bound by all terms, conditions and restrictions regarding the management and operation of the Hotel in the Franchise Agreement as if Management Company had executed the Franchise Agreement as “Franchisee.” For the avoidance of doubt, Management Company obtains no rights under the Franchise Agreement except as specifically set forth in this Consent and those rights do not constitute a franchise or sub-franchise to Management Company. Management Company will comply with any requirements of the Payment Card Industry Data Security Standards and all Applicable Laws, including but not

limited to Data Protection Legislation, and will obtain in a timely manner all permits, certificates, and licenses necessary for the full and proper operation of the Hotel.

B. Franchisor may enforce all terms of the Franchise Agreement regarding the management and operation of the Hotel (including the permitted and prohibited uses of Franchisor's Intellectual Property Rights and Confidential Information) directly against Management Company during and after Management Company's tenure as operator of the Hotel. Franchisor will have the right to seek and obtain all available legal and equitable remedies from Management Company if Management Company fails to comply with the terms of this Consent, in addition to any remedies Franchisor may obtain from Franchisee under the Franchise Agreement.

4. Management Company Representations and Covenants. Management Company represents, warrants and covenants to Franchisor that:

A. Neither Management Company (including its officers and directors) nor any Affiliate of Management Company nor the funding sources for any of the foregoing (i) is a Competitor or Specially Designated National or Blocked Person; (ii) has been convicted of any felony or crime involving moral turpitude, (iii) has committed any other crime, offense or acts, or engaged in any conduct, that is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the associated goodwill, or Franchisor's interests therein.

B. Management Company (including its officers and directors) and any Affiliate of Management Company (i) is, and will remain, in full compliance with all Applicable Laws of the United States that prohibit unfair, fraudulent, or corrupt business practices, including any such actions or inactions that would constitute a violation of Applicable Law regarding money laundering or terrorist financing, and (ii) has not taken, and during the term of the Management Agreement will not take, any action that would constitute a violation of the U.S. Foreign Corrupt Practices Act (<http://www.justice.gov/criminal/fraud/fcpa>) or any similar law. Management Company shall take all actions necessary to ensure that the representations and warranties in this Section 4.B. remain true throughout the term of the Management Agreement.

C. Management Company will not transfer, assign, novate or delegate, in whole or in part, the Management Agreement or any of its rights, remedies, duties or obligations thereunder.

D. Management Company's address is _____.
Management Company will provide notice to both Franchisor and Franchisee if there is any change in Management Company's address.

E. Management Company has reviewed, and maintains a copy of, the Franchise Agreement.

5. Management Company and Franchisee Covenants. Management Company and Franchisee covenant and agree to the following:

A. Management Company will have the exclusive authority and responsibility for the day-to-day management of the Hotel on behalf of, and for the benefit of, Franchisee in accordance with the terms of the Franchise Agreement. The Manager of the Hotel will be an employee of the Management Company, while other staff at the Hotel may be employed by Franchisee. The selection of the Manager for the Hotel will be subject to conditions in the Franchise Agreement, including the requirements that the Manager devote his or her full time

and attention to the management and operation of the Hotel and successfully complete Franchisor's management training program.

B. Franchisor has the right to communicate directly with Management Company and the Hotel Manager regarding day-to-day operations of the Hotel and such communications will be deemed made to Franchisee. Franchisor has the right to rely on instructions of Management Company and the Hotel Manager as to matters relating to the operation and promotion of the Hotel.

C. Franchisee and Management Company shall each give Franchisor at least thirty (30) days' prior written notice before termination or expiration of the Management Agreement, except in extraordinary circumstances for which Franchisee needs to promptly remove Management Company, in which case notice shall be given as soon as possible;

D. Any default under the terms of the Franchise Agreement caused wholly or partially by Management Company will constitute a default under the Management Agreement, for which Franchisee will have the right to terminate the Management Agreement;

E. If there is a conflict between the terms of the Management Agreement and the terms of the Franchise Agreement or this Consent, the terms of the Franchise Agreement or this Consent will control. Franchisee and Management Company represent that a true and complete copy of the Management Agreement is attached to this Consent. Franchisee and Management Company will not modify or amend the Management Agreement in such a way as to create a conflict or other inconsistency with the terms of the Franchise Agreement or this Consent.

6. Continuing Obligations of Franchisee. Franchisee shall remain liable for the full performance of all provisions of the Franchise Agreement. This Consent does not amend the Franchise Agreement or waive or release any liability or obligation of Franchisee under the Franchise Agreement.

7. Authorization; Contravention. Management Company and Franchisee each represents and warrants with respect to itself that the execution and delivery of this Consent and the performance by Management Company and Franchisee of their respective obligations hereunder and under the Management Agreement: (i) have been duly authorized by all necessary action; (ii) do not require the consent of any third parties (including lenders) except for such consents as have been properly obtained; and (iii) do not and will not contravene, violate, result in a breach of, or constitute a default under (a) its certificate of formation, operating agreement, articles of incorporation, by-laws, or other governing documents, (b) any regulation of any governmental body or any decision, ruling, order, award or judgment by which each may be bound or affected, or (c) any agreement, indenture or other instrument to which each is a party; and

8. Limited Consent. Franchisor's consent to Management Company's operation of the Hotel under the Management Agreement is personal to Management Company, and this Consent is not assignable by Franchisee or Management Company. If there is a Change In Control of Management Company or if Management Company becomes, is acquired by, comes under the control of, or merges with or into a Competitor, or if there is a material adverse change to the financial status or operational capacity of Management Company, Franchisee will promptly notify Franchisor of any such change and Management Company will again be subject to the consent process under the Franchise Agreement as a new operator of the Hotel.

9. Counterparts. This Consent may be executed in any number of counterparts, each of which will be deemed an original, but all of which, when taken together, will constitute one and the same

instrument. Delivery of an executed signature page to this Consent by facsimile transmission will be effective as delivery of a manually signed counterpart of this Consent.

10. Governing Law. This Consent will be construed in accordance with the laws of the State of New York without regard to the conflict of laws principles thereof, and contains the entire agreement of the parties hereto. Management Company hereby submits itself to the non-exclusive jurisdiction of the courts of the State of New York, United States of America, in any suit, action, or proceeding arising, directly or indirectly, out of or relating to this Consent; and so far as is permitted under Applicable Law, this consent to personal jurisdiction will be self-operative.

11. WAIVER OF JURY TRIAL AND PUNITIVE DAMAGES. MANAGEMENT COMPANY, FRANCHISEE AND FRANCHISOR EACH HEREBY ABSOLUTELY, IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY AND THE RIGHT TO CLAIM OR RECEIVE PUNITIVE DAMAGES IN ANY LITIGATION, ACTION, CLAIM, SUIT OR PROCEEDING, AT LAW OR IN EQUITY, ARISING OUT OF, PERTAINING TO OR IN ANY WAY ASSOCIATED WITH (a) THE COVENANTS, UNDERTAKINGS, REPRESENTATIONS OR WARRANTIES SET FORTH HEREIN, (b) THE RELATIONSHIPS OF THE PARTIES HERETO, WHETHER AS “MANAGEMENT COMPANY,” “FRANCHISEE” OR “FRANCHISOR” OR OTHERWISE, OR (c) ANY ACTIONS OR OMISSIONS IN CONNECTION WITH ANY OF THE FOREGOING.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Consent and Acknowledgment as of the date first above written.

FRANCHISOR:

ACCOR FRANCHISING US LLC

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

MANAGEMENT COMPANY:

By: _____
Name: _____
Title: _____

EXHIBIT D

APDP PRINCIPLES

EXHIBIT E

INSURANCE REQUIREMENTS

Without limiting any other obligation or liability of Franchisee under this Agreement, Franchisee agrees that upon execution of this Agreement and throughout the Term, Franchisee will, at its sole cost and expense, procure and maintain all insurance required by any lease or mortgage covering the Hotel and all insurance required by Franchisor from time to time, with limits and conditions not less than those specified below.

1. Comprehensive Commercial General Liability Insurance: Public liability or commercial general liability insurance on an occurrence basis against claims for bodily injury, death, or third-party property damage occurring on, in, or in conjunction with the construction, conversion, renovation, or operations of the Hotel. Such insurance will include, as applicable and, to the extent commercially reasonable and available: (a) premises and operations; (b) liquor liability; (c) independent contractors; (d) international acts of terrorism; (e) blanket contractual liability to include coverage insuring the indemnity found in Section 18.2; (f) products and completed operations; (g) advertising injury, personal injury; (h) incidental medical malpractice; (i) severability of interest; (j) innkeeper's and safe deposit box liability; (k) third-party motor liability or business automobile insurance providing coverage for bodily injury and property damage for owned, non-owned, and hired vehicles covering all vehicles used in conjunction with the Hotel; and (l) employers liability insurance covering all Hotel employees. All such insurance (in total) will provide worldwide defense and indemnity (including the United States of America) with a combined single limit for each occurrence of not less than One Million Dollars (\$1,000,000) for bodily injury and property damage liability and a General Aggregate Limit not less than Two Million Dollars (\$2,000,000), which shall apply on a per location basis as evidenced by specific endorsement.

2. Worker's Compensation Insurance: Workers compensation or such similar employee benefit insurance as may be required under Applicable Law covering all Hotel employees.

3. Business Automobile Liability Insurance: Automobile liability insurance including owned, non-owned and hired vehicles with combined single limits for bodily injury and property damage liability of not less than One Million Dollars (\$1,000,000) each "occurrence".

4. Valet/Garagekeepers Insurance: Valet or garage keepers liability insurance with combined single limits of not less than One Million Dollars (\$1,000,000) per "occurrence".

5. Property Insurance: Property insurance (or construction risk insurance during any period of construction) on the Hotel and all contents against loss or damage by risks commonly covered by an "all risk of physical loss" form, including coverage for the perils of fire, lightning, windstorm, and international acts of terrorism (to the extent available), all in an amount not less than the Hotel's full replacement or reinstatement cost thereof, excluding land.

6. Boiler and Machinery Insurance: Boiler and machinery insurance against loss or damage from explosion of boilers or pressure vessels to the extent applicable to the Hotel.

7. Employment Practices Liability Insurance: Employment Practices Liability Insurance providing protection to the Franchisee, Franchisor and employer (as required) relating to Hotel employees with a minimum limit of not less than One Million Dollars (\$1,000,000) per "occurrence".

8. Business Interruption Insurance: Business interruption or loss of profits insurance covering at least twenty-four (24) months loss of profits and necessary continuing expenses for interruptions caused by any occurrence covered by the insurance referred to in Sections 5 and 6, including coverage for delayed opening and such insurance will name Franchisor as a loss payee as its interest may appear.

9. Liquor Liability Insurance. If Franchisee distributes, sells, serves, or furnishes alcoholic beverages at the Hotel, liquor liability insurance with combined single limits for bodily injury and property damage liability of not less than One Million Dollars (\$1,000,000) each “occurrence.”

10. Excess Liability (Umbrella) Insurance: Excess liability insurance with limits not less than Fifty Million Dollars (\$50,000,000) excess of the primary limits of liability insurance described above with coverage as broad as the requirements noted herein.

11. Crime Insurance: Crime Insurance covering (i) robbery, burglary and theft of property belonging to the Hotel or any other person, including guests (ii) loss of money belonging to the Hotel, in the Hotel or in transit and (iii) a fidelity loss sustained by the Hotel by reason of any act of fraud or dishonesty on the part of any employee, servant or agent of Franchisor or Franchisee for a minimum of Two Million Dollars (\$2,000,000) per loss.

12. Cyber Liability Insurance: Cyber Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) each occurrence and One Million Dollars (\$1,000,000) general aggregate covering liabilities for financial loss resulting or arising from intellectual property infringement (excluding patent infringement and misappropriation of trade secrets), breaches of security, and damage, destruction or theft of data.

13. Other: Such additional or different types of insurance and/or increased amounts of coverage as Franchisor determines to be required to comply with the Brand Standards or as otherwise prescribed by Franchisor.

General Requirements

A. Neither Franchisee’s purchase of insurance nor the furnishing of acceptable evidence of insurance will relieve Franchisee from any liability or obligation for which it is otherwise liable under the Franchise Agreement. All coverages must be written on an occurrence basis and must be maintained without interruption from the Effective Date of the Franchise Agreement until the Expiration Date (or any earlier termination of the Franchise Agreement).

B. Franchisee will be liable for the payment of any deductible amount under Franchisee’s insurance policies maintained. Franchisee’s insurance deductible or self-insured retention will not exceed an amount approved by Franchisor and such amount will be evidenced on the certificate of insurance.

C. Before the Effective Date of this Agreement, and at least 10 days prior to the expiration of the above-mentioned policies, Franchisee will provide a certificate of insurance and an evidence of property coverage to Franchisor as requested along with Hotel name and address and applicable endorsements. Franchisee must provide evidence showing that the premiums for the insurance policies listed on the certificates have been paid. In addition to all other requirements, the certificate of insurance will include: (i) the name and address of the Hotel; (ii) the coverages and wording required as outlined above. Additionally, evidence of renewal in compliance with then current insurance requirements will be furnished to Franchisor before the expiration date of such insurance.

D. Franchisee will provide thirty (30) days prior written notice of any intention not to renew such policy(ies) or to cancel, replace or alter the policy(ies) by reducing required coverage and will be sent to:

Notices to Franchisor: Accor Franchising US LLC
 711 5th Avenue, 7th Floor
 New York, NY 10022
 Attention: Senior Vice President, General Counsel
 Email: lawdept@accor.com

With a copy to: Accor Franchising US LLC
 c/o Accor Luxury North America
 155 Wellington Street West
 Suite 3300
 Toronto, ON M5V 0C3
 Attention: Senior Vice President, General Counsel
 Email: lawdept@accor.com

And a copy to: Accor, Europe
 10 Hammersmith Grove
 London W6 7AP
 United Kingdom
 Attention: General Counsel
 Email: gabor.kerdo@accor.com

E. The policies will be written with insuring company (ies) with AM Best financial strength ratings of “A-” or higher and financial size categories of “VII” or greater.

F. The policies listed in Sections 1, 3 and 9 will include an endorsement naming Franchisor, its Affiliates and successors and their respective past and present officers, directors, partners, agents, and employees as additional insureds.

G. Notwithstanding anything to the contrary herein, to the extent permitted by law and without affecting the coverage provided by insurance required to be maintained hereunder, Franchisee waives on behalf of itself and its insurer all rights to assert claims for any losses, damages, liabilities, and expenses, including but not limited to attorney’s fees, against Franchisor for damages to the extent proceeds realized from policies of insurance maintained or required to be maintained in connection with products and/or services provided under this Agreement are applied to such losses, damages, liabilities, and expenses. The policies listed in Sections 1, 2, 3, and 9 will include an endorsement acknowledging such waiver of subrogation in favor of Franchisor.

H. Franchisee will require its subcontractors to maintain coverage not less than those specified under this section.

I. Within three business (3) days of its receipt, Franchisee will provide notice to Franchisor of any claim or suit arising out of or in connection with its operation of the Hotel that names Franchisor or an Affiliate, arises out of a death or serious injury, or arises out of any material event that affects the MGallery Hotel Collection brand and will be sent to:

Notices to Franchisor: Accor Franchising US LLC
 711 5th Avenue, 7th Floor
 New York, NY 10022
 Attention: Senior Vice President, General Counsel
 Email:lawdept@accor.com

With a copy to: Accor Franchising US LLC
 c/o Accor Luxury North America
 155 Wellington Street West
 Suite 3300
 Toronto, ON M5V 0C3
 Attention: Senior Vice President, General Counsel
 Email: lawdept@accor.com

And a copy to:

Accor, Europe
10 Hammersmith Grove
London W6 7AP
United Kingdom
Attention: General Counsel
Email: gabor.kerdo@accor.com

EXHIBIT FE

OWNERSHIP SCHEDULE

The following list identifies all Direct Owners and Indirect Owners of Franchisee.

Direct Owners

Name

Percentage Interest
in Franchisee

Indirect Owners

Name

Percentage Interest
in Direct Owner

Initial: ____
Franchisee

Initial: ____
Franchisor

EXHIBIT GF

FORM OF GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGMENT

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the “**Franchise Agreement**”) on this date by ACCOR FRANCHISING US LLC (“**Franchisor**”), the undersigned, jointly and severally, hereby unconditionally agree to guarantee to Franchisor, its Affiliates, successors and assigns the due, complete and punctual performance and observance of all of Franchisee’s financial obligations and performance obligations under the Franchise Agreement including, without limitation, the due and timely performance of all payment obligations (the “**Guarantee**”). Additionally, each Guarantor shall submit to Franchisor, upon written request, a copy of its financial statement.

Upon demand by Franchisor, the undersigned will immediately make each payment required of Franchisee under the Franchise Agreement, including damages, costs and expenses owed by Franchisee, payments due under any indemnification claim for reimbursement and all other duties and obligations that are susceptible to being satisfied by payment.

This Guarantee is a guarantee of performance and payment, and not of collection. This Guarantee is a primary obligation of the undersigned and is an unconditional, absolute, irrevocable present and continuing obligation and guarantee of performance and is not subject to any defense other than that of full prior performance. The undersigned hereby waive any right to require Franchisor or its Affiliates to: (a) proceed against Franchisee for any payment required under the Franchise Agreement; (b) proceed against or exhaust any security from Franchisee; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust or compromise any claims against Franchisee. The undersigned waive notice of amendment of the Franchise Agreement and notice of demand for payment by Franchisee, and agree to be bound by any and all such amendments and changes to the Franchise Agreement.

The undersigned hereby agree to defend (using counsel acceptable to Franchisor), protect, indemnify and hold Franchisor, its Affiliates, their respective successors and assigns, and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, past or present, of each of them (the “**Indemnitees**”), harmless from and against any and all losses, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys’ fees, reasonable costs of investigation and court costs) resulting from, consisting of, or arising out of, or in connection with any act or omission of, or any failure by Franchisee to perform any obligation of Franchisee under the Franchise Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein.

THE UNDERSIGNED HEREBY ACKNOWLEDGE AND AGREE TO BE INDIVIDUALLY BOUND BY ALL OF THE TERMS OF THE FRANCHISE AGREEMENT, INCLUDING, WITHOUT LIMITATION, THOSE CONTAINED IN SECTIONS 8, 9, 13, 14.6, 15, 16, 18.2, 18.3 AND 23 OF THE FRANCHISE AGREEMENT. THESE SECTIONS CONTAIN A NUMBER OF PROVISIONS THAT MAY AFFECT THE LEGAL RIGHTS OF THE UNDERSIGNED, INCLUDING A WAIVER OF JURY TRIAL, WAIVER OF PUNITIVE OR EXEMPLARY DAMAGES AND LIMITATIONS ON WHEN CLAIMS MAY BE RAISED.

This Guarantee shall terminate upon the termination or expiration of the Franchise Agreement, except with respect to any and all obligations and liabilities which arose or accrued under the Franchise Agreement on or before the effective date of such termination, in which case this Guarantee shall remain in full force and effect until such obligations or liabilities have been fully satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination

of the Franchise Agreement shall remain in force according to their terms. Upon the death of an individual Guarantor, the estate of such Guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of any other Guarantors will continue in full force and effect.

The undersigned shall pay Franchisor or its Affiliates for all costs and expenses (including, but not limited to, reasonable attorneys' fees and court costs) incurred by Franchisor in connection with any action brought by Franchisor or its Affiliates to enforce this Guarantee or any other action related to or arising out of this Guarantee in which Franchisor or its Affiliates is deemed to be the prevailing party. Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Franchise Agreement, and shall be interpreted and construed in accordance with the Franchise Agreement. This Guarantee shall be interpreted and construed under the laws of the State of New York. In the event of any conflict of law, the laws of New York shall prevail, without regard to, and without giving effect to, the application of the State of New York conflict-of-law rules.

All notices pursuant to this Guarantee shall be in writing and shall be personally delivered; sent by facsimile or electronic mail; mailed by registered or certified mail, return receipt requested; or dispatched by overnight delivery to the respective parties at the following addresses, unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: Accor Franchising US LLC
 711 5th Avenue, 7th Floor
 New York, NY 10022
 Attention: Senior Vice President, General Counsel
 Email: lawdept@accor.com

With a copy to: Accor Franchising US LLC
 c/o Accor Luxury North America
 155 Wellington Street West
 Suite 3300
 Toronto, ON M5V 0C3
 Attention: Senior Vice President, General Counsel

 Email: lawdept@accor.com

And a copy to: Accor, Europe
 10 Hammersmith Grove
 London W6 7AP
 United Kingdom
 Attention: General Counsel
 Email: gabor.kerdo@accor.com

Notices to Guarantor: _____

 Facsimile No.: _____

Notice shall be deemed to have been received as follows: by personal delivery - at the time of delivery; by facsimile or electronic mail (if confirmed by regular mail as set forth above) - at time of transmission; by overnight delivery service - on the next business day following the date on which the

notice was given to the overnight delivery service; and by registered or certified mail, return receipt requested - three (3) days after the date of mailing.

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the ___ day of _____, 20__.

GUARANTOR: _____

EXHIBIT HG

EXEMPTION ACKNOWLEDGMENT

FRANCHISEE ACKNOWLEDGES, REPRESENTS AND AGREES THAT (initial all that apply):

(A) Franchisee meets the following qualifications for the large investment exemption from disclosure under 16 CFR 436.8(a)(5)(i) of the Federal Trade Commission "Disclosure Requirements and Prohibitions Concerning Franchising", 16 CFR Part 436 (the "**Franchise Rule**"), which exempts Franchisor from a requirement to provide disclosure in connection with the transaction, because:

- (1) At least one individual investor involved with Franchisee is making an initial investment, excluding any financing received from Franchisor or any of its affiliates and excluding the cost of unimproved land, which totals at least \$1,233,000; and
- (2) Franchisee is executing this Exemption Acknowledgment verifying the grounds for the exemption:

"The franchise sale is for more than \$1,233,000 – excluding the cost of unimproved land and any financing received from the franchisor or an affiliate – and thus is exempted from the Federal Trade Commission's Franchise Rule disclosure requirements, pursuant to 16 CFR 436.8(a)(5)(i)."

Initials: _____

(B) Franchisee meets the following qualifications for the large franchisee exemption from disclosure under 16 CFR 436.8(a)(5)(ii) of the FTC Rule because:

- (1) Franchisee (individually or together with Franchisee's parent or any affiliates) is an entity that has been in business for at least 5 years; and
- (2) Franchisee (individually or together with Franchisee's parent or any affiliates) is an entity that has a net worth of at least \$6,165,500.

Initials: _____

EXHIBIT B-2

STATE-SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT

(see attached)

**AMENDMENT TO THE ACCOR FRANCHISING US LLC
FRANCHISE AGREEMENT FOR USE IN HAWAII, INDIANA, MICHIGAN, SOUTH
DAKOTA, VIRGINIA AND WISCONSIN**

This Amendment (the “**Amendment**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), between **ACCOR FRANCHISING US LLC**, a Delaware limited liability company, with its principal business address at 711 5th Avenue, 7th Floor, New York, NY 10022 (“**Franchisor**”), and _____, whose principal business address is _____ (“**Franchisee**”).

No Waiver of Disclaimer of Reliance in Certain States. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment effective on the Effective Date.

ACCOR FRANCHISING US LLC, a
Delaware limited liability company

FRANCHISEE

**(IF CORPORATION, LIMITED
LIABILITY COMPANY OR
PARTNERSHIP):**

By:
Title:

[Name]

By:
Title:

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

**AMENDMENT TO THE ACCOR FRANCHISING US LLC
FRANCHISE AGREEMENT
FOR USE IN CALIFORNIA**

This Amendment (the “**Amendment**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), between **ACCOR FRANCHISING US LLC**, a Delaware limited liability company, with its principal business address at 711 5th Avenue, 7th Floor, New York, NY 10022 (“**Franchisor**”), and _____, whose principal business address is _____ (“**Franchisee**”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement that has been signed concurrently with the signing of this Amendment (the “**Franchise Agreement**”). This Amendment is annexed to and forms part of the Franchise Agreement. This Amendment is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in California and the Hotel will be located or operated in California and/or (b) Franchisee is a resident of California.

2. **California Law Regarding Termination, Non-renewal, and Transfer.** California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination, non-renewal, and transfer of a franchise. If the Franchise Agreement contains any provision that is inconsistent with the law, the law will control.

3. **Termination Upon Bankruptcy.** The Franchise Agreement provides for termination upon insolvency, bankruptcy, or re-organization. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 *et seq.*).

4. **Post-Termination Noncompetition Covenants.** The Franchise Agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision might not be enforceable under California law.

5. **Liquidated Damages for Violation of Non-Competition Provision.** The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

6. **Governing Law and Venue.** For franchisees operating outlets in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

7. **No Waiver of Disclaimer of Reliance.** No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment effective on the Effective Date.

ACCOR FRANCHISING US LLC, a
Delaware limited liability company

FRANCHISEE

**(IF CORPORATION, LIMITED
LIABILITY COMPANY OR
PARTNERSHIP):**

By:

Title:

[Name]

By:

Title:

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

**AMENDMENT TO THE ACCOR FRANCHISING US LLC
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS**

This Amendment (the “**Amendment**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), between **ACCOR FRANCHISING US LLC**, a Delaware limited liability company, with its principal business address at 711 5th Avenue, 7th Floor, New York, NY 10022 (“**Franchisor**”), and _____, whose principal business address is _____ (“**Franchisee**”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement that has been signed concurrently with the signing of this Amendment (the “**Franchise Agreement**”). This Amendment is annexed to and forms part of the Franchise Agreement. This Amendment is being signed because (a) the offer or sale of the franchise for the Hotel that Franchisee will operate under the Franchise Agreement was made in the State of Illinois and the Hotel will be located in Illinois, and/or (b) Franchisee is a resident of Illinois.

2. **No Waiver of Disclaimer of Reliance.** No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. **Governing Law.** Delete and replace Section 23.1 of the Franchise Agreement with the following:

Except for the Federal Arbitration Act that applies to arbitration, Illinois law governs the Franchise Agreement.

4. **Consent to Jurisdiction.** Delete and replace Section 23.5 of the Franchise Agreement with the following:

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

5. **Waiver of Jury Trial.** The following language is added to the end of Section 23.7 of the Franchise Agreement:

However, this waiver shall not apply to the extent prohibited by Section 705/41 of the Illinois Franchise Disclosure Act of 1987 or Illinois Regulations at Section 260.609.

6. **Illinois Franchise Disclosure Act.** The following language is added as a new Section 23.12 of the Franchise Agreement:

23.12 **Illinois Franchise Disclosure Act.** In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void.

7. **Termination and Non-Renewal.** Franchisee's rights upon termination and non-renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment effective on the Effective Date.

ACCOR FRANCHISING US LLC, a
Delaware limited liability company

FRANCHISEE

**(IF CORPORATION, LIMITED
LIABILITY COMPANY OR
PARTNERSHIP):**

By:

[Name]

Title:

By:
Title:

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

**AMENDMENT TO THE ACCOR FRANCHISING US LLC
FRANCHISE AGREEMENT
FOR USE IN MARYLAND**

This Amendment (the “**Amendment**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), between **ACCOR FRANCHISING US LLC**, a Delaware limited liability company, with its principal business address at 711 5th Avenue, 7th Floor, New York, NY 10022 (“**Franchisor**”), and _____, whose principal business address is _____ (“**Franchisee**”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement that has been signed concurrently with the signing of this Amendment (the “**Franchise Agreement**”). This Amendment is annexed to and forms part of the Franchise Agreement. This Amendment is being signed because (a) Franchisee is a resident of the State of Maryland, and/or (b) the Hotel that Franchisee will operate under the Franchise Agreement will be located in Maryland.

2. **No Waiver of Disclaimer of Reliance.** No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. **Releases.** The following language is added to the end of Sections 4.2.5 and 13.2.10 of the Franchise Agreement:

However, such general release will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

4. **Initial Fees.** The following language is added to the end of Section 5.1 of the Franchise Agreement:

Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

5. **Insolvency.** The following language is added to the end of Section 14.1 of the Franchise Agreement:

; termination upon insolvency might not be enforceable under federal insolvency law (11 U.S.C. Sections 101 *et seq.*), but Franchisor and Franchisee agree to enforce this provision to the maximum extent the law allows.

6. **Governing Law.** The following language is added to the end of Section 23.1 of the Franchise Agreement:

However, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

7. **Consent to Jurisdiction.** The following language is added to the end of Section 23.5 of the Franchise Agreement:

However, subject to the parties' arbitration obligations, Franchisee may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

8. **Limitation of Claims.** The following language is added to the end of Section 23.8 of the Franchise Agreement:

However, the limitation of such claims shall not act to reduce the three (3)-year statute of limitations afforded to Franchisee for bringing a claim under the Maryland Franchise Registration and Disclosure Law.

9. **Acknowledgements.**

A. Sections ~~24.3~~24.4, ~~24.6 and~~ 24.7 and 24.8 of the Franchise Agreement are deleted in their entirety.

B. The following language is added in Section 24 of the Franchise Agreement:

All representations requiring Franchisee to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment effective on the Effective Date.

ACCOR FRANCHISING US LLC, a
Delaware limited liability company

FRANCHISEE

**(IF CORPORATION, LIMITED
LIABILITY COMPANY OR
PARTNERSHIP):**

By:
Title:

[Name]

By:
Title:

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

**AMENDMENT TO THE ACCOR FRANCHISING US LLC
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA**

This Amendment (the “**Amendment**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), between **ACCOR FRANCHISING US LLC**, a Delaware limited liability company, with its principal business address at 711 5th Avenue, 7th Floor, New York, NY 10022 (“**Franchisor**”), and _____, whose principal business address is _____ (“**Franchisee**”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement that has been signed concurrently with the signing of this Amendment (the “**Franchise Agreement**”). This Amendment is annexed to and forms part of the Franchise Agreement. This Amendment is being signed because (a) the Hotel that Franchisee will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. **No Waiver of Disclaimer of Reliance.** No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. **Releases.** The following is added to the end of Sections 4.2.5 and 13.2.10 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.

4. **Proprietary Marks.** The following is added to the end of Section 8.5 of the Franchise Agreement:

Franchisor will protect Franchisee’s right to use the Proprietary Marks and other Intellectual Property Rights or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

5. **Renewal and Termination.** The following is added to the end of Sections 4.2 and 14.3 of the Franchise Agreement:

However, with respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement.

6. **Liquidated Damages.** The following is added to the end of Section 14.6 of the Franchise Agreement:

Franchisor and Franchisee acknowledge that certain parts of this provision may not be enforceable under Minn. Rule Part 2860.440J; however, Franchisor and Franchisee agree to enforce the provision to the extent the law allows.

7. **Injunctive Relief.** The following last paragraph is added at the end of Section 23.3 of the Franchise Agreement:

Notwithstanding anything to the contrary contained in this Section 23.3, Franchisor and Franchisee have the right to a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction. In that case, Franchisor and Franchisee agree to contemporaneously submit the dispute for arbitration on the merits according to this Section 23. Furthermore, nothing in this Section 23.3 shall limit Franchisor's right to deliver a notice of default under, and terminate, this Agreement or exercise any other right in accordance with Sections 14 and 15.

8. **Governing Law.** The following is added to the end of Section 23.1 of the Franchise Agreement:

However, nothing in this Section 23.1 shall abrogate or reduce any of Franchisee's rights under Minnesota Statutes Chapter 80C or Franchisee's right to any procedure, forum or remedies that the laws of the jurisdiction provide.

9. **Consent to Jurisdiction.** The following is added to the end of Section 23.5 of the Franchise Agreement:

However, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor, except in certain specified cases, from requiring litigation to be conducted outside Minnesota. Nothing in this Section 23.5 shall abrogate or reduce any of Franchisee's rights under Minnesota Statutes Chapter 80C or Franchisee's right to any procedure, forum or remedies that the laws of the jurisdiction provide.

10. **Waiver of Punitive Damages.** If required by the Minnesota Franchises Law, Section 23.9 of the Franchise Agreement is deleted.

11. **Limitations of Claims.** The following is added to the end of Section 23.8 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.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment effective on the Effective Date.

ACCOR FRANCHISING US LLC, a
Delaware limited liability company

FRANCHISEE

**(IF CORPORATION, LIMITED
LIABILITY COMPANY OR
PARTNERSHIP):**

By:
Title:

[Name]

By:
Title:

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

**AMENDMENT TO THE ACCOR FRANCHISING US LLC
FRANCHISE AGREEMENT
FOR USE IN NEW YORK**

This Amendment (the “**Amendment**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), between **ACCOR FRANCHISING US LLC**, a Delaware limited liability company, with its principal business address at 711 5th Avenue, 7th Floor, New York, NY 10022 (“**Franchisor**”), and _____, whose principal business address is _____ (“**Franchisee**”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement that has been signed concurrently with the signing of this Amendment (the “**Franchise Agreement**”). This Amendment is annexed to and forms part of the Franchise Agreement. This Amendment is being signed because (a) the offer or sale of the franchise for the Hotel that Franchisee will operate under the Franchise Agreement was made in the State of New York, and/or (b) Franchisee is a resident of New York and will operate the Hotel in New York.

2. **No Waiver of Disclaimer of Reliance.** No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. **Releases.** The following language is added to the end of Sections 4.2.5 and 13.2.10 of the Franchise Agreement:

, provided, however, that to the extent required by Article 33 of the General Business Law of the State of New York, all rights Franchisee enjoys and any causes of action arising in Franchisee’s favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of the proviso that the non-waiver provisions of GBL 687 and 687.5 be satisfied.

4. **Transfer by Us.** The following language is added to the end of Section 13.8 of the Franchise Agreement:

However, to the extent required by applicable law, no assignment will be made except to an assignee who, in Franchisor’s good faith judgment, is willing and able to assume Franchisor’s obligations under this Agreement.

5. **Termination by Franchisee.** The following language is added to the end of Section 14 of the Franchise Agreement:

Franchisee may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

6. **Governing Law/Consent to Jurisdiction.** The following language is added to the end of Sections 23.1 and 23.5 of the Franchise Agreement:

However, to the extent required by Article 33 of the General Business Law of the State of New York, this Section shall not be considered a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

7. **Limitation of Claims.** The following language is added to the end of Section 23.8 of the Franchise Agreement:

However, to the extent required by Article 33 of the General Business Law of the State of New York, all rights and any causes of action arising in Franchisee's favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied.

8. **Application of Amendment.** There are circumstances in which an offering made by Franchisor would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the State of New York. However, an offer or sale is deemed to be made in New York if Franchisee is domiciled in and the franchise will be opened in New York. Franchisor is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment effective on the Effective Date.

ACCOR FRANCHISING US LLC, a
Delaware limited liability company

FRANCHISEE

**(IF CORPORATION, LIMITED
LIABILITY COMPANY OR
PARTNERSHIP):**

By:
Title:

[Name]

By:
Title:

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

**AMENDMENT TO THE ACCOR FRANCHISING US LLC
FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA**

This Amendment (the “**Amendment**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), between **ACCOR FRANCHISING US LLC**, a Delaware limited liability company, with its principal business address at 711 5th Avenue, 7th Floor, New York, NY 10022 (“**Franchisor**”), and _____, whose principal business address is _____ (“**Franchisee**”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement that has been signed concurrently with the signing of this Amendment (the “**Franchise Agreement**”). This Amendment is annexed to and forms part of the Franchise Agreement. This Amendment is being signed because (a) Franchisee is a resident of North Dakota and the Hotel that Franchisee will operate under the Franchise Agreement will be located in North Dakota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in North Dakota.

2. **No Waiver of Disclaimer of Reliance.** No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. **Releases.** The following is added to the end of Sections 4.2.5 and 13.2.10 of the Franchise Agreement:

; provided, however, that such general release shall not apply to the extent prohibited by law with respect to claims arising under the North Dakota Franchise Investment Law.

4. **Liquidated Damages.** The following is added to the end of Section 14.6 of the Franchise Agreement:

Franchisor and Franchisee acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law; however, Franchisor and Franchisee agree to enforce the provision to the extent the law allows.

5. **Covenant Not to Compete.** The following is added to the end of Section 16.1 of the Franchise Agreement:

Covenants not to compete such as those mentioned above generally are considered unenforceable in North Dakota. However, Franchisor will seek to enforce them to the extent enforceable.

6. **Arbitration.** The first paragraph of Section 23.3 of the Franchise Agreement is deleted and replaced with the following:

All disputes between Franchisor and its affiliates, and their respective owners, officers, directors, agents, and employees, and Franchisee (and/or its Owners, guarantors, affiliates, officers, directors, agents, and employees, if applicable) arising out of or related to this Agreement or any provision of this Agreement (including the validity and

scope of the arbitration obligation under this Section, which Franchisor and Franchisee acknowledge is to be determined by an arbitrator, not a court), any other agreement between Franchisor (or its affiliate) and Franchisee, or any aspect of the relationship between Franchisor and Franchisee, will be determined exclusively by binding arbitration to be conducted by one (1) arbitrator under the then-current commercial arbitration rules of the American Arbitration Association. Arbitration proceedings must be held exclusively in New York, New York, however, to the extent required by the North Dakota Franchise Investment Law (unless preempted by the Federal Arbitration Act), arbitration proceedings will be held at a site to which Franchisor and Franchisee agree. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the award may be entered in any court of competent jurisdiction.

7. **Governing Law.** The following language is added to the end of Section 23.1 of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, North Dakota law will apply to this Agreement.

8. **Consent To Jurisdiction.** The following language is added to the end of Section 23.5 of the Franchise Agreement:

However, that to the extent required by applicable law, subject to Franchisee's arbitration obligation, Franchisee may bring an action in North Dakota.

9. **Waiver of Punitive Damages.** To the extent required by the North Dakota Franchise Investment Law, Section 23.9 of the Franchise Agreement is deleted.

10. **Limitations of Claims.** The following is added to the end of Section 23.8 of the Franchise Agreement:

The time limitations set forth in this Section might be modified by the North Dakota Franchise Investment Law.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment effective on the Effective Date.

ACCOR FRANCHISING US LLC, a
Delaware limited liability company

FRANCHISEE

**(IF CORPORATION, LIMITED
LIABILITY COMPANY OR
PARTNERSHIP):**

By:
Title:

[Name]

By:
Title:

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

**AMENDMENT TO THE ACCOR FRANCHISING US LLC
FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND**

This Amendment (the “**Amendment**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), between **ACCOR FRANCHISING US LLC**, a Delaware limited liability company, with its principal business address at 711 5th Avenue, 7th Floor, New York, NY 10022 (“**Franchisor**”), and _____, whose principal business address is _____ (“**Franchisee**”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement that has been signed concurrently with the signing of this Amendment (the “**Franchise Agreement**”). This Amendment is annexed to and forms part of the Franchise Agreement. This Amendment is being signed because (a) Franchisee is a resident of Rhode Island and the Hotel that Franchisee will operate under the Franchise Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Rhode Island.

2. **No Waiver of Disclaimer of Reliance.** No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. **Governing Law.** The following language is added to the end of Section 23.1 of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act. Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

4. **Consent to Jurisdiction.** The following language is added to the end of Section 23.5 of the Franchise Agreement:

However, subject to Franchisee’s arbitration obligation, to the extent required by applicable law, Franchisee may bring an action in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment effective on the Effective Date.

ACCOR FRANCHISING US LLC, a
Delaware limited liability company

FRANCHISEE

**(IF CORPORATION, LIMITED
LIABILITY COMPANY OR
PARTNERSHIP):**

By:
Title:

[Name]

By:
Title:

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

**AMENDMENT TO THE ACCOR FRANCHISING US LLC
FRANCHISE AGREEMENT
FOR USE IN WASHINGTON**

This Amendment (the “**Amendment**”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), between **ACCOR FRANCHISING US LLC**, a Delaware limited liability company, with its principal business address at 711 5th Avenue, 7th Floor, New York, NY 10022 (“**Franchisor**”), and _____, whose principal business address is _____ (“**Franchisee**”).

1. Background. Franchisor and Franchisee are parties to that certain Franchise Agreement that that has been signed concurrently with the signing of this Amendment (the “**Franchise Agreement**”). This Amendment is annexed to and forms part of the Franchise Agreement. This Amendment is being signed because (a) the Hotel that Franchisee will operate under the Franchise Agreement will be located in Washington; and/or (b) Franchisee is a resident of Washington; and/or (c) any of the offering or sales activity relating to the Franchise Agreement occurred in Washington.

12. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

23. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the Franchise Agreement or related agreements concerning Franchisee’s relationship with Franchisor, including the areas of termination and renewal of the franchise. There may also be court decisions that supersede the Franchise Agreement or related agreements concerning Franchisee’s relationship with Franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

34. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Franchise Agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

45. General Release. A release or waiver of rights in the Franchise Agreement or related agreements purporting to bind Franchisee to waive compliance with any provisions under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2). ~~The A G general R release attached to the Franchise Disclosure Document as Exhibit I-1~~ does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

56. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the Franchise Agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

67. Transfer Fees. Transfer fees are collectable only to the extent that they reflect Franchisor's reasonable estimated or actual costs in effecting a transfer.

78. Termination by Franchisee. Franchisee may terminate the Franchise Agreement under any grounds permitted under state law.

89. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without a franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

910. Fair and Reasonable Pricing. Any provision in the Franchise Agreement or related agreements that requires Franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

1011. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the Franchise Agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

1112. Franchisor's Business Judgement. Provisions in the Franchise Agreement or related agreements stating that Franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

1213. Indemnification. Any provision in the Franchise Agreement or related agreements requiring Franchisee to indemnify, reimburse, defend, or hold Franchisor or other parties harmless is hereby modified such that Franchisee has no obligation to indemnify, reimburse, defend, or hold Franchisor or any other indemnified party harmless for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

1314. Attorneys' Fees. If the Franchise Agreement or related agreements require a franchisee to reimburse Franchisor for court costs or expenses, including attorneys' fees, such provision applies only if Franchisor is the prevailing party in any judicial or arbitration proceeding.

1415. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

1516. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.

1617. Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

1718. Prohibitions on Communicating with Regulators. Any provision in the Franchise Agreement or related agreements that prohibits Franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. **Termination by Franchisee.** The following language is added to the end of Section 14 of the Franchise Agreement:

Franchisee may terminate this Agreement on any grounds available by law under the provisions of the Washington Franchise Investment Protection Act and the Rules and Regulations promulgated thereunder.

20. **Acknowledgements.** Sections ~~24.3~~24.4, ~~24.6~~24.7, and ~~24.7~~24.8 of the Franchise Agreement are deleted in their entirety.

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment effective on the Effective Date.

ACCOR FRANCHISING US LLC, a
Delaware limited liability company

FRANCHISEE

**(IF CORPORATION, LIMITED
LIABILITY COMPANY OR
PARTNERSHIP):**

By:
Title:

[Name]

By:
Title:

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

EXHIBIT B-3

DEVELOPER INCENTIVE ADDENDUM

(see attached)

**20256 INCENTIVE ADDENDUM
TO FRANCHISE AGREEMENT**

THIS ADDENDUM TO FRANCHISE AGREEMENT (this “**Addendum**”) is entered into as of _____, 202__, by and between **ACCOR FRANCHISING US LLC**, a Delaware limited liability company (“**Franchisor,**” “**we,**” “**our,**” or “**us**”), and _____ (“**you**” or “**your**” or “**Franchisee**”). We and you may each be referred to as a “**Party,**” or collectively, the “**Parties.**”

RECITALS

WHEREAS, Franchisor has implemented an incentive program available to certain qualified franchisees that agree to establish and operate MGallery Hotels in the United States under which Franchisor amends certain terms of its standard form franchise agreement as described below (the “**Incentive**”);

WHEREAS, Franchisor and Franchisee are Parties to that certain Franchise Agreement dated of even date herewith (the “**Franchise Agreement**”) pursuant to which Franchisee will establish and operate an MGallery Hotel located at _____ (the “**Hotel**”);

WHEREAS, Franchisee desires to qualify for, and to receive the benefits of, the Incentive in connection with its operation of the Hotel under the Franchise Agreement; and

WHEREAS, the Parties now desire to modify the Franchise Agreement according to the terms and conditions set forth in this Addendum.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Relationship to Franchise Agreement; Recitals.** This Addendum shall be annexed to and form a part of the Franchise Agreement. All capitalized terms not otherwise defined in this Addendum shall have the meanings set forth in the Franchise Agreement. Except as modified by this Addendum, the Franchise Agreement remains in full force and effect. Any conflict between the provisions hereof and the Franchise Agreement shall be construed in favor of this Addendum. All references in this Addendum to “Sections,” “Subsections,” and/or “Exhibits” shall mean the applicable Section(s), Subsection(s), and/or Exhibit(s) of the Franchise Agreement, unless specified otherwise below. The Recitals above are incorporated into this Addendum by reference.
2. **Qualifications.** You represent to our satisfaction, and in connection with signing this Addendum have provided us (or agree to provide promptly upon our request) relevant supporting documentation, that you meet all of the requirements we will establish in our sole discretion to qualify for the Incentive, which requirements will include, for example, your owners’ moral character, business reputation and credit worthiness, your aptitude and ability to operate the Hotel in accordance with the Brand Standards, your financial

resources and capital to operate the Hotel, the market in which you will operate the Hotel, and such other factors as we deem relevant.

3. **Expiration Date.** In section 1 of the Franchise Agreement, the term “Expiration Date” shall mean the date which is ten (10) years from the Opening Date.

4. **Initial Franchise Fee.** Section 5.1 of the Franchise Agreement is hereby deleted and replaced with the following:

Initial Franchise Fee. Franchisor and Franchisee acknowledge that, before Franchisor and Franchisee signed this Agreement, Franchisee paid Franchisor an initial franchise fee listed in Exhibit A, which is an amount equal to Twenty Thousand Dollars (\$20,000) (the “Initial Franchise Fee”). The Initial Franchise Fee was fully earned by Franchisor and non-refundable upon Franchisor’s approval of Franchisee’s franchise application before Franchisor and Franchisee signed this Agreement.

5. **Royalty Fee.** Section 5.4 of the Franchise Agreement is hereby deleted and replaced with the following:

Royalty Fee. A monthly Royalty Fee in an amount equal to three percent (3%) of Room Revenue for the preceding calendar month.

6. **Bundled Fees.** Notwithstanding anything to the contrary in Sections 5.5 and 5.8 of the Franchise Agreement, Franchisee shall not be required to pay Franchisor more than 2.6% of Room Revenues for the preceding calendar month for the total of the following amounts and fees payable: Monthly Marketing Fee, Accor Website fees, Voice Booking fees, Electronic Channel Booking fees, Access Charge fees, and AccorConnect fees.

7. **GDS Booking Fee.** Notwithstanding anything to the contrary in Section 5.8 of the Franchise Agreement, the GDS Booking fee will be ten dollars (\$10) per booking.

8. **Paid Acquisition Fee.** Section 5.7 of the Franchise Agreement is hereby deleted and replaced with the following:

Paid Acquisition Fee. A monthly Paid Acquisition Fee in an amount equal to ten percent (10%) of Reservation System Direct Revenue for the preceding calendar month generated by paid search advertising, metasearch advertising, affiliate marketing and re-targeting.

9. **Termination by Franchisee.** The following is added as a new Section 14.7 of the Franchise Agreement:

14.7 **Termination by Franchisee.**

Starting from the first anniversary and continuing until the third anniversary of the Hotel’s Opening Date, if Franchisee enters into a binding agreement to sell the Hotel or all or substantially all of the assets of the Franchisee pursuant to a *bona fide* offer from a third party arm’s length purchaser, Franchisee shall have the right to terminate this Agreement upon the closing of such sale. As a condition to exercising such termination right, Franchisee must provide at least six (6) months’ advance written notice to

Franchisor, which notice shall include such information as Franchisor may reasonably require, including, without limitation, information regarding the purchaser and its owners and the anticipated closing date. In addition, starting from the third anniversary of the Hotel's Opening Date and continuing for the remainder of the Term, Franchisee may terminate this Agreement upon six (6) months' advance notice to Franchisor. If Franchisee terminates the Agreement pursuant to this Section, Franchisee shall not be required to pay liquidated damages as provided under Section 14.6 of the Franchise Agreement.

10. **Liquidated Damages.** Section 14.6 of the Franchise Agreement is hereby deleted and replaced with the following:

Liquidated Damages. Franchisee acknowledges and agrees that, in the event this Agreement is terminated as a result of Franchisee's default under Sections 14.1, 14.2 or 14.3 above, or Franchisee terminates this Agreement under Section 7.5.4 above, such termination may result in lost future revenue and profits to Franchisor, harm to the goodwill associated with the System and the Proprietary Marks, and increased costs to Franchisor to redevelop or re-franchise the market in which the Hotel is located. Franchisor and Franchisee agree that such damages may be difficult to quantify or estimate. Therefore, except as otherwise provided in Section 14.7 below, in addition to any other monies owed hereunder, including but not limited to any liability for damages to the Proprietary Marks, but in lieu of the payment of damages as a result of or related to such termination, Franchisee agrees to pay, as liquidated damages and not as a penalty, as follows:

(i) if termination occurs before the Opening Date, then Franchisee will pay to Franchisor liquidated damages in an amount equal to Ten Thousand Dollars (\$10,000) multiplied by the number of approved guest rooms at the Hotel.

(ii) if termination occurs after the Opening Date but before the second anniversary of the Opening Date, Franchisee will pay to Franchisor liquidated damages in an amount equal to the greater of: (a) the Hotel's Average Monthly Fees multiplied by thirty six (36), or (b) Ten Thousand Dollars (\$10,000) multiplied by the number of approved guest rooms at the Hotel; and

(iii) if termination occurs after the second anniversary of the Opening Date but before the third anniversary of the Opening Date, Franchisee will pay to Franchisor liquidated damages in an amount equal to the Hotel's Average Monthly Fees multiplied by the number of months remaining until the third anniversary of the Term.

Franchisee shall pay Franchisor the payment specified in this Section 14.6 no later than five (5) days following the termination of this Agreement. In addition to Franchisor's right to the payment of liquidated damages as provided in this Section 14.6, Franchisor shall not otherwise be limited in its ability to recover other monies due under this Agreement and to otherwise seek damages or equitable relief for the harm caused by the conduct which gave rise to the termination, as well as for any other defaults of Franchisee under this Agreement and to obtain such other relief in law or equity as provided for in this Agreement, including without limitation, enforcing Franchisee's compliance with the

post-termination obligations set forth in Section 15 of this Agreement; provided, that Franchisor shall not be entitled to recover damages for lost future revenue or profits in excess of the liquidated damages specified in this Section 14.6.

11. **Additional Condition(s).** If you breach, fail to satisfy, or are later found to have violated or failed to satisfy, any of the criteria listed in Section 2 above in this Addendum, at any point during the Term, then in addition to any other remedies available under the Franchise Agreement (including termination) or at applicable law, you must pay us (no later than thirty (30) days after our written notice to you) the amount or value of any fee reduction, discount, or other benefit afforded to you pursuant to this Addendum.
12. **Entire Agreement.** Franchisor and Franchisee each acknowledges that this Addendum: contains the entire understanding and agreement of the Parties with respect to this Addendum’s subject matter; supersedes all other written or oral exchanges, arrangements or negotiations between them or their representatives in this regard; and may not be altered, amended or modified, except by a writing properly executed by the Parties.
13. **Counterparts.** This Addendum may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.
14. **Electronic Signatures.** The counterparts of this Addendum may be executed and signed by electronic signature by any of the Parties and delivered by electronic or digital communications to any other Party to this Agreement, and the receiving Party may rely on the receipt of such document so executed and delivered by electronic or digital communications signed by electronic signature as if the original has been received. For the purposes of this Addendum, electronic signature means, without limitation, an electronic act or acknowledgement (e.g., clicking an “I Accept” or similar button), sound, symbol (digitized signature block), or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

IN WITNESS WHEREOF, the parties have executed and delivered this Addendum on the day and year first above written.

FRANCHISOR

ACCOR FRANCHISING US LLC, a
Delaware limited liability company

By: _____
Print Name: _____
Title: _____

FRANCHISEE

By: _____
Print Name: _____
Title: _____


EXHIBIT C
FINANCIAL STATEMENTS
(see attached)



Accor Franchising US LLC

Independent Auditor's Report and Financial Statements

December 31, 2025 and 2024



Accor Franchising US LLC
Contents
December 31, 2025 and 2024

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Independent Auditor's Report

Board of Directors
Accor Franchising US LLC
155 Wellington Street West, Suite 3300
Toronto, Ontario M5V 0C3

Opinion

We have audited the financial statements of Accor Franchising US LLC (hereafter, "the Company"), which comprise the balance sheet as of December 31, 2025 and 2024, the related statements of operations, changes in member's equity, and cash flows for the year ended December 31, 2025 and 2024, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the year ended December 31, 2025 and 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Forvis Mazars, LLP

**Charlotte, North Carolina
April 10, 2026**

Accor Franchising US LLC
Balance Sheets
December 31, 2025 and 2024

	<u>Note</u>	<u>2025</u>	<u>2024</u>
ASSETS			
Current Assets			
Trade and other receivables	3	\$ 193,372	\$ 157,171
Due from affiliated companies	7	14,871,841	13,673,570
		<u>15,065,213</u>	<u>13,830,741</u>
Noncurrent Assets			
Contract assets and other assets	3	38,149	40,405
Total Assets		<u>\$ 15,103,362</u>	<u>\$ 13,871,146</u>
LIABILITIES AND MEMBER'S EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	8	\$ 55,931	\$ 52,545
Due to affiliated companies	7	1,436,967	421,538
Total Liabilities		<u>1,492,898</u>	<u>474,083</u>
Member's Equity			
Stockholder's capital	9	5,000,000	5,000,000
Contributed surplus		180,512	180,512
Retained earnings		8,429,952	8,216,551
Total Member's Equity		<u>13,610,464</u>	<u>13,397,063</u>
Total Liabilities and Member's Equity		<u>\$ 15,103,362</u>	<u>\$ 13,871,146</u>

Accor Franchising US LLC
Statements of Income
Years Ended December 31, 2025 and 2024

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Revenue	3	\$ 3,209,394	\$ 1,136,031
Expenses			
Service fee expense paid to affiliated companies	7	2,981,868	648,753
General and administrative expense		14,993	22,131
Foreign exchange (gain) loss		(868)	2,703
Total Expenses		<u>2,995,993</u>	<u>673,587</u>
Net Income		<u>\$ 213,401</u>	<u>\$ 462,444</u>

Accor Franchising US LLC
Statements of Changes in Member's Equity
Years Ended December 31, 2025 and 2024

	<u>Notes</u>	<u>Member's Capital</u>	<u>Contributed Surplus</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance, December 31, 2023	9	5,000,000	180,512	7,754,107	12,934,619
Net income		-	-	462,444	462,444
Balance, December 31, 2024	9	5,000,000	180,512	8,216,551	13,397,063
Net income		-	-	213,401	213,401
Balance, December 31, 2025	9	<u>\$ 5,000,000</u>	<u>\$ 180,512</u>	<u>\$ 8,429,952</u>	<u>\$ 13,610,464</u>

Accor Franchising US LLC
Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Net income (loss)	\$ 213,401	\$ 462,444
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Trade and other receivables	(36,201)	(18,067)
Due to (from) affiliated companies	13,145	(44,007)
Accounts payable and accrued liabilities	3,386	(175,014)
Due to affiliated companies	1,015,429	140,150
Contract asset and other assets	2,256	4,698
Net Cash Provided by Operating Activities	<u>1,211,416</u>	<u>370,204</u>
Cash Flows from Investing Activities		
Due from affiliated companies - cash sweep receivable	<u>(1,211,416)</u>	<u>(370,204)</u>
Net Cash Used in Investing Activities	<u>(1,211,416)</u>	<u>(370,204)</u>
Net Change in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents - Beginning of Year	<u>-</u>	<u>-</u>
Cash and Cash Equivalents - End of Year	<u>\$ -</u>	<u>\$ -</u>

Note 1. Organization

Accor Franchising US LLC (“we,” “us,” “our” or the “Company”) is a Delaware limited liability company formed on November 13, 2018, with operations commencing in 2019. The Company is the franchisor of Accor’s Luxury and Lifestyle division within the United States (“U.S.”) and territories of the U.S. We are a wholly owned subsidiary of Accor Management US Inc., whose equity interest is indirectly held by Accor Luxury and Lifestyle S.A.S. The ultimate parent of the company is Accor SA (“Accor”).

We license intellectual property from Accor on a royalty-free basis and then license the use of this trademark to third-party hotel owners under long-term franchise contracts.

Note 2. Basis of Presentation

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

These financial statements are presented in United States dollars, which is the functional currency of the Company.

As a limited liability company, each member’s liability is limited to the capital invested.

Note 3. Summary of Significant Accounting Policies

The most significant policies are summarized below:

Revenue Recognition

The Company applies Revenue from Contracts with Customers (ASC 606) guidance for recognition of revenue from contracts with customers. The Company’s revenue consists of franchise fees from long-term contracts with franchisees, which primarily includes franchise royalty and other fees as specified in its contractual arrangements.

The Company applies ASC 606 guidance for recognition of revenue related to licenses of intellectual property with sales-based royalties. Royalty fees, which represent variable consideration, are recognized as revenue when the underlying hotel’s sales transactions occur and are primarily based on a percentage of certain revenues of the hotel. Other fees for support services include those provided for marketing, distribution, IT and other services and relate to services representing distinct performance obligations, which are generally satisfied over time when the hotel owners simultaneously receive and consume the benefits provided.

Revenue is recognized in an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring promised services.

For the years ended December 31, 2025 and 2024, revenue is derived from two customers.

Accor Franchising US LLC
Notes to Financial Statements
December 31, 2025 and 2024

The revenue breakdowns for the years ended December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Royalty fees	\$ 1,122,315	\$ 181,866
Other services fees	2,087,079	691,216
Other non-recurring fees	<u>-</u>	<u>262,949</u>
Revenue	<u>\$ 3,209,394</u>	<u>\$ 1,136,031</u>

Accounts Receivable

Accounts receivable are stated at the amount of consideration from customers of which the Company has an unconditional right to receive plus any accrued and unpaid interest. The Company provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information, and current economic conditions as of balance sheet date.

In July 2025, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards ASU 2025-05, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. The new accounting guidance provides relief from the guidance in ASC 326 in evaluating estimated credit losses.

Specifically, the new standard allows all entities to elect a practical expedient to assume that current conditions as of the balance sheet date do not change for the remaining life of the current accounts receivable and current contract assets. In addition, this new standard allows entities that are not public business entities (PBEs) to make an accounting policy election to consider cash collection activity after the balance sheet date when estimating expected credit losses on current accounts receivable and contract assets.

The Company adopted this standard on January 1, 2025, and applied it prospectively.

The Company has elected to use the practical expedient provided in ASC 326-20 that allows entities to assume that current conditions as of the balance sheet date do not change for the remaining life of the current accounts receivable and current contract assets. The Company has also made an accounting policy election to consider cash collection activity after the balance sheet date when estimating expected credit losses on current accounts receivable and current contract assets. The Company has used April 10, 2026, as the date through which it considered subsequent collection activity. Management deemed no allowance for credit losses was necessary for the years ended December 31, 2025 and 2024.

Contract Assets

Contract assets represent a right for the Company to receive consideration in exchange for goods or services already transferred to a customer, when that right is conditioned on something other than the passage of time. They mainly include amounts paid to hotel owners to secure management and franchise contracts (“key moneys”) and, when applicable, expected value of payments under performance guarantees provided to hotel owners. They are subsequently recognized as a reduction to revenue over the life of the contract. The carrying amounts of contract assets are reviewed and tested for impairment when there is any indication that they may be impaired. There were no impairment losses recognized during 2025 and 2024.

Financial Instruments

The fair values of our financial assets and liabilities approximate their carrying values as of December 31, 2025 and 2024, due to the current terms to maturity.

Financial Assets

Trade and other receivables and amounts due from affiliated companies.

Trade and other receivables are initially recognized at fair value and are subsequently measured at amortized cost at each reporting date, less any impairment losses. The measurement of current expected credit losses is based on relevant information including a review of outstanding receivables, historical collection information, and current economic conditions as of the balance sheet dates. The amounts currently due from affiliated companies are carried at amortized cost and payable on demand.

Financial Liabilities

Amounts due to affiliated companies.

The amounts currently due to affiliated companies are carried at amortized cost, are non-interest bearing, and are stated at their nominal value.

Fair Value Measurements - Valuation Hierarchy

U.S. GAAP establishes a framework for measuring fair value and describes a fair value hierarchy based on three levels of inputs. We use the hierarchy of valuation techniques for financial instruments as summarized below:

Level 1 - Inputs based on quoted prices (unadjusted) in active markets for a similar instrument;

Level 2 - Valuation technique using the observable data in an active market for similar instruments;

Level 3 - Prices established using valuation techniques drawing on non-observable inputs.

The fair values of our financial assets and liabilities approximated are estimated to be equal to their carrying values as of the balance sheet dates.

Note 4. Future Accounting Pronouncements

The Company considers the applicability and impact of all recently issued FASB accounting standard codification updates. These have been assessed and determined to be not applicable or not significant to the Company's financial statements for the years ended December 31, 2025 and 2024, except as disclosed in Note 3.

Note 5. Significant Accounting Judgments, Estimates, and Assumptions

The preparation of financial statements requires the use of judgments, estimates and assumptions that may affect the reported amount of certain assets and liabilities, income, and expenses as well as the information disclosed in certain notes to the financial statements.

Due to the inherent uncertainty of assumptions, actual results may differ from these estimates. In exercising its judgment, management refers to past experiences and all available information that is considered as having a decisive impact, taking into account the prevailing environment and circumstances.

Accor Franchising US LLC
Notes to Financial Statements
December 31, 2025 and 2024

The Company tests whether receivable balances have suffered any impairment in accordance with the accounting policy stated in Note 3. In determining whether an impairment loss should be recorded in the statements of operations, management makes judgments as to whether there is any observable data indicating that there is a measurable decrease in estimated future cash flows that can be identified with an individual party. Management uses estimates based on factors discussed in Note 3.

Note 6. Income Taxes

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

Note 7. Related-Party Balances and Transactions

Amounts Due from Affiliated Companies

The balance due from Accor Management US Inc. relates mainly to the cash sweep structure with funds transferred between the Company and Accor Management US Inc.'s bank account. Such amounts have been measured at the exchange amount, which is the amount of consideration established and agreed to by the parties and are reflected in the balance sheets as a current asset, as the amount is due on demand. Amounts due from affiliated companies also includes intercompany service recoveries from the following related parties as of December 31:

	<u>2025</u>	<u>2024</u>
Cash sweep receivable from Accor Management US Inc.	\$ 14,870,620	\$ 13,659,203
Other amounts due from Accor Management Canada Inc.	-	559
Accor Management US Inc.	-	12,587
Ennismore Holdings US Inc.	<u>1,221</u>	<u>1,221</u>
Total due from affiliated companies	<u>\$ 14,871,841</u>	<u>\$ 13,673,570</u>

Service Fees Due to Affiliated Companies

Amounts due to other affiliated companies are recorded as current liabilities. These related party transactions with Accor Luxury and Lifestyle S.A.S, and Accor SA, our ultimate parent, as well as Accor Management Canada Inc., Accor Management US Inc. and Accor PME Franchising US Inc., have been measured at the exchange amount, which is the amount of consideration established and agreed to by the parties. These fees relate to licensing, distribution, sales and marketing and other fees to Accor Luxury and Lifestyle S.A.S. for the use of brands under the master license agreement, which is based on a percentage of the franchisee's monthly gross room revenue and for certain hotels, food and beverage revenue, as specified in contractual arrangements. The fees incurred during the years ended December 31, 2025 and 2024 were USD \$377,739 and \$636,833, respectively, and are recorded as a service fee expense paid to affiliated companies in the statements of operations.

Accor Franchising US LLC
Notes to Financial Statements
December 31, 2025 and 2024

The amounts also relate to Accor Management Canada Inc.'s, Accor Management US Inc.'s and Accor PME Franchising US Inc.'s fees and services (including, but not limited to, management of franchise operations and back-office services such as finance and accounting). The fees incurred during the years ended December 31, 2025 and 2024 were \$89,677 and \$3, respectively, to Accor Management Canada Inc., \$867,019 and \$1,200, respectively, to Accor Management US Inc. and \$1,643,609 and \$13,122, respectively, to Accor PME Franchising US Inc.

As of December 31, 2025 and 2024 the balances are due as follows:

	<u>2025</u>	<u>2024</u>
Accor Luxury and Lifestyle S.A.S	\$ 786,459	\$ 421,415
Accor Management US Inc.	49,767	-
Accor Management Canada Inc.	416,833	-
Accor PME Franchising US Inc.	-	123
Accor Franchising Canada Inc.	3,905	-
Sofitel Sales and Marketing	<u>180,003</u>	<u>-</u>
Total	<u>\$ 1,436,967</u>	<u>\$ 421,538</u>

Note 8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are made up of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Amounts due to customers	\$ 34,431	\$ 6,715
Accrued liabilities	<u>21,500</u>	<u>45,830</u>
	<u>\$ 55,931</u>	<u>\$ 52,545</u>

Note 9. Financial Risk Management

Credit Risk

The Company's credit risk is primarily attributable to its trade and other receivables and amounts due from affiliated companies. Credit risk associated with these receivables is mitigated by its processes to accept a franchisee. The credit risk associated with the amounts due from affiliated companies is low and the amounts are payable on demand. The Company uses an impairment model, which consists of recognizing impairment losses on financial assets based on current expected credit losses as disclosed in Note 3.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash to meet obligations when due. The Company manages liquidity risk by monitoring its cash flows. The Company's financial liabilities include due to affiliated companies. The Company had no external debt as of December 31, 2025 and 2024, and its current assets exceed its current liabilities by \$13,572,315 and \$13,356,658 as of December 31, 2025 and 2024, respectively.

Note 10. Subsequent Events


The Company has evaluated subsequent events and transactions for potential recognition and disclosure in the financial statements through to April 10, 2026, which is the date at which the financial statements were available for issuance.



Accor Franchising US LLC

Independent Auditor's Report and Financial Statements

December 31, 2024, 2023 and 2022



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Independent Auditor's Report

Board of Directors
Accor Franchising US LLC
155 Wellington Street West, Suite 3300
Toronto, Ontario M5V 0C3

Opinion

We have audited the financial statements of Accor Franchising US LLC (hereafter, "the Company"), which comprise the balance sheet as of December 31, 2024 and the related statements of operations, changes in member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Prior Years Audited by Other Auditors

The 2023 and 2022 financial statements were audited by other auditors, and their report thereon, dated April 19, 2024, expressed an unmodified opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Forvis Mazars, LLP

**Charlotte, North Carolina
April 25, 2025**

Accor Franchising US LLC
Balance Sheets
December 31, 2024, 2023, and 2022

	<u>Note</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
ASSETS				
Noncurrent Assets				
Contract assets and other assets		\$ 40,405	\$ 45,103	\$ -
Current Assets				
Trade and other receivables	5	157,171	139,104	180,900
Due from affiliated companies	7	13,673,570	13,259,359	12,786,314
		<u>13,830,741</u>	<u>13,398,463</u>	<u>12,967,214</u>
Total Assets		<u>\$ 13,871,146</u>	<u>\$ 13,443,566</u>	<u>\$ 12,967,214</u>
LIABILITIES AND MEMBER'S EQUITY				
Current Liabilities				
Accounts payable and accrued liabilities	8	\$ 52,545	\$ 227,559	\$ 41,717
Due to affiliated companies	7	421,538	281,388	275,457
Total Liabilities		<u>474,083</u>	<u>508,947</u>	<u>317,174</u>
Member's Equity				
Stockholder's capital	10	5,000,000	5,000,000	5,000,000
Contributed surplus	9	180,512	180,512	-
Retained earnings		8,216,551	7,754,107	7,650,040
Total Member's Equity		<u>13,397,063</u>	<u>12,934,619</u>	<u>12,650,040</u>
Total Liabilities and Member's Equity		<u>\$ 13,871,146</u>	<u>\$ 13,443,566</u>	<u>\$ 12,967,214</u>

Accor Franchising US LLC
Statements of Operations
Years Ended December 31, 2024, 2023, and 2022

	<u>Note</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenue	3	<u>\$ 1,136,031</u>	<u>\$ 1,508,820</u>	<u>\$ 1,247,118</u>
Expenses				
Service fee expense paid to affiliated companies	7	(648,753)	(1,352,547)	(1,177,770)
General and administrative expense		(22,131)	(53,805)	(195,109)
Foreign exchange gain (loss)		<u>(2,703)</u>	<u>1,599</u>	<u>(4,143)</u>
Total Expenses		<u>(673,587)</u>	<u>(1,404,753)</u>	<u>(1,377,022)</u>
Net Income (Loss)		<u><u>\$ 462,444</u></u>	<u><u>\$ 104,067</u></u>	<u><u>\$ (129,904)</u></u>

Accor Franchising US LLC
Statements of Changes in Member's Equity
Years Ended December 31, 2024, 2023, and 2022

	<u>Notes</u>	<u>Member's Capital</u>	<u>Contributed Surplus</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance, December 31, 2021	10	\$ 5,000,000	\$ -	\$ 7,779,944	\$ 12,779,944
Net loss		-	-	(129,904)	(129,904)
Balance, December 31, 2022	10	5,000,000	-	7,650,040	12,650,040
Net income		-	-	104,067	104,067
Contributed surplus	9	-	180,512	-	180,512
Balance, December 31, 2023	10	5,000,000	180,512	7,754,107	12,934,619
Net income		-	-	462,444	462,444
Balance, December 31, 2024	10	<u>\$ 5,000,000</u>	<u>\$ 180,512</u>	<u>\$ 8,216,551</u>	<u>\$ 13,397,063</u>

Accor Franchising US LLC
Statements of Cash Flows
Years Ended December 31, 2024, 2023, and 2022

	<u>Note</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities				
Net income (loss)		\$ 462,444	\$ 104,067	\$ (129,904)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Trade and other receivables		(18,067)	41,796	2,978,350
Due from affiliated companies		(44,007)	44,007	121,903
Accounts payable and accrued liabilities		(175,014)	185,842	(1,321)
Due to affiliated companies		140,150	5,931	(228,522)
Contract asset and other assets		4,698	(45,103)	-
Net Cash Provided by Operating Activities		<u>370,204</u>	<u>336,540</u>	<u>2,740,506</u>
Cash Flows from Investing Activities				
Due from affiliated companies - cash sweep receivable		<u>(370,204)</u>	<u>(517,052)</u>	<u>(2,740,506)</u>
Net Cash Used in Investing Activities		<u>(370,204)</u>	<u>(517,052)</u>	<u>(2,740,506)</u>
Cash Flows from Financing Activities				
Contributed surplus	9	<u>-</u>	<u>180,512</u>	<u>-</u>
Net Cash Used in Financing Activities		<u>-</u>	<u>180,512</u>	<u>-</u>
Net Change in Cash and Cash Equivalents		-	-	-
Cash and Cash Equivalents - Beginning of Year		<u>-</u>	<u>-</u>	<u>-</u>
Cash and Cash Equivalents - End of Year		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 1. Organization

Accor Franchising US LLC (“we,” “us,” “our” or the “Company”) is a Delaware limited liability company formed on November 13, 2018, with operations commencing in 2019. The Company is the franchisor of Accor’s Luxury and Lifestyle division within the United States (“U.S.”) and territories of the U.S. We are a wholly owned subsidiary of Accor Management US Inc., whose equity interest is indirectly held by Accor Luxury and Lifestyle S.A.S. The ultimate parent of the company is Accor SA (“Accor”).

We license intellectual property from Accor on a royalty-free basis and then license the use of this trademark to third-party hotel owners under long-term franchise contracts.

In September 2023, the Company sold a franchise agreement to a related party, Accor PME Franchising US Inc. (Note 9).

In July 2022, the Company signed a franchise agreement to add Hotel Ändra - MGallery Hotel Collection to its portfolio and shortly thereafter began earning revenues under the franchise agreement effective November 29, 2022.

Note 2. Basis of Presentation

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

These financial statements are presented in United States dollars, which is the functional currency of the Company.

As a limited liability company, each member’s liability is limited to the capital invested.

Note 3. Summary of Significant Accounting Policies

The most significant policies are summarized below:

Revenue Recognition

The Company applies Revenue from Contracts with Customers (ASC 606) guidance for recognition of revenue from contracts with customers. The Company’s revenue consists of franchise fees from long-term contracts with franchisees, which primarily includes franchise royalty and other fees as specified in its contractual arrangements.

The Company applies ASC 606 guidance for recognition of revenue related to licenses of intellectual property with sales-based royalties. Royalty fees, which represent variable consideration, are recognized as revenue when the underlying hotel’s sales transactions occur and are primarily based on a percentage of certain revenues of the hotel. Other fees for support services include those provided for marketing, distribution, IT and other services and relate to services representing distinct performance obligations, which are generally satisfied over time when the hotel owners simultaneously receive and consume the benefits provided.

Accor Franchising US LLC
Notes to Financial Statements
December 31, 2024, 2023 and 2022

Revenue is recognized in an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring promised services.

For the year ended December 31, 2024, revenue is derived from two customers (2023: three customers, 2022: three customers).

The revenue breakdowns for years ended December 31, 2024, 2023 and 2022 were as follows (in US\$):

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Royalty fees	\$ 181,866	\$ 323,520	\$ 326,078
Other services fees	691,216	1,185,300	921,040
Other non-recurring fees	<u>262,949</u>	<u>-</u>	<u>-</u>
Revenue	<u>\$ 1,136,031</u>	<u>\$ 1,508,820</u>	<u>\$ 1,247,118</u>

Other non-recurring fees include a termination fee relating to a contract that was terminated early. All amounts relating to the terminated contract were settled in December 2024.

Accounts Receivable

Accounts receivable are stated at the amount of consideration from customers of which the Company has an unconditional right to receive plus any accrued and unpaid interest. The Company provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions adjusted for current conditions and reasonable and supportable forecasts. The allowance for credit losses was \$0 as of the years ended December 31, 2024, 2023, and 2022.

Contract Assets

Contract assets represent a right for the Company to receive consideration in exchange for goods or services already transferred to a customer, when that right is conditioned on something other than the passage of time. They mainly include amounts paid to hotel owners to secure management and franchise contracts ("key moneys") and, when applicable, expected value of payments under performance guarantees provided to hotel owners. They are subsequently recognized as a reduction to revenue over the life of the contract. The carrying amounts of contract assets are reviewed and tested for impairment when there is any indication that they may be impaired.

Financial Instruments

The fair values of our financial assets and liabilities approximate their carrying values as at December 31, 2024, due to the current terms to maturity.

Financial Assets

Trade and other receivables and amounts due from affiliated companies

Trade and other receivables are initially recognized at fair value and are subsequently measured at amortized cost at each reporting date, less any impairment losses. The measurement of current expected credit losses is based on relevant information about past events, including historical experience, credit quality, the age of the accounts receivable balances and current economic conditions that may impact a customer's ability to pay. The amounts currently due from affiliated companies are carried at amortized cost and payable on demand.

Financial Liabilities

Amounts due to affiliated companies

The amounts currently due to affiliated companies are carried at amortized cost, are non-interest bearing and are stated at their nominal value.

Fair Value Measurements - Valuation Hierarchy

U.S. GAAP establishes a framework for measuring fair value and describes a fair value hierarchy based on three levels of inputs. We use the hierarchy of valuation techniques for financial instruments as summarized below:

Level 1 - Inputs based on quoted prices (unadjusted) in active markets for a similar instrument;

Level 2 - Valuation technique using the observable data in an active market for similar instruments;

Level 3 - Prices established using valuation techniques drawing on non-observable inputs.

The fair values of our financial assets and liabilities approximated are estimated to be equal to their carrying values as at the balance sheet date.

Note 4. Future Accounting Pronouncements

The Company considers the applicability and impact of all recently issued Financial Accounting Standards Board (FASB) accounting standard codification updates. These have been assessed and determined to be not applicable or not significant to the Company's financial statements for the year ended December 31, 2024.

Note 5. Significant Accounting Judgments, Estimates, and Assumptions

The preparation of financial statements requires the use of judgments, estimates and assumptions that may affect the reported amount of certain assets and liabilities, income and expenses as well as the information disclosed in certain notes to the financial statements.

Due to the inherent uncertainty of assumptions, actual results may differ from these estimates. In exercising its judgment, management refers to past experiences and all available information that is considered as having a decisive impact, taking into account the prevailing environment and circumstances.

The Company tests whether receivable balances have suffered any impairment in accordance with the accounting policy stated in Note 3. In determining whether an impairment loss should be recorded in the statements of income (loss) and comprehensive income (loss), management makes judgments as to whether there is any observable data indicating that there is a measurable decrease in estimated future cash flows that can be identified with an individual party. Management uses estimates based on factors discussed in Note 3.

As at December 31, 2024, 2023, and 2022, based on management's review of risk associated with the collectability of outstanding balances, no allowance for expected credit loss was recorded as management's assessment of this risk is nominal.

Note 6. Income Taxes

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

Note 7. Related-Party Balances and Transactions

Amounts Due from Affiliated Companies

The balance due from Accor Management US Inc. relates mainly to the cash sweep structure with funds transferred between the Company and Accor Management US Inc.'s bank account. Such amounts have been measured at the exchange amount, which is the amount of consideration established and agreed to by the parties and are reflected in the balance sheets as a current asset, as the amount is due on demand. Amounts due from affiliated companies also includes intercompany service recoveries from the following related parties at December 31, 2024, 2023, and 2022.

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash sweep receivable from			
Accor Management US Inc.	\$ 13,659,203	\$ 13,257,423	\$ 12,740,371
Other amounts due from			
Accor Management Canada Inc.	559	-	43,696
Accor Management US Inc.	12,587	-	-
Accor Hotels and Resorts Maryland LLC	-	715	1,026
Ennismore Holdings US Inc.	<u>1,221</u>	<u>1,221</u>	<u>1,221</u>
Total due from affiliated companies	<u>\$ 13,673,570</u>	<u>\$ 13,259,359</u>	<u>\$ 12,786,314</u>

Service Fees Due to Affiliated Companies

Amounts due to other affiliated companies are recorded as current liabilities. These related party transactions with Accor Luxury and Lifestyle S.A.S, and Accor SA, our ultimate parent, as well as Accor Management Canada Inc., Accor Management US Inc. and Accor PME Franchising US Inc., have been measured at the exchange amount, which is the amount of consideration established and agreed to by the parties. These fees relate to licensing, distribution, sales and marketing and other fees to Accor Luxury and Lifestyle S.A.A. (2023 & 2022: Accor S.A.) for the use of brands under the master license agreement, which is based on a percentage of the franchisee's monthly gross room revenue and for certain hotels, food and beverage revenue, as specified in contractual arrangements. The fees incurred during the year ended December 31, 2024 were USD \$636,833 (2023: USD \$1,216,210, 2022: USD \$1,026,995), and are recorded as a service fee expense paid to affiliated companies in the statements of income (loss) and comprehensive income (loss).

The amounts also relate to Accor Management Canada Inc.'s, Accor Management US Inc.'s and Accor PME Franchising US Inc.'s fees and services (including, but not limited to, management of franchise operations and back-office services such as finance and accounting). The fees incurred during the year ended December 31, 2024 were USD -\$3 (2023: USD \$67,391, 2022: USD \$76,033) to Accor Management Canada Inc., USD -\$1,200 (2023: USD \$68,946, 2022: USD \$71,950) to Accor Management US Inc. and USD \$ 13,122 (2023: USD nil, 2022: USD nil) to Accor PME Franchising US Inc.

Accor Franchising US LLC
Notes to Financial Statements
December 31, 2024, 2023 and 2022

As at the balance sheet date, the balances due were as follows at December 31, 2024, 2023, and 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Accor S.A.	\$ -	\$ 110,778	\$ 205,832
Accor Luxury and Lifestyle S.A.S	421,415	-	-
Accor Management US Inc.	-	64,879	69,625
Accor Management Canada Inc.	-	34,936	-
Accor PME Franchising US Inc.	123	68,699	-
Faene Hotels and Resorts (Maryland) LLC	<u>-</u>	<u>2,096</u>	<u>-</u>
Total	<u>\$ 421,538</u>	<u>\$ 281,388</u>	<u>\$ 275,457</u>

Note 8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are made up of the following at December 31, 2024, 2023, and 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Amounts due to customers	\$ 6,715	\$ 182,444	\$ -
Accrued liabilities	<u>45,830</u>	<u>45,115</u>	<u>41,717</u>
	<u>\$ 52,545</u>	<u>\$ 227,559</u>	<u>\$ 41,717</u>

Note 9. Contributed Surplus

On September 1, 2023, the Company sold a hotel franchising agreement to Accor PME Franchising US Inc., a company with a common ultimate parent, for a sales price of \$180,512. The sale was settled in cash on that date and accounted for as an increase in contributed surplus.

Note 10. Financial Risk Management

Credit Risk

The Company's credit risk is primarily attributable to its trade and other receivables and amounts due from affiliated companies. Credit risk associated with these receivables is mitigated by its processes to accept a franchisee. The credit risk associated with the amounts due from affiliated companies is low and the amounts are payable on demand. The Company uses an impairment model, which consists of recognizing impairment losses on financial assets based on current expected credit losses as disclosed in Note 3.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash to meet obligations when due. The Company manages liquidity risk by monitoring its cash flows. The Company's financial liabilities include due to affiliated companies. The Company had no external debt as of December 31, 2024, 2023, and 2022, and its current assets exceed its current liabilities by \$13,356,658 as of December 31, 2024.

Note 11. Subsequent Event

The Company has evaluated subsequent events and transactions for potential recognition and disclosure in the financial statements through to April 25, 2025, which is the date at which the financial statements were authorized for issuance.

EXHIBIT D

TABLE OF CONTENTS FOR MANUALS

ACCOR (PAGES)

#	Area	Topic	Pages
1	Company	Accor Overview	47
2	Loyalty	ALL – Accor Live Limitless Loyalty Program	33
3	Loyalty	ACDC – Accor Customer Digital Card	49
4	Loyalty	ACDC – User Guide	140
5	Guest	Reputation Management at Accor	27
6	Guest	Do’s & Don’t’s of the Public Response to Reviews	2
7	Guest	Fundamentals of Answering Reviews	19
48	Guest	VOG 2.0 – Setting your Voice of Guest (powered by Trust	
9	Guest	Exploring the Voice of Guest Tool	76
510	Guest	VOG 2.0 – CXC – (Customer Quality & Guest Experience Community)–	
		GM Handbook	3917
611	Employee	Heartist Program	1528
712	CSR	Ethics & CSR Charter	64
813	CSR	Environmental & Social Governance (ESG) Making a Positive Business	
		Impact	1545
914	CSR	WATCH – We Act Together for Children	9
1015	Crisis	ALERT – Crisis Management	2122
1116	Technology	Technology Standards	282280
1217	GDPR	Data Protection	14Technology
18	Technology	Network Standard	46
1319	Digital	Product & Services	47

Total Pages in Accor Manuals: 6641,004

BRAND COLLECTION OR GLOBAL DIVISION MANUALS (PAGES)

1	MGallery Brand Platform		3132
2	MGallery Brand Identity <u>Guidelines</u>		104105
3	Accor Global Luxury Construction and Renovation Standards Guidelines		113121
4	MGallery Design Brief		98
5	Accor Global Luxury Technical Standards		380387
6	MGallery Muse Process		3740
7	MGallery Tone of Voice		15
8	MGallery MOOK (Style Book) <u>Guidelines</u>		1411
9	MGallery <u>Dry Amenities Deployment Guidelines</u>		1713
10	MGallery Wet Amenities Guidelines		25
1011	MGallery Bedding Guidelines		33
11	MGallery Partnership Guideline		36
12	MGallery Brand Standards <u>Guidelines</u>		143108
13	MGallery Food & Beverage Guidelines		88107
14	MGallery Podcast Guidelines		18
15	MGallery Wellbeing Strategy <u>Mindfulness Guidelines</u>		33

16	MGallery SPECTRE Music Programing	9
1716	MGallery Uniforms	10 & Grooming Guidelines 36
1817	MGallery Complete Brand Standards	97233
1918	MGallery Brand Momentum—Festive Magic Tales <u>Guidelines</u>	5567
2019	MGallery Brand Momentum—World World Cocktail	57 Months Guidelines 105
2120	MGallery Brand Momentum—Pink October <u>Guidelines</u>	5270
2221	MGallery Brand Momentum—Heritage Days	74 Days Guidelines 48
2322	MGallery Brand Momentum—Romantic Chronicles Activation	6367
2423	MGallery Partnerships Icons <u>Guidelines</u>	22

Total Pages in MGallery Collection Manuals: 1,5991,794

RESPONSIBLE PROCUREMENT CHARTER

	Cover Page and Table of Contents	2
	Procurement Department’s Message	1
	Who Does This Charter Apply To?	1/2
	What Are the Sanctions for Non-Compliance With This Charter?	1/2
1	Accor’s Values and Commitments	3
2	Our Suppliers as Responsible Companies	6
3	Our Suppliers as Responsible Employers	4
4	Our Supplies as Companies Committed to Civil Society and the Planet	5
	Contact for Questions	1
	Total Pages in Responsible Procurement Charter:	23

GRAND TOTAL OF PAGES IN MANUALS: 2,2862,821

E-LEARNING (MANUALS) THROUGH ACADEMIE ACCOR OR THIRD PARTY (VIDEOS)

- ◆ ~~Opera—6 hours~~
- ◆□ ANAIS – 3 hours – 6 courses
- ◆ ~~RFP Publisher by Lanyon—1 hour~~
- ◆□ Data ~~Web~~ Web – 2 hours – 7 courses
- ◆□ Resa ~~Web~~ Web – 2 hours – 6 courses
- ◆□ FastCom – 1 hour – 4 courses

EXHIBIT E

SAMPLE ORACLE GENERAL TERMS AND ORDERING DOCUMENT

(see attached)

YOU AGREE THAT BY PLACING AN ORDER THROUGH AN ORDERING DOCUMENT THAT INCORPORATES THESE GENERAL TERMS (THE "ORDERING DOCUMENT") YOU AGREE TO FOLLOW AND BE BOUND BY THE TERMS AND CONDITIONS OF THE ORDERING DOCUMENT AND THESE GENERAL TERMS. IF YOU ARE PLACING SUCH AN ORDER ON BEHALF OF A COMPANY OR OTHER LEGAL ENTITY, YOU REPRESENT THAT YOU HAVE THE AUTHORITY TO BIND SUCH ENTITY TO THE TERMS AND CONDITIONS OF THE ORDERING DOCUMENT AND THESE GENERAL TERMS AND, IN SUCH EVENT, "YOU" AND "YOUR" AS USED IN THESE GENERAL TERMS SHALL REFER TO SUCH ENTITY. IF YOU DO NOT HAVE SUCH AUTHORITY, OR IF YOU OR SUCH ENTITY DO NOT AGREE TO FOLLOW AND BE BOUND BY THE TERMS AND CONDITIONS OF THE ORDERING DOCUMENT AND THESE GENERAL TERMS, YOU SHALL NOT PLACE AN ORDER OR USE PRODUCTS OR SERVICES OFFERINGS.



GENERAL TERMS

These General Terms (these "General Terms") are between Oracle America, Inc. ("Oracle") and the individual or entity that has executed the order that incorporates these General Terms by reference. In placing an order that is subject to these General Terms, you agree that the Schedules (as defined below) that are attached to these General Terms are incorporated into these General Terms. If a term is relevant only to a specific Schedule, that term applies only to that Schedule when that Schedule is incorporated into these General Terms.

1. DEFINITIONS

1.1 "**Hardware**" refers to the computer equipment, including components, options and spare parts.

1.2 "**Integrated Software**" refers to any software or programmable code that is (a) embedded or integrated in the Hardware and enables the functionality of the Hardware or (b) specifically provided to You by Oracle under Schedule H and specifically listed (i) in accompanying documentation, (ii) on an Oracle webpage or (iii) via a mechanism that facilitates installation for use with Your Hardware. Integrated Software does not include and You do not have rights to (a) code or functionality for diagnostic, maintenance, repair or technical support services; or (b) separately licensed applications, operating systems, development tools, or system management software or other code that is separately licensed by Oracle. For specific Hardware, Integrated Software includes Integrated Software Options (as defined in Schedule H) separately ordered.

1.3 "**Master Agreement**" refers to these General Terms (including any amendments thereto) and the two Schedules incorporated into the Master Agreement (including any amendments to those incorporated Schedules). The Master Agreement governs Your use of the Products and Service Offerings ordered from Oracle or an authorized reseller.

1.4 "**Operating System**" refers to the software that manages Hardware for Programs and other software.

1.5 "**Products**" refers to Programs, Hardware, Integrated Software and Operating System.

1.6 "**Programs**" refers to (a) the software owned or distributed by Oracle that You have ordered under Schedule P, (b) Program Documentation and (c) any Program updates acquired through technical support. Programs do not include Integrated Software or any Operating System or any software release prior to general availability (e.g., beta releases).

1.7 "**Program Documentation**" refers to the Program user manual and Program installation manuals. Program Documentation may be delivered with the Programs. You may access the documentation online at <http://oracle.com/documentation>.

1.8 "**Schedule**" refers to all Oracle Schedules to these General Terms as identified in Section 2.

1.9 "**Separate Terms**" refers to separate license terms that are specified in the Program Documentation, readmes or notice files and that apply to Separately Licensed Third Party Technology.

1.10 "**Separately Licensed Third Party Technology**" refers to third party technology that is licensed under

Separate Terms and not under the terms of the Master Agreement.

1.11 “**Service Offerings**” refers to technical support, education, hosted/outsourcing services, cloud services, consulting, advanced customer support services, or other services which You have ordered. Such Service Offerings are further described in the applicable Schedule.

1.12 “**You**” and “**Your**” refers to the individual or entity that has executed these General Terms.

2. MASTER AGREEMENT TERM AND APPLICABLE SCHEDULES

This Master Agreement is applicable to the order which this Master Agreement accompanies. As of the Effective Date, the following Schedules are incorporated into the Master Agreement: Schedule H – Hardware, Schedule P – Program, Schedule C – Cloud Services and Schedule LVM – Linux VM Service.

The Schedules set forth terms and conditions that apply specifically to certain types of Oracle offerings which may be different than, or in addition to, these General Terms.

3. SEGMENTATION

The purchase of any Products and related Service Offerings or other Service Offerings are all separate offers and separate from any other order for any Products and related Service Offerings or other Service Offerings You may receive or have received from Oracle. You understand that You may purchase any Products and related Service Offerings or other Service Offerings independently of any other Products or Service Offerings. Your obligation to pay for (a) any Products and related Service Offerings is not contingent on performance of any other Service Offerings or delivery of any other Products or (b) other Service Offerings is not contingent on delivery of any Products or performance of any additional/other Service Offerings. You acknowledge that You have entered into the purchase without reliance on any financing or leasing arrangement with Oracle or its affiliate.

4. OWNERSHIP

Oracle or its licensors retain all ownership and intellectual property rights to the Programs, Operating System, Integrated Software and anything developed or delivered under the Master Agreement.

5. INDEMNIFICATION

5.1 Subject to sections 5.5, 5.6 and 5.7 below, if a third party makes a claim against either You or Oracle (“Recipient” which may refer to You or Oracle depending upon which party received the Material), that any information, design, specification, instruction, software, data, hardware, or material (collectively, “Material”) furnished by either You or Oracle (“Provider” which may refer to You or Oracle depending on which party provided the Material) and used by the Recipient infringes the third party’s intellectual property rights, the Provider, at the Provider’s sole cost and expense, will defend the Recipient against the claim and indemnify the Recipient from the damages, liabilities, costs and expenses awarded by the court to the third party claiming infringement or the settlement agreed to by the Provider, if the Recipient does the following:

- a. notifies the Provider promptly in writing, not later than 30 days after the Recipient receives notice of the claim (or sooner if required by applicable law);
- b. gives the Provider sole control of the defense and any settlement negotiations; and
- c. gives the Provider the information, authority and assistance the Provider needs to defend against or settle the claim.

5.2 If the Provider believes or it is determined that any of the Material may have violated a third party’s intellectual property rights, the Provider may choose to either modify the Material to be non-infringing (while substantially preserving its utility or functionality) or obtain a license to allow for continued use, or if these alternatives are not commercially reasonable, the Provider may end the license for, and require return of, the applicable Material and refund any fees the Recipient may have paid to the other party for it and, if Oracle is the Provider of an infringing Program, any unused, prepaid technical support fees You have paid to Oracle for the license of the infringing Program. If such return materially affects Oracle’s ability to meet its obligations under the relevant order, then Oracle may, at its option and upon 30 days prior written notice, terminate the order.

5.3 Notwithstanding the provisions of section 5.2 and with respect to hardware only, if the Provider believes or it is determined that the hardware (or portion thereof) may have violated a third party’s intellectual property rights, the Provider may choose to either replace or modify the hardware (or portion thereof) to be non-

infringing (while substantially preserving its utility or functionality) or obtain a right to allow for continued use, or if these alternatives are not commercially reasonable, the Provider may remove the applicable hardware (or portion thereof) and refund the net book value and, if Oracle is the Provider of infringing Hardware, any unused, prepaid technical support fees You have paid to Oracle for the Hardware.

5.4 In the event that the Material is Separately Licensed Third Party Technology and the associated Separate Terms do not allow termination of the license, in lieu of ending the license for the Material, Oracle may end the license for, and require return of, the Program associated with that Separately Licensed Third Party Technology and shall refund any Program license fees You may have paid to Oracle for the Program license and any unused, prepaid technical support fees You have paid to Oracle for the Program license.

5.5 Provided You are a current subscriber to Oracle technical support services for the Operating System (e.g., Oracle Premier Support for Systems, Oracle Premier Support for Operating Systems or Oracle Linux Premier Support), then for the period of time for which You were a subscriber to the applicable Oracle technical support services (a) the phrase "Material" above in section 5.1 shall include the Operating System and the Integrated Software and any Integrated Software Options that You have licensed and (b) the phrase "Program(s)" in this section 5 is replaced by the phrase "Program(s) or the Operating System or Integrated Software or Integrated Software Options (as applicable)" (i.e., Oracle will not indemnify You for Your use of the Operating System and/or Integrated Software and/or Integrated Software Options when You were not a subscriber to the applicable Oracle technical support services). Notwithstanding the foregoing, with respect solely to the Linux operating system, Oracle will not indemnify You for Materials that are not part of the Oracle Linux covered files as defined at <http://www.oracle.com/us/support/library/enterprise-linux-indemnification-069347.pdf>.

5.6 The Provider will not indemnify the Recipient if the Recipient alters Material or uses it outside the scope of use identified in the Provider's user documentation or if the Recipient uses a version of Material which has been superseded, if the infringement claim could have been avoided by using an unaltered current version of Material which was provided to the Recipient, or if the Recipient continues to use the applicable Material after the end of the license to use that Material. The Provider will not indemnify the Recipient to the extent that an infringement claim is based upon any information, design, specification, instruction, software, data, or material not furnished by the Provider. Oracle will not indemnify You for any portion of an infringement claim that is based upon the combination of any Material with any products or services not provided by Oracle. Solely with respect to Separately Licensed Third Party Technology that is part of or is required to use a Program and that is used: (a) in unmodified form; (b) as part of or as required to use a Program; and (c) in accordance with the license grant for the relevant Program and all other terms and conditions of the Master Agreement, Oracle will indemnify You for infringement claims for Separately Licensed Third Party Technology to the same extent as Oracle is required to provide infringement indemnification for the Program under the terms of the Master Agreement. Oracle will not indemnify You for infringement caused by Your actions against any third party if the Program(s) as delivered to You and used in accordance with the terms of the Master Agreement would not otherwise infringe any third party intellectual property rights. Oracle will not indemnify You for any intellectual property infringement claim(s) known to You at the time license rights are obtained.

5.7 This section provides the parties' exclusive remedy for any infringement claims or damages.

6. TERMINATION

6.1 If either of us breaches a material term of the Master Agreement and fails to correct the breach within 30 days of written specification of the breach, then the breaching party is in default and the non-breaching party may terminate the Master Agreement. If Oracle terminates the Master Agreement as specified in the preceding sentence, You must pay within 30 days all amounts which have accrued prior to such termination, as well as all sums remaining unpaid for Products ordered and/or Service Offerings received under the Master Agreement plus related taxes and expenses. Except for nonpayment of fees, the non-breaching party may agree in its sole discretion to extend the 30 day period for so long as the breaching party continues reasonable efforts to cure the breach. You agree that if You are in default under the Master Agreement, You may not use those Products or Service Offerings ordered.

6.2 If You have used a contract with Oracle or an affiliate of Oracle to pay for the fees due under an order and You are in default under that contract, You may not use the Products and/or Service Offerings that are subject to such contract.

6.3 Provisions that survive termination or expiration are those relating to limitation of liability, infringement indemnity, payment and others which by their nature are intended to survive.

7. FEES AND TAXES; PRICING, INVOICING AND PAYMENT OBLIGATION

7.1 All fees payable to Oracle are due within 30 days from the invoice date. You agree to pay any sales, value-added or other similar taxes imposed by applicable law that Oracle must pay based on the Products and/or Service Offerings You ordered, except for taxes based on Oracle's income. Also, You will reimburse Oracle for reasonable expenses related to providing Service Offerings.

7.2 You understand that You may receive multiple invoices for the Products and Service Offerings You ordered. Invoices will be submitted to You pursuant to Oracle's Invoicing Standards Policy, which may be accessed at <http://oracle.com/contracts>.

8. NONDISCLOSURE

8.1 By virtue of the Master Agreement, the parties may have access to information that is confidential to one another ("**Confidential Information**"). We each agree to disclose only information that is required for the performance of obligations under the Master Agreement. Confidential Information shall be limited to the terms and pricing under the Master Agreement and all information clearly identified as confidential at the time of disclosure.

8.2 A party's Confidential Information shall not include information that: (a) is or becomes a part of the public domain through no act or omission of the other party; (b) was in the other party's lawful possession prior to the disclosure and had not been obtained by the other party either directly or indirectly from the disclosing party; (c) is lawfully disclosed to the other party by a third party without restriction on the disclosure; or (d) is independently developed by the other party.

8.3 We each agree not to disclose each other's Confidential Information to any third party other than those set forth in the following sentence for a period of three years from the date of the disclosing party's disclosure of the Confidential Information to the receiving party. We may disclose Confidential Information only to those employees or agents or subcontractors who are required to protect it against unauthorized disclosure in a manner no less protective than under the Master Agreement. Nothing shall prevent either party from disclosing the terms or pricing under the Master Agreement or orders submitted under the Master Agreement in any legal proceeding arising from or in connection with the Master Agreement or disclosing the Confidential Information to a governmental entity as required by law.

8.4 To the extent You provide personal information to Oracle as part of any Service Offerings You have ordered under the Master Agreement, Oracle will comply with:

- a. the relevant Oracle privacy policies applicable to the Service Offerings, available at <http://www.oracle.com/us/legal/privacy/overview/index.html>;
- b. the applicable administrative, physical, technical and other safeguards, and other applicable aspects of system and content management, available at <http://www.oracle.com/us/corporate/contracts/>; and
- c. the applicable version of the Data Processing Agreement for Oracle Services (the "Data Processing Agreement"). The version of the Data Processing Agreement applicable to Your order is available at <https://www.oracle.com/corporate/contracts/cloud-services/contracts.html#data-processing> and is incorporated herein by reference. The Data Processing Agreement does not apply to education services and Oracle Data Cloud services under Schedule D. Your order for Service Offerings may also contain additional or more specific privacy terms.

9. ENTIRE AGREEMENT

9.1 You agree that the Master Agreement and the information which is incorporated into the Master Agreement by written reference (including reference to information contained in a URL or referenced policy), together with the applicable order, are the complete agreement for the Products and/or Service Offerings ordered by You and supersede all prior or contemporaneous agreements or representations, written or oral, regarding such Products and/or Service Offerings.

9.2 It is expressly agreed that the terms of the Master Agreement and any Oracle order shall supersede the terms in any purchase order, procurement internet portal or any other similar non-Oracle document and no terms included in any such purchase order, portal or other non-Oracle document shall apply to the Products

and/or Service Offerings ordered. In the event of inconsistencies between the terms of any Schedule and these General Terms, the Schedule shall take precedence. In the event of any inconsistencies between the terms of an order and the Master Agreement, the order shall take precedence. The Master Agreement and orders may not be modified and the rights and restrictions may not be altered or waived except in a

writing signed or accepted online through the Oracle Store by authorized representatives of You and of Oracle. Any notice required under the Master Agreement shall be provided to the other party in writing.

10. LIMITATION OF LIABILITY

NEITHER PARTY SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, OR ANY LOSS OF PROFITS, REVENUE, DATA, OR DATA USE. ORACLE'S MAXIMUM LIABILITY FOR ANY DAMAGES ARISING OUT OF OR RELATED TO THE MASTER AGREEMENT OR YOUR ORDER, WHETHER IN CONTRACT OR TORT, OR OTHERWISE, SHALL BE LIMITED TO THE AMOUNT OF THE FEES YOU PAID ORACLE UNDER THE SCHEDULE GIVING RISE TO THE LIABILITY, AND IF SUCH DAMAGES RESULT FROM YOUR USE OF PRODUCTS OR SERVICE OFFERINGS, SUCH LIABILITY SHALL BE LIMITED TO THE FEES YOU PAID ORACLE FOR THE DEFICIENT PRODUCT OR SERVICE OFFERINGS GIVING RISE TO THE LIABILITY.

11. EXPORT

Export laws and regulations of the United States and any other relevant local export laws and regulations apply to the Products. You agree that such export laws govern Your use of the Products (including technical data) and any Service Offerings deliverables provided under the Master Agreement, and You agree to comply with all such export laws and regulations (including "deemed export" and "deemed re-export" regulations). You agree that no data, information, Product and/or materials resulting from Service Offerings (or direct product thereof) will be exported, directly or indirectly, in violation of these laws, or will be used for any purpose prohibited by these laws including, without limitation, nuclear, chemical, or biological weapons proliferation, or development of missile technology.

12. FORCE MAJEURE

Neither of us shall be responsible for failure or delay of performance if caused by: an act of war, hostility, or sabotage; act of God; pandemic, electrical, internet, or telecommunication outage that is not caused by the obligated party; government restrictions (including the denial or cancellation of any export, import or other license); other event outside the reasonable control of the obligated party. We both will use reasonable efforts to mitigate the effect of a force majeure event. If such event continues for more than 30 days, either of us may cancel unperformed Service Offerings and affected orders upon written notice. This section does not excuse either party's obligation to take reasonable steps to follow its normal disaster recovery procedures or Your obligation to pay for Products and Service Offerings ordered or delivered.

13. GOVERNING LAW AND JURISDICTION

The Master Agreement is governed by the laws of the State of California and You and Oracle agree to submit to the exclusive jurisdiction of, and venue in, the courts in San Francisco or Santa Clara counties in California in any dispute arising out of or relating to the Master Agreement.

14. NOTICE

If You have a dispute with Oracle or if You wish to provide a notice under the Indemnification section of these General Terms, or if You become subject to insolvency or other similar legal proceedings, You will promptly send written notice to: Oracle America, Inc., 500 Oracle Parkway, Redwood Shores, CA 94065, Attention: General Counsel, Legal Department.

15. ASSIGNMENT

You may not assign the Master Agreement or give or transfer the Programs, Operating System, Integrated Software and/or any Service Offerings or an interest in them to another individual or entity. If You grant a security interest in the Programs, Operating System, Integrated Software and/or any Service Offerings deliverables, the secured party has no right to use or transfer the Programs, Operating System, Integrated Software and/or any Service Offerings deliverables, and if You decide to finance Your acquisition of any Products and/or any Service Offerings, You will follow Oracle's policies regarding financing which are at <http://oracle.com/contracts>. The foregoing shall not be construed to limit the rights You may otherwise have

with respect to the Linux operating system, third party technology or Separately Licensed Third Party Technology licensed under open source or similar license terms.

16. OTHER

16.1 Oracle is an independent contractor and we agree that no partnership, joint venture, or agency

relationship exists between us. We each will be responsible for paying our own employees, including employment related taxes and insurance.

16.2 If any term of the Master Agreement is found to be invalid or unenforceable, the remaining provisions will remain effective and such term shall be replaced with a term consistent with the purpose and intent of the Master Agreement.

16.3 Except for actions for nonpayment or breach of Oracle's proprietary rights, no action, regardless of form, arising out of or relating to the Master Agreement may be brought by either party more than two years after the cause of action has accrued.

16.4 Products and Service Offerings deliverables are not designed for or specifically intended for use in nuclear facilities or other hazardous applications. You agree that it is Your responsibility to ensure safe use of Products and Service Offerings deliverables in such applications.

16.5 If requested by an authorized reseller on Your behalf, You agree Oracle may provide a copy of the Master Agreement to the authorized reseller to enable the processing of Your order with that authorized reseller.

16.6 The Uniform Computer Information Transactions Act does not apply to the Master Agreement or orders placed under it. You understand that Oracle's business partners, including any third party firms retained by You to provide consulting services, are independent of Oracle and are not Oracle's agents. Oracle is not liable for nor bound by any acts of any such business partner unless (i) the business partner is providing services as an Oracle subcontractor in furtherance of an order placed under the Master Agreement and (ii) only to the same extent as Oracle would be responsible for the performance of Oracle resources under that order.

16.7 For software (i) that is part of Programs, Operating Systems, Integrated Software or Integrated Software Options (or all four) and (ii) that You receive from Oracle in binary form and (iii) that is licensed under an open source license that gives You the right to receive the source code for that binary, You may obtain a copy of the applicable source code from <https://oss.oracle.com/sources/> or <http://www.oracle.com/goto/opensourcecode>. If the source code for such software was not provided to You with the binary, You may also receive a copy of the source code on physical media by submitting a written request pursuant to the instructions in the "Written Offer for Source Code" section of the latter website.

SCHEDULE H - Hardware

This Hardware Schedule (this "Schedule H") is a Schedule to the General Terms to which this Schedule H is attached. The General Terms and this Schedule H, together with the attached Schedule P, Schedule C, and Schedule LVM are the Master Agreement. This Schedule H shall coterminate with the General Terms.

1. DEFINITIONS

1.1 "**Commencement Date**" for the Hardware, Operating System and Integrated Software refers to the date the Hardware is delivered. For Integrated Software Options, the Commencement Date refers to the date the Hardware is delivered or the effective date of the order if shipment of Hardware is not required.

1.2 "**Integrated Software Options**" refers to software or programmable code embedded in, installed on, or activated on the Hardware that requires one or more unit licenses that You must separately order and agree to pay additional fees. Not all Hardware contains Integrated Software Options; please refer to the Oracle Integrated Software Options License Definitions, Rules and Metrics accessible at <http://oracle.com/contracts> (the "Integrated Software Options License Rules") for the specific Integrated Software Options that may apply to specific Hardware. Oracle reserves the right to designate new software features as Integrated Software Options in subsequent releases and that designation will be specified in the applicable documentation and in the Integrated Software Options License Rules.

1.3 Capitalized terms used but not defined in this Schedule H have the meanings set forth in the General Terms.

2. RIGHTS GRANTED

2.1 Your Hardware order consists of the following items: Operating System (as defined in Your configuration), Integrated Software and all Hardware equipment (including components, options and spare parts) specified on the applicable order. Your Hardware order may also include Integrated Software Options. Integrated Software Options may not be activated or used until You separately order them and agree to pay additional fees.

2.2 You have the right to use the Operating System delivered with the Hardware subject to the terms of the license agreement(s) delivered with the Hardware. Current versions of the license agreements are located at <http://oracle.com/contracts>. You are licensed to use the Operating System and any Operating System updates acquired through technical support only as incorporated in, and as part of, the Hardware.

2.3 You have the limited, non-exclusive, royalty free, non-transferable, non-assignable right to use Integrated Software delivered with the Hardware subject to the terms of this Schedule H and the applicable documentation. You are licensed to use that Integrated Software and any Integrated Software updates acquired through technical support only as incorporated in, and as part of, the Hardware. You have the limited, non-exclusive, royalty free, non-transferable, non-assignable right to use Integrated Software Options that You separately order subject to the terms of this Schedule H, the applicable documentation and the Integrated Software Options License Rules; the Integrated Software Options License Rules are incorporated in and made a part of this Schedule H. You are licensed to use those Integrated Software Options and any Integrated Software Options updates acquired through technical support only as incorporated in, and as part of, the Hardware. To fully understand Your license right to any Integrated Software Options that You separately order, You need to review the Integrated Software Options License Rules. In the event of any conflict between the Master Agreement and the Integrated Software Options License Rules, the Integrated Software Options License Rules shall take precedence.

2.4 The Operating System or Integrated Software or Integrated Software Options (or all three) may include separate works, identified in a readme file, notice file or the applicable documentation, which are licensed under open source or similar license terms; Your rights to use the Operating System, Integrated Software and Integrated Software Options under such terms are not restricted in any way by the Master Agreement including this Schedule H. The appropriate terms associated with such separate works can be found in the readme files, notice files or in the documentation accompanying the Operating System, Integrated Software, and Integrated Software Options.

2.5 Upon payment for Hardware-related Service Offerings, You have the non-exclusive, non-assignable, royalty free, perpetual, limited right to use for Your internal business operations anything developed by

Oracle and delivered to You under this Schedule H (“deliverables”); however, certain deliverables may be subject to additional license terms provided in the order.

3. RESTRICTIONS

3.1 You may only make copies of the Operating System, Integrated Software and Integrated Software Options for archival purposes, to replace a defective copy, or for program verification. You shall not remove any copyright notices or labels on the Operating System, Integrated Software or Integrated Software Options. You shall not decompile or reverse engineer (unless required by law for interoperability) the Operating System or Integrated Software.

3.2 You acknowledge that to operate certain Hardware, Your facility must meet a minimum set of requirements as described in the Hardware documentation. Such requirements may change from time to time, as communicated by Oracle to You in the applicable Hardware documentation.

3.3 The prohibition on the assignment or transfer of the Operating System or any interest in it under section 15 of the General Terms shall apply to all Operating Systems licensed under this Schedule H, except to the extent that such prohibition is rendered unenforceable under applicable law.

4. TRIAL PROGRAMS

Oracle may include additional Programs on the Hardware (e.g., Exadata Storage Server software). You are not authorized to use those Programs unless You have a license specifically granting You the right to do so; however, You may use those additional Programs for trial, non-production purposes for up to 30 days from the date of delivery provided that You may not use the trial Programs to provide or attend third party training on the content and/or functionality of the Programs. To use any of these Programs after the 30 day trial period, You must obtain a license for such Programs from Oracle or an authorized reseller. If You decide not to obtain a license for any Program after the 30 day trial period, You will cease using and promptly delete any such Programs from Your computer systems. Programs licensed for trial purposes are provided “as is” and Oracle does not provide technical support or offer any warranties for these Programs.

5. TECHNICAL SUPPORT

5.1 Oracle Hardware and Systems Support acquired with Your order may be renewed annually and, if You renew Oracle Hardware and Systems Support for the same systems and same configurations, for the first and second renewal years the technical support fee will not increase by more than 4% over the prior year's fees.

5.2 If ordered, Oracle Hardware and Systems Support (including first year and all subsequent years) is provided under Oracle's Hardware and Systems Support Policies in effect at the time the technical support services are provided. You agree to cooperate with Oracle and provide the access, resources, materials, personnel, information, and consents that Oracle may require in order to perform the technical support services. The Oracle Hardware and Systems Support Policies are incorporated in this Schedule H and are subject to change at Oracle's discretion; however, Oracle will not materially reduce the level of technical support services provided during the period for which fees for Oracle Hardware and Systems Support have been paid. You should review the policies prior to entering into the order for technical support services. You may access the current version of the Oracle Hardware and Systems Support Policies at <http://oracle.com/contracts>.

5.3 Oracle Hardware and Systems Support is effective upon the Commencement Date of the Hardware or upon the effective date of the order if shipment of Hardware is not required.

6. HARDWARE-RELATED SERVICE OFFERINGS

In addition to technical support, You may order a limited number of Hardware-related Service Offerings under this Schedule H as listed in the Hardware-Related Service Offerings document, which is at <http://oracle.com/contracts>. You agree to provide Oracle with all information, access and full good faith cooperation reasonably necessary to enable Oracle to deliver these Service Offerings and You will perform the actions identified in the order as Your responsibility. If while performing these Service Offerings Oracle requires access to another vendor's products that are part of Your system, You will be responsible for acquiring all such products and the appropriate license rights necessary for Oracle to access such products on Your behalf. Service Offerings provided may be related to Your license to use

Products owned or distributed by Oracle which You acquire under a separate order. The agreement referenced in that order shall govern Your use of such Products.

7. WARRANTIES, DISCLAIMERS AND EXCLUSIVE REMEDIES

7.1 Oracle provides a limited warranty ("Oracle Hardware Warranty") for (i) the Hardware, (ii) the Operating System and the Integrated Software and the Integrated Software Options, and (iii) the Operating System media, the Integrated Software media and the Integrated Software Options media ("media", and (i), (ii) and (iii) collectively, "Hardware Items"). Oracle warrants that the Hardware will be free from, and using the Operating System and Integrated Software and Integrated Software Options will not cause in the Hardware, material defects in materials and workmanship for one year from the date the Hardware is delivered to You. Oracle warrants that the media will be free from material defects in materials and workmanship for a period of 90 days from the date the media is delivered to You. You may access a more detailed description of the Oracle Hardware Warranty at <http://www.oracle.com/us/support/policies/index.html> ("Warranty Web Page"). Any changes to the Oracle Hardware Warranty specified on the Warranty Web Page will not apply to Hardware or media ordered prior to such change. The Oracle Hardware Warranty applies only to Hardware and media that have been (1) manufactured by or for Oracle, and (2) sold by Oracle (either directly or by an Oracle-authorized distributor). The Hardware may be new or like new. The Oracle Hardware Warranty applies to Hardware that is new and Hardware that is like-new which has been remanufactured and certified for warranty by Oracle.

7.2 Oracle also warrants that technical support services and Hardware-related Service Offerings (as referenced in section 6 above) ordered and provided under this Schedule H will be provided in a professional manner consistent with industry standards. You must notify Oracle of any technical support service or Hardware-related Service Offerings warranty deficiencies within 90 days from performance of the deficient technical support service or Hardware-related Service Offerings.

7.3 FOR ANY BREACH OF THE ABOVE WARRANTIES, YOUR EXCLUSIVE REMEDY AND ORACLE'S ENTIRE LIABILITY SHALL BE: (i) THE REPAIR OR, AT ORACLE'S OPTION AND EXPENSE, REPLACEMENT OF THE DEFECTIVE HARDWARE ITEM, OR IF SUCH REPAIR OR REPLACEMENT IS NOT REASONABLY ACHIEVABLE, THE REFUND OF THE FEES YOU PAID ORACLE FOR THE DEFECTIVE HARDWARE ITEM AND THE REFUND OF ANY UNUSED PREPAID TECHNICAL SUPPORT FEES YOU HAVE PAID FOR THE DEFECTIVE HARDWARE ITEM; OR (ii) THE REPERFORMANCE OF THE DEFICIENT HARDWARE-RELATED SERVICE OFFERINGS; OR, IF ORACLE CANNOT SUBSTANTIALLY CORRECT THE DEFICIENCY IN A COMMERCIALY REASONABLE MANNER, YOU MAY END THE DEFICIENT HARDWARE-RELATED SERVICE OFFERINGS AND RECOVER THE FEES YOU PAID TO ORACLE FOR THE DEFICIENT HARDWARE-RELATED SERVICE OFFERINGS. TO THE EXTENT NOT PROHIBITED BY LAW, THESE WARRANTIES ARE EXCLUSIVE AND THERE ARE NO OTHER EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS WITH RESPECT TO THE ABOVE ITEMS, INCLUDING ANY WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

7.4 Replacement units for defective parts or Hardware Items replaced under the Oracle Hardware Warranty may be new or like new quality. Such replacement units assume the warranty status of the Hardware into which they are installed and have no separate or independent warranty of any kind. Title in all defective parts or Hardware Items shall transfer back to Oracle upon removal from the Hardware.

7.5 ORACLE DOES NOT WARRANT UNINTERRUPTED OR ERROR-FREE OPERATION OF THE HARDWARE, OPERATING SYSTEM, INTEGRATED SOFTWARE, INTEGRATED SOFTWARE OPTIONS OR MEDIA.

7.6 No warranty will apply to any Hardware, Operating System, Integrated Software, Integrated Software Options or media which has been:

- a. modified, altered or adapted without Oracle's written consent (including modification or removal of the Oracle/Sun serial number tag on the Hardware);
- b. maltreated or used in a manner other than in accordance with the relevant documentation;
- c. repaired by any third party in a manner which fails to meet Oracle's quality standards;
- d. improperly installed by any party other than Oracle or an authorized Oracle certified installation partner;

- e. used with equipment or software not covered by an Oracle warranty, to the extent that the problems are attributable to such use;
- f. relocated, to the extent that problems are attributable to such relocation;
- g. used directly or indirectly in supporting activities prohibited by U.S. or other national export regulations;
- h. used by parties appearing on the then-current U.S. export exclusion list;
- i. relocated to countries subject to U.S. trade embargo or restrictions;
- j. used remotely to facilitate any activities for parties or in the countries referenced in 7.6(h) and 7.6(i) above; or
- k. purchased from any entity other than Oracle or an Oracle authorized reseller.

7.7 The Oracle Hardware Warranty does not apply to normal wear of the Hardware or media. The Oracle Hardware Warranty is extended only to the original purchaser or original lessee of the Hardware and may be void in the event that title to the Hardware is transferred to a third party.

8. AUDIT

Upon 45 days written notice, Oracle may audit Your use of the Operating System, Integrated Software and Integrated Software Options. You agree to cooperate with Oracle's audit and provide reasonable assistance and access to information. Any such audit shall not unreasonably interfere with Your normal business operations. You agree to pay within 30 days of written notification any fees applicable to Your use of the Operating System, Integrated Software and Integrated Software Options in excess of Your license rights. If You do not pay, Oracle can end (a) Service Offerings (including technical support) related to the Operating System, Integrated Software and Integrated Software Options, (b) licenses of the Operating System, Integrated Software and Integrated Software Options ordered under this Schedule H and related agreements and/or (c) the Master Agreement. You agree that Oracle shall not be responsible for any of Your costs incurred in cooperating with the audit.

9. ORDER LOGISTICS

9.1 Delivery, Installation and Acceptance of Hardware

9.1.1 You are responsible for installation of the Hardware unless You purchase installation services from Oracle for that Hardware.

9.1.2 Oracle will deliver the Hardware in accordance with Oracle's Order and Delivery Policies which are in effect at the time of Your order and which may be accessed at <http://oracle.com/contracts>. Oracle will use the delivery address specified by You on Your purchasing document or when Your purchasing document does not indicate a ship to address, the location specified on the order and the delivery terms in the Order and Delivery Policies that are applicable to Your country of destination will apply.

9.1.3 Acceptance of the Hardware is deemed to occur on delivery.

9.1.4 Oracle may make and invoice You for partial deliveries.

9.1.5 Oracle may make substitutions and modifications to the Hardware that do not cause a material adverse effect in overall Hardware performance.

9.1.6 Oracle will use its reasonable commercial efforts to deliver the Hardware within a timeframe that is consistent with Oracle's past practices regarding the amount and type of Hardware that You have ordered.

9.2 Delivery and Installation of Integrated Software Options

9.2.1 You are responsible for installation of the Integrated Software Options unless the Integrated Software Options have been pre-installed by Oracle on the Hardware You are purchasing under

the order or unless You purchase installation services from Oracle for the Integrated Software Options.

9.2.2 Oracle has made available to You for electronic download at the electronic delivery web site located at the following Internet URL: <http://edelivery.oracle.com> the Integrated Software Options listed in the order. Through the Internet URL, You can access and electronically download to Your location the latest production release as of the effective date of the applicable order of the Integrated Software Options and related documentation for the Integrated Software Options listed. Provided that You have continuously maintained technical support for the listed Integrated Software Options, You may continue to download the Integrated Software Options and related documentation. Please be advised that not all Integrated Software Options are available on all Hardware/Operating System combinations. For the most recent Integrated Software Options availability please check the electronic delivery web site specified above. You acknowledge that Oracle is under no further delivery obligation with respect to Integrated Software Options under the applicable order, electronic download or otherwise.

9.3 Transfer of Title

Title to the Hardware will transfer upon delivery.

9.4 Territory

The Hardware shall be installed in the country/countries that You specify as the delivery location on Your purchasing document or when Your purchasing document does not indicate a ship to address, the location specified in the order.

9.5 Pricing, Invoicing, and Payment Obligation

9.5.1 You may change a Hardware order prior to shipment subject to the then current change order fee as established by Oracle from time to time. The applicable change order fees and a description of allowed changes are defined in the Order and Delivery Policies, which may be accessed at <http://oracle.com/contracts>.

9.5.2 In entering into payment obligations under an order, You agree and acknowledge that You have not relied on the future availability of any Hardware, Program or updates. However, (a) if You order technical support, the preceding sentence does not relieve Oracle of its obligation to provide such technical support under the Master Agreement, if and when available, in accordance with Oracle's then current technical support policies, and (b) the preceding sentence does not change the rights granted to You under an order and the Master Agreement.

9.5.3 Hardware and Integrated Software Options fees are invoiced as of the respective Commencement Dates.

9.5.4 Hardware-related Service Offering fees are invoiced in advance of the Hardware-related Service Offering performance; specifically, technical support fees are invoiced annually in advance. The period of performance for all Hardware-related Service Offerings is effective upon the Commencement Date of the Hardware or upon the effective date of the order if shipment of Hardware is not required.

9.5.5 In addition to the prices listed on the order, Oracle will invoice You for any applicable freight charges or applicable taxes, and You will be responsible for such charges and taxes notwithstanding any express or implied provision in the "Incoterms" referenced in the Order and Delivery Policies. The Order and Delivery Policies may be accessed at <http://oracle.com/contracts>.

SCHEDULE P - Program

This Program Schedule (this "Schedule P") is a Schedule to the General Terms to which this Schedule P is attached. The General Terms and this Schedule P, together with the attached Schedule H, Schedule C and Schedule LVM are the Master Agreement. This Schedule P shall coterminate with the General Terms.

1. DEFINITIONS

1.1 “**Commencement Date**” refers to the date of shipment of tangible media or the effective date of the order if shipment of tangible media is not required (if the order was placed through the Oracle store, the effective date is the date the order was submitted to Oracle).

1.2 Capitalized terms used but not defined in this Schedule P have the meanings set forth in the General Terms.

2. RIGHTS GRANTED

2.1 Upon Oracle’s acceptance of Your order, You have the non-exclusive, non-assignable, royalty free, perpetual (unless otherwise specified in the order), limited right to use the Programs and receive any Program-related Service Offerings You ordered solely for Your internal business operations and subject to the terms of the Master Agreement, including the definitions and rules set forth in the order and the Program Documentation.

2.2 Upon payment for Program-related Service Offerings, You have the non-exclusive, non-assignable, royalty free, perpetual, limited right to use for Your internal business operations anything developed by Oracle and delivered to You under this Schedule P (“deliverables”); however, certain deliverables may be subject to additional license terms provided in the order.

2.3 You may allow Your agents and contractors (including, without limitation, outsourcers) to use the Programs and deliverables for Your internal business operations and You are responsible for their compliance with the General Terms and this Schedule P in such use. For Programs that are specifically designed to allow Your customers and suppliers to interact with You in the furtherance of Your internal business operations, such use is allowed under the General Terms and this Schedule P.

2.4 You may make a sufficient number of copies of each Program for Your licensed use and one copy of each Program media.

3. RESTRICTIONS

3.1 The Programs may contain or require the use of third party technology that is provided with the Programs. Oracle may provide certain notices to You in Program Documentation, readmes or notice files in connection with such third party technology. Third party technology will be licensed to You either under the terms of the Master Agreement or, if specified in the Program Documentation, readmes or notice files, under Separate Terms. Your rights to use Separately Licensed Third Party Technology under Separate Terms are not restricted in any way by the Master Agreement. However, for clarity, notwithstanding the existence of a notice, third party technology that is not Separately Licensed Third Party Technology shall be deemed part of the Programs and is licensed to You under the terms of the Master Agreement.

If You are permitted under an order to distribute the Programs, You must include with the distribution all such notices and any associated source code for Separately Licensed Third Party Technology as specified, in the form and to the extent such source code is provided by Oracle, and You must distribute Separately Licensed Third Party Technology under Separate Terms (in the form and to the extent Separate Terms are provided by Oracle). Notwithstanding the foregoing, Your rights to the Programs are solely limited to the rights granted in Your order.

3.2 You may not:

- a. remove or modify any Program markings or any notice of Oracle’s or its licensors’ proprietary rights;
- b. make the Programs or materials resulting from the Service Offerings available in any manner to any third party for use in the third party’s business operations (unless such access is expressly permitted for the specific Program license or materials from the Service Offerings you have acquired);
- c. cause or permit reverse engineering (unless required by law for interoperability), disassembly or decompilation of the Programs (the foregoing prohibition includes but is not limited to review of data structures or similar materials produced by Programs);

d. disclose results of any Program benchmark tests without Oracle's prior written consent.

3.3 The prohibition on the assignment or transfer of the Programs or any interest in them under section 15 of the General Terms shall apply to all Programs licensed under this Schedule P, except to the extent that such prohibition is rendered unenforceable under applicable law.

4. TRIAL PROGRAMS

You may order trial Programs, or Oracle may include additional Programs with Your order which You may use for trial, non-production purposes only. You may not use the trial Programs to provide or attend third party training on the content and/or functionality of the Programs. You have 30 days from the Commencement Date to evaluate these Programs. To use any of these Programs after the 30 day trial period, You must obtain a license for such Programs from Oracle or an authorized reseller. If You decide not to obtain a license for any Program after the 30 day trial period, You will cease using and promptly delete any such Programs from Your computer systems. Programs licensed for trial purposes are provided "as is" and Oracle does not provide technical support or offer any warranties for these Programs.

5. TECHNICAL SUPPORT

5.1 For purposes of an order, technical support consists of Oracle's annual technical support services You may have ordered from Oracle or an authorized reseller for the Programs. If ordered, annual technical support (including first year and all subsequent years) is provided under Oracle's technical support policies in effect at the time the technical support services are provided. You agree to cooperate with Oracle and provide the access, resources, materials, personnel, information and consents that Oracle may require in order to perform the technical support services. The technical support policies are incorporated in this Schedule P and are subject to change at Oracle's discretion; however, Oracle policy changes will not result in a material reduction in the level of technical support services provided for supported Programs during the period for which fees for technical support have been paid. You should review the policies prior to entering into the order for the applicable technical support services. You may access the current version of the technical support policies at <http://oracle.com/contracts>.

5.2 Software Update License & Support (or any successor technical support offering to Software Update License & Support, "SULS") acquired with Your order may be renewed annually and, if You renew SULS for the same number of licenses for the same Programs, for the first and second renewal years the fee for SULS will not increase by more than 4% over the prior year's fees. If Your order is fulfilled by an authorized reseller, the fee for SULS for the first renewal year will be the price quoted to You by Your authorized reseller; the fee for SULS for the second renewal year will not increase by more than 4% over the prior year's fees.

5.3 If You decide to purchase technical support for any Program license within a license set, You are required to purchase technical support at the same level for all licenses within that license set. You may desupport a subset of licenses in a license set only if You agree to terminate that subset of licenses. The technical support fees for the remaining licenses will be priced in accordance with the technical support policies in effect at the time of termination. Oracle's license set definition is available in the current technical support policies. If You decide not to purchase technical support, You may not update any unsupported Program licenses with new versions of the Program.

6. PROGRAM-RELATED SERVICE OFFERINGS

In addition to technical support, You may order a limited number of Program-related Service Offerings under this Schedule P as listed in the Program-Related Service Offerings document, which is at <http://oracle.com/contracts>. You agree to provide Oracle with all information, access and full good faith cooperation reasonably necessary to enable Oracle to deliver these Service Offerings and You will perform the actions identified in the order as Your responsibility. If while performing these Service Offerings Oracle requires access to another vendor's products that are part of Your system, You will be responsible for acquiring all such products and the appropriate license rights necessary for Oracle to access such products on Your behalf. Service Offerings provided may be related to Your license to use Programs owned or distributed by Oracle which You acquire under a separate order. The agreement referenced in that order shall govern Your use of such Programs.

7. WARRANTIES, DISCLAIMERS AND EXCLUSIVE REMEDIES

7.1 Oracle warrants that a Program licensed to You will operate in all material respects as described in the applicable Program Documentation for a period of one year after delivery (i.e., via physical shipment or electronic download). You must notify Oracle of any Program warranty deficiency within one year after delivery. Oracle also warrants that technical support services and Program-related Service Offerings (as referenced in section 6 above) ordered and provided under this Schedule P will be provided in a professional manner consistent with industry standards. You must notify Oracle of any technical support service or Program-related Service Offerings warranty deficiencies within 90 days from performance of the deficient technical support service or Program-related Service Offerings.

7.2 ORACLE DOES NOT GUARANTEE THAT THE PROGRAMS WILL PERFORM ERROR-FREE OR UNINTERRUPTED OR THAT ORACLE WILL CORRECT ALL PROGRAM ERRORS.

7.3 FOR ANY BREACH OF THE ABOVE WARRANTIES, YOUR EXCLUSIVE REMEDY AND ORACLE'S ENTIRE LIABILITY SHALL BE: (A) THE CORRECTION OF PROGRAM ERRORS THAT CAUSE BREACH OF THE WARRANTY; OR, IF ORACLE CANNOT SUBSTANTIALLY CORRECT THE ERRORS OF THE APPLICABLE PROGRAM LICENSE IN A COMMERCIALY REASONABLE MANNER, YOU MAY END YOUR PROGRAM LICENSE AND RECOVER THE FEES YOU PAID TO ORACLE FOR THE PROGRAM LICENSE AND ANY UNUSED, PREPAID TECHNICAL SUPPORT FEES YOU HAVE PAID FOR THE PROGRAM LICENSE; OR (B) THE REPERFORMANCE OF THE DEFICIENT PROGRAM-RELATED SERVICE OFFERINGS; OR, IF ORACLE CANNOT SUBSTANTIALLY CORRECT THE DEFICIENCY IN A COMMERCIALY REASONABLE MANNER, YOU MAY END THE DEFICIENT PROGRAM-RELATED SERVICE OFFERINGS AND RECOVER THE FEES YOU PAID TO ORACLE FOR THE DEFICIENT PROGRAM-RELATED SERVICE OFFERINGS.

7.4 TO THE EXTENT NOT PROHIBITED BY LAW, THIS WARRANTY IS EXCLUSIVE AND THERE ARE NO OTHER EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS, INCLUDING WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

8. AUDIT

Upon 45 days written notice, Oracle may audit Your use of the Programs to ensure Your use of the Programs is in compliance with the terms of the applicable order and the Master Agreement. Any such audit shall not unreasonably interfere with Your normal business operations.

You agree to cooperate with Oracle's audit and provide reasonable assistance and access to information reasonably requested by Oracle. Such assistance shall include, but shall not be limited to, the running of Oracle data measurement tools on Your servers and providing the resulting data to Oracle.

The performance of the audit and non-public data obtained during the audit (including findings or reports that result from the audit) shall be subject to the provisions of section 8 (Nondisclosure) of the General Terms.

If the audit identifies non-compliance, You agree to remedy (which may include, without limitation, the payment of any fees for additional licenses for Programs) such non-compliance within 30 days of written notification of that non-compliance. If You do not remedy the non-compliance, Oracle can end (a) Program-related Service Offerings (including technical support), (b) Program licenses ordered under this Schedule P and related agreements and/or (c) the Master Agreement. You agree that Oracle shall not be responsible for any of Your costs incurred in cooperating with the audit.

9. ORDER LOGISTICS

9.1 Delivery and Installation

9.1.1 You are responsible for installation of the Programs unless the Programs have been pre-installed by Oracle on the Hardware You are purchasing under the order or unless You purchase installation services from Oracle for those Programs.

9.1.2 Oracle has made available to You for electronic download at the electronic delivery web site located at the following Internet URL: <http://edelivery.oracle.com> the Programs listed in the Programs and Program Support Service Offerings section of the applicable order. Through the Internet URL, You can access and electronically download to Your location the latest production release as of the effective date of the applicable order of the software and related Program Documentation for each

Program listed. Provided that You have continuously maintained technical support for the listed Programs, You may continue to download the Programs and related Program Documentation. Please be advised that not all Programs are available on all hardware/operating system combinations. For the most recent Program availability please check the electronic delivery web site specified above. You acknowledge that Oracle is under no further delivery obligation with respect to Programs under the applicable order, electronic download or otherwise.

9.1.3 If ordered, Oracle will deliver the tangible media to the delivery address specified on the applicable order. You agree to pay applicable media and shipping charges. The applicable shipping terms for the delivery of tangible media are: FCA Shipping Point, Prepaid, and Add.

9.2 Territory

The Programs shall be used in the country/countries specified in the order.

9.3 Pricing, Invoicing and Payment Obligation

9.3.1 In entering into payment obligations under an order, You agree and acknowledge that You have not relied on the future availability of any Program or updates. However, (a) if You order technical support, the preceding sentence does not relieve Oracle of its obligation to provide such technical support under the Master Agreement, if and when available, in accordance with Oracle's then current technical support policies, and (b) the preceding sentence does not change the rights granted to You under an order and the Master Agreement.

9.3.2 Program fees are invoiced as of the Commencement Date.

9.3.3 Program-related Service Offering fees are invoiced in advance of the Program-related Service Offering performance; specifically, technical support fees are invoiced annually in advance. The period of performance for all Program-related Service Offerings is effective upon the Commencement Date.

9.3.4 In addition to the prices listed on the order, Oracle will invoice You for any applicable shipping charges or applicable taxes and You will be responsible for such charges and taxes.

Schedule C – Cloud Services

This Cloud Services Schedule (this "Schedule C") is a Schedule to the General Terms to which this Schedule C is attached. The General Terms and this Schedule C, together with the attached Schedule H, Schedule P and Schedule LVM are the Master Agreement. This Schedule C shall coterminate with the General Terms.

1. USE OF THE SERVICES

1.1 Oracle will make the Oracle services listed in Your order (the "Services") available to You pursuant to the Master Agreement and Your order. Except as otherwise stated in the Master Agreement or Your order, You have the non-exclusive, worldwide, limited right to use the Services during the period defined in Your order, unless earlier terminated in accordance with the Master Agreement or Your order (the "Services Period"), solely for Your internal business operations. You may allow Your Users (as defined below) to use the Services for this purpose, and You are responsible for their compliance with the Master Agreement and Your order.

1.2 The Service Specifications describe and govern the Services. During the Services Period, we may update the Services and Service Specifications to reflect changes in, among other things, laws, regulations, rules, technology, industry practices, patterns of system use, and availability of Third Party Content. Oracle updates to the Services or Service Specifications will not materially reduce the level of performance, functionality, security or availability of the Services during the Services Period of Your order.

1.3 You may not, and may not cause or permit others to: (a) use the Services to harass any person; cause damage or injury to any person or property; publish any material that is false, defamatory, harassing or obscene; violate privacy rights; promote bigotry, racism, hatred or harm; send unsolicited bulk e-mail, junk mail, spam or chain letters; infringe property rights; or otherwise violate applicable laws, ordinances or regulations; (b) perform or disclose any benchmarking or availability testing of the Services; (c) perform or disclose any performance or vulnerability testing of the Services without Oracle's prior written approval, or perform or disclose network discovery, port and service identification, vulnerability scanning, password cracking, or remote access testing of the Services; or (d) use the Services to perform cyber

currency or crypto currency mining ((a) through (d) collectively, the "Acceptable Use Policy"). In addition to other rights that we have in the Master Agreement and Your order, we have the right to take remedial action if the Acceptable Use Policy is violated, and such remedial action may include removing or disabling access to material that violates the policy.

2. FEES AND PAYMENT

2.1 Once placed, Your order is non-cancelable and the sums paid nonrefundable, except as provided in the Master Agreement or Your order. Fees for Services listed in an order are exclusive of taxes and expenses.

2.2 If You exceed the quantity of Services ordered, then You promptly must purchase and pay fees for the excess quantity.

3. OWNERSHIP RIGHTS AND RESTRICTIONS

3.1 You or Your licensors retain all ownership and intellectual property rights in and to Your Content (as defined below). We or our licensors retain all ownership and intellectual property rights in and to the Services, derivative works thereof, and anything developed or delivered by or on behalf of us under the Master Agreement.

3.2 You may have access to Third Party Content through use of the Services. Unless otherwise stated in Your order, all ownership and intellectual property rights in and to Third Party Content and the use of such content is governed by separate third party terms between You and the third party.

3.3 You grant us the right to host, use, process, display and transmit Your Content to provide the Services pursuant to and in accordance with the Master Agreement and Your order. You have sole responsibility for the accuracy, quality, integrity, legality, reliability, and appropriateness of Your Content, and for obtaining all rights related to Your Content required by Oracle to perform the Services.

3.4 You may not, and may not cause or permit others to: (a) modify, make derivative works of, disassemble, decompile, reverse engineer, reproduce, republish, download or copy any part of the Services (including data structures or similar materials produced by programs); (b) access or use the Services to build or support, directly or indirectly, products or services competitive to Oracle; or (c) license, sell, transfer, assign, distribute, outsource, permit timesharing or service bureau use of, commercially exploit, or make available the Services to any third party except as permitted by the Master Agreement or Your order.

4. NONDISCLOSURE

Your Content residing in the Services will be considered Confidential Information subject to the terms of this section, Section 8 of the General Terms and Your order. Oracle will protect the confidentiality of Your Content residing in the Services for as long as such information resides in the Services. Oracle will protect the confidentiality of Your Content residing in the Services in accordance with the Oracle security practices defined as part of the Service Specifications applicable to Your order.

5. PROTECTION OF YOUR CONTENT

5.1 In order to protect Your Content provided to Oracle as part of the provision of the Services, Oracle will comply with the applicable administrative, physical, technical and other safeguards, and other applicable aspects of system and content management, available at <http://www.oracle.com/us/corporate/contracts/cloud-services/index.html>.

5.2 To the extent Your Content includes Personal Data (as that term is defined in the applicable data privacy policies and the Data Processing Agreement (as that term is defined below)), Oracle will furthermore comply with the following:

- a. the relevant Oracle privacy policies applicable to the Services, available at <http://www.oracle.com/us/legal/privacy/overview/index.html>; and
- b. the applicable version of the *Data Processing Agreement for Oracle Services* (the "Data Processing Agreement"), unless stated otherwise in Your order. The version of the Data Processing Agreement applicable to Your order (a) is available at https://www.oracle.com/corporate/contracts/cloud-services/contracts.html#data-processing_ and is incorporated herein by reference, and (b) will remain in force during the Services Period of Your order. In the event of any conflict between the terms of the Data Processing Agreement and the terms of the Service Specifications (including any applicable Oracle privacy policies), the terms of the Data Processing Agreement shall take precedence.

5.3 Without prejudice to Sections 5.1 and 5.2 above, You are responsible for (a) any required notices, consents and/or authorizations related to Your provision of, and our processing of, Your Content (including any Personal Data) as part of the Services, (b) any security vulnerabilities, and the consequences of such vulnerabilities, arising from Your Content, including any viruses, Trojan horses, worms or other harmful programming routines contained in Your Content, and (c) any use by You or Your Users of the Services in a manner that is inconsistent with the terms of the Master Agreement. To the extent You disclose or transmit Your Content to a third party, we are no longer responsible for the security, integrity or confidentiality of such content outside of Oracle's control.

5.4 Unless otherwise specified in Your order (including in the Service Specifications), Your Content may not include any sensitive or special data that imposes specific data security or data protection obligations on Oracle in addition to or different from those specified in the Service Specifications. If available for the Services, You may purchase additional services from us (e.g., Oracle Payment Card Industry Compliance Services) designed to address specific data security or data protection requirements applicable to such sensitive or special data You seek to include in Your Content.

6. WARRANTIES, DISCLAIMERS AND EXCLUSIVE REMEDIES

6.1 Each party represents that it has validly entered into the Master Agreement and that it has the power and authority to do so. We warrant that during the Services Period, we will perform the Services using commercially reasonable care and skill in all material respects as described in the Service Specifications. If the Services provided to You were not performed as warranted, You must promptly provide us with a written notice that describes the deficiency in the Services (including, as applicable, the service request number notifying us of the deficiency in the Services).

6.2 WE DO NOT WARRANT THAT THE SERVICES WILL BE PERFORMED ERROR-FREE OR UNINTERRUPTED, THAT WE WILL CORRECT ALL SERVICES ERRORS, OR THAT THE SERVICES WILL MEET YOUR REQUIREMENTS OR EXPECTATIONS. WE ARE NOT RESPONSIBLE FOR ANY ISSUES RELATED TO THE PERFORMANCE, OPERATION OR SECURITY OF THE SERVICES THAT ARISE FROM YOUR CONTENT OR THIRD PARTY CONTENT OR SERVICES PROVIDED BY THIRD PARTIES.

6.3 FOR ANY BREACH OF THE SERVICES WARRANTY, YOUR EXCLUSIVE REMEDY AND OUR ENTIRE LIABILITY SHALL BE THE CORRECTION OF THE DEFICIENT SERVICES THAT CAUSED THE BREACH OF WARRANTY, OR, IF WE CANNOT SUBSTANTIALLY CORRECT THE DEFICIENCY IN A COMMERCIALY REASONABLE MANNER, YOU MAY END THE DEFICIENT SERVICES AND WE WILL REFUND TO YOU THE FEES FOR THE TERMINATED SERVICES THAT YOU PRE-PAID TO US FOR THE PERIOD FOLLOWING THE EFFECTIVE DATE OF TERMINATION.

6.4 TO THE EXTENT NOT PROHIBITED BY LAW, THESE WARRANTIES ARE EXCLUSIVE AND THERE ARE NO OTHER EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS INCLUDING FOR SOFTWARE, HARDWARE, SYSTEMS, NETWORKS OR ENVIRONMENTS OR FOR MERCHANTABILITY, SATISFACTORY QUALITY AND FITNESS FOR A PARTICULAR PURPOSE.

7. LIMITATION OF LIABILITY

7.1 IN NO EVENT WILL EITHER PARTY OR ITS AFFILIATES BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES, OR ANY LOSS OF REVENUE, PROFITS (EXCLUDING FEES UNDER THE MASTER AGREEMENT), SALES, DATA, DATA USE, GOODWILL, OR REPUTATION.

7.2 IN NO EVENT SHALL THE AGGREGATE LIABILITY OF ORACLE AND OUR AFFILIATES ARISING OUT OF OR RELATED TO THE MASTER AGREEMENT OR YOUR ORDER, WHETHER IN CONTRACT, TORT, OR OTHERWISE, EXCEED THE TOTAL AMOUNTS ACTUALLY PAID UNDER YOUR ORDER FOR THE SERVICES GIVING RISE TO THE LIABILITY DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO SUCH LIABILITY.

8. ADDITIONAL INFRINGEMENT INDEMNIFICATION TERMS

8.1 If Oracle is the Provider and exercises its option under Section 5.2 of the General Terms to end the license for and require the return of Material that is a component of the Services, including Oracle Software, then Oracle will refund any unused, prepaid fees that You have paid for such Material. If such Material is third party technology and the terms of the third party license do not allow Oracle to terminate the license, then Oracle may, upon 30 days prior written notice, end the Services associated with such Material and refund to You any unused, prepaid fees for such Services.

8.2 We will not indemnify You to the extent that an infringement claim is based on Third Party Content

or any Material from a third party portal or other external source that is accessible or made available to You within or by the Services (e.g., a social media post from a third party blog or forum, a third party Web page accessed via a hyperlink, marketing data from third party data providers, etc.).

8.3 The phrase “user documentation” in the first sentence of Section 5.6 of the General Terms includes the Service Specifications referenced in Your order for Services.

9. TERM AND TERMINATION

9.1 Services shall be provided for the Services Period defined in Your order.

9.2 We may suspend Your or Your Users’ access to, or use of, the Services if we believe that: (a) there is a significant threat to the functionality, security, integrity, or availability of the Services or any content, data, or applications in the Services; (b) You or Your Users are accessing or using the Services to commit an illegal act; or (c) there is a violation of the Acceptable Use Policy. When reasonably practicable and lawfully permitted, we will provide You with advance notice of any such suspension. We will use reasonable efforts to re-establish the Services promptly after we determine that the issue causing the suspension has been resolved. During any suspension period, we will make Your Content (as it existed on the suspension date) available to You. Any suspension under this section shall not excuse You from Your obligation to make payments under the Master Agreement.

9.3 If either of us breaches a material term of the Master Agreement or any order and fails to correct the breach within 30 days of written specification of the breach, then the breaching party is in default and the non-breaching party may terminate (a) in the case of breach of any order, the order under which the breach occurred; or (b) in the case of breach of the Agreement, the Agreement and any orders that have been placed under the Agreement. If Oracle terminates any orders as specified in the preceding sentence, You must pay within 30 days all amounts that have accrued prior to such termination, as well as all sums remaining unpaid for the Services under such order(s) plus related taxes and expenses. Except for nonpayment of fees, the nonbreaching party may agree in its sole discretion to extend the 30 day period for so long as the breaching party continues reasonable efforts to cure the breach. You agree that if You are in default under the Master Agreement, You may not use those Services ordered.

9.4 At the end of the Services Period, we will make Your Content (as it existed at the end of the Services Period) available for retrieval by You during a retrieval period set out in the Service Specifications. At the end of such retrieval period, and except as may be required by law, we will delete or otherwise render unrecoverable any of Your Content that remains in the Services. Our data deletion practices are described in more detail in the Service Specifications.

10. THIRD-PARTY CONTENT, SERVICES AND WEBSITES

10.1 The Services may enable You to link to, transfer Your Content or Third Party Content to, or otherwise access third parties’ websites, platforms, content, products, services, and information (“Third Party Services”). Oracle does not control and is not responsible for such Third Party Services. You are solely responsible for complying with the terms of access and use of Third Party Services, and if Oracle accesses or uses any Third Party Services on Your behalf to facilitate performance of the Services, You are solely responsible for ensuring that such access and use, including through passwords, credentials or tokens issued or otherwise made available to You, is authorized by the terms of access and use for such services. If You transfer or cause the transfer of Your Content or Third Party Content from the Services to a Third Party Service or other location, that transfer constitutes a distribution by You and not by Oracle.

10.2 Any Third Party Content we make accessible is provided on an “as-is” and “as available” basis without any warranty of any kind. You acknowledge and agree that we are not responsible for, and have no obligation to control, monitor, or correct, Third Party Content. We disclaim all liabilities arising from or related to Third Party Content.

10.3 You acknowledge that: (i) the nature, type, quality and availability of Third Party Content may change at any time during the Services Period; and (ii) features of the Services that interoperate with Third Party Services such as Facebook™, YouTube™ and Twitter™, etc. , depend on the continuing availability of such third parties’ respective application programming interfaces (APIs). We may need to update, change or modify the Services under the Master Agreement as a result of a change in, or unavailability of, such Third Party Content, Third Party Services or APIs. If any third party ceases to make its Third Party Content or APIs available on reasonable terms for the Services, as determined by us in our sole discretion, we may cease providing access to the affected Third Party Content or Third Party Services without any liability to You. Any changes to Third Party Content, Third Party Services or APIs, including their unavailability, during the Services Period does not affect Your obligations under the Master Agreement or the applicable order, and You will not be entitled to any refund, credit or other compensation due to any such changes.

11. SERVICE MONITORING, ANALYSES AND ORACLE SOFTWARE

11.1 We continuously monitor the Services to facilitate Oracle's operation of the Services; to help resolve Your service requests; to detect and address threats to the functionality, security, integrity, and availability of the Services as well as any content, data, or applications in the Services; and to detect and address illegal acts or violations of the Acceptable Use Policy. Oracle monitoring tools do not collect or store any of Your Content residing in the Services, except as needed for such purposes. Oracle does not monitor, and does not address issues with, non-Oracle software provided by You or any of Your Users that is stored in, or run on or through, the Services. Information collected by Oracle monitoring tools (excluding Your Content) may also be used to assist in managing Oracle's product and service portfolio, to help Oracle address deficiencies in its product and service offerings, and for license management purposes.

11.2 We may (i) compile statistical and other information related to the performance, operation and use of the Services, and (ii) use data from the Services in aggregated form for security and operations management, to create statistical analyses, and for research and development purposes (clauses i and ii

are collectively referred to as "Service Analyses"). We may make Service Analyses publicly available; however, Service Analyses will not incorporate Your Content, Personal Data or Confidential Information in a form that could serve to identify You or any individual. We retain all intellectual property rights in Service Analyses.

11.3 We may provide You with the ability to obtain certain Oracle Software (as defined below) for use with the Services. If we provide Oracle Software to You and do not specify separate terms for such software, then such Oracle Software is provided as part of the Services and You have the non-exclusive, worldwide, limited right to use such Oracle Software, subject to the terms of the Master Agreement and Your order (except for separately licensed elements of the Oracle Software, which separately licensed elements are governed by the applicable separate terms), solely to facilitate Your use of the Services. You may allow Your Users to use the Oracle Software for this purpose, and You are responsible for their compliance with the license terms. Your right to use any Oracle Software will terminate upon the earlier of our notice (by web posting or otherwise) or the end of the Services associated with the Oracle Software. Notwithstanding the foregoing, if Oracle Software is licensed to You under separate terms, then Your use of such software is governed by the separate terms. Your right to use any part of the Oracle Software that is licensed under the separate terms is not restricted in any way by the Master Agreement.

12. ADDITIONAL EXPORT TERMS

You acknowledge that the Services are designed with capabilities for You and Your Users to access the Services without regard to geographic location and to transfer or otherwise move Your Content between the Services and other locations such as User workstations. You are solely responsible for the authorization and management of User accounts across geographic locations, as well as export control and geographic transfer of Your Content.

13. ADDITIONAL NOTICE TERMS

13.1 Any notice required under the Master Agreement shall be provided to the other party in writing as specified in Section 14 of the General Terms.

13.2 We may give notices applicable to our Services customers by means of a general notice on the Oracle portal for the Services, and notices specific to You by electronic mail to Your e-mail address on record in our account information or by written communication sent by first class mail or pre-paid post to Your address on record in our account information.

14. OTHER

14.1 We are an independent contractor, and each party agrees that no partnership, joint venture, or agency relationship exists between the parties.

14.2 Our business partners and other third parties, including any third parties with which the Services have integrations or that are retained by You to provide consulting services, implementation services or applications that interact with the Services, are independent of Oracle and are not Oracle's agents. We are not liable for, bound by, or responsible for any problems with the Services or Your Content arising due to any acts of any such business partner or third party, unless the business partner or third party is providing Services as our subcontractor on an engagement ordered under the Master Agreement and, if so, then only to the same extent as we would be responsible for our resources under the Master Agreement.

14.3 Prior to entering into an order governed by the Master Agreement, You are solely responsible for determining whether the Services meet Your technical, business or regulatory requirements. Oracle will cooperate with Your efforts to determine whether use of the standard Services are consistent with those requirements. Additional fees may apply to any additional work performed by Oracle or changes to the Services. You remain solely responsible for Your regulatory compliance in connection with Your use of the Services.

14.4 Upon forty-five (45) days written notice and no more than once every twelve (12) months, Oracle may audit Your use of Cloud Services to ensure Your use of the Cloud Services is in compliance with the terms of the applicable order and the Master Agreement. Any such audit shall not unreasonably interfere with Your normal business operations.

You agree to cooperate with Oracle's audit and to provide reasonable assistance and access to information reasonably requested by Oracle.

The performance of the audit and non-public data obtained during the audit (including findings or reports that result from the audit) shall be subject to the provisions of section 4 (Nondisclosure) of this Schedule C.

If the audit identifies non-compliance, You agree to remedy (which may include, without limitation, the payment of any fees for additional Cloud Services) such non-compliance within 30 days of written notification of that non-compliance. You agree that Oracle shall not be responsible for any of Your costs incurred in cooperating with the audit.

14.5 It is expressly agreed that the terms of the Master Agreement and any Oracle order shall supersede the terms in any purchase order, procurement internet portal, or other similar non-Oracle document and no terms included in any such purchase order, portal, or other non-Oracle document shall apply to the Services ordered. In the event of any inconsistencies between the terms of an order and the Master Agreement, the order shall take precedence; however, unless expressly stated otherwise in an order, the terms of the Data Processing Agreement shall take precedence over any inconsistent terms in an order. The Master Agreement and orders hereunder may not be modified and the rights and restrictions may not be altered or waived except in a writing signed or accepted online by authorized representatives of You and of Oracle; however, Oracle may update the Service Specifications, including by posting updated documents on Oracle's websites. No third party beneficiary relationships are created by the Master Agreement. The Uniform Computer Information Transactions Act does not apply to the Master Agreement or to orders placed under it.

15. AGREEMENT DEFINITIONS

15.1 **Oracle Software** means any software agent, application or tool that Oracle makes available to You for download specifically for purposes of facilitating Your access to, operation of, and/or use with, the Services.

15.2 **Program Documentation** refers to the user manuals, help windows, readme files for the Services and any Oracle Software. You may access the documentation online at <http://oracle.com/contracts> or such other address specified by Oracle.

15.3 **Service Specifications** means the following documents, as applicable to the Services under Your order: (a) the Oracle Cloud Hosting and Delivery Policies, the Program Documentation, the Oracle service descriptions, and the Data Processing Agreement described in this Schedule C; (b) Oracle's privacy policies; and (c) any other Oracle documents that are referenced in or incorporated into Your order. The following do not apply to any non-Cloud Oracle service offerings acquired in Your order, such as professional services: the Oracle Cloud Hosting and Delivery Policies, Program Documentation, and the Data Processing Agreement. The following do not apply to any Oracle Software: the Oracle Cloud Hosting and Delivery Policies, Oracle service descriptions, and the Data Processing Agreement.

15.4 **Third Party Content** means all software, data, text, images, audio, video, photographs and other content and material, in any format, that are obtained or derived from third party sources outside of Oracle that You may access through, within, or in conjunction with Your use of, the Services. Examples of Third Party Content include data feeds from social network services, rss feeds from blog posts, Oracle data marketplaces and libraries, dictionaries, and marketing data. Third Party Content includes third-party sourced materials accessed or obtained by Your use of the Services or any Oracle provided tools.

15.5 **Users** means those employees, contractors, and end users, as applicable, authorized by You or on Your behalf to use the Services in accordance with the Master Agreement and Your order. For Services that are specifically designed to allow Your clients, agents, customers, suppliers or other third

parties to access the Cloud Services to interact with You, such third parties will be considered “Users” subject to the terms of the Master Agreement and Your order.

15.6 “**Your Content**” means all software, data (including Personal Data), text, images, audio, video, photographs, non-Oracle or third party applications, and other content and material, in any format, provided by You or any of Your Users that is stored in, or run on or through, the Services. Services under the Master Agreement, Oracle Software, other Oracle products and services, and Oracle intellectual property, and all

derivative works thereof, do not fall within the meaning of the term “Your Content”. Your Content includes any Third Party Content that is brought by You into the Services, by Your use of the Services or any Oracle provided tools.

15.7 Capitalized terms used but not defined in this Schedule C have the meanings set forth in the General Terms.

SCHEDULE LVM - Oracle Linux and Oracle VM Service Offerings

This Oracle Linux and Oracle VM Services Schedule (this “Schedule LVM”) is a Schedule to the General Terms referenced above. The General Terms and this Schedule LVM, together with the attached Schedule H, Schedule P and Schedule C are the Master Agreement. This Schedule LVM shall coterminate with the General Terms.

1. DEFINITIONS

1.1 “**Covered Programs**” is defined as the specific set of software products listed on the document titled Oracle Linux and Oracle VM Included Files (available at <http://www.oracle.com/us/support/library/enterprise-linux-indemnification-069347.pdf>) for which You have ordered Oracle Linux/ Oracle VM Service Offering(s), including any related program documentation and patches and bug fixes acquired through such Oracle Linux/ Oracle VM Service Offering(s).

1.2 “**Oracle Linux Service Offering(s)**” and “**Oracle VM Service Offering(s)**” (collectively, “**Oracle Linux/Oracle VM Service Offering(s)**”) refer to Oracle Linux and Oracle VM support services respectively and Oracle Linux/Oracle VM-related Service Offerings(s) as defined under the Oracle Linux and Oracle VM support policies.

1.3 “**Oracle Linux/Oracle VM Term(s)**” is defined as the duration for which You have acquired the applicable Oracle Linux/Oracle VM Service Offering(s).

1.4 “**Physical CPU(s)**” is defined as each monolithic integrated circuit responsible for executing a System’s Covered Programs. A monolithic integrated circuit with multiple cores or hyperthreading is counted as a single Physical CPU when determining the total number of Physical CPUs in a System.

1.5 “**Supported System(s)**” is defined as a System to which You apply or intend to apply Oracle Linux/Oracle VM Service Offering(s) received from Oracle at the specified service level in Your order, including but not limited to updates, patches, fixes, security alerts, work arounds, configuration, installation assistance (for Oracle VM, Support System(s) includes Oracle VM Manager)

1.6 “**System(s)**” is defined as the computer on which the Oracle Linux programs and/or Oracle VM Server programs are installed. Where computers/blades are clustered, each computer/blade within the cluster shall be defined as a System. (For purposes of calculating the price of the Oracle VM Service Offering(s), the computers where the Oracle VM Manager programs are installed are not counted.)

1.7 Capitalized terms used but not defined in this Schedule LVM have the meanings set forth in the General Terms.

2. ORACLE LINUX/ORACLE VM SERVICE OFFERING(S)

2.1 The Oracle Linux/Oracle VM Service Offering(s) are provided at the support level and for the Oracle Linux/ Oracle VM Term defined in Your order.

2.2 When ordering Oracle Linux/Oracle VM Service Offering(s) You must comply with the following availability rules:

- Oracle Linux Premier Limited, Oracle Linux Basic Limited, and Oracle VM Premier Limited are available only for Systems with no more than 2 Physical CPUs per System.
- Oracle Linux Premier, Oracle Linux Basic, Oracle Linux Network, and Oracle VM Premier are available for Systems with any number of Physical CPUs per System.

2.3 Upon Oracle's acceptance of Your order, You have the limited right to receive the applicable Oracle Linux/Oracle VM Service Offering(s) solely for Your business operations and subject to the Terms of this Schedule LVM.

2.4 For purposes of the order, (a) Oracle Linux Service Offering(s) consist of the Oracle Linux support services level You may have ordered for the Oracle Linux programs; and (b) Oracle VM Service Offering(s) consist of the Oracle VM support services level You may have ordered for the Oracle VM programs. If ordered, the Oracle Linux/Oracle VM Service Offering(s) (including initial year and all

subsequent years) are provided under the Oracle Linux and Oracle VM support policies in effect at the time the Oracle Linux/Oracle VM Service Offering(s) are provided. The Oracle Linux and Oracle VM support policies, which are incorporated in this Schedule LVM, are subject to change at Oracle's discretion; however, Oracle will not materially reduce the level of Oracle Linux/Oracle VM Service Offering(s) provided during the period for which fees for the Oracle Linux/Oracle VM Service Offering(s) have been paid. Oracle Linux/Oracle VM Service Offering(s) are available for certain Systems, and may be subject to additional restrictions as set forth in the Oracle Linux and Oracle VM support policies. You should review the Oracle Linux and Oracle VM support policies prior to entering into the order for the applicable Oracle Linux/Oracle VM Service Offering(s). You may access the current version of the Oracle Linux and Oracle VM support policies at <http://www.oracle.com/us/support/library/enterprise-linux-support-policies-069172.pdf>.

2.5 The Oracle Linux/Oracle VM Service Offering(s) are effective upon the effective date of the order unless otherwise stated in Your order. If Your order was placed through the Oracle Store, the effective date is the date Your order was accepted by Oracle.

2.6 The Oracle Linux/Oracle VM Service Offering(s) provided under this Schedule LVM are in support of licenses You acquired separately. Patches, bug fixes and other code received as part of the Oracle Linux/Oracle VM Service Offering(s) under this Schedule LVM shall be provided under the terms of the appropriate license agreement that You accepted upon downloading and/or installing the Oracle Linux and/or Oracle VM program(s). The Oracle Linux /Oracle VM Service Offering(s) may also include the right to use certain additional software or tools during the Oracle Linux/Oracle VM Term for which fees for Oracle Linux/Oracle VM Service Offering(s) have been paid. The license terms for any such software or tools, as well as any limitations associated with them, will be referenced in the Program Documentation.

3. INDEMNIFICATION

3.1 Provided You are a current subscriber to the Oracle Linux/Oracle VM Service Offering(s), if a third party makes a claim against You that any Covered Programs furnished by Oracle, and used by You for Your business operations infringes its intellectual property rights, Oracle, at its sole cost and expense, will defend You against the claim and indemnify You from the damages, liabilities, costs and expenses awarded by the court to the third party claiming infringement or the settlement agreed to by Oracle, if You do the following:

- a. Notify Oracle promptly in writing, not later than 30 days after You receive notice of the claim (or sooner if required by applicable law);
- b. Give Oracle sole control of the defense and any settlement negotiations; and
- c. Give Oracle the information, authority, and assistance it needs to defend against or settle the claim.

3.2 If Oracle believes or it is determined that any Covered Programs may have violated a third party's intellectual property rights, Oracle may choose to either modify the Covered Programs to be non-infringing (while substantially preserving their utility or functionality) or obtain a license to allow for continued use, or if these alternatives are not commercially reasonable, then Oracle may, upon 30 days notice to You, terminate Your right to receive indemnification for Your further use of the Covered

Programs and refund any unused, prepaid service fees, You have paid for the Covered Programs.

3.3 Notwithstanding the above, Oracle will not defend or indemnify You in connection with claims, damages, liabilities, costs or expenses arising out of, or caused by, or related to: (a) Your distribution of the Covered Programs; (b) Your alteration of the Covered Programs; (c) Your use of a version of the Covered Programs which has been superseded, if the infringement claim could have been avoided by using the current version of the Covered Programs; (d) Your use of the Covered Programs outside the scope of use identified in the user documentation or the Oracle Linux and Oracle VM support policies; (e) Your use of the Covered Programs when You were not a subscriber to the Oracle Linux/Oracle VM Service Offering(s); (f) any information, design, specification, instruction, software, data, or material not furnished by Oracle; (g) the combination of any Covered Programs with any products or services not provided by Oracle; (h) Your claim, lawsuit, or action against a third party. **This section provides Your exclusive remedy for any infringement claims or damages, liabilities, costs or expenses.**

4. FEES; ORACLE LINUX/ORACLE VM-RELATED SERVICE OFFERING(S)

4.1 For the initial Oracle Linux/Oracle VM Term for which fees are to be paid for the applicable Oracle Linux/Oracle VM Service Offering(s), the fees due will be calculated based upon the number of Systems to be supported that are in existence as of the date of Your order. For the second and all subsequent Oracle Linux/Oracle VM Terms, the fees due will be calculated based on the total number of Systems supported that are in existence as of the first day of the applicable Oracle Linux/Oracle VM Term(s) (e.g., fees calculated for the second term will be based upon the total number of Systems supported that are in existence on the first day of the second term).

4.2 In addition to the fees for the Oracle Linux/Oracle VM Service Offering(s) specified above, You agree to pay additional fees for the level of Oracle Linux/ Oracle VM Service Offering(s) ordered based on the maximum number of Supported Systems that exist simultaneously at any time during the applicable Oracle Linux/Oracle VM Term and in accordance with the Oracle Linux and Oracle VM support policies for the level of support You are ordering. In the event that You decide to increase the number of Supported Systems, You agree that You will promptly place an order for Oracle Linux/ Oracle VM Service Offering(s) for the increased number of these Supported System(s) and pay the additional required fees.

4.3 You may order a limited number of Oracle Linux/Oracle VM-related Services Offering(s) under this Schedule LVM, as listed in the Oracle Linux and Oracle VM-related Service Offering(s) document, which is at <http://oracle.com/contracts>. For these Oracle Linux/ Oracle VM-related Service Offering(s), the fees due for the initial Oracle Linux/Oracle VM Term and all subsequent Oracle Linux/Oracle VM Terms will be based on Oracle's then current Oracle Linux and Oracle VM Service Offering(s) pricing policies.

5. WARRANTIES, DISCLAIMERS AND EXCLUSIVE REMEDIES

5.1 Oracle warrants that the Oracle Linux/Oracle VM Service Offering(s) will be provided in a professional manner consistent with industry standards. You must notify Oracle of any Oracle Linux/Oracle VM Service Offering(s) warranty deficiencies within 90 days from performance of the defective Oracle Linux/Oracle VM Service Offering.

5.2 TO THE EXTENT PERMITTED BY LAW, THIS WARRANTY IS EXCLUSIVE AND THERE ARE NO OTHER EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS, INCLUDING WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

5.3 ORACLE DOES NOT GUARANTEE THAT THE COVERED PROGRAMS WILL PERFORM ERROR-FREE OR UNINTERRUPTED OR THAT ORACLE WILL CORRECT ALL PROGRAM ERRORS. FOR ANY BREACH OF THE ABOVE WARRANTIES, YOUR EXCLUSIVE REMEDY, AND ORACLE'S ENTIRE LIABILITY, SHALL BE THE REPERFORMANCE OF THE DEFICIENT ORACLE LINUX/ORACLE VM SERVICE OFFERING, OR IF ORACLE CANNOT SUBSTANTIALLY CORRECT A BREACH IN A COMMERCIALY REASONABLE MANNER, YOU MAY END THE RELEVANT ORACLE LINUX/ORACLE VM SERVICE OFFERING AND RECOVER THE FEES PAID TO ORACLE FOR THE DEFICIENT ORACLE LINUX/ORACLE VM SERVICE OFFERING.

6. LIMITATION OF LIABILITY FOR INFRINGEMENT CLAIMS

For purposes of this Schedule LVM, the limitation of liability in the General Terms referenced above shall not be construed to limit Oracle's indemnification obligation or Your exclusive remedy for any infringement claims or damages, liabilities, costs or expenses under Section 3 of this Schedule LVM.

7. GOVERNING LAW AND JURISDICTION

Notwithstanding anything to the contrary set forth in the General Terms, this Schedule LVM is governed by the laws of California and You and Oracle agree to submit to the exclusive jurisdiction of, and venue

in, the courts in San Francisco or Santa Clara counties in California in any dispute arising out of or relating to this Schedule LVM.

8. AUDIT

Upon 45 days written notice, Oracle may audit Your use of the Oracle Linux/Oracle VM Service Offering(s) to ensure Your use of the Oracle Linux/Oracle VM Service Offering(s) is in compliance with the terms of the applicable order and the Master Agreement. Any such audit shall not unreasonably interfere with Your normal business operations.

You agree to cooperate with Oracle's audit and provide reasonable assistance and access to information reasonably requested by Oracle.

The performance of the audit and non-public data obtained during the audit (including findings or reports that result from the audit) shall be subject to the provisions of the Nondisclosure section of the Master Agreement.

If the audit identifies non-compliance, You agree to remedy (which may include, without limitation, the payment of any fees applicable to Your use of the Oracle Linux/Oracle VM Service Offering(s) in excess of Your service rights) such non-compliance within 30 days of written notification of that non-compliance. If You do not remedy the non-compliance, Oracle can end (a) Oracle Linux/Oracle VM Service Offering(s),

(b) Oracle Linux/Oracle VM-related Service Offering(s), and/ or (c) the Master Agreement. You agree that Oracle shall not be responsible for any of Your costs incurred in cooperating with the audit.

9. ORDER LOGISTICS

9.1.1 Once placed, Your order shall be non-cancelable and the sums paid nonrefundable, except as provided in the Master Agreement.

9.1.2 Oracle Linux/Oracle VM Service Offering(s) fees are invoiced in advance of the Oracle Linux/Oracle VM Service Offering performance; specifically, Oracle Linux/Oracle VM Service Offering(s) fees are invoiced annually in advance. The period of performance for all Oracle Linux/Oracle VM Service Offering(s) is effective upon the effective date of the order.

9.1.3 If an order for an Oracle Linux/Oracle VM Service Offering is for an Oracle Linux/Oracle VM Term that is for multiple years, You are required to pay the fees covering such multiple years in advance of the start of such Oracle Linux/Oracle VM Term.

A. Agreement and Modifications to the Agreement

1. Agreement

a. This order incorporates by reference the terms of the Online Transactional Oracle Master Agreement v040119 (the "Master Agreement") which may be viewed at <http://www.oracle.com/contracts>. The defined terms in the Master Agreement shall have the same meaning in this order unless otherwise specified herein.

2. Applicable Schedule(s)

a. Programs and Program-Related Service Offerings are governed by Schedule P - Program.

B. General Terms

1. Summary of Fees

- a. Listed above is a summary of net fees due under this order. All fees on this order are in US Dollars and are exclusive of any applicable shipping charges or applicable taxes.
- b. For Consulting Services, fees for fixed price services and/or estimates for Time and Materials services will also be listed in the tables above Section A.

2. Commencement Date

a. For Consulting Services, the Commencement Date shall be the Effective Date of this order.

3. Effective Date

a. If accepting this order electronically, the effective date of this order is the date You click to accept the order. Otherwise, the effective date is stated below.

4. Pricing Invoicing and Payment Obligation

a. Fees for Consulting Services may be invoiced (i) in advance of service performance for fixed fee services; or (ii.) after the performance of service for fixed fee services, where advance invoicing is prohibited by law (e.g. public sector accounts); or (iii) monthly as services are performed for Time and Materials services which are identified above as "per Hour". In addition to the service fees listed in this order, for Consulting Services, Oracle will invoice You for travel and out-of-pocket expenses, if any, related to the performance of services. Any amounts specified in this order for expenses are estimates and are intended only to be for Your budgeting purposes. Such expenses will be invoiced as incurred.

Notwithstanding anything to the contrary, in addition to the service fees listed in this order, Oracle will invoice you for Travel Time for resources providing services under this order. Travel Time is defined as time in excess of six hours for a resource to travel from his/her place of residence to Your site and is subject to the Oracle Travel Policy. You will be invoiced at the Travel Time rates in Your order. If Your order does not include Travel Time rates then Your order will be amended via the Change Control Process to include such Travel Time rates.

5. Fees

a. Once placed, Your order shall be non-cancelable and the sums paid nonrefundable, except as provided in the Master Agreement.

6. Order of Precedence

a. In the event of inconsistencies between the terms contained in this order and the Master Agreement, this order shall take precedence. This order will control over the terms contained in any purchase order.

7. Customer Reference

a. Oracle may refer to You as an Oracle customer of the ordered Products and Service Offerings in sales presentations, marketing vehicles and activities.

8. Offer Validity

a. This order is valid through -- *date* --, and shall become binding upon execution by You and acceptance by Oracle.

C. Terms Specific to Consulting Services

1. Consulting Assumptions and Obligations

a. Upon Oracle's reasonable request, You agree to provide Oracle access to relevant resources with knowledge to support the performance of the Consulting Services.

b. You will provide for all Oracle resources performing Consulting Services at Your location a safe and healthful workspace (e.g., a workspace that is free from recognized hazards that are causing, or likely to cause, death or serious physical harm, a workspace that has proper ventilation, sound levels acceptable for resources performing services in the workspace, and ergonomically correct work stations, etc.).

c. Any request for changes in Consulting Services must be in writing; this includes changes in project plans, scope, specifications, schedule, designs, requirements, service deliverables, software environment, hardware environment or any other aspect of Your order. Oracle shall not be obligated to perform tasks related to changes in time, scope, cost, or contractual obligations until You and Oracle agree in writing to the proposed change in an amendment to Your order.

d. As required by U.S. Department of Labor regulations (20 CFR 655.734), You will allow Oracle to post a notice regarding Oracle H-1B employee(s) at

the work site prior to the employee's arrival on site.

2. Time and Materials ("T&M") Services

a. Consulting/ Professional Services identified above as "Per Hour" are provided on a time and materials ("T&M") basis; that is, You shall pay Oracle for all of the time spent performing such services at the rate specified above, plus materials, taxes and expenses. All fees and expenses will be invoiced monthly.

b. For Consulting/ Professional Services identified above as "Per Hour", the fees specified in the table above are estimates for labor and are intended only to be for Your budgeting and Oracle's resource scheduling purposes; these estimates do not include taxes. Oracle will invoice You for actual time spent performing the services, plus materials, taxes and expenses; such invoice may exceed the total estimated amounts documented above. Once fees for these services reach the estimate, Oracle will cooperate with You to provide continuing services on a T&M basis.

3. Service Descriptions

Consulting Services You have ordered under this order appear in the tables above section A. Service Descriptions applicable to the Consulting Services ordered may be accessed in the Consulting Services section at www.oracle.com/contracts.

EXHIBIT

F

APDP

PRINCIPLES

EXHIBIT G

LIST OF FRANCHISEES

Franchisees as of the Prior Fiscal Year End:

~~**MGallery Berkeley Park—Miami Beach**~~

~~**Sadigo Hotel LLC**~~

~~**334 20th Street**~~

~~**Miami Beach, Florida**~~

~~**786-697-1333**~~

Hotel Andra Seattle - MGallery Hotel Collection

Claridge LLC

2000 4th Avenue

Seattle, Washington

206-448-8600

EXHIBIT **HG**

LIST OF FRANCHISEES WHO LEFT THE SYSTEM

Former Franchisees that Departed the System during the Prior Fiscal Year:

The name, city and state, and current business telephone number (or if unknown, the last known home telephone number) of each franchisee who had an outlet terminated, canceled, not renewed, transferred, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document, is listed below. The states listed below in which these former franchisees may be contacted are not necessarily the same states in which the former franchisees' franchised businesses were located. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

None.

Former Franchisees that Departed the System Since ~~12/31/2024~~12/31/2025:

**~~MGallery Berkeley Park—Miami Beach~~
~~Sadigo Hotel LLC~~
~~Miami, Florida~~
~~786-697-1333~~**

None.

EXHIBIT II

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

CALIFORNIA:

Department of Financial Protection and Innovation

**320 West 4th Street, Suite 750
Los Angeles, CA 90013
(213) 5767500 Toll Free (866) 2752677**

**651 Bannon Street
Suite 300
Sacramento, CA 95811
(916) 445 7205**

**1455 Frazee Road, Suite 315
San Diego, CA 92108
(619) 610 2093**

**One Sansome Street, Suite 600
San Francisco, CA 94104
(415) 972 8565**

HAWAII

**(state administrator)
Business Registration Division
Department of Commerce and Consumer Affairs
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
(808) 586 2722**

**(agent for service of process)
Commissioner of Securities
State of Hawaii
335 Merchant Street
Honolulu, Hawaii 96813
(808) 586 2722**

ILLINOIS

**Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782 4465**

INDIANA

**(state administrator)
Indiana Secretary of State
Securities Division, E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232 6681**

**(for service of process)
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202 2021
(410) 576 6360**

MARYLAND

**(state administrator)
Office of the Attorney General Securities
Division
200 St. Paul Place
Baltimore, Maryland 21202 2021
(410) 576 6360**

**(for service of process)
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202 2021
(410) 576 6360**

MICHIGAN

**Department of Attorney General
Consumer Protection Division**

OREGON

**Division of Financial Regulation
Corporate Securities Section**

Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48913
(517) 335-7599

CALIFORNIA

~~MINNESOTA~~ Department of Financial
Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013
(213) 576-7500 Toll Free (866) 2752677

651 Bannon Street
Suite 300
Sacramento, CA 95811
(916) 445-7205

1455 Frazee Road, Suite 315
San Diego, CA 92108
(619) 610-2093

One Sansome Street, Suite 600
San Francisco, CA 94104
(415) 972-8565

HAWAII

(state administrator)
Commissioner of Securities
State of Hawaii, Dept. of Commerce &
Consumer Affairs
Business Registration Division – Securities
Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(844) 808-3222

(agent for service of process)
Commissioner of Securities
State of Hawaii, Dept. of Commerce &
Consumer Affairs
Business Registration Division – Securities
Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(844) 808-3222

(for service of process)
Minnesota Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280

350 Winter Street NE, Room 410
Salem, Oregon 97309
(503) 378-4140

RHODE ISLAND

Division of SecuritiesILLINOIS
Franchise Bureau
~~Rhode Island Dept. Office~~ of ~~Business~~
~~Regulation~~
the Attorney General ~~John O. Pastore~~
~~Complex – Bldg. 69-1~~
~~1511 Pontiac Avenue~~ 500 South Second Street
~~Cranston~~ Springfield, RI 02920 Illinois 62706
~~(401) 217~~ 462 782-9527 4465

INDIANA

Indiana Secretary of State
Securities Division, E 111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND

(state administrator)
Office of the Attorney General Securities
Division
200 St. Paul Place
Baltimore, Maryland 21202 2021
(410) 576 6360

(for service of process)
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202 2021
(410) 576 6360

MICHIGAN

Department of Attorney General
Consumer Protection Division
Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48913
(517) 335-7599

MINNESOTA

(state administrator)
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198
(651) 539-1600

St. Paul, Minnesota 55101-2198
(651) 539-1600

~~(for service of process)~~
~~Minnesota Commissioner of Commerce~~

NEW YORK

(state administrator)
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8222

(for service of process)
Secretary of State of the State of New York
Division of Corporations, State Records &
Uniform Commercial Code
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, New York 12231
(518) 473-2492

NORTH DAKOTA

(state administrator)

North Dakota Insurance & Securities Department
~~State Capitol, 14th Floor~~
600 ~~East E.~~ Boulevard Avenue, Dept. 401
Bismarck, ~~North Dakota ND~~ 58505
(701) ~~328-2910~~ 328-2910

WASHINGTON

(for service of process)

~~Director, — Department — of — Financial~~
~~Institutions Insurance Commissioner~~
North Dakota Insurance & Securities
Division Department
~~150 Israel Road S600 E.W~~ Boulevard Avenue,
Dept. 401
~~Tumwater Bismarck, Washington 98501 ND~~
58505

WISCONSIN

~~(state administrator)~~ 701) 328-2910

OREGON

Division of Financial Regulation
Corporate Securities Section
350 Winter Street NE, Room 410
Salem, Oregon 97309
(503) 378 4140

RHODE ISLAND

Division of Securities

SOUTH DAKOTA

Department of Labor and Regulation

Division of Insurance
- Securities Regulation
124 South Euclid Avenue, 2nd Floor
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA

(state administrator)
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

(for service of process)
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
(804) 371-9733

WASHINGTON

(state administrator)
Washington Dept. of Financial Institutions
Securities Division
PO Box 41200
Olympia, Washington 98504-1200
(360) 902-8760

(for service of process)

Director, Department of Financial Institutions
Securities Division
150 Israel Road S.W.
Tumwater, Washington 98501

WISCONSIN

(state administrator)
Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-0448

(for service of process)

Administrator, Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(401) 462-9527

~~Department~~Rhode Island Dept. of ~~Financial~~
~~Institutions~~Business Regulation
~~4822 Madison Yards Way, North~~
~~Tower~~John O. Pastore Complex – Bldg. 69-1
~~Madison, Wisconsin 53705~~1511 Pontiac
Avenue
~~(608) 266-0448~~
~~(for service of process)~~
~~Administrator, Division of Securities~~
~~Department of Financial Institutions~~
~~4822 Madison Yards Way~~Cranston, North
~~Tower~~
~~Madison, Wisconsin 53705~~

RI 02920

EXHIBIT [JI](#)

STATE ADDENDA TO DISCLOSURE DOCUMENT

(see attached)

INDIANA, MICHIGAN, SOUTH DAKOTA AND WISCONSIN

No Waiver of Disclaimer of Reliance in Certain States. The following provision applies only to franchisees and franchises that are subject to the state franchise disclosure laws in Indiana, Michigan, South Dakota or Wisconsin:

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

CALIFORNIA

In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000-20043, the Franchise Disclosure Document for Accor Franchising US LLC, in connection with the offer and sale of franchisees for use in the State of California, shall be amended to include the following:

1. **The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

2. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT AT LEAST 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.

3. OUR WEBSITE, www.all.accor.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

4. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

5. The following paragraph is added at the end of Item 3 of the Disclosure Document:

Except as disclosed above, neither we nor any person identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, 15 U.S.C.A. Section 78a et seq., suspending or expelling such person from membership in such association or exchange.

6. The row entitled "Interest on Past Due Amounts" in Item 6 of the Disclosure Document is amended to state that the maximum interest rate in California currently is 10% annually.

7. The following paragraph is added at the end of Item 13 of the Disclosure Document:

We do not have a federal registration for one or more of our principal marks. Therefore, such trademarks do 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.

8. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

California Law Regarding Termination and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning transfer, termination or nonrenewal of the franchise. If the Franchise Agreement contains any provision that is inconsistent with the [California Franchise Investment](#)

Law, and the California Franchise Investment Law applies, then the California Franchise Investment Law will control.

Termination Upon Bankruptcy. The Franchise Agreement provides for termination upon insolvency, bankruptcy, or re-organization. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 et seq.)

Liquidated Damages Provision. The Franchise Agreement contains liquidated damages clauses. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

Arbitration. The Franchise Agreement requires binding arbitration. The arbitration will be conducted by one (1) arbitrator and will occur in the County in which the headquarters of Franchisor is located (which is currently New York, New York) with the costs being borne as the arbitrator determines. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provision of the Franchise Agreement restricting venue to a forum outside the State of California.

Governing Law and Venue. For franchisees operating outlets located in California, the California Franchise Investment Law and California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

Releases. The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

9. California’s Franchise Investment Law (Corporations Code section 31512) states as follows: “Any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this law or any rule or order hereunder is void.”

10. California’s Franchise Investment Law (Corporations Code section 31512.1) states as follows: “Any provision of a franchise agreement, franchise disclosure document, acknowledgment, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.

(c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.

(d) Violations of any provision of this division.

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

HAWAII

The following is added to the State Cover Page of the Disclosure Document:

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE. THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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

ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§ 705/1 to 705/44 the Franchise Disclosure Document for Accor Franchising US LLC for use in the State of Illinois is amended as follows:

1. The following statements are added to the end of Item 17:

Except for the Federal Arbitration Act that applies to arbitration, Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees' rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

2. By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

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

MARYLAND

The Franchise Disclosure Document for Accor Franchising US LLC for use in the State of Maryland shall be amended as follows:

1. The following is added as an additional RISK FACTOR to the State Cover Page of the Disclosure Document:

Financial Condition. The franchisor’s financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor’s financial ability to provide services and support to you.

2. The following language is added to Item 5 of the Disclosure Document:

Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

3. The following is added to the end of the third paragraph under the heading “Marketing Fund” in Item 11 of the Disclosure Document:

You may obtain an accounting of Marketing Fund expenditures upon written request to us.

4s. The “Summary” sections of Items 17(c), entitled Requirements for you to renew or extend, and 17(m), entitled Conditions for our approval of Transfer, of the Disclosure Document are amended by adding the following:

Any general releases you sign as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The “Summary” section of Item 17(h), entitled **“Cause” defined – non-curable defaults,** of the Disclosure Document is amended by adding the following:

The agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we and you agree to enforce it to the extent the law allows.

6. The “Summary” section of Item 17(v), entitled **Choice of Forum,** of the Disclosure Document is amended by adding the following:

Although you may, subject to your arbitration obligation, bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

7. The “Summary” section of Item 17(w), entitled **Choice of law**, of the Disclosure Document is amended by adding the following:

Except for Federal Arbitration Act and other federal law, and as otherwise required by applicable law for claims arising under the Maryland Franchise Registration and Disclosure Law, the law of the State in which the office of the franchised business is located governs.

8. The following language is added to the end of Item 17 of the Disclosure Document:

Despite any contradicting provision in the Franchise Agreement, you have 3 years from the date on which we grant you the franchise to bring a claim under the Maryland Franchise Registration and Disclosure Law.

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

MINNESOTA

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the Franchise Disclosure Document for Accor Franchising US LLC for use in the State of Minnesota shall be amended to include the following:

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATED TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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

To the extent required by Minnesota Stat. Sec. 80C.12, Subd. 1(g), we will protect your right to use the Proprietary Marks and indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Proprietary Marks.

2. The following is added at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, (1) 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 and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J ~~might~~ prohibit us from requiring litigation to be conducted outside Minnesota. ~~Those provisions also provide that no condition, stipulations or provision, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing~~ in the Franchise Disclosure Document or Agreements shall in any way can abrogate or reduce (1) any rights you have under the Minnesota Franchises Law, including (if applicable) the right to submit matters to the jurisdiction of the courts of Minnesota and the right of your rights as provided for in Minnesota Statutes, Chapter 80C or (2) your rights to any procedure, forum, or remedies ~~that provided for by~~ the laws of the jurisdiction ~~provide~~.

Minnesota Rules 2860.4400(D) prohibits us from requiring you to assent to a general release.

You cannot consent to our obtaining injunctive relief. We may seek injunctive relief. See Minnesota Rules 2860.4400J. A court will determine if a bond is required.

~~Any release required as a condition of renewal or transfer/assignment will not apply to the extent prohibited by the Minnesota Franchises Law.~~

~~Minn. Rule Part 2860.4400J might prohibit 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.~~

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

NEW YORK

1. The following information is added to the State Cover Page of the Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND ~~NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21st FLOOR, NEW YORK, NEW YORK 10005~~[THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY](#).

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action

brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

~~3. The following is added to the end of Item 4:~~

~~Neither the franchisor, its affiliate, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.~~

~~4. The following is added to the end of Item 5:~~

~~The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.~~

53. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

64. The following language is added to the “Summary” section of Item 17(d), titled “Termination by franchisee”:

You may terminate the agreement on any grounds available by law.

~~7. The following is added to the end of the “Summary” section of Item 17(j), titled “Assignment of contract by franchisor”:~~

~~However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.~~

85. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum”, and Item 17(w), titled “Choice of law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

96. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or any other person acting on behalf

of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts - Any sale made must be in compliance with §683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. §680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA

In recognition of the requirements of the North Dakota Law and the policies of the office of the State of North Dakota Insurance and Securities Commission, the Franchise Disclosure Document for Accor Franchising US LLC shall be amended by the addition of the following language:

1. The “Summary” sections of Items 17(c), entitled **Requirements for you to renew or extend**, and 17(m), entitled **Conditions for our approval of Transfer**, of the Disclosure Document are amended by adding the following:

However, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

2. The “Summary” section of Item 17(i), entitled **Your obligations on termination/non-renewal**, of the Disclosure Document is amended by adding the following:

The Commissioner has determined termination or liquidated damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. However, we and you agree to enforce these provisions to the extent the law allows.

3. The “Summary” section of Item 17(u), entitled **Dispute resolution by arbitration or mediation**, of the Disclosure Document is amended by adding the following:

We and you must arbitrate all disputes in New York, New York; however, to the extent required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration proceedings will be held at a site to which we and you agree.

4. The “Summary” section of Item 17(v), entitled Choice of Forum, of the Disclosure Document is amended by adding the following:

Subject to arbitration requirements and to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota.

5. The “Summary” section of Item 17(w), entitled **Choice of law**, of the Disclosure Document is amended by adding the following:

Except for the Federal Arbitration Act and other federal law, North Dakota law governs.

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

RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the Franchise Disclosure Document for Accor Franchising US LLC for use in the State of Rhode Island shall be amended as follows:

1. The “Summary” section of Item 17(v), entitled **Choice of Forum**, of the Disclosure Document is deleted and replaced with the following:

Subject to arbitration requirements, litigation must be in the County in which the headquarters of Franchisor is located (which is currently Alameda County), except that, to the extent required by applicable law, you may bring an action in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. The “Summary” section of Item 17(w), entitled **Choice of law**, of the Disclosure Document is deleted and replaced with the following:

Except for the Federal Arbitration Act and other federal law, and except as otherwise required by the Rhode Island Franchise Investment Act, the law of the state in which the office of the franchised business is located governs.

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

VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the “Summary” section of Item 17(h), entitled **“Cause” defined – non-curable defaults**, is amended by adding the following:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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

WASHINGTON

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§19.100.180, the Franchise Disclosure Document for Accor Franchising US LLC in connection with the offer and sale of franchisees for use in the State of Washington shall be amended to include the following:

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the Franchise Agreement or related agreements concerning Franchisee's relationship with Franchisor, including the areas of termination and renewal of the franchise. There may also be court decisions that supersede the Franchise Agreement or related agreements concerning Franchisee's relationship with Franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Franchise Agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the Franchise Agreement or related agreements purporting to bind Franchisee to waive compliance with any provisions under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2). ~~The A General R release attached to the Franchise Disclosure Document as Exhibit I-1~~ does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the Franchise Agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect Franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** Franchisee may terminate the Franchise Agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without a franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the Franchise Agreement or related agreements that requires Franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the Franchise Agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgment.** Provisions in the Franchise Agreement or related agreements stating that Franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the Franchise Agreement or related agreements requiring Franchisee to indemnify, reimburse, defend, or hold Franchisor or other parties harmless is hereby modified such that Franchisee has no obligation to indemnify, reimburse, defend, or hold Franchisor or any other indemnified party harmless for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the Franchise Agreement or related agreements require a franchisee to reimburse Franchisor for court costs or expenses, including attorneys' fees, such provision applies only if Franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. **Prohibitions on Communicating with Regulators.** Any provision in the Franchise Agreement or related agreements that prohibits Franchisee from communicating with or complaining to

regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise

19. The following is added as an additional RISK FACTOR to the State Cover Page of the Disclosure Document:

Use of Franchise Brokers. The franchisor uses the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor’s current and former franchisees to ask them about their experience with the franchisor.

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	Pending
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

|

EXHIBIT ~~K~~J

RECEIPTS

(see attached)

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Accor Franchising US LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires us to provide you with this Disclosure Document at the earlier of the first personal meeting or ten business days before you sign a franchise or other agreement with, or make payment to, us or one of our affiliates in connection with the proposed franchise sale. Michigan requires that we provide you with this Disclosure Document at least ten business days before you sign a binding franchise or other agreement with, or make payment to, us or one of our affiliates in connection with the proposed franchise sale.

If Accor Franchising US LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit **1H**.

The name, principal business address and telephone number of the franchise sellers offering the franchise are as follows (check all that apply):

- Daniel Donovan, 711 5th Avenue, 7th Floor, New York, NY 10022, 614-312-9183;
- Sonia Egyhazy, 711 5th Avenue, 7th Floor, New York, NY 10022, 703-989-0333;

Xavier Grange, 82, rue Henri Farman, CS20077, 92445 Issy-les-Moulineaux, France, +33 7 64 45 80 25;

- Edouard Schwob, 711 5th Avenue, 7th Floor, New York, NY 10022, 347-931-4256;
- Mark Younam, 711 5th Avenue, 7th Floor, New York, NY 10022, 312-391-3236; and/or
- _____

Issuance Date: April ~~25~~10, ~~2025~~2026.

Accor Franchising US LLC authorizes the respective state agencies identified on Exhibit **1H** to receive service of process for it in the particular state.

I received a Disclosure Document dated April ~~25~~10, ~~2025~~2026 that included the following Exhibits:

- EXHIBIT A Franchise Application
- EXHIBIT B-1 Franchise Agreement (including Guarantee, Indemnification and Acknowledgment)
- EXHIBIT B-2 State Specific Amendments to Franchise Agreement
- EXHIBIT B-3 Developer Incentive Addendum
- EXHIBIT C Financial Statements
- EXHIBIT D Table of Contents for Manuals

EXHIBIT E Sample Oracle General Terms and Ordering Document

~~EXHIBIT F~~ ~~APDP Principles~~

EXHIBIT ~~GF~~ List of Franchisees

EXHIBIT ~~HG~~ List of Franchisees Who Left the System

EXHIBIT ~~IH~~ List of State Administrators and Agents for Service of Process

EXHIBIT ~~JL~~ State Addenda to Disclosure Document

EXHIBIT ~~KJ~~ Receipts

Individually and as an Officer of:

a

Dated: _____

Printed Name: _____

[Sign and return this page to Accor Franchising US LLC at NCAFranchising@accor.com]

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New York requires us to provide you with this Disclosure Document at the earlier of the first personal meeting or ten business days before you sign a franchise or other agreement with, or make payment to, us or one of our affiliates in connection with the proposed franchise sale. Michigan requires that we provide you with this Disclosure Document at least ten business days before you sign a binding franchise or other agreement with, or make payment to, us or one of our affiliates in connection with the proposed franchise sale.

If Accor Franchising US LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on [Exhibit IH](#).

The name, principal business address and telephone number of the franchise sellers offering the franchise are as follows (check all that apply):

Daniel Donovan, 711 5th Avenue, 7th Floor, New York, NY 10022, 614-312-9183;

Sonia Egyhazy, 711 5th Avenue, 7th Floor, New York, NY 10022, 703-989-0333;

[Xavier Grange, 82, rue Henri Farman, CS20077, 92445 Issy-les-Moulineaux, France, +33 7 64 45 80 25;](#)

Edouard Schwob, 711 5th Avenue, 7th Floor, New York, NY 10022, 347-931-4256;

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EXHIBIT ~~KJ~~ Receipts

Individually and as an Officer of:

a _____

Dated: _____

Printed Name: _____

[Keep this page for your records]