FRANCHISE DISCLOSURE DOCUMENT

Hard Rock Hotel Licensing, Inc.
A Florida corporation
5701 Stirling Road
Davie, Florida 33314
Phone: (954) 488-7804
E-Mail: **development_contact@hardrock.com**
Website: www.ReverbHotels.com

Hard Rock Hotel Licensing, Inc. offers franchises for the operation of an upscale, select-service hotel that operates under the name "Reverb."

The total investment necessary to begin operation of a Reverb franchise ranges from $15,~~290,000~~353,150 to $37,~~150,000~~251,650. This includes an amount ranging from $~~171,000~~209,150 to $~~445,000~~506,650 that must be paid to us and our affiliates.

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

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 the franchisor at 5701 Stirling Road, Davie, Florida 33314 or by phone at (954) 488-7804.

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

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

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

Issuance Date: April ~~20, 2020 (amended April 27, 2020)~~16, 2021

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 "E".
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 "F" 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 Reverb 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 Reverb hotel franchisee?	Item 20 or EXHIBIT "E" 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 "A".

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. **<u>Out-of-State Dispute Resolution</u>.** The franchise agreement requires you to resolve disputes with the franchisor by mediation or litigation only in Florida. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Florida 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.

TABLE OF CONTENTS

ITEM 1 FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, “we,” “us” and “the Company” mean Hard Rock Hotel Licensing, Inc. - the franchisor. “You” means the person who buys a Reverb franchise - the franchisee, and includes your partners if you are a partnership, your shareholders if you are a corporation, and your members if you are a limited liability company.

Corporate Information

Hard Rock Hotel Licensing, Inc. is a Florida corporation that was incorporated on February 28, 2001. Our principal business address is located at 5701 Stirling Road, Davie, Florida 33314 and our telephone number is (954) 488-7804. Our agent for service of process is disclosed in ~~EXHIBIT "B"~~EXHIBIT "B" to this Disclosure Document. We do not do business under any names other than “Hard Rock Hotel Licensing, Inc.” and our d/b/as “Hard Rock Hotels” and “Reverb Hotels.”

Business History

We began offering franchises for Reverb hotels in February of 2017.

In addition to offering Reverb franchises, we offer franchises for Hard Rock Hotels. We initially offered Hard Rock Hotel franchises from December 2001 to March 2004. We resumed offering franchises for Hard Rock Hotels in March 2007. ~~During this period~~As of ~~time~~December 30, 2020, we have sold a total of 9 Hard Rock Hotel franchises. A Hard Rock Hotel is a music themed full-service hotel establishment that provides lodging and food and beverage of a distinctive character and quality under the name Hard Rock Hotel. Hard Rock Hotels are offered under a separate Franchise Disclosure Document.

We have never offered franchises in any line of business of than Reverb hotels and Hard Rock Hotels. In addition to offering Reverb and Hard Rock Hotel franchises, we have, on occasion, entered into hotel management agreements with the owners of Hard Rock Hotels, pursuant to which we agree to manage the hotel on behalf of the owner.

We have never operated a Reverb hotel. We are not engaged in any lines of business other than offering franchises for Reverb hotels and Hard Rock Hotels, administering the associated franchise systems and managing hotels.

Parents, Affiliates and Predecessors

We do not have any predecessors. ~~We do not have any affiliates have operated a Reverb hotel.~~

Our direct parent company is Hard Rock Cafe International (USA), Inc. (“**HRC**”). HRC’s principal business is listed in the table below that summarizes the franchising activities of our affiliates. Our indirect parent company is Seminole Hard Rock Entertainment, Inc., whose principal business address is c/o Hard Rock Cafe International (USA), Inc., 5701 Stirling Road, Davie, Florida 33314.

We do not have any affiliates have operated a Reverb hotel. We do not have any affiliates that provide any goods or services to our franchisees other than our parent company, HRC. HRC administers the hotel reservation system that must be used at your Hotel. HRC will also provide you with hotel room sales and lead generation assistance and will administer the Reverb hotel room referral services program.

We have several affiliates that offer franchises for various lines of business, including Reverb hotels, Hard Rock Hotels and Hard Rock Cafe Restaurants. Reverb hotels are described below under the Section entitled “Description of the Franchised Business.” Hard Rock Hotels are described above under the Section entitled “Business History.” Hard Rock Cafe Restaurants are sit-down restaurants that offer an American menu in a rock-music based environment. These restaurants promote the “amplified service” culture and house a variety of rock-n’-roll memorabilia. ~~Hard Rock Cafe Restaurants also sell a variety of branded merchandise.~~ Hard Rock Cafe Restaurants also sell a variety of branded merchandise, including through Rock Shops that may be located within, adjacent to or separate from the restaurant itself. Historically, our development strategy was to operate all Hard Rock Cafe restaurants within the United States as company-owned or affiliate-owned restaurants, with limited exceptions. We are currently evaluating a franchise growth model for Hard Rock Cafe restaurants within the United States. We do not currently have a U.S. Franchise Disclosure Document for the grant of Hard Rock Cafe franchise rights. However, we are in the process of developing one and anticipate offering Hard Rock Cafe franchises within the United States before the end of 2021 through an affiliated entity.

Our affiliates that offer franchises include: (i) HRC Canada Inc. ("**HRC Canada**"); (ii) HRC; (iii) Hard Rock Limited ("**Hard Rock Limited**"); (iv) Hard Rock Holdings Limited ("**HRH Limited**"); (v) Hard Rock International Limited ("**HRIL**"); and (vi) Hard Rock Cafe (UK) Limited ("**HRC UK**"). The following table summarizes the franchising activities of our affiliates:

AFFILIATES THAT OFFER FRANCHISES				
Affiliate	**Address**	**Line of Business**	**Period of Time Offered**	**Total Number Sold (as of 12/31/2020)**
HRC Canada	100 King Street West, Ste. 6200 1 First Canadian Place Toronto, Ontario Canada M5X 1B8	Reverb Hotel	2020 to present	0
		Hard Rock Hotel	2020 to present	~~0~~1
HRC	5701 Stirling Road Davie, Florida 33314	Hard Rock Hotel	1998 to 2001	4
		Hard Rock Cafe Restaurant	2017 to present	4
HRIL	Cannon Place 78 Cannon Street London EC4N 6AF	Hard Rock Hotel	2016 to present	1
Hard Rock Limited	c/o Appleby Global 13-14 Esplanade St. Helier, Jersey JE1 1EE Channel Islands	Hard Rock Hotel	1998 to present	19
		Hard Rock Cafe Restaurant	1983 to present	12~~2~~4
HRH Limited	Cannon Place 78 Cannon Street London EC4N 6AF	Hard Rock Hotel	1997 to present	5
		Hard Rock Cafe Restaurant	2000 to present	29
HRC UK	Cannon Place 78 Cannon Street London EC4N 6AF	Hard Rock Cafe Restaurant	2016 to present	0

Description of Franchised Business

If you acquire a Reverb franchise, you will establish and operate an upscale, select-service hotel that operates under the name "Reverb" (your "**Business**" or your "**Hotel**"). Reverb hotels include limited "grab and go" healthy food and beverage service, a lobby bar, a fitness facility and any other elements that we approve. Reverb hotels also offer a limited assortment of merchandise and retail items. Currently, Reverb hotels do not offer and sell merchandise that bears, or is associated with, any trademarks owned by us or our affiliates ("**Branded Merchandise**"), but we may impose this requirement in the future. In some cases, franchisees may convert an existing guest lodging facility to a Reverb hotel (a "**Conversion Hotel**"). Other Reverb hotels are newly constructed facilities (a "**New Construction Hotel**").

We will grant you a license to use certain logos, service marks and trademarks, including the service mark "Reverb" (collectively, the "**Marks**") in the operation of your Business. The "Marks" also include our distinctive trade dress used to identify a Reverb hotel, whether now in existence or created in the future. You must sign a franchise agreement (the "**Franchise Agreement**") and operate your Business in accordance with the terms of the Franchise Agreement. The form of Franchise Agreement is attached to this Disclosure Document as EXHIBIT "C". You must also follow the procedures, standards, specifications, controls, systems, manuals, guides, and other distinguishing elements or characteristics that we or our affiliates have developed for Reverb hotels (the "**System**"). You must comply with our Standards of Operation and Design Manual and any other manual we publish or distribute pertaining to the System (collectively, the "**System Standards Manual**").

Your Hotel must participate in HRC's central reservation system (the "**Reservation System**") at your sole cost and expense. Your Hotel must follow all requirements for participation in the Reservation System determined periodically by us and our affiliates (or our designee). These requirements are set forth in the System Standards Manual. Your Hotel must also participate in HRC's hotel room sales and lead generation program (the "**Sales Referral Program**"), which is also described in more detail in the System Standards Manual.

On rare occasion, we may grant a franchisee the right to develop, operate, own, manage and promote a Reverb Hotel that incorporates condominiums or other residential units (referred to as a "**Mixed Use Hotel**"). We may condition our approval on any terms and conditions that we prescribe in our sole discretion, and we may deny a franchisee's request to establish and operate a Mixed Use Hotel for any reason or no reason. Because of the uniqueness of each Mixed Use Hotel, we do not have any standard terms or conditions that we impose for the establishment and operation of a Mixed Used Hotel. If we authorize you to operate a Mixed Use Hotel, you and we will: (i) separately negotiate the terms and conditions upon which you may establish and operate, and incorporate into your Hotel, condominiums or other residential units ("**Residential Units**"); and (ii) enter into an Amendment to the Franchise Agreement incorporating such terms and conditions.

You will operate your Hotel as an independent business using the Marks, the System, the Reverb name, as well as the support, guidance and other methods and materials provided or developed by us.

Market and Competition

The hotel business generally consists of the sale of lodging as well as food and beverages and certain ancillary goods and services. Hotel stays are typically purchased by visitors to the area, consisting of a combination of tourists and business visitors. In some areas, demand for lodging services varies significantly by season.

Reverb hotels target customers of all ages and demographics. As a franchisee, you will face direct competition from any hotel that are located in your market. The lodging industry is competitive and well developed. Many hotel systems operate under a franchise model.

Laws and Regulations

You must comply with a number of federal, state and local laws and regulations which apply to businesses generally and to the construction and operation of hotels. These include environmental laws and those relating to zoning and construction, permits and licensing; public accommodations and accessibility by persons with disabilities; labor; occupational safety; fire safety; health and food storage, preparation and service; the sale of alcoholic beverages (including liquor licensing laws); data protection and data processing; and laws regulating the posting of hotel room rates and the registration and identification of guests. You must also comply with real estate laws and securities laws if we authorize you to sell condominium units and/or other approved residential properties as part of a Mixed Use Hotel. In addition to these laws, laws of general application may have special relevance to hotels. Consult your attorney for more information on these and other laws.

ITEM 2 BUSINESS EXPERIENCE

Chief Operating Officer~~—~~: Hotels & Casinos: Jon Lucas

Mr. Lucas has been our and HRC's Chief Operating Officer since May 2017. From February 2015 ~~until~~to May 2017, Mr. Lucas served as our and HRC's Executive Vice President of Operations for us and for HRC.

~~Senior~~Executive Vice President ~~of Finance – Dan Boudreaux~~& Chief Legal Officer: Ilkim Hincer

Mr. ~~Boudreaux~~Hincer has been our and HRC's ~~Senior~~Executive Vice President ~~of Finance~~and Chief Legal Officer since ~~May 2018~~February 2020. From ~~October 2013 to May~~July 2018 to February 2020, Mr. Hincer served as: (i) Partner and Head of Gaming, Lottery and eSports Group for McCarthy Tétrault in Toronto, Ontario; and (ii) President and Chief Executive Officer for MT > Play in Toronto, Ontario. From July 2017 to February 2020, Mr. Hincer served as President for Hincer Advisory Services Inc. in Toronto, Ontario. From September 2015 to July 2018, Mr. Hincer served as Counsel for Osler, Hoskin & Harcourt LLP in Toronto, Ontario.

Chief Marketing Officer: Jeff Hook

Mr. ~~Boudreaux was~~ Hook has been our and HRC's Chief Marketing Officer since November 2019. From November 2019 to present, Mr. Hook has also served as Executive Vice President and ~~CFO for Choctaw Resort~~ Chief Marketing Officer for Seminole Hard Rock Support Services, Inc. in Davie, Florida. From July 2018 to November 2019, Mr. Hook served as Senior Vice President of Marketing for Seminole Hard Rock Support Services, Inc. in Davie, Florida. From May 2014 to July 2018, Mr. Hook served as Senior Vice President of Business Development ~~Enterprise~~for HRC in ~~Choctaw, Mississippi.~~

~~Director of Business Affairs – Violeta Longino~~

Orlando~~Ms. Longino has served as our and HRC's Director of Business Affairs since October 2018. From October 2014 to December 2017 Ms. Longino served as Vice President, Deputy General Counsel and Regional Compliance Officer for Accor North and Central America in Doral~~, Florida~~.~~

~~Vice President of Operations, Development – Andrew Nasskau~~

~~Mr. Nasskau has been our and HRC's Vice President of Operations, Development since January 2015.~~

~~Vice President of Hotel Marketing – Kristine Rose~~

and Hollywood~~Ms. Rose has been our and HRC's Vice President of Hotel Marketing since February 2019. From May 2015 to May 2018, she was the Chief Marketing Officer of Consumer Concept Group in Denver, Colorado. From October 2012 to May 2015, she was the Vice President of Global Brands for Hyatt Hotels Corporation | Hyatt Regency, Hyatt Centric and Hyatt in Chicago, Illinois.~~

~~Senior Vice President, Global Sales & Marketing – Danielle Babilino~~

~~Ms. Babilino has served as our and HRC's Senior Vice President, Global Sales & Marketing since January 2018. From April 2015 to April 2017 she was Executive Vice President, Sales & Marketing, with Alon Las Vegas in Las Vegas, Nevada. From August 2008 to April 2015 she was Senior Vice President, Sales with Wynn/Encore in Las Vegas, Nevada. She was not employed from May 2017 to December 2017.~~

~~Vice President of Revenue – Alexis Remy~~

~~Mr. Remy has served as our and HRC's Vice President of Revenue since August 2018. From November 2014 to August 2018 he served as Regional Director of Revenue for Accor North America in Doral~~, Florida.

~~Vice President of Operations, Reverb by Hard Rock Hotel – Sal Rivera~~

~~Mr. Rivera has served as our and HRC's Vice President of Operations, Reverb by Hard Rock Hotel since October 2017. From March 2016 to October 2017, he served as AVP of Operations Hotels & Casinos – Latin America for HRC. From April 2012 to March 2016, he served as Director of Operations – Latin America for HRC.~~

~~**Vice President of Business Affairs: Brian Alexander**~~

~~Mr. Alexander has served as our and HRC's Vice President of Business Affairs since December 2014 and has also served as its Acting General Counsel from April, 2018 to February 2020.~~

Senior Vice President of Hotels: Michael "Dale" Hipsh

Mr. Hipsh has been our and HRC's Senior Vice President of Hotels since April 2017. From November 2014 ~~until~~to April 2017, Mr. Hipsh served as our and HRC's Vice President of Hotel & Casino Operations Development.

Senior Vice President, Global Sales & Marketing: Danielle Babilino

Ms. Babilino has been our and HRC's Senior Vice President, Global Sales & Marketing since January 2018. From April 2015 to April 2017, Ms. Babilino was Executive Vice President, Sales & Marketing, with Alon Las Vegas in Las Vegas, Nevada. Ms.

Babilino was not employed from May 2017 to December 2017.

Senior Vice President, Head of Global Hotel Business Development: Todd Hricko

Mr. Hricko has been our and HRC's SVP, Head of Global Hotel Business Development since August 2017. From November 2014 to August 2017, Mr. Hricko served as Vice President of Hotel Development – USA & Canada.

SVP, Head of North America Hotel Business Development: Michael Dean

Mr. Dean has been our and HRC's SVP, Head of North America Hotel Business Development since December 2017. From December 2016 to November 2017, he served as Chief Development Officer of Radisson Hotel Group in Minneapolis, Minnesota. From April 2012 to June 2016, he was Managing Director Hotels for GE Capital in Scottsdale, Arizona.

Vice President of Operations, Reverb by Hard Rock Hotel: Sal Rivera

Mr. Rivera has been our and HRC's Vice President of Operations, Reverb by Hard Rock Hotel since October 2017. From March 2016 to October 2017, Mr. Rivera served as AVP of Operations Hotels & Casinos – Latin America for HRC.

Vice President & Deputy General Counsel: Frank Chesky

Mr. Chesky has been our and HRC's Vice President and Deputy General Counsel since March 2021. From October 2017 to February 2021, Mr. Chesky was Vice President and General Counsel of Boardwalk 1000, LLC in Atlantic City, New Jersey. From October 2010 to October 2017, Mr. Chesky was Executive Vice President and General Counsel of Sportech, Inc. in New Haven, Connecticut.

Director of Business Affairs: Violeta Longino

Ms. ~~**SVP**~~Longino has been our and HRC's Director of Business Affairs since October 2018. From October 2014 to December 2017, Ms. Longino served as Vice President, Deputy General Counsel and Regional Compliance for Accor North and Central America in Doral, Florida.~~**, Head of Global Hotel Business Development: Todd Hricko**~~

~~Mr. Hricko has been our and HRC's SVP, Head of Global Hotel Business Development since August 2017. From November 2014 until August 2017, he served as Vice President of Hotel Development – USA & Canada.~~

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item. California law requires additional disclosures related to the information contained in Item 3. These additional disclosures appear in the California Addendum that is attached to this Disclosure Document as EXHIBIT "J".

ITEM 4 BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

The following initial fees are imposed prior to the opening of your Hotel. All initial fees are uniformly imposed and nonrefundable except as otherwise specified.

Application Fee

You must complete our form of franchise application to help us evaluate your qualifications to become a franchisee. At the time you submit your application, you must pay us a $25,000 application fee. ~~The~~In 2020 we waived the application fee for 2 franchisees and charged a 3rd franchisee a discounted $10,000 application fee. Except as disclosed in the preceding sentence, the application fee is uniformly imposed~~, although in 2019 we agreed to a negotiated application fee of $5,000 for a franchisee with a 147 room hotel.~~.

Initial Franchise Fee

You must pay us an initial franchise fee equal to the greater of: (i) $50,000 or (ii) $500 multiplied by the total number of guest rooms at the hotel. The initial franchise fee is due in full upon execution of the Franchise Agreement. In 2020, we waived the initial franchise fee for 3 franchisees. Except as disclosed in the preceding sentence, the initial franchise fee is uniformly imposed.

Technical Services Fee

You must pay us a technical services fee of $500 per guest room. We expect most Hotels to have between 100 and 200 guest rooms, which results in a technical services fee ranging from $50,000 to $100,000. Fifty percent (50%) of this fee is payable when you sign the Franchise Agreement with the balance paid in 12 to 18 equal monthly installments (we designate the specific number of installments) until the opening of your Hotel for business. If you open your Hotel earlier than the target opening date, the full remaining balance of the technical services fee will be due on the date your Hotel opens.

Reimbursement of Costs/Expenses

You must reimburse us for our cost of conducting background checks on each of your owners that holds a 5% or greater equity interest in the franchisee entity. We estimate that these cost reimbursements will range from $6,000 to $50,000. In 2020 we waived our right to seek reimbursement for the costs of the initial background checks for 3 franchisees.

You must reimburse us for ~~our~~all costs and expenses we incur in providing ~~the staff of trainers to provide on-site~~our initial training ~~at the Hotel and Walk This Way training.~~program to you. We estimate that these reimbursable costs and expenses will range from $~~25~~40,000 to $~~35~~60,000~~,~~. The total amount of these training costs will vary depending on the ~~location~~number of ~~the Hotel.~~ your staff members, the number of our trainers deployed and the level of pre-opening / live support that you require.

In addition to the technical services fee, you must reimburse us, within 30 days after we submit an invoice to you, for all actual costs that we incur in providing the technical services, including travel, accommodations and other expenses (but not salaries or overhead). We estimate these costs will range from $5,000 to $25,000.

The total amount of reimbursable expenses is expected to range from $~~36~~51,000 to $~~110~~135,000.

Reservation System Set-Up Fee

You must pay HRC a one-time Reservation System set-up fee of $10,000, which covers the costs to set up the website, booking widget and the central reservation system. The set-up fee is due 12 months prior to the scheduled opening date of the Hotel.

Optional Architectural and Design Services Fee

Upon your request, we will provide you with various architectural services and design services relating to the planning and development of your Hotel. We may charge you a fee for this optional service. The amount of the fee will vary depending on the specific services that you request, but we estimate the total fee will not exceed $100,000. The fee is due within 10 days after invoicing.

Construction Extension Fee

If you are developing a Conversion Hotel, you must complete all required construction within 12 months after the effective date of the Franchise Agreement. If you are developing a New Construction Hotel, you must complete all required construction within: (i) 18 months after the effective date of the Franchise Agreement if your Hotel will have 100 or fewer rooms; or (ii) 20 months after the effective date of the Franchise Agreement if your Hotel will have more than 100 rooms. If you fail to complete construction within the required period of time and we agree in our sole discretion to extend the deadline for completion of construction, then you must pay us a construction extension fee equal to $2 per guest room per day for the duration of the extension period. The extension fee is payable at the end of each 30-day extension period. By way of example, if your Hotel has 120 guest rooms and we grant you a 60-day extension of your construction deadline, you must pay us an extension fee of $14,400, payable in 2 installments of $7,200 each.

Inspection Fees

Prior to opening, certain companies that we designate must complete various inspections of your Hotel. You must pay us the fees charged by these companies, which we in turn remit to the companies conducting the inspections. We currently require that you pay us the following fees for the various inspections conducted prior to opening:

- Medallia Guest Survey Program – You must pay us an $8,650 one-time setup fee relating to the Medallia Guest Survey and Online Aggregator program that is part of our Quality Assurance Program.

- Risk Assessment / Safety Inspection – You must pay us a $6,000 one-time fee relating to the Risk Assessment / Safety Inspection firm conducted by our designated risk assessment company.

- AV Inspection – You must pay us a fee ranging from $8,500 to $22,000 relating to the inspection of the Hotel's AV system by our designated AV consultant.

The fees listed above are uniformly imposed and due 30 days after invoicing. We do not retain any portion of these fees.

Reinspection Fee

If we must return to your Hotel to inspect it as a result of your failure to complete any improvement by the deadline established in the Punch List, we may charge you a reinspection fee of $5,000 per visit.

Residential Unit Fee

If we approve your request to operate a Mixed Use Hotel, we may charge you a fee of 3% of the total value (i.e., total gross proceeds derived from the sale) of all Residential Units sold and marketed in connection with your Hotel and the Reverb brand. The residential unit fee would be due upon the closing of the sale of each Residential Unit. The residential unit fee is uniformly imposed and nonrefundable.

ITEM 6 OTHER FEES

TYPE OF FEE [1]	AMOUNT	DUE DATE	REMARKS
Royalty Fee	Sum of (a) 5.5% of ~~Total~~Room Revenues plus (b) 10% of Merchandise Revenues [2]	10th day of month for prior month's operations	See Note 2.
Program Fee	5.5% of Room Revenues [2]	~~10th day of month for prior month's operations~~Same as royalty fee	See Note 3.
Loyalty Program / Frequent Traveler Fees and Contributions	Varies by program	On demand	See Note 4.
Service Fee (Sales Referral Program)	5% of the sum of the following amounts received by the Hotel: (a) all revenues, and in the case of an all-inclusive resort, All-Inclusive Package revenues achieved in connection with all Bookings, (b) any liquidated damages, termination or cancellation fees in connection with all Bookings, (c) any non-refundable deposit in connection with all Bookings and (d) any attrition payment made by all Bookings.	50% upon confirmation of the room/event contract or banquet event order with balance due 30 days after earliest of (i) departure from Hotel by guest/group; (ii) payment of liquidated damages, cancellation fee or termination relating to the Booking; or (ii) any attrition payment made by a Booking.	A "Booking" means a reservation for 10 or more guest rooms, catering and/or meeting or exhibit space at the Hotel entered into or recorded in the Reservation System as a result of a sale or lead generated by HRC.
Guest Services Assessment	$100 plus our costs to settle a guest complaint	10 days after invoice	If we receive a guest complaint, you must resolve the complaint within 7 business days after you receive notice from us. If you fail to do so and the guest contacts us again relating to the complaint, then we may charge you the guest services assessment.
Service Interruption Fee	$200 (increased to $500 if we must reactivate service 3 or more times in any 12 month period)	10 days after invoice	We may suspend the Reservation System service for your Hotel if you default under the Franchise Agreement. We may charge you the service interruption fee when we reactivate service.
Training Fees and Reimbursement of Training Costs	Varies	10 days after invoice	See Note ~~4~~5.

TYPE OF FEE [1]	AMOUNT	DUE DATE	REMARKS
Reimbursement of Costs of Background Checks	Varies	10 days after invoice	We must conduct a background check on all individuals who will hold a direct or indirect equity interest of 5% or greater in the franchisee entity. You must reimburse us for the costs we incur in conducting these background checks.
Required Purchases	Costs will vary depending on the circumstances	When goods are delivered, unless otherwise arranged	You must purchase certain products according to our standards and specifications or from approved or designated vendors, which may include us or our affiliates.
Quality Assurance Program Expense	Varies	As incurred	See Note ~~5~~6.
Fraudulent Review Inspection Expense	Cost of inspection	As incurred	See Note ~~6~~7.
Audit Fee	$1,000 plus cost of audit	10 days after invoice	Payable only if the audit (i) reveals that you have understated the sum of Total Revenues and Merchandise Revenues by at least 3% or (ii) is necessary because you fail to cooperate with the audit, prepare reports, or furnish required information or reports to us in a timely manner. We may increase the audit fee by no more than 5% per year on a cumulative basis.
Late Fee	Lesser of 1.5% per month or highest rate allowed by applicable law	10 days after invoice	Payable with respect to any fees or amounts that are not paid to us when due.
Securities Offering Review Fee	$5,000 plus attorneys' fees	At time you submit securities offering materials	If you intend to offer securities in the franchisee entity (or any affiliate) to any person, you must send us, for review, all offering materials relating to the securities offering. You must send us the materials at least 60 days before distributing them to prospective buyers or filing them with any government agency.
Transfer Fee	Not Applicable	Not Applicable	We do not charge you a transfer fee if you transfer your franchise for your Hotel. Instead, the buyer must pay us our then-current application fee and initial franchise fee. The buyer must also reimburse us for the costs we incur for conducting a background check on the new owners.
Indemnification	Will vary with circumstances	10 days after invoice	You must indemnify and reimburse us for any damages, losses or expenses we incur as a result of the operation of your Hotel, your breach of the Franchise Agreement, or the errors or omissions or negligence of you or your staff or other representatives.

TYPE OF FEE [1]	AMOUNT	DUE DATE	REMARKS
Attorneys' Fees and Costs	Will vary with circumstances	Upon demand	You must reimburse us for all attorneys' fees and other costs we incur relating to your breach of any term of the Franchise Agreement if we are the prevailing party. If you are the prevailing party, we must reimburse you for your attorneys' fees and costs.
Residential Unit Fee	3% of gross sales proceeds from the ~~se ale~~sale of each Residential Unit	Upon closing of sale	Applies only if you request, and we approve your request, to incorporate Residential Units at your Hotel as part of a Mixed Use Hotel. Depending on the specific features, amenities, services and programs that you offer (and we approve) in connection with the Residential Units, we may either: (i) charge reasonable additional fees in connection with such features, amenities, services and programs; and/or (ii) include revenues that you derive from such features, amenities, services and programs in your calculation of Total Revenues, in which case you must pay Royalty Fees and Program Fees with respect to such revenues.
Liquidated Damages	Varies	10 days after termination (in certain instances) 30 days after termination (in other instances)	See Note ~~7~~8.
Withholding Taxes	Amounts paid (if any) will vary	As incurred	If applicable law requires you to deduct any withholding tax from any payment owed to us, you must increase the affected payment to us by an amount equal to the withholding tax so we receive the same net amount that we would have received if no withholding tax had been applicable to the payment.

~~NOTES~~Notes:

1. All fees or charges above are imposed, collected by and payable to us or an affiliate and are nonrefundable unless otherwise stated. All fees are uniformly imposed except as disclosed in this Item. However, in the past certain franchisees may have signed Franchise Agreement with ongoing fees that are different than the fees listed above. All fees, expenses and reimbursements due to us or our affiliates must be paid by wire transfer of immediately available funds to an account designated by us.

2. You must provide us with monthly reports of your Room Revenues, Food and Beverage Revenues, Merchandise Revenues and Total Revenues. Each of these terms is defined below:

   "**Room Revenues**" means gross revenues derived from or attributable to rentals of guest rooms at the Hotel. With respect to the sale of a "guest package" that is lodging accommodations sold in conjunction with other goods, hotel amenities or services provided by either the property or third parties as part of a single transaction, "Room Revenues" shall be calculated as the ADR (Average Daily Rate) for your Hotel on the day the guest package is sold. Any revenues derived from the sale of a "guest package" in excess of ADR shall be excluded from "Room Revenues" but shall be included in "Total Revenues." "Room Revenues" does not include the imputed value of complimentary hotel rooms.

"**Food and Beverage Revenues**" means gross revenues derived from or attributable to the sale of any food or beverage at or from the Hotel. "Food and Beverage Revenues" does not include any revenues associated with food or beverage items that are included as part of a "guest package". With respect to any food and beverage sold at or from your Hotel by any person other than you or your affiliate, "Food and Beverage Revenues" shall include all fees payable to you or your affiliate in connection with the sale of such food and beverage, including, without limitation, rental fees for use of space within the Hotel, fees for the right to place vending machines within the Hotel, and fees calculated as a percentage of revenues generated by such person from the sale of food and beverage (but Food and Beverage Revenues shall not include the gross revenues derived by such person from the sale of food and beverage except to the extent such revenues are paid to you or your affiliate).

"**Merchandise Revenues**" means gross revenues derived from or attributable to the sale of any Branded Merchandise offered at the Hotel, including the full purchase price of purchases in whole or in part by means of gift certificates, advertising certificates or trade-ins.

"**Total Revenues**" means Room Revenues, Food and Beverage Revenues and all other revenues and income of any kind that are derived from or attributable to the operation of the Hotel, including, without limitation: (i) revenues from the sale of Hotel amenities, such as room service, parking facilities, Internet and telephone access and usage, arcades, health clubs, spas, recreational activities, entertainment (including in-room movies), key forfeiture and vending machines; and (ii) rentals and other payments made by licensees, lessees or concessionaires of retail space in the Hotel. "Total Revenues" shall not include any Merchandise Revenues.

For purposes of calculating Room Revenues, Food and Beverage Revenues, Merchandise Revenues and Total Revenues, you must include:

a. the full purchase price, whether for cash, check, credit card, credit transactions, or otherwise;

b. the full amount of any check, credit card or other credit transaction, regardless of whether such amount is ultimately collected; and

c. the fair market value of any barter or other non-cash property and/or services received as an alternative to cash payments.

For purposes of calculating Room Revenues, Food and Beverage Revenues, Merchandise Revenues and Total Revenues, the following amounts shall be excluded:

a. Federal, state or local excise, sales, occupancy, resort, use, and other taxes collected from patrons or guests as a part of or based upon the sales price of any goods or services, including gross receipts, room, bed, admission, cabaret, or similar taxes;

b. Gratuities to employees or service charges levied in lieu of such gratuities which, in either case, are paid to employees;

c. Revenues derived from the financing, sale or other disposition of the Hotel, capital assets, furniture, fixtures and equipment, and other items not in the ordinary course of the Hotel's operations and income derived from securities and other property acquired and held for investment purposes;

d. Interest on funds held in the Reserve Fund discussed in Item 11 of this Disclosure Document;

e. Receipts from awards or sales relating to any taking, from other transfers in lieu of and under the threat of any taking, and other receipts relating to any taking, but only to the extent that such amounts are specifically identified as compensation for alterations or physical damage to the Hotel; or

f. proceeds of any hazard or casualty insurance, other than business interruption insurance.

3. You must pay us the Program Fee which may be utilized for a variety of purposes, including (i) contributions to a marketing fund; (ii) covering fees and costs associated with the development and licensing of software and technology and the provision of related services (for example, ongoing maintenance, support, updates and upgrades); and (iii) covering fees charged for administering a computerized Reservation System (each further discussed below).

We will maintain and administer a marketing fund to promote public awareness and usage of Reverb hotels by implementing advertising, promotion, publicity, market research, loyalty marketing and other marketing programs, training programs and related activities~~.~~ (the "**Marketing Program**"). You will have no voting rights pertaining to the administration of the fund, the creation and placement of the marketing materials or the amount of the required contribution. ~~We may~~You must contribute ~~to the~~a monthly marketing ~~fund an~~fee (the "**Marketing Fee**") in the amount that we specify from time to time (not to exceed the sum of 1.5% of Total Revenues plus 1.5% of Merchandise Revenues~~.~~). We will deduct the Marketing Fee from the Program Fee you must pay to us. As of December 31, 2020, we had not begun collecting Marketing Fees or administering the marketing fund. In addition to the ~~marketing fund fee~~Marketing Fee that is included as part of the Program Fee, you must spend a commercially reasonable amount of money, consistent with industry standard, to market, advertise and promote your Hotel locally. Current industry standard for local marketing ranges from 4% to 7% of the hotel's total revenues.

We will operate and maintain (either directly or through a subcontracting relationship with a third party) a computerized Reservation System. A portion of the Program Fee is paid for the acquisition, development, support, equipping, maintenance, improvement and operation of the Reservation System. We may contribute up to 2% of Room Revenues as a Basic Reservation Fee. In addition to the monthly Program Fee and a one-time $10,000 Reservation System set-up fee, you will also pay all travel agent commissions generated through the Reservation System for reservations at the Hotel within 10 days after receipt of an invoice for these commissions. Third parties not affiliated with us or HRC (for example, Expedia or Hotels.com) may impose fees relating to bookings made through the Reservation System and these third-party fees, expenses or commissions are in addition to, and not included within, the Program Fee or Reservation System set-up fee. You are solely responsible for payment of telecommunications costs and long distance carrier costs incurred in connection with "CRO" generated bookings. "CRO" refers to any of the offices of Hard Rock Cafe International (USA), Inc., including, without limitation, any central reservations system or "800" number established by Hard Rock Cafe International (USA), Inc., through which reservations are processed by voice operators. The Hotel's property management system vendor may impose additional fees and require you to obtain certain licenses in order to establish a two-way interface with the Reservation System. If additional customization is required in connection with the set-up of the Reservation System for your Hotel, you must reimburse HRC for all costs incurred by HRC to meet the additional scope of work required for such customization. Any of the foregoing third party fees, expenses or commissions are in addition to and not included with the Program Fees and the Reservation Set-up Fee.

You must acquire, operate and maintain a computer-based property management system and provide guests with innovative technology for communications and entertainment. You must purchase the computer system and other equipment and software that we specify. We may modify our system standards to require new technology at all Reverb Hotels. At our request, you must participate in any intranet or extranet system developed for use in connection with the System. This intranet or extranet system may be combined with that of our affiliates and will be paid for by a portion of the Program Fee. You must comply with all terms and conditions that we prescribe for the use of the intranet or extranet system.

The Program Fee is subject to change for all Reverb Hotels, and new fees and charges may be assessed for new services, but only upon the recommendation of the Executive Committee and with our approval.

4. You must participate in all loyalty, special marketing and frequent traveler programs that we establish from time to time. These programs and the fees associated with these programs are subject to change.

   You must pay your fair share of the cost of system-wide programs and other marketing initiatives now existence or developed in the future, including Hard Rock Rewards and other frequent travel programs, market initiatives or other programs that we may develop. These fees and costs would be in addition to the Program Fees you are required to pay us.

   Currently, we require that you participate in our "Hard Rock Rewards" program, which is our guest recognition program that is affiliated with "Hard Rock" and "Reverb" branded facilities. You must purchase certain equipment to install at your Hotel in connection with the Hard Rock Rewards program as required by the Manuals. In addition, you must obtain software licenses from third parties as specified in the Manuals at your cost in order to participate in the Hard Rock Rewards program. Under the current version of the program, you are not required to make any contributions to the Rewards program based on purchases made by Hard Rock Rewards members.

   We reserve the right to change terms of the program, the costs and redemption reimbursement amounts, the calculation factors and the required equipment and software licenses at any time. During 2021, the current Hard Rock Rewards loyalty program may be replaced by a new program with different terms and conditions, yet to be defined. We will publish the details as soon as they become available. We also may require you to participate in other special marketing programs or frequent traveler programs, and you must pay any fees and purchase any equipment that we require to participate in in these programs.

~~4.~~5. All training will be conducted at your expense. You must reimburse us for our costs associated with providing our initial training program to you (estimated to range from $25,000 to $35,000). You are responsible for all travel, lodging and other expenses incurred by your employees during training. If any training is conducted at your Hotel, you must reimburse us for reasonable travel expenses, accommodations, subsistence, materials and other reasonable expenses of those reasonably necessary persons we send to your Hotel to conduct the training. Upon our request, you must provide lodging for our training team if training is conducted at your Hotel. We do not charge any other training fees at this time, although we reserve the right to charge additional training fees for new training programs in the future. In addition to reimbursing us for the costs we incur in providing training, you are responsible for all travel expenses, accommodations, subsistence and other expenses of your employees, including your employees' compensation, related to attendance at our training programs (some of which may be held at our headquarters or other training facilities that we specify).

6. We ~~reserve the right to engage the services~~have developed a Quality Assurance Program that consists of ~~one or more quality assurance inspection firms for purposes~~a variety of ~~inspecting Reverb hotels for quality control purposes.~~periodic inspections and evaluations of your Hotel. These inspections and evaluations may take place at any time and may address a variety of issues, including, without limitation, food safety and sanitation issues. ~~Franchisees may be invoiced directly by the quality assurance firm for the services rendered. Alternatively, we may be invoiced by the quality assurance firm and charge you, in turn, the amounts we pay for the inspection of your Hotel. We will not charge you for more than 4 inspections per calendar year.~~ The inspections and evaluations may be conducted by us, our affiliates, or third-party providers that we designate. The table below includes a description of the current inspections and evaluations that comprise our Quality Assurance Program, along with the associated fees:

Quality Assurance Program			
Program	**Frequency**	**Fee**	**Due Date**
Mystery Shopper Inspection	No minimum or maximum frequency	$4,000 per year paid in 4 quarterly installments of $1,000.	30 days after invoicing (invoice is sent 10 days after report is issued)
Food Safety HCAAP Inspection	2 times per year	$550 per inspection ($1,100 per year)	30 days after invoicing (invoice is sent 10 days after report is issued)
Brand Compliance Evaluation	1 time per year	No additional fee	Not Applicable
Medallia Guest Survey Program with Online Aggregator	No minimum or maximum frequency	$8,250 one-time setup fee Monthly fee calculated as $3.00 multiplied by total number of guest rooms in your Hotel	30 days after invoicing ($8,250 setup fee invoiced prior to opening and monthly fee invoiced on a monthly basis)

With the exception of the Brand Compliance Evaluation (which we conduct ourselves), we have contracted with specific third-party providers for purposes of implementing the Quality Assurance Program inspections and evaluations listed above. We remit all of the fees listed in the table above to the applicable provider and do not retain any portion for ourselves.

If the Hotel fails an inspection, you refuse to cooperate with our inspector, or you refuse to comply with our published inspection System Standards, then you will pay us when invoiced for any Reinspection Fee that we impose (not to exceed $5,000 for each reinspection).

~~5.~~7. If your Hotel receives a "red penalty notice" (or other similar designation) by TripAdvisor (or any other reputable online review site) due to fraudulent reviews, we may require that you pay for a company that we designate to investigate the fraudulent reviews. You must follow all steps recommended by the company to rectify the situation at your expense. We may terminate the Franchise Agreement if you receive 2 or more "red penalty notices" (or other similar designation) within any 12-month period, or 3 or more "red penalty notices" (or other similar designation) during the term of the Franchise Agreement, for fraudulent reviews.

~~6.~~8. If we terminate the Franchise Agreement prior to the expiration date or you terminate the Franchise Agreement prior to the expiration date (except due to condemnation or casualty or due to our uncured default), you must pay us an early termination fee as liquidated damages. Liquidated damages are calculated as the product of 36 multiplied by the average monthly Royalties and Program Fees imposed during the immediately preceding 12 full calendar months (or the number of full calendar months after the opening date if less than 12). If the termination occurs prior to the opening date, then the amount of liquidated damages will be ~~$150,000~~an amount equal to $3,600 multiplied by the total number of guest rooms that we approved for the Hotel. You will also pay any applicable taxes assessed on such payment and default interest accruing from 30 days after the date of termination.

ITEM 7 ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Feasibility study	$15,000 – $25,000 [1]	As consulting firm requires	As agreed between the parties	Nationally recognized consulting firm

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Application Fee	$25,000 [2]	Wire Transfer	Upon submission of application	Us
Reimbursable Pre-Opening Expenses	$~~36~~51,000 ~~to $110~~ – $135,000 [3]	Wire Transfer	As invoiced	Us or our affiliate
Inspection Fees	$23,150 – $36,650 [4]	Wife Transfer	As invoiced	Us
Initial Franchise Fee	$50,000 – $100,000 [~~4~~5]	Wire ~~t~~Transfer	Upon signing Franchise Agreement	Us
Technical Services Fee	$50,000 – $100,000 [~~5~~6]	Wire Transfer	50% upon signing of Franchise Agreement with balance paid in equal installments each month until opening	Us
Real property	Market specific [~~6~~7]			
Phase 1 Environmental Assessment	$50,000 – $75,000 [~~7~~8]	As arranged	Before you purchase the land	Engineer or consulting firm
Design, architect, engineer and structural and life/safety consultants fees	$~~50~~75,000 – $1~~5~~90,000 [~~8~~9]	As arranged	Before opening	~~Life safety~~Architectural and consulting firms
Optional Architectural and Design Services Fee	$0 – $100,000 [~~9~~10]	Wire Transfer	10 days after invoice	Us
Construction	$12,000,000 – $30,000,000 [~~10~~11]	As arranged	As invoiced	Independent contractors
FF&E	$1,500,000 – $3,000,000 [~~11~~12]	As agreed between the parties	As agreed between the parties	Contractor/ vendors
Audio Visual System	$100,000 – $150,000	As vendor requires	As invoiced	Vendors
Reservation System Set-Up Fee	$10,000	As incurred	12 months prior to scheduled opening date	HRC
Operating supplies and operating equipment	$600,000 ~~– $~~ – $1,500,000 [~~12~~13]	As vendor requires	As vendor requires	Vendor
Artwork	$100,000 – $150,000	As arranged	As invoiced	Vendors
Computer System	$75,000 – $450,000 [~~13~~14]	As arranged	As invoiced	Vendors
Development of Branded Website Platform	$19,000 – $25,000	As incurred	As invoiced	Vendor
Permits and licenses	$100,000 – $150,000 [~~14~~15]	As government agencies require	As government agencies require	Governmental agency

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Insurance	$100,000 – $200,000 ~~[15]~~[16]	As agent(s) requires	Before opening	Agent(s)
Pre-opening expenses	$30,000 ~~-~~– $80,000 ~~[16]~~[17]	Cash	As expenses occur	Employees, vendors of goods and services
Utility deposits	$30,000 ~~-~~– $50,000	As incurred	Before opening	Utility companies
Contingency funds	$250,000 ~~-~~– $500,000 ~~[17]~~[18]	As arise	As agreed with contractor/ supplies	Contractors/ vendors
Additional Funds (first 3 months)	$100,000 ~~-~~– $200,000 ~~[18, 20]~~[19, 21]	As expenses occur	Payroll weekly, other purchases according to agreed-upon terms	Employees, vendors of goods and services and HRC
Total costs (excluding real property and financing costs) [20]	$15,~~290,000 to~~353,150 – $37,~~150,000 [19],~~251,650 [20, 21]			

Notes:

1. For all New Construction Hotels and Conversion Hotels, we require a feasibility study from a nationally-recognized independent firm approved by us that discusses the market, competition and the perspective performance for your proposed Hotel.

2. The Application Fee is $25,000 and is payable upon submission of the application.

3. The reimbursable expenses include our estimated costs for background checks ($6,000 to $50,000), ~~onsite~~initial training ($~~25~~40,000 to $~~35~~60,000) and technical services ($5,000 to $25,000). The reimbursable expenses associated with the technical services we provide are in addition to the technical services fee (discussed in Note 5 below).

4. You must pay us certain fees imposed by third-parties for pre-opening inspections and quality assurance programs, including: (i) Medallia Guest Survey and Online Aggregator program ($8,650 initial setup fee); (ii) Risk Assessment / Safety Inspection ($6,000 inspection fee); and (iii) AV Inspection (inspection fee ranging from $8,500 to $22,000). We collect these fees from you and remit them to the applicable third-party providers.

~~4.~~5. The initial franchise fee ranges is calculated as the greater of $50,000 or $500 per guest room.

~~5.~~6. The technical services fee is $500 per guest room. We will provide you with the technical advisory services described in Item 11. In addition to the technical services fee, you must reimburse us for the actual costs we incur in providing these services, including all travel, accommodations and other expenses (but not salaries or other overhead).

~~6.~~7. Hotels generally will be located in urban markets in metropolitan sites and in high volume resort areas. We do not estimate the cost of real estate or site work premiums because of wide variations among geographic areas and at different sites. Hotel program and square feet requirements vary greatly with each market. Each hotel should be designed to compete effectively in the given market. However, our average net hotel room size is between 325 and 350 square feet. We expect most Reverb hotels to have between 100 and 200 guest rooms.

~~7.~~8. Before you purchase the land, you should, at a minimum, consider obtaining a Phase 1 environmental assessment to determine the environmental condition of the land. Based on this Phase 1 report, additional investigations and tests may be necessary before you make your purchase decision. Many lenders will require a Phase 1 report before financing can be approved. Costs of a Phase 1 report will vary depending on the particular site conditions.

~~8.~~9. You must engage ~~the structural and~~a life safety consultant to review the plans and specifications for the Hotel and provide you with recommendations regarding certain fire and life safety measures to implement in connection with the construction and development of the Hotel. You must also engage a structural consultant to perform a structural peer review to determine if the structural plans and specifications conform to application codes and our Hotel System. The scope of this review is limited for purposes of rendering an opinion regarding the stability and integrity of the primary structural system and exterior wall components. This estimate includes the cost of engaging an architectural firm to prepare the construction plans as well as the cost of engaging a life safety consultant~~.~~ and a structural consultant to review these plans. We may designate the life safety consultant and structural consultant you must use.

~~9.~~10. We will provide certain design services and architectural services upon your request. We estimate the total fee for this service will not exceed $100,000.

~~10.~~11. The cost of construction varies from site to site depending on the size and nature of the land on which the Hotel is built, the type of construction and materials used, union involvement, regional cost variations, competitive conditions and other factors. The cost also varies depending on whether you are acquiring a New Construction Hotel or a Conversion Hotel. We must approve the final plans, design and specifications for your Hotel. You must construct the Hotel in accordance with our development standards. The costs for high speed internet access and networking equipment are included in this estimate. The item includes an estimate of the cabling costs you will incur.

~~11.~~12. The cost of furniture, fixtures and equipment will depend on the number and type of guestrooms, the design scheme that is selected, the number and size of meeting and banquet facilities planned, as well as other possible factors. This estimate includes the cost of furniture, fixtures and equipment for guestrooms, corridors and all public areas. We must approve all furniture, fixtures and equipment at your Hotel.

~~12.~~13. Operating supplies include food and beverage and other immediately consumable items such as fuel, soap, cleansing materials, matches, stationery and similar items. Operating equipment includes items such as chinaware, glassware, linens, silverware and uniforms.

~~13.~~14. You must obtain the computer system we specify. This item estimates the computer hardware and the initial license, installation, set-up and support for the computer system software components as well as the costs for certain of your employees to access our on-line based training courses through our Learning Platform, School of Hard Rock. This estimate includes Internet and network costs but does not include any cabling costs or costs necessary for the professional services needed to configure the computers~~ and does not include the costs for high speed internet access and networking equipment~~.

~~14.~~15. As states and localities require. This item also includes permits relating to music played or performed at the Hotel.

~~15.~~16. This estimate includes 1 to 2 months premium for required insurance coverage. This estimate also includes Builder's Risk Insurance allowance.

~~16.~~17. You will incur pre-opening expenses for salaries and wages; personnel training; sales; administrative and general expenses; project management; advertising; and opening festivities. Sales and marketing expenses vary greatly with each location based upon competitive conditions. You must spend a minimum of $25,000 on your grand opening marketing, advertising and promotional activities. This estimate does not include any reimbursable expenses paid to us or our affiliates (see Note 3).

~~17.~~18. The term "Contingency" refers to funds that will be needed to manage development risks, unanticipated design or construction costs and other unanticipated expenses.

~~18.~~19. The estimate of additional funds for the initial phase of your Hotel is based on your staff salaries and operating expenses for the first 3 months of operation. The amount of required additional funds will vary and depend on factors such as the area of your Hotel, the occupancy rate of the Hotel and the relative effectiveness of you and your staff. We have prepared this estimate based on our extremely limited experience in franchising and managing Hard Rock Hotels. We have never operated or franchised a Reverb hotel so these amounts are rough approximations.

~~19.~~20. We do not finance any portion of your initial investment. Normally, you must provide equity capital for at least 20% to 50% of the total initial cost. You may supply the remainder by debt financing, but only if we approve your financing plan. Due to variations in the term of debt financing and other market factors and conditions, we cannot estimate the period and amount of loan repayments, the interest rate, or other terms and conditions of any financing.

~~20.~~21. We have prepared these estimates based on our extremely limited experience in franchising and managing Hard Rock Hotels. We have never operated or franchised a Reverb hotel so these amounts are rough approximations. Except as expressly indicated otherwise, these estimates cover your initial cash investment up to the opening of your Hotel, but do not include real property costs or financing and related costs. You should not plan to draw income from the operation during the start-up and development stage of your Hotel. The actual duration of the start-up and development stage for Reverb hotels is expected to vary materially from hotel to hotel, and we cannot predict the duration for your Hotel. You must have additional sums available (e.g., cash, bank lines of credit, liquid assets or other assets against which you may borrow) to cover other expenses and any operating losses you may sustain during and/or after your start-up and development stage. The amount of necessary reserves will vary greatly from franchisee to franchisee and will depend upon many factors, including: (a) the rate of growth and success of your business (which will in turn depend upon factors such as the demographic and economic conditions in the area in which your Hotel is located, the presence of other Reverb Hotels or other public awareness of our business and Marks within the general vicinity of your proposed Hotel); (b) your ability to operate efficiently and in conformance with our recommended methods of doing business; and (c) competition. The exact amount of reserves varies from hotel to hotel so we cannot meaningfully estimate the amount of reserves for your Hotel. Therefore, we urge you to retain the services of an experienced accountant or financial advisor (preferably with substantial experience in the lodging industry) to develop a business plan and financial projections for your particular Hotel.

~~21.~~22. The costs in this chart describe the estimated initial investment for a Hotel with 100 guest rooms for the low estimate and 200 guest rooms for the high estimate.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Source Restricted Purchases and Leases – Generally

We require that you purchase or lease certain "source restricted" goods and services for the development and ongoing operation of your Hotel. By "source restricted," we mean that the good or service must meet our specifications and/or must be purchased from an approved or designated vendor (in some cases, an exclusive designated vendor, which may be us or an affiliate).

We will issue various bulletins and notices that will contain the specifications and standards for the products and services you must purchase as well as designated or approved vendors. We may also list our required specifications and standards and our list of designated and approved vendors in the System Standards Manual. As we determine consumer preferences and trends in the marketplace, or develop new marketing techniques, technologies, products and services, we anticipate that we will formulate and modify our standards and specifications as we consider appropriate and useful. We will notify you of changes to our standards and specifications through articles, newsletters, other bulletins or amendments to the System Standards Manual. If you wish to procure or offer for sale any items or services that deviate from our System Standards Manual, you must obtain our approval, which we may withhold in our sole discretion.

Vendor Criteria

Our criteria for evaluating a vendor include standards for quality, delivery, performance, design, appearance and price of the product or service as well as the dependability, reputation and financial viability of the vendor. Upon your request, we will provide you with any objective specifications pertaining to our evaluation of a vendor, although certain important subjective criteria (e.g., product appearance, design, taste, functionality, etc.) are important to our evaluation but cannot be described in writing.

To obtain our approval of a new vendor or product that you propose, you must send us a written proposal for the new item or service, which must include a sample, a clear photograph and a valid reason for the change. We will then have 60 days to test the item for quality, value and presentation, and either grant or deny your request. If product specifications for the item are not in the System Standards Manual, we will furnish the specifications to you at your request, unless the item is proprietary. We do not charge any fees to secure our approval of new items.

Current Source Restricted Items

As described below in more detail, we currently require that you purchase or lease the following source restricted goods and services: the site for your Hotel; financing; design and construction of your Hotel; furniture, fixtures and equipment; artwork; merchandise; operating supplies; operating equipment; insurance policies; advertising and promotional materials; accounting services; Hotel management services; services relating to the Reservation System; quality assurance inspections; and services relating to the Sales Referral Program. We estimate that up to 75% of the total required purchases and leases that will be required to develop and establish your Hotel and 50% of your ongoing operating expenses will consist of source restricted goods or services.

Site Approval

You must select a site for your Hotel according to our criteria. We must approve the site for your Hotel.

Financing

Before you enter into any direct or indirect financing arrangement relating to your Hotel (including any proposed indebtedness involving a mortgage or pledge of the Hotel or a collateral assignment of the Franchise Agreement), you must obtain our approval of the proposed financing. We may withhold approval in our sole discretion, but if we do, we will provide you in reasonable detail the reasons for withholding approval. Your request for approval must include a general description of all material terms of your proposed financing and a detailed budget for developing and constructing the Hotel.

Hotel Design and Construction

Before you retain or engage an architect, interior designer, general contractor and major subcontractors, we will review your selection, and you must obtain our prior written consent. After you obtain possession of the location for the Hotel and secure our approval of your financing, you must design and develop the Hotel project in accordance with the approved plans, designs and specifications (the "**Approved Plans**") as well as our development standards and the System Standards Manual. We must approve the Approved Plans and all components of your Hotel. We must also approve ~~the identify and background of certain individuals or firms involved with the design and construction of~~ your ~~Hotel, including your contractors, designers, Life Safety Consultant~~life safety consultant, structural consultant and other consultants for preparing and reviewing preliminary, final and other plans and specifications for the Hotel and construction.

Furniture, Fixtures and Equipment

Your furniture, fixtures and equipment (including items such as carpeting, cabinets, lighting, doors, televisions, interior plantings, communications equipment, computer hardware and software, telephone and call accounting systems, room management systems, point-of-sale systems, vehicles, cleaning and engineering equipment, recreational equipment, office equipment, etc.) must meet our specifications and must be approved by us. You may purchase certain of these items only from approved or designated vendors (we currently have 2 approved vendors). In the future we may require that you purchase certain equipment from us or our affiliates, although we do not currently require that you do so.

Artwork

We must approve the artwork displayed at the Hotel. All artwork must be purchased from approved or designated vendors. We (and our affiliates HRC and HRC-STP) are approved vendors for certain artwork although we also have approved third party vendors.

Merchandise

All merchandise and retail items sold at your Hotel must be approved by us and must meet our standards and specifications. All branded merchandise bearing the Marks must be purchased from approved or designated vendors.

Operating Supplies

All operating supplies (including consumable items used in the operation of the Hotel, such as fuel, soap, shampoo, toiletries, cleaning material, matches, napkins, stationery and similar items) must meet our standards and specifications. Certain operating supplies must be purchased from approved or designated vendors.

Operating Equipment

All operating equipment (including china, glassware, silverware, linens, towels, uniforms and similar items use in the operation of the Hotel) must meet our standards and specifications. Certain operating equipment must be purchased from approved or designated vendors.

Insurance

You must obtain the insurance coverage that we require from time to time (whether in the Franchise Agreement or in the System Standards Manual). You must purchase these policies from carriers who are qualified to do business in the jurisdiction in which your Hotel is located and that have a Best rating of at least AX~~.~~ or, if not rated by A.M. Best, an S&P or Moodys or Fitch rating of A or better. We must approve all insurance companies that you use. The required coverage includes: (i) Builder's Risk Insurance in an amount not less than the estimated cost of construction (during the construction period~~);~~) and including loss of business income (including fees owed to us) due to delay in completion; (ii) All Risk property damage insurance; (iii) Business Interruption Insurance for 3 years of Royalty Fees; (iv) commercial general ~~public~~ liability insurance in an amount not less than $~~5~~1,000,000 per occurrence~~; (v~~ and $2,000,000 in the aggregate; (v) business automobile liability insurance in an amount not less than $1,000,000 combined single limit; (vi) umbrella/excess liability insurance with a minimum of $25,000,000 per occurrence; (vii) statutory workers' compensation and disability benefits insurance as required by law (except that employers liability coverage must be at least $1,000,000); (viii) professional liability insurance with a minimum of $1,000,000 per occurrence~~; (viii) products liability insurance with~~ (if there is a ~~minimum of $1,000,000 per occurrence;~~spa, salon or other professional services provided at the Hotel); (ix) fidelity and dishonesty insurance and money and securities insurance in an amount not less than $~~100~~1,000~~;~~,000; and (x) privacy and security liability insurance and~~ Tech E&O~~/or Cyber ~~i~~Insurance with a minimum coverage of at least $10,000,000 per claim~~; and (xi) insurance against loss, theft, damage, confiscation or destruction~~. The insurance policies must include the various endorsements and other clauses required by Section 3.8 of the ~~memorabilia for the full appraised value of each item of memorabilia.~~ Franchise Agreement.

Advertising and Promotional Materials

All advertising and promotional materials you use relating to your Hotel must be in strict conformity with the guidelines in the System Standards Manual. Any deviation from these guidelines must be approved by us. We must approve all signage and other advertisements placed at the Hotel. Your signage must meet our signage guidelines and we must approve the vendor from whom you purchase your signage.

Accounting Services

You are required to periodically provide us with financial statements relating to the operation of your Hotel. We must approve the independent certified public accountants that you use to prepare these financial statements.

Hotel Management Services

You must retain and exercise full operating control of the Hotel unless you sign a management agreement with a qualified management company to operate your Hotel. We must approve the management company you use as well as the management agreement you sign with them. The management agreement must execute the form of Manager's Acknowledge attached to the Franchise Agreement as Schedule E.

Reservation System

You must exclusively use the Reservation System administered by our affiliate HRC for the types of bookings specified in the Reservation Agreement. You will pay fees in connection with this program as further described in Item 5 and Item 6 of this Disclosure Document.

Quality Assurance Inspections

You must participate in our quality assurance program, which may involve periodic quality insurance inspections of your Hotel. We may require that these inspections be conducted by 1 or more companies that we designate or approve.

Sales Referral Program

Your Hotel must also participate in HRC's Sales Referral Program under the terms described in the Franchise Agreement and System Standards Manual. You will pay fees in connection with this program as further described in Item 6 of this Disclosure Document.

In addition to the above restrictions, we must approve any tenant you propose to operate any commercial outlet or establishment within or as part of your Hotel.

Below is a table that lists in greater detail the goods/services specified above that must be purchased from approved or designated vendors:

Item	Provided by Third Party Vendor Proposed by You and Approved by Us	Provided by Third Party Vendor Designated by Us	Provided by Us or an Affiliate of Ours
Furniture, Fixtures and Equipment	No	Yes	No
Artwork	No	Yes	No
Fountain Drink Products	No	Yes	No
Mattresses	No	Yes	No
Bathroom Amenities	No	Yes	No
In-room linens and towels	No	Yes	No
Hard Rock Audio Visual System	Yes	Yes	No
Insurance Policies	Yes	No	No
Accounting Services and Call Accounting Services	Yes	No	No
Reservation System Services and CRS	No	Yes	Yes
Hotel Room Sales and Lead Generation Services	No	No	Yes
Referral Program Services	No	No	Yes

Item	Provided by Third Party Vendor Proposed by You and Approved by Us	Provided by Third Party Vendor Designated by Us	Provided by Us or an Affiliate of Ours
Services Relating to Design, Construction and Operation of Hotels, including but not limited to Architect, General Contractors, Interior Designer, and AV Design	Yes	No	Yes (for certain services)
Probity Investigation Services	No	No	Yes
Digital Signage	Yes	No	No
Loyalty Program	No	Yes	Yes
Website Design and Analytics	No	Yes	No
Internet Television Services	No	Yes	No
Network Design and Support Services	No	Yes	No
Spa Management Software	Yes	No	No
Labor Scheduling Software	Yes	No	No
Golf Management Software	Yes	No	No
Quality Management System	No	Yes	No
Food Safety and Sanitation Inspection	Yes	Yes	No
Life Safety Consultant	No	Yes	No
Structural Consultant	No	Yes	No
Phone System	Yes	No	No
F&B Inventory and Menu Management Systems	Yes	Yes	No
Back Office Systems	Yes	No	No
Point of Sale System	No	Yes	No
Energy Management System	No	Yes	No
Property Management System	No	Yes	Yes

Item	Provided by Third Party Vendor Proposed by You and Approved by Us	Provided by Third Party Vendor Designated by Us	Provided by Us or an Affiliate of Ours
Integration platform (middleware), central registration depository and check-in kiosk	No	Yes	No
Sales & Catering System	No	Yes	No
Video and Music Distribution System	No	No	Yes
Revenue Management System	No	Yes	No
Business Intelligence Reporting System	No	Yes	No
Advertising & Design Agency and Public Relations Agency	Yes	No	No
Human Resources	Yes	No	No
eLearning System	No	Yes	No
Performance Management System	No	Yes	No
Applicant Tracking System	Yes	No	No
Nametags	Yes	No	No
Uniforms	No	Yes	No
Retail Inventory	No	Yes	No
Hard Rock Pins	No	Yes	No
Hard Rock Accessories & Jewelry	No	Yes	No

Purchase Agreements

We have negotiated purchase agreements, including favorable price terms, with ~~a vendor~~suppliers for: (i) certain in-room operating supplies (shampoo, conditioner, shower gel, lotion, bath salt and soap~~) and~~); (ii) beverage products; and (iii) credit card merchant processing services. We may, but need not, negotiate other purchase agreements in the future. There are no purchasing cooperatives although we reserve the right to establish one or more purchasing cooperatives in the future. You do not receive any material benefits for using designated or approved vendors other than: (i) having access to any discounted pricing that we negotiate; and (ii) receipt of any rebates or other payments that we negotiate to be paid by a vendor to you based on your purchases from that vendor.

Franchisor and Affiliate Revenues from Source Restricted Purchases

We and our affiliates are approved or designated vendors for certain goods and services that you must purchase. We may designate ourselves (or our affiliates) as approved or designated vendors of other goods and services in the future. Currently, there are no third party approved or designated vendors in which any of our officers owns an interest.

Currently, we are the only approved vendor for the technical services described in Item 11 of this Disclosure Document and we are one of multiple approved vendors for architectural services and design services. Our affiliate HRC is the only approved vendor of the Reservation System that you must use as well as the services associated with the Sales Referral Program. At any time we may designate ourselves or our affiliates as an approved or designated vendor of any goods or services.

Our affiliate, HRC, negotiated a purchase agreement with a supplier of beverage products. Under the terms of the purchase agreement, the supplier has agreed to pay HRC certain rebates for marketing and other purposes that vary depending on the beverage product that is purchased. The rebates range from $0.07 to $6.30 per gallon purchased of fountain syrup for soda beverages. This supplier also pays our franchisees rebates ranging from: (i) $0.07 to $6.30 per gallon purchased of fountain syrup for soda beverages; and (ii) $2.00 to $15.00 per case purchased of other beverage products. The rebates under the supplier agreement are subject to compliance with certain performance criteria by all Reverb Hotels, including engaging in certain marketing and promotional activities to promote the supplier's beverage products.

We and/or our affiliates have license agreements with certain vendors that allow use of our Marks on their product. We and/or our affiliates do not derive any revenue from these agreements although we reserve the right to do so in the future. We and/or our affiliates reserve the right to receive additional rebates, discounts or other allowances and benefits from approved vendors in the future and we have no obligation to remit any portion of these amounts to our franchisees or use them in any particular manner.

During the fiscal year ended December 31, 20~~19~~20, neither we nor any of our affiliates received any revenues based on Reverb franchisee purchases or leases from approved or designated vendors (including us).

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTIONS IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	Not Applicable	Item 7 & 0
b. Pre-opening purchases/leases	Section 3.1 & Schedule D	Item 5, Item 7, Item 8 & 0
c. Site development and other pre-opening requirements	Section 3.1 & Schedule D	0, Item 7 & 0
d. Initial and ongoing training	Section 3.3, 3.9 & 4.1	0 & 0
e. Opening	Schedule D	0
f. Fees	Section 3.4, 3.6, 3.7, 3.12, 3.15, 4.1, 4.2, 4.3, 4.8, 6, 7, 9.2, 11.4, Schedule C & Schedule D	Item 5 & 0
g. Compliance with standards and policies/Operating Manuals	Section 3.2, 3.4, 3.15, 4.5, 4.6 & 4.7	0
h. Trademarks and proprietary information	Section 3.11, 4.5 & 15	0 & Item 14
i. Restrictions on products/services offered	Section 3.2 & Schedule B	Item 16
j. Warranty and client service requirements	Section 3.7, 3.11 & Schedule C	Not Applicable
k. Territorial development and sales quotas	Not Applicable	0
l. Ongoing product/service purchases	Section 3.10, 3.15 & 4.4	Item 6 & Item 8
m. Maintenance, appearance and remodeling requirements	Section 3.2, 3.12 & 3.14	0
n. Insurance	Section 3.8	Item 7 & Item 8
o. Advertising	Section 3.4, 4.3 & 15.6	0, Item 7 & 0

Obligation	**Sections in Franchise Agreement**	**Disclosure Document Item**
p. Indemnification	Section 8	0
q. Owner's participation/ management/staffing	Section 3.2, 3.3 & 3.16	0 & Item 15
r. Records/reports	Section 3.6	0
s. Inspections/audits	Section 3.6, 3.7 & 4.8	0 & 0
t. Transfer	Section 9	0
u. Renewal	Section 5	0
v. Post termination obligations	Section 12 & 13	0
w. Non-competition covenants	Section 3.11 & 17.9	0
x. Dispute resolution	Section 17.6	0
y. Guaranty	Section 3.16	Item 15

ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee any of your notes, leases or obligations.

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

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

Before you open your Business, we will:

1. License you the Marks to identify your Hotel as a Reverb hotel. (Section 1)

2. Make available to you prototype plans for your Hotel. See Section below entitled "Site Development" for additional information. (Schedule D)

3. Review and approve the plans for your Hotel (our review is limited to ensuring the plans comply with our System Standards). See Section below entitled "Site Development" for additional information. (Schedule D)

4. Provide you with certain technical advisory services. See Section below entitled "Site Development" for additional information. (Section 4.9)

5. Provide you with access to the Manual. See Section below entitled "System Standards Manual" for additional information. (Section 4.7)

6. Provide you with a list of approved and/or designated vendors for purposes of acquiring certain goods and services. We do not deliver or install any of the items that you are required to purchase. (Section 3.10 & 4.4)

7. Provide an initial training program. See Section below entitled "Training Program" for additional information. (Section 3.3 & 4.1)

<u>During the operation of your Business, we will:</u>

1. Operate and maintain the reservation system for purposes of booking reservations at your Hotel. We may subcontract all or a portion of this service to an affiliate or third party. (Section 4.2)

2. Provide periodic training programs. See Section below entitled "Training Program" for additional information. (Section 3.3, 3.9 & 4.1)

3. Provide guidance and advice pertaining to compliance with our System Standards through various means. (Section 4.6)

4. Provide telephone and mail consultation on Hotel operation and marketing through our representatives. (Section 4.6)

5. Provide you with access to any online franchisee services and information that we make available to Reverb hotels. We may terminate this access at any time you are in default. (Section 4.6)

6. Establish and implement the marketing fund. See Section below entitled "Marketing Fund" for additional information. (Section 4.3)

<u>During the operation of your Business, we may, but need not:</u>

1. Implement "group booking" programs created to encourage use of Reverb hotels for tours, conventions and the like. (Section 4.3.4)

2. Offer optional assistance to you with purchasing items used at the Hotel. (Section 4.4)

3. Hold periodic Global Conferences to discuss business and operational issues affecting Reverb franchisees. (Section 2.2 & 3.9)

4. Establish the Reverb National Association, which is planned to be an unincorporated association of franchisees. See Section below entitled "Advisory Council" for additional information. (Section 2.1)

5. Administer our sales referral program for purposes of referring clients to your Hotel and to allow you to refer clients to other Reverb hotels in exchange for referral fees. We may subcontract all or a portion of this service to an affiliate or third party. (Section 3.4.1 & 3.4.4)

Training Program (Section 3.3 & 4.1)

~~Generally~~Overview

~~The General Manager of the Hotel and any of your other key personnel that we designate must attend our initial training programs. Generally, training is held at our Support Services Building in Davie, Florida, although we have the right to designate 1 or more other locations for training. The Hotel's management personnel must attend any additional training that we require at the location that we designate. You may not open the Hotel to the public until the General Manager has satisfactorily completed all training we require and has been approved by us in writing as competent. We require that the General Manager complete initial training at least 90 days before the opening date.~~

~~*Initial Training*~~

~~Our initial training program consists of 3 components: (1) the Walk This Way program, a leadership program devoted to teaching the Hard Rock culture, best practices and standards; (2) the New Team Transition training program (including Induction Training and Amplified Service), which covers hotel operational and management issues; and (3) an onsite initial training program for your staff. The training materials will consist of the System Standards Manual, presentations, workbooks, lectures, workshop activities, activities, computer equipment, collateral and videos. We will not charge you for these materials, although you must purchase the computer equipment that is used during onsite training at your Hotel. We also require certain Hotel employees to participate in our on-line based training courses through our learning management system, School of Hard Rock Learning Platform.~~

Our training program covers company culture, technical skills, leadership development and brand compliance and currently consists of the following components and sub-components:

- Reverb Management Training
  - Corporate Induction Training Program
  - Walk This Way Conference
  - Annual Global Leadership Conference
  - Brand Management Training
- *THE REVERB WAY* Pre-Opening Training
  - Brand Training
  - Operational Training
  - Systems Training
  - Simulation Training
  - Train the Trainer

Your management team (or the management company you hire and we approve) is responsible for the onboarding of your staff members regarding their locally applicable Human Resources policies and procedures, code of ethics, health and safety, emergency procedures, chemical handling, required certifications and local regulations relating to the Hotel operations. Your management team (or the management company you hire and we approve) is also responsible for organizing and scheduling the online and offline training that we require, such as ServSafe, Responsible Alcohol Service Training, Allergen Training, Tips, and Bribery, etc.

Our initial training programs will be offered periodically to meet the demands of new franchisees, and there are no fixed (i.e. monthly or bi-monthly) training schedules.

~~*Description of Training Programs*~~

~~Below is an outline of our~~ The specific training programs ~~we offer~~are described in more detail below. These descriptions are current as of the issuance date of this Disclosure Document. We reserve the right to add, modify or eliminate training programs at any time.

REVERB MANAGEMENT TRAINING

Corporate Induction Training Program

The General Manager must attend our initial training and corporate induction programs. Generally, training is held at our Support Services Building in Davie, Florida, although we have the right to designate 1 or more other locations for training. The Hotel's management personnel must attend any additional training that we require at the location that we designate. We reserve the right to conduct the initial training program (or any portion of the initial training program) virtually.

You may not open the Hotel to the public until the General Manager has satisfactorily completed all training we require and has been approved by us in writing as competent. We require that the General Manager complete initial training at least 90 days before the opening date.

Walk This Way Conference

Walk This Way is a 3-day management conference ~~that is~~ devoted to teaching the Reverb Leadership Culture, Best Practices, and Standards. Walk This Way provides attendees with the knowledge and skills required to consistently execute their Reverb property ~~in compliance with~~according to our brand and Leadership image ~~and programs.~~ . Some of the ~~topics covered in the~~ conference topics are~~:~~ Brand Identity, Brand Growth Strategy, Amplified Service, Music Strategy, Defining Success, Hiring Rock Stars, Quality Assurance, Team Member Engagement, and Strengths~~-~~-Based Leadership. Successful completion of this training program is mandatory for your General Manager ~~and Director of Sales.~~ .

~~Induction Training~~

~~When new team members join the Reverb team, they attend Reverb's Induction (orientation) Training Program. The program begins with a deep-dive into the Reverb brand, followed by property specific information and safety and policies. After the completion of these this induction (1 to 2 days), the team member begins position specific training that varies in length based on position and system requirements. After this orientation, team members will receive training on the Service Standards and Quality Assurance Program related to their specific area of the property.~~

~~Amplified Service~~

~~Amplified Service is Reverb's program dedicated to ensuring that we are exceeding both our internal and external guests' expectations. All Reverb employees attend this course that includes service basics, guest name usage, employee motivation, creating memorable experiences, empowerment and service recovery. This program not only teaches specific service skills, but also reinforces our Reverb culture and incorporates our universal service standards.~~

~~School of Hard Rock - Learning Platform~~

~~Hard Rock offers Elearning based courses through our Learning Management System, The School of Hard Rock, which is a Cornerstone platform. The School of Hard Rock and other proprietary courses are required to be available to all Hotel managers. Some of the courses offered are mandatory.~~

Global Leadership Conference

Each year, Hard Rock International holds a Global Leadership Conference ~~that is~~ designed to update executives from each location on our current company initiatives. Each attendee is provided with materials that enable them to return to their properties and train/retrain their staff on our global brand~~. Representatives are invited from operations, human resources and sales/marketing.~~ Reverb. Your General Managers must attend this program.

~~Initial Onsite Training Program~~

Brand Management Training

Prior to opening, your VP of Operations will work with the hotel management team to ensure that the brand's standards are made available for the leadership's implementation in the following areas:

- Marketing and Sales
- Product
- Operations
- Human Resources and Staff

When an existing property is rebranded as a Reverb Hotel, the General Manager must attend the next scheduled Walk This Way program and the management team must attend our Corporate Induction Training Program. The program begins with a deep-dive into the Reverb brand, followed by property-specific brand standards and safety policies. After completing the Corporate Induction Training Program (1 to 2 days), the team members begin position-specific training that varies in length based on position and system requirements. After this orientation, team members will receive training on the Service Standards and Quality Assurance Program related to their specific department.

THE REVERB WAY PRE-OPENING TRAINING

The initial onsite training program ~~takes place~~occurs at your Hotel and lasts approximately ~~10 days.~~20 days (depending on the staffs' role and responsibilities). This training program is typically conducted approximately ~~2~~3 to 4 weeks ~~prior to~~before opening. Training ~~is provided to your staff. Some training~~ components are ~~for your entire staff (such as Reverb Brand Training) while other components are department specific (such as department-specific components developed for the lobby staff, kitchen staff and housekeeping staff). The initial training program consists of 5 main components, including:~~designated as applicable to all staff or to specific departments or responsibilities.

~~Reverb~~ Brand Training ~~(trains your~~

This program involves training all staff on the Reverb brand, Fan service levels, and product knowledge, with a focus on the Reverb culture, vibe, and fan experience ~~and orients your~~. Your staff is also oriented with the layout of ~~the~~your Hotel~~)~~ during brand training.

~~1. Departmental Brand Classroom Training (trains you entire staff about the Reverb brand, fan service level and product knowledge)~~

Operational (Departmental Deep Dive) Training ~~(trains~~

This phase of training involves training each ~~staff~~ department ~~about~~on the day-to-day operations ~~within their~~ for their specific department and is customizable for local requirements.

Systems Training

~~2.~~ During systems training, each department~~)~~

~~Computer System Training (trains each staff department~~ is trained about the computer and other technical systems ~~associated with the Hotel)~~required for their daily operations. The software vendor will send a representative to conduct software training.

~~-~~Simulation Training ~~(provides 1 day full~~

Simulation training consists of a 2-day simulation of Reverb hotel operations with pre-set scenarios ~~to allow~~allowing trainees to apply prior training and test their skills and knowledge~~)~~. A 1-day debriefing follows simulation training.

~~*Initial Training Program Summary Tables*~~

~~Reverb's New Team Transition training programs cover company culture, technical skills, leadership development and brand compliance. The topics included, and~~ Train the Trainer

Reverb will provide Train the Trainer sessions to introduce your departmental trainers to The Reverb Way Training Material, areas to customize with your Hotel's specific details, and how to deliver the content and training activities. Train the Trainer sessions can be delivered online or onsite. Train the Trainer and onsite support is available as required and is costed at a daily rate per trainer, payable by you. Current daily rates for trainers range from $750 to $900. You are responsible for dedicating adequate leaders for training delivery to your team and paying their wages, benefits and other costs while they complete training.

The hotel designated trainers will then take ownership of and deliver *The Reverb Way* training to all crew members during the pre-opening period. Your designated trainers are expected to schedule and deliver all brand classroom training pertaining to *The Reverb Way* to future hires within their first 90 days of employment. After opening, your designated trainers must use the Reverb training materials as the base for your new staff member induction training program. You must ensure that all new staff attend Reverb brand training during their first 60 days of employment and sign off that they have completed the required courses.

The table below provides a summary of the location and approximate number of hours de~~vo~~dicated to each ~~topic, are listed below~~component of our training program:

TRAINING PROGRAM

~~New Team Transition Training Programs~~			
~~Subject~~	~~Hours of Classroom Training~~	~~Hours on the Job Training~~	~~Location~~
~~Walk this Way~~	~~20~~	~~0~~	~~Davie, Florida~~
~~Induction Training~~	~~8 - 16~~	~~0~~	~~Davie, Florida~~
~~Position Specific Training~~	~~160*~~	~~0~~	~~Davie, Florida~~
~~Amplified Service~~	~~8~~	~~0~~	~~Davie, Florida~~
~~Global Leadership Conference~~	~~24**~~	~~0~~	~~Varies annually~~
~~Learning Platform~~	~~Varies by position~~	~~0~~	~~On-line~~
~~Total~~	~~120 - 228~~	~~0~~	

~~* Position specific training varies from 5 days to 6 months, based on position. Average training time is approximately 4 weeks or 160 hours.~~

~~** Global Leadership Conference and associated training are dependent upon the business needs. The 24 'class hours' are conference attendance only and do not include hours of re-training at Hotel property.~~

~~Onsite Training Program~~			
Subject	Hours of Classroom Training	Hours on the Job Training	Location
Reverb Management Training			
Corporate Induction Training Program	8 - 16	0	Davie, Florida (or virtual)
Walk this Way	20	0	Davie, Florida (or virtual)
Global Leadership Conference*	16 - 24	0	Varies annually
Brand Management Training	0	24 – 32	Your Hotel
TOTAL	44 - 60	24 – 32	
The Reverb Way Pre-Opening Training (All Hotel Crew - Front and Back of House)			
Reverb Brand Training	~~0~~8	~~16~~0	Your Hotel
The Reverb Way Pre-Opening Training (Lounge Crew)			
Departmental Brand Classroom Training	~~0~~16	~~16~~0	Your Hotel
Departmental Deep Dive	0	48	Your Hotel

~~ONSITE TRAINING PROGRAM~~			
SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS ON THE JOB TRAINING	LOCATION
REVERB MANAGEMENT TRAINING			
Training**			
Computer System Training	30	0	Your Hotel
Simulation Training	0	16	Your Hotel
TOTAL	54	64	
THE REVERB WAY PRE-OPENING TRAINING (CULINARY CREW)			
Departmental Brand Classroom Training	16	0	Your Hotel
Departmental Deep Dive Training**	0	16	Your Hotel
Departmental Menu Learning Workshop	0	24	Your Hotel
Computer System Training	0	~~16~~0	Your Hotel
Simulation Training	0	16	Your Hotel
TOTAL	16	56	
THE REVERB WAY PRE-OPENING TRAINING (HOUSEKEEPING CREW)			
~~Total~~Departmental Brand Classroom Training	~~0~~16	~~80~~0	Your Hotel
Departmental Deep Dive Training**	0	16	Your Hotel
Computer System Training	4	0	Your Hotel
Simulation Training	0	16	Your Hotel
TOTAL	20	32	

~~Total~~*Global Leadership Conference and associated training are dependent upon the business needs. The Conference class hours' are conference attendance only and do not include hours of retraining by the Hotel Management at property.

** Position-specific training varies from 5 days to 6 months, based on position. The average training time is approximately 4 weeks or 160 hours.

The training hours are based solely on Reverb material and do not include Human Resources, Health & Safety or Online training course requirements. The total training hours may also vary based on location, property type and local regulations.

Training Materials

The Reverb training materials consist of the Induction Planners, Standard Operating Procedures, presentations, deep dives (hands-on workshops), activities, practice scenarios, and handouts. We will not charge you for these materials. However, you are responsible for the following:

- Purchase , installation and configuration of your computer system and related systems (e.g., point-of-sale system, property management system, guest request management system, etc.) that will be used during onsite training at your Hotel;
- Purchase of items (i.e., Lego) utilized in training activities (estimated to cost $100 to $500);
- Payment of daily rates for "Train the Trainers" Reverb trainers (daily rates currently range from $750 to $900 per day); and
- Payment of the costs for external (required) online training programs (i.e., Servsafe) (estimated to cost $500 to $1,500).

Instructors

Our learning and development team consists of the following individuals:

Antonia Elliott, brings ~~18~~19 years of hospitality experience and ~~13~~14 years of leadership experience building strong teams to her role as Vice President of Organizational Development. She has been with us since 2015.

~~Carmen Net is the Director of Training and Development- Cafes and brings 28 years of food and beverage experience to her role. Antonia Elliott brings 19 years of hospitality experience to her role as Director of Organizational Development. She has been with us since 2017.~~

Angela Leavell, Director of eLearning and Development, brings ~~15~~16 years of instructional design and technology to the Reverb brand. She has been with us since 2011.

Dustin Maurhoff is the Manager of Training and Development for Hotels and Casinos and brings over ~~14~~15 years of experience in the hospitality industry, specifically within Human Resources and Training and Development, for organizations that operate theme parks, restaurants, hotels and casinos. He has been with us since 2012.

~~Cristina Anez is the Regional Training Manager. She carries the experience of 12 years in the worldwide hospitality industry holding different management roles within Operations and Human Resources, including 5 years in instructional design and training project management at regional level. She has been with us since 2017.~~

Sean O'Brien is a Training ~~Specialist~~Manager that brings ~~10~~11 years of facilitation and training experience to his role. He has been with us since 2015.

Ongoing Training

Periodically, we may require that your Hotel ~~employees~~staff attend various supplemental training programs that we require. For example, we currently require that you send your General Manager (and an owner) to our annual "Global Leadership Conference". We also require that your General Managers complete recertification training every 3 years. We will not require these training programs more than once in any calendar year.

We may also require that your General Manager and other staff members participate in remedial training if your Hotel receives a D or F (or equivalent score) on a quality assurance inspection, a D or F +GX score on a third party's electronic guest survey (or equivalent evaluation system), or experiences significant complaints to our guest services department. This training may be offered at our corporate offices, at a regional location, on-line or at the Hotel. The training may be in the form of one or more classes held at different times and locations as we may require.

Training Fees and Expenses

All training will be conducted at your expense. You must reimburse us for all of our costs associated with providing our initial training program to you (estimated to range from $~~25~~40,000 to $~~35~~60,000). ~~You are responsible for all travel, lodging and other expenses incurred by your employees during~~The total training~~. If~~ costs will vary depending on the number of your staff members, the number of trainers deployed and the level of pre-opening / live support that you require. With respect to any training ~~is~~ conducted at your Hotel, you must reimburse us for reasonable travel expenses, accommodations, subsistence, materials and other reasonable expenses of those reasonably necessary persons we send to your Hotel to conduct the training. Upon our request, you must provide lodging for our training team if training is conducted at your Hotel. We do not charge any other training fees at this time, although we reserve the right to charge additional training fees for new training programs in the future.

You are responsible for all travel, lodging and other expenses incurred by your employees during training.

System Standards Manual (Section 4.7)

We will provide you with access to our System Standards Manual in text or electronic form for the term of your Franchise Agreement. The System Standards Manual may include, among other things, (i) a description of the authorized goods and services that you may offer at your Hotel; (ii) mandatory and suggested specifications, operating procedures, and quality standards for products, services and procedures that we prescribe from time to time for Reverb franchisees; (iii) mandatory reporting and insurance requirements; (iv) mandatory and suggested specifications for your hotel; (v) policies and procedures pertaining to any gift card program, membership program, loyalty program or other program that we establish; and (vi) a written list of goods and services (or specifications for goods and services) you must purchase for the construction, development and operation of your Hotel and a list of any designated or approved vendors for these goods or services. All mandatory provisions contained in the System Standards Manual are binding on you. The System Standards Manual is confidential and remains our property. We may modify the System Standards Manual from time to time, but the modification(s) will not alter your status or fundamental rights under the Franchise Agreement.

~~The current version of the System Standards Manual is the same as the Hard Rock Hotel System Standards Manual due to the significant commonalities in terms of policies, procedures, brand standards and other requirements. We will advise you of any provisions that are not relevant to a Reverb hotel.~~ The System Standards Manual contains a total of approximately ~~975~~685 pages. A copy of the Table of Contents to the System Standards Manual is attached to this Disclosure Document as EXHIBIT "D". ~~We are currently preparing a stand-alone Reverb manual.~~

Site Development (Section 3.1, 3.2, 3.12, 3.14 & Schedule D)

Location of Facility

The location for your Hotel will be identified in the Franchise Agreement before we sign it. We do not select the site for your Hotel. It is your responsibility to select a potential site. You must obtain our approval of the site. Our approval of your site does not constitute a representation by us as to the likelihood of success of the location. We strongly urge you to hire independent consultants to analyze and investigate your proposed site. In approving or disapproving a site, we will consider the potential site's location, visibility, accessibility, and proximity to commercial, residential and tourist centers. Additional factors include size and layout of the facility, tenant mix of surrounding properties, market trends and lease terms, and our other criteria.

After you notify us of a potential site and provide all of the documents and information we require, we will generally approve or reject the site within 30 days. As noted above, your site will be approved before you sign the Franchise Agreement. Therefore, the Franchise Agreement does not specify a time limit in which you must locate an approved site. However, you must provide us with proof of ownership or a ground lease of the location within 30 days after signing the Franchise Agreement.

Size and Characteristics of a Reverb Facility

A Reverb facility typically includes between 100 and 200 guest rooms (which usually range in size between 325 and 350 square feet), limited "grab and go" healthy food and beverage service, a lobby bar, a fitness facility and any other elements that we approve.

Development of Facility

Prior to commencing construction or renovation of your facility, you must prepare plans and specifications for the construction and/or renovation of your facility and submit those plans to us for approval. Our review is limited to confirming that the plans you prepare comply with our system standards. We may offer to provide you or your architect with interior design or other prototypes. You may not begin construction until you have received our approval. After receipt of our approval, you may not make any changes to the plans without our prior written consent.

If you operate a Conversion Hotel, then you must sign the "Addendum For Conversion Hotels" that is attached to the Franchise Agreement as Schedule D. You must begin renovating the facility within 30 days after signing the Franchise Agreement. All renovations must comply with our system standards, the approved plans and the punch list attached that is part of Schedule D, all as outlined in Schedule D. If you fail to complete all pre-opening renovations within 12 months after signing the Franchise Agreement, then we may, in our sole discretion, either terminate the Franchise Agreement or give you an extension to complete the renovations (in which case you must pay us the extension fee of $2.00 per room per day until the pre-opening renovations are complete). You must pay us a reinspection fee of $5,000 if we must send our representative to conduct an additional inspection as a result of your failure to complete all pre-opening renovations by the required deadline.

If you operate a New Construction Hotel, then you must sign the "Addendum For New Construction Hotels" that is attached to the Franchise Agreement as Schedule D. You will select and acquire the facility and design, construct, equip and supply the facility in accordance with our system standards and the approved plans as outlined in Schedule D. You must begin constructing the facility by the later of (i) 30 days after signing the Franchise Agreement or (ii) 90 days after we deliver prototype plans to you. You must complete construction within: (i) 18 months after the date you sign the Franchise Agreement if your Hotel has 100 or fewer guest rooms; or (ii) 20 months after the date you sign the Franchise Agreement if your Hotel has more than 100 guest rooms. If you fail to complete construction by the applicable deadline, then we may, in our sole discretion, either terminate the Franchise Agreement or give you an extension to complete such construction (in which case you must pay us the extension fee of $2.00 per room per day until the construction is complete and we may charge you the reinspection fee if we must conduct an additional inspection).

You must also install the equipment, fixtures, signs and other items that we require. Before you open, we must approve the pre-opening renovations, construction and other development obligations that we require in Schedule D. Certain renovations may be completed after opening.

Upon your request, we will provide you with optional architectural services and design services relating to the planning of your Hotel. We may charge you a fee for this service (which we estimate will not exceed $100,000). We will also render certain technical services to you, including: (a) consulting with you regarding vendor contracts for artwork, graphics, fixtures and other items as well as preliminary plans and specifications for the construction of the Hotel and related facilities (including landscaping, layout and related matters, advice on architects, contractors, engineers, designers, decorators, landscape architects, and such other specialists and consultants as may be necessary to complete your Hotel); and (b) advising you regarding preparing budgets for the initial purchase of FF&E. You will pay us a fee of $500 per guest room for the technical services we provide. In addition to the payment of the technical services fee, you must reimburse us, within 30 days after we submit an invoice to you, for all actual costs that we incur in providing the technical services, including travel, accommodations and other expenses (but not salaries or overhead). We estimate these costs will range from $5,000 to $25,000.

Remodeling and Maintenance

You must clean, repair, replace, renovate, refurbish, paint and redecorate your Hotel and its furniture, fixtures and equipment whenever necessary to comply with our system standards. There are no limitations on the cost or frequency of these obligations.

Beginning 3 years after the opening date of your Hotel, we may require that you commence certain upgrading and renovation requirements, including repairs, refurbishing, repainting, and other redecorating of the interior, exterior, guest rooms, public areas and grounds of the Hotel and replacements of furniture, fixtures and equipment (a "**Minor Renovation**"). The cost of each Minor Renovation will not exceed $3,000 per guest room. We will not require a Minor Renovation more often than once during any 3-year period or if certain quality assurance inspection scores are attained.

You must establish a reserve fund that will be used for (a) replacements and renewals of furniture, fixtures and equipment, (b) renovations of public areas and guest rooms; and (c) repairs to and maintenance of the Hotel's physical facilities (which costs are normally capitalized under GAAP), such as exterior and interior repainting, resurfacing building walls, floors, roofs, and parking lots, and replacing folding walls. On an annual basis, you must deposit into the reserve fund the minimum amount that we specify (not to exceed the sum of 5% of Total Revenues plus 5% of Merchandise Revenues).

You are permitted to materially modify, diminish or expand your Hotel (or change the interior design, layout, furniture, fixtures and equipment or other facilities) only with our prior written consent, which we may withhold in our sole discretion. We may require that you submit the plans to us for approval. We must inspect and approve any material modification to your Hotel to confirm that it conforms to the approve plans and our system standards.

Lease or Purchase Agreement

We do not review or approve the terms of your lease or purchase agreement for the facility. However, you must ensure that your lease includes provisions that require the landlord to: (i) notify us of any of your defaults under the lease; (ii) notify us of the termination or expiration of your lease; and (iii) allow us to enter the premises and remove any trade fixtures, signs, trade dress and other items bearing our Marks if you fail to do so within a reasonable period of time after the termination or expiration of the Franchise Agreement.

Computer System (Section 3.15)

You must, at your expense, purchase or lease, install and use the computer hardware and purchase or license, install and use all required software, including any future hardware and/or software enhancements, additions, substitutions, modifications and upgrades at your Hotel that we periodically prescribe (the "**Computer System**"). Currently, we are in the process of formulating the specific components of the Computer System, but you will need to purchase the following components: VRX Server; iPads, key card and credit card readers for check-in kiosks; printers for check-in area; mobile devices for staff; handheld devices (iTouch or Android) for staff; computers and printers for back offices; POS hardware; Alexa device for each room; grab-and-go equipment; track and protect asset tracking and housekeeping panic buttons. We estimate that the cost to purchase the Computer System will range from $75,000 to $450,000, including Internet and network costs but excluding any cabling costs and any costs necessary for the ~~costs for high speed internet access and networking equipment.~~professional services needed to configure the computers.

The Computer System will be used to perform a variety of functions in managing the Hotel and protecting its data and consists of a number of components, including the various systems discussed in more detail below. Your Computer System database will collect information about guests, reservations, our loyalty programs, revenue data and other business data relating to your Hotel operations. We will have independent access to all data that is collected and stored in the Computer System database. We will exclusively own all of this data and there are no contractual limits on our right to access this information.

Unless otherwise disclosed below: (i) neither we nor any other party has any obligation to provide ongoing maintenance, repairs, upgrades or updates to your Computer System; (ii) we are not aware of any optional or required maintenance, updating, upgrading or support contracts relating to your Computer System; and (iii) we are not aware of the type of data that will be generated by and stored in your Computer System.

Intranet / Extranet System

At our request, you must participate in any intranet or extranet system developed for use in connection with the System. This intranet or extranet system may be combined with that of our affiliates. You must comply with all terms and conditions that we prescribe for use of the intranet or extranet system, which may include: (a) confidentiality requirements for materials transmitted via such system; (b) password protocols and other security precautions; (c) grounds and procedures for our suspension or revocation of access to the system by you and others; and (d) a privacy policy governing the parties' access to and use of electronic communications posted on electronic bulletin boards or transmitted via the system. You agree to pay any fee imposed from time to time by us or a third-party service provider in connection with hosting the system (this fee will be deducted from the Program Fee).

Reservation System

You will obtain hotel reservation services from HRC through the Reservation System designated by us and HRC. We (or HRC) will provide the specifications for any software and hardware necessary to interface with the Reservation System, the cost of which must be paid by you. You will pay us (or HRC if we so instruct) the following amounts relating to the Reservation System: (i) a one-time $10,000 Reservation System set-up fee; and (ii) a monthly reservation fee that is included within the Program Fee (the Program Fee is 5.5% of Room Revenues).

Property Management System

You must acquire and utilize HMS from Infor as your property management system ("**PMS**"). HMS is a cloud-based solution that will be purchased through us and is accessed through the Hotel's broadband connection. You must procure all computer hardware, software and Internet access service that we require to allow your PMS system to interface with our other required systems. The PMS system books reservations, performs check-in and check-out functions, manages rates and inventory, collects, stores and transmits certain information collected about each guest, automates the front desk and operational record keeping of the Hotel, and interfaces with other electronic systems at the Hotel.

Point of Sale System

You must acquire and utilize the Infor point-of-sale system ("**POS**") which is a hosted software solution that is accessed through the Hotel's broadband connection. You will use the POS system to process certain sales transactions at the grab-and-go along with the bar. The system utilizes both wired and wireless terminals. It is imperative that Hotel have adequate WiFi to support the use of these wireless terminals and we will work with you on appropriate bandwidth requirements for your Hotel.

Guest Request Management System

You must acquire and utilize HotSos by Amadeus, which is a cloud-based quality assurance / service optimization solution that is used to track and manage guest incidents, guest requests and other issues at the Hotel. Your staff will access and utilize the HotSos system through IOS mobile devices. The total number of required devices will be determined as part of the pre-opening process. Your Hotel must have WiFi in both front and back of the house so that your staff can receive guest requests.

Integration System

You must acquire and utilize the iReckonU data collection system, which is a hosted software solution that is accessed through the Hotel's broadband connection. This system is the hub of the systems in the Reverb environment and is essential in offering a seamless guest experience both on and off property. You will be required to purchase hardware that ensures the Hotel's systems continue to work if the property loses connectivity to the internet.

Kiosks

"Will Call" is the area where guests will check into the Hotel. As opposed to having a front desk with staff, kiosks are used to facilitate check in. You must purchase these kiosks, which consist of an iPad, key encoder and credit card device. The kiosks connect to the integration system and facilitate the “fly by” check in process.

In-Room Controls

You must acquire and utilize Interel for guest in room controls. This system is used to set the "mood" in the room by offering light settings via voice, chat and bed side controls. We will work with you as part of the pre-opening process to determine the best placement of the controls. You are responsible for purchasing these devices along with needed devices for the lights and the in-room control box.

Voice/Chat

Reverb is a technology forward brand allowing guests to communicate with Hotel in the way that best suits them. This includes utilizing "Eve," your "on-property concierge" that is available via the Amazon Echo device and/or mobile phone via messaging. This system is acquired through us and we will work with you to configure it for your Hotel.

Music Distribution System

You must acquire and utilize RXMusic as the system to deliver music both in guest rooms and public spaces. As a brand that is inspired by music, the quality and type of music played are critical to delivering the proper guest experience at the Hotel. We have worked closely with RXMusic on play lists that suit the brand and region where each Hotel is located. You will work with us and RXMusic to define the "zones" in the Hotel along with the required hardware to be used to deliver music in public spaces and guest rooms. The system integrates with the Hotel's interactive television system and audio visual system. While there are devices that will be purchased to store content at the Hotel, the system does use the Hotel's to receive updated content.

Network/WiFi/Security

You must acquire the equipment and services to maintain a wired and wireless secure and robust network, including firewalls, anti-virus software, wireless access points, network routers, etc. WiFi is required in both front and back of house and the service must be reliable, stable and follow systems standards regarding coverage/bandwidth.

Security Compliance

You must comply with the following security requirements:

- Payment Card Industry ("**PCI**"). You must comply with all rules and regulations promulgated by the credit card companies and associations, including the PCI data security standards and our PCI compliance standards.
- Payment Processing. You must accept the forms of payment we designate, and use chip and pin ready payment devices.
- Tokenization. As part of our ongoing PCI compliance efforts, you must comply with "tokenization," which is the process of replacing credit card numbers with indecipherable data.
- GDPR, CCPA and Privacy Laws. You must follow all privacy laws, including all local laws and all other laws applicable to guests traveling to your Hotel. All internal and external customer-facing technologies must comply with all privacy and data protection standards. We will have the right to inspection and audit, or designate a third party to inspect and audit, your systems, policies and procedures to ensure compliance with PCI, privacy and data protection requirements.

Annual Licensing and Maintenance Fees

You will obtain certain software for the Computer System from our designated vendors. Each of these other software packages is the proprietary product of its vendor and any maintenance, repairs, upgrades or updates for these software packages will be obtained from the vendor according to the vendor's terms and conditions. We use a portion of the Program Fee to pay the monthly licensing fees imposed by certain software licensors based on your use of their software. For example, we use the Program Fee to pay the following monthly licensing fees: (i) per guest room licensing fee charged by Infor for the PMS system; (ii) per guest room licensing fee charged by HotSOS for the guest request management software; and (iii) per guest room licensing fee charged by Irecknou for the integration system, CRD and check-in kiosks.

In addition to the Program Fee, you must pay a variety of annual maintenance and/or software licensing and servicing fees directly to third-party licensors. We estimate the total annual cost of these fees will range from $75,000 to $300,00 (this excludes any fees that are covered by the Program Fee), depending on the size of the Hotel, the specific systems that you install, and any other software or systems that you elect to purchase beyond what we recommend or require. In exchange for these fees, the licensors of the various systems will provide all required maintenance, support and updates.

Branded Website

You must utilize the services of our designated vendor (currently Vizergy) to develop a new branded website platform for your Hotel. The current estimated costs for these services are $19,000 to $25,000 for the initial development services and an annual maintenance plan fee ranging from $5,000 to $7,000 depending on the services selected. Additional information about the website is discussed below under "Local Advertising."

Marketing Program (Section 3.4 & 4.3)

You must contribute Marketing Fees in the amount that we specify (not to exceed the sum of 1.5% of Total Revenues plus 1.5% of Merchandise Revenues, which amount will be deducted from the monthly Program Fee) ~~(the "Marketing Fees")~~ to our marketing fund that is used to administer our Marketing Program. The Marketing Program is used to promote public awareness and usage of Reverb facilities by implementing advertising, promotion, publicity, market research, loyalty marketing and other marketing programs, training programs and related activities, and the production and distribution of Reverb publications and directories ~~(the "Marketing Program").~~. For purposes of clarification, the Marketing Fee is included within the Program Fee and is not an additional fee. We will utilize the Marketing Fees for any of the following expenditures, in our discretion: (i) developing maintaining, administering, directing, preparing, or reviewing advertising and marketing materials, promotions, directories and programs; (ii) public awareness of any of the Marks; (iii) public and consumer relations and publicity; (iv) brand development; (v) research and development of technology, products and services; (vi) website development and search engine optimization; (vii) development and implementation of quality control programs; (viii) changes and improvements to the System; (ix) developing and maintaining the reservation system and related support; (x) the fees and expenses of any advertising agency we engage, in our discretion, to assist in producing or conducting advertising or marketing efforts; (xi) any other programs or activities that we deem necessary or appropriate to promote or improve the System; and (xi) our or our affiliates' expenses associated with direct or indirect labor, administrative, overhead or other expenses incurred in connection with promotional, marketing or advertising efforts or any of the foregoing activities.

We will have sole discretion as to the nature and type of any media placement, the allocation (if any) between international, national, regional and local markets, and the nature and type of advertising copy and other materials and programs. We are not obligated to insure that you or any particular franchisee will receive direct or pro rata benefits from our advertising and promotional placement. We are not obligated to expend all or any minimum portion of the Marketing Fees received during any specific period of time or to refund any contribution. We may choose to engage an advertising agency to assist us to produce and conduct advertising efforts and we may pay the agency from the Marketing Fees received. Reverb facilities owned by us or our affiliates and located in the United States are not required to contribute to the Marketing Program on the same basis as franchised Reverb facilities located in the United States. Currently, the Marketing Fee is uniformly imposed on all franchised Reverb facilities. We did not collect or spend any Marketing Fees in our fiscal year ended December 31, 20~~19~~20.

The fund will not be a trust and we will have no fiduciary obligations with respect to our administration of the fund. We are under no obligation to provide you with any accounting of the receipts and disbursements related to the Marketing Program and we are not required to have the financial statements of the Marketing Program audited. We are not required to maintain a separate account for the Marketing Fees and we may comingle Marketing Fees with other monies. We may spend in any fiscal year an amount more or less than the total contributions to the Marketing Program in that year and we may invest any surplus for future use by the Marketing Program. In the past fiscal year, we did not collect or spend any Marketing Fees. The fund will not be used for pay for advertisements principally directed at selling additional franchises, although consumer advertising may include notations such as "franchises available" and one or more pages on our website may promote the franchise opportunity.

We do not require that you participate in an advertising cooperative.

Loyalty Programs (Section 3.4.4 & Schedule C)

You must participate in all loyalty, special marketing and frequent traveler programs that we establish from time to time. These programs and the fees associated with these programs are subject to change. You must pay your fair share of the cost of system-wide programs and other marketing initiatives now existence or developed in the future, including, without limitation, Hard Rock Rewards and other frequent travel programs, market initiatives or other programs that we may develop. These fees and costs would be in addition to the Marketing Fees you are required to pay us.

Currently, we require that you participate in our "Hard Rock Rewards" program, which is our guest recognition program that is affiliated with "Reverb" and "Hard Rock" branded facilities. You must purchase certain equipment to install at your Hotel in connection with the Hard Rock Rewards program as required by the System Standards Manual. In addition, you must obtain software licenses from third parties as specified in the System Standards Manual at your cost in order to participate in the Hard Rock Rewards program. Under the current version of the program, you are not required to make any contributions to the Rewards program based on purchases made by Hard Rock Rewards members.

We reserve the right to change terms of the program, the costs and redemption reimbursement amounts, the calculation factors and the required equipment and software licenses at any time. During 2021, the current Hard Rock Rewards loyalty program may be replaced by a new program with different terms and conditions, yet to be defined. We will publish the details as soon as they become available. We also may require you to participate in other special marketing programs or frequent traveler programs, and you must pay any fees and purchase any equipment that we require to participate in in these programs.

Local Advertising (Section 3.4, 4.3 & 15.6)

In addition to advertising and promotions that will be conducted by us through the Marketing Program and our loyalty programs, you must place advertising through your own efforts. During each year of operation, you must spend a commercially reasonable amount of money, consistent with industry standard, to market, advertise and promote your Hotel in your local market. In addition, you are required to spend a minimum of $25,000 on grand opening marketing, advertising and promotional activities.

We may create and make available to you advertising and marketing materials for your purchase (the purchase price will reasonably cover the materials' direct and indirect costs). All advertising and promotional materials that you prepare and that are not in strict conformance with our guidelines in the System Standards Manual must be submitted to us for approval prior to use. You must stop using any non-conforming, outdated or misleading advertising materials upon our request.

You must participate in all of our Reverb System marketing programs, including any directory we prepare listing all Reverb facilities that have submitted the requested information in a timely manner and are not in default. We may, but need not, implement "group booking" programs created to encourage use of Reverb facilities for tours, conventions and the like.

You must utilize the services of our designated vendor (currently Vizergy) to develop a new branded website platform for your Hotel. You may not establish or maintain any other website in connection with the marketing or operation of your Hotel. You may market your Hotel on the Internet only in strict compliance with the Franchise Agreement and the System Standards Manual. The format, content and promotion of the website is subject to our approval.

You must participate in all Reverb Internet marketing activities that we specify, including any arrangements we make with third party distribution channels that are mandated in the System Standards Manual. You must discontinue any Internet marketing that conflicts with any of our system-wide Internet marketing activities. You must provide us with all content and photos pertaining to your Hotel that we specify (either for online marketing created by you or us). You must modify or remove any online content in accordance with our instructions. You agree to pay any fees, commissions, charges and reimbursements relating to Internet marketing activities (i) in which you agree to participate, or (ii) that we designate as mandatory on a System-wide basis. We may suspend the Hotel's participation in Internet marketing activity if you default under the Franchise Agreement.

Advisory Council (Section 2)

We may, but need not, create a franchise advisory council called the Reverb National Association ("**RENA**"). If we form RENA then all franchisees must, upon our request, become members of RENA. The purpose of RENA would be to consider and discuss common issues relating to advertising and operation of Reverb Facilities in the System. We may form a RENA executive committee that would make recommendations to us based upon the ideas and thoughts raised by members of RENA. We would consider all recommendations in good faith, but we would not be required to accept or implement any such recommendation. RENA would be established and operated according to rules and regulations we periodically approve, including procedures governing the selection of the members of the executive committee. We reserve the right to form, change and dissolve RENA in our discretion.

Opening Requirements (Schedule D)

You may not open your Business before: (i) successful completion of the initial training program; (ii) you purchase all required insurance; (iii) you obtain all required licenses, permits and other governmental approvals; and (iv) we provide our written approval of the construction, build-out and layout of your Hotel.

We will determine your required opening date when you sign the Franchise Agreement. The required opening date will range from 6 months to 24 months after a franchisee signs the Franchise Agreement. The specific opening date will vary depending on the degree of construction and remodeling that will be required to bring the Hotel into compliance with system standards. Conversion Hotels have an earlier required opening date than New Construction Hotels. We expect most Conversion Hotels to open within 6 to 12 months after signing of the Franchise Agreement and we expect most New Construction Hotels to open within 12 to 18 months after signing of the Franchise Agreement. Some of the factors that may affect this time include (i) the site's location and condition; (ii) the Hotel's construction schedule; (iii) the extent to which you must upgrade or remodel an existing location; (iv) the delivery schedule for building materials and FF&E; (v) completing training; (vi) obtaining financing; (vii) obtaining insurance and all required licenses and permits; and (viii) complying with local laws and regulations. If you fail to open the Hotel by the required opening date, we have the right to terminate your Franchise Agreement and charge you liquidated damages in ~~the amount of $150,000.~~ an amount equal to $3,600 multiplied by the total number of guest rooms that we approved for the Hotel.

ITEM 12 TERRITORY

Location of Your Hotel

Each Franchise Agreement grants you the right to operate a single Reverb hotel at a single location that will be identified in the Franchise Agreement before you sign it. You are not permitted to relocate your Reverb facility under any circumstances.

Territory and Competition

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Alternative Channels of Distribution

We reserve the right to sell or license others to sell competitive products (whether under the Marks or under different trademarks) through alternative channels of distribution, such as over the Internet, in any location, including to persons who may be your customers. For example, if we authorize you to sell Reverb or Hard Rock branded merchandise, we may also sell the same merchandise over the Internet, including to customers in your market. You are not entitled to any compensation for sales that take place through alternative channels of distribution.

Restrictions on Your Sales and Marketing Activities

We do not prevent you from marketing your Hotel outside of any geographic area. You are permitted to market your Hotel through alternative channels of distribution, such over the Internet. Our designated vendor will help you develop a new branded website platform for your Hotel. Your online marketing activities are subject to all requirements and restrictions imposed under Section 15.6 of the Franchise Agreement and the System Standards Manual. You are not permitted to sell any merchandise or conduct any other business over the Internet, such as online gaming operations. You must comply with our requirements for links to and from our Reverb website. All content of your website and online marketing is subject to our approval. There are no other restrictions on your right to solicit customers from any location.

Additional Territories

You are not granted any options, rights of first refusal or similar rights to acquire additional territories or franchises.

Competitive Businesses Under Different Marks

As discussed in Item 1, we also offer franchises for Hard Rock Hotels. Hard Rock Hotels also offer guests lodging and food and beverage. While Reverb hotels and Hard Rock Hotels may compete for customers, Hard Rock Hotels are not authorized to use any of the Marks. Specifically, Hard Rock Hotels will operate under the name "Hard Rock Hotel." Some Hard Rock Hotels may be owned by us or our affiliates while others are franchised. Hard Rock Hotels may be located at any location, including in close proximity to your Hotel. We will resolve any conflicts between Hard Rock Hotel franchisees and Reverb franchisees regarding territory, customers and franchise support on a case-by-case basis (for example we may potentially utilize impact studies). Our principal business address for Hard Rock Hotels is the same as our principal business address for Reverb hotels and we do not intend to maintain physically separate offices and training facilities for Hard Rock Hotels and Reverb hotels.

We reserve to own, operate and franchise other competitive businesses in the future under different trademarks.

ITEM 13 TRADEMARKS

Our affiliate, HRC, ~~applied to register~~registered the following trademarks on the ~~Principal Register at the~~ United States Patent and Trademark Office ~~based on an intent to use application~~principle register:

~~MARK~~MARK	~~SERIAL NUMBER~~REGISTRATION NUMBER	~~APPLICATION DATE~~REGISTRATION DATE (Last Renewal Date)
REVERB	~~88/236,829~~ ~~(originally filed April 28, 2015 under Serial No. 86/612,788 but abandoned and subsequently refiled under Serial No. 88/236,829)~~6,097,261	~~December 20, 2018~~ July 7, 2020
REVERB BY HARD ROCK	~~87/780,100~~6,070,063	~~February 1, 2018~~June 2, 2020

~~We do not have a federal registration for the Marks above. Therefore, these Marks do not have many legal benefits and rights as a federally registered trademark. If our right to use any of these Marks is challenged, you may have to change to an alternative trademark, which may increase your expenses.~~All required affidavits have been filed.

HRC has authorized us to use and to sublicense the use of the Marks pursuant to a Trademark License Agreement dated March 1, 2002 (as amended from time to time). Under the Trademark License Agreement, HRC grants us rights to use and sublicense the use of the Licensed Marks in the United States. The initial term of the Trademark License Agreement is 50 years (expiring March 1, 2052) and it includes an unlimited number of automatic 20 year renewal terms.

We grant you the right to operate a franchise under the name "Reverb" and logo shown on the cover page of this Disclosure Document. By trademark, we mean trade names, trademarks, service marks, and logotypes used to identify your Reverb franchise or the products or services sold at your Hotel. We may change the trademarks you may use from time to time (including by discontinuing use of the Marks listed in this 0). If this happens, you must change to the new trademark at your expense.

You must follow our rules when using the Marks. You cannot use our name or mark as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent. You may not use the Reverb name relating to the sale of any product or service that is not previously authorized by us in writing.

You must notify us immediately when you learn about an infringing or challenging use of the Marks. We will take the action we think appropriate, but we are not required to take any action if we do not feel it is warranted. Specifically, we need not take any action if we do not believe the infringing use has a material adverse impact on your Hotel. We may require your assistance, but you are not permitted to control any proceeding or litigation relating to our Marks.

We will indemnify you against, and reimburse you for all damages and expenses you incur in any action or claim that your use of the Marks in compliance with the Franchise Agreement and our System infringes upon the intellectual property rights of a third party. You must promptly notify us in writing of the action or claim and you must cooperate with our defense and resolution of the claim.

Except as disclosed above, we are not required under the Franchise Agreement to: (i) protect your right to use the Marks or protect you against claims of infringement or unfair competition arising out of your use of the Marks; or (ii) participate in your defense or indemnify you for expenses or damages you incur if you are a party to an administrative or judicial proceeding involving our marks or if the proceeding is resolved in a manner that is unfavorable to you.

There are no currently effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court; no pending infringements, oppositions or cancellations; and no pending material litigation involving any of the Marks. We do not know of any infringing uses that could materially affect your use of the Marks.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or pending patent applications are material to the franchise. Although we have not filed an application for copyright registration for the System Standards Manual, our website or our marketing materials, we do claim a copyright to these items. During the term of your Franchise Agreement, we will allow you to use our proprietary information relating to the development, marketing and operation of a Reverb hotel, including, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the System Standards Manual. All ideas, improvements, inventions, marketing materials, and other concepts you develop relating to the operation of your Hotel will be owned by us.

You are required to maintain the confidentiality of all of our proprietary information and use it only in strict accordance with the terms of the Franchise Agreement and the System Standards Manual. All information that you collect or capture through your property management system is jointly owned by you and us. You agree that for any other processing of information for which there is not joint determination of the purposes and means, we and, as the case may be, you remain separate and independent controllers.

You must promptly tell us when you learn about unauthorized use of our proprietary information. We are not obligated to act, but will respond to this information as we deem appropriate. Specifically, we need not take any action if we do not believe the unauthorized use has a material adverse impact on your Hotel.

We may require your assistance, but you are not permitted to control any proceeding or litigation relating to our proprietary information. You are not permitted to control any proceeding or litigation alleging the unauthorized use of any of our proprietary information. There are no infringements that are known by us at this time.

We will indemnify you against, and reimburse you for all damages and expenses you incur in any action or claim that your use of our proprietary information in compliance with the Franchise Agreement and our System infringes upon the intellectual property rights of a third party. You must promptly notify us in writing of the action or claim and you must cooperate with our defense and resolution of the claim.

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

We do not require that any of the owners of the franchise participate personally in the direct operation of the Hotel. However, we may require that certain owners (or other persons that we designate) personally guaranty your obligations under the Franchise Agreement by signing the form of Guaranty attached to the Franchise Agreement as Schedule F.

Your Hotel must be managed by either a management company or an individual general manager with significant training and experience in general management of similar lodging facilities. We must approve your general manager. You must hire your general manager at least 6 months before your Hotel opens. We do not have any other requirements for your general manager except that the general manager must meet our training and experience requirements. We do not require that your general manager own any equity interest in the franchise. Any management company that you engage must sign the form of Manager's Acknowledgment that is attached to the Franchise Agreement as Schedule E.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer transient guest lodging and other related services that we specify from time to time. The specific amenities, services and facilities that you must make available will be specified on Schedule B to the Franchise Agreement. You must offer all goods and services that we specify. You may not offer any goods or services that we have not approved. You may not permit any vending equipment, slot machines or gaming machinery of any description at the Hotel, except with our prior written approval in each instance. We have the unrestricted right to change the goods and/or services that you are required to offer at any time in our sole discretion, and you must comply with any such change.

ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
a. Length of the franchise term	Section 5	Term is equal to 15 years for a Conversion Hotel or 20 years for a New Construction Hotel.
b. Renewal or extension of the term	Section 5	You may not renew or extend the term.
c. Requirements for you to renew or extend	Not Applicable	Not Applicable
d. Termination by you	Section 5	You can terminate only if we fail to cure a material default within the cure period. If you have paid all fees and charges due, you also may terminate without cause on the 5^{th} or 10^{th} anniversary of the opening date of the Hotel (or the 15^{th} anniversary of the opening date if you operate a New Construction Hotel) by providing between 6 and 12 months prior written notice.
e. Termination by us without cause	Section 5	We may terminate without cause on the 5^{th} or 10^{th} anniversary of the opening date of the Hotel (or the 15^{th} anniversary of the opening date if you operate a New Construction Hotel) by providing between 6 and 12 months prior written notice.
f. Termination by us with cause	Section 11.1 & 11.2	We can terminate if you default.
g. "Cause" defined - curable defaults	Section 11.1	You have 10 days to cure any monetary default, failure to file monthly report or breach of confidentiality obligation. You have 30 days to cure any other default (other than defaults described below under "non-curable defaults"). If you fail a quality assurance inspection and the default does not relate to a health or safety issue, we may allow you additional time (up to a maximum of 90 days) to cure under the terms of an improvement agreement. During default we may suspend your Hotel from the reservation system, discontinue the reservation system referrals to your Hotel and divert previously made reservations to other Reverb hotels.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
h. "Cause" defined - non-curable defaults	Section 11.2 and Schedule D	The following defaults cannot be cured: failure to commence or complete construction in required period of time; identifying your Hotel as a Reverb facility or operating under the System prior to obtaining our approval; you discontinue operating the facility as a Reverb hotel; commission of act that could be injurious or prejudicial to goodwill associated with the Marks or System; loss of possession or right to possession of the facility; termination of any other franchise agreement with you (or any guarantor); you intentionally maintain false books and records or submit materially false report to us; failure or you or guarantor to pay debts when due; misstatement of material fact by you, a guarantor or owner; receipt of 2 or more default notices in any 12 month period; unauthorized transfer or transfer prior to satisfaction of transfer conditions; you or an owner challenges in our interest in or validity of the System or Marks; bankruptcy, insolvency or similar event of you or a guarantor; health or safety danger; failure to complete restoration of Hotel within 180 days after casualty or condemnation resulting in less than 75% room availability; government finding of breach of any applicable data protect law; or if we determine continued existence of Franchise Agreement could put us or an affiliate ours in jeopardy of losing a gaming license, being denied a gaming license, or being subjected to materially adverse effects.
i. Your obligations on termination/non-renewal	Section 12 & 13	Obligations include: pay liquidated damages (in certain instances of termination or condemnation); past due fees and other amounts; return System Standards Manual and other items including our confidential information; take required measures to meet data retention and data destruction requirements; cease use of intellectual property; complete deidentification; cease online marketing using the Marks; upon our request, sell us Mark-bearing FF&E, supplies and signage; honor any advance reservations made prior to termination and honor rates and other terms at time reservation made and pay all related travel agent commissions.
j. Assignment of contract by us	Section 10	No restriction on our right to assign.
k. "Transfer" by you – definition	Appendix A (definition of "Transfer")	Means (1) an transfer of equity interests in the franchisee entity, (2) you assign, pledge, transfer, delegate or grant a security interest in all or any of your rights, benefits and obligations under the Franchise Agreement, as security or otherwise without our consent, (3) you assign (other than as collateral security for financing the Hotel) your leasehold interest in (if any), lease or sublease all or any part of the Hotel to any third party, (4) you engage in the sale, conveyance, transfer, or donation of your right, title and interest in and to the Hotel, (5) your lender or secured party forecloses on or takes possession of your interest in the Hotel, directly or indirectly, or (6) a receiver or trustee is appointed for the Hotel or your assets, including the Hotel. A Transfer does not occur when you pledge or encumber the Hotel to finance its acquisition or improvement, you refinance it, or you engage in a Permitted Transferee transaction. A "Permitted Transferee" means (i) any entity, natural person(s) or trust receiving from the personal representative of an owner any or all of the owner's equity interests upon the death of the owner, if no consideration is paid by the transferee or (ii) the spouse or adult issue of the transferor, if the equity interest transfer is accomplished without consideration or payment, or (iii) any natural person or trust receiving an equity interest if the transfer is from a guardian or conservator appointed for an incapacitated or incompetent transferor.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
l. Our approval of transfer by you	Section 9	We have the right to approve all transfers (other than a collateral assignment or transfer in connection with a financing of the Hotel that we have approved or a Permitted Transferee transaction). We will not unreasonably withhold our approval as long as all of the conditions for transfer are satisfied. Even in instances where we need not approve the transfer, any person who, as a result of the transfer, will directly or indirectly own at least 5% of the equity interests in the franchisee entity must successfully complete a background check in order to acquire the interest. See "m" below for more information.
m. Conditions for our approval of transfer	Section 9.2, 9.3, 9.6 & 9.7	Conditions to transfer include: you provide at least 30 days written notice of transfer; you pay all amounts owed; we approve application submitted by transferee; transferee meets our qualifications to be a franchisee and passes a background check; transferee pays application fee and initial franchise fee and signs then-current form of Franchise Agreement; transferee agrees to renovate Hotel as we specify; you and your owners sign a general release of claims in our favor (subject to state law). If structural changes to the Hotel are required to bring it into compliance with system standards, then we may (as an alternative to requiring the transferee to complete the structural changes) alternatively require one of the following: (i) limit the term of the transferee's Franchise Agreement to the remaining term under your Franchise Agreement; (ii) add right to terminate without cause by either party after a specified period of time; or (iii) allow you to terminate the Franchise Agreement when you sell the Hotel and pay us liquidated damages. In addition to the requirements above, you must notify us of the identity of all new persons who will own any equity interest in the franchisee entity. We must conduct a background check on all persons who own at least 5% of the equity interests in the franchisee entity and you must reimburse us for those costs. You may not complete the transfer if the transfer would (based upon the results of our background check) jeopardize any existing or future gaming license held by us or any of our affiliates. In order to issue securities, you must send us copies of all offering materials to be used in the offer and sale of the securities and we must review them. You must pay us the $5,000 review fee and pay any additional costs we incur in reviewing the materials. We must approve certain information in the offering documents relating to us, the Franchise Agreement, your relationship to us or any use of our Marks.
n. Our right of first refusal to acquire your business	Not Applicable	Not Applicable
o. Our option to purchase your business	Not Applicable	Not Applicable
p. Your death or disability	Section 9.4	Transfers to a Permitted Transferee as a result of the death of an owner are not subject to other transfer requirements other than passing a background check. We may also require that the transferee agree in writing to be bound by the Franchise Agreement or, at our option, execute the Franchise Agreement.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
q. Non-competition covenants during the term of the franchise	Section 3.11 & 17.9	No promotion or advertising of a competing business at your Hotel other than a competing business owned, managed or franchised by us or our affiliates. While the Franchise Agreement is in effect, neither you nor your officers, directors, general partners or owners of 25% or more of your equity interests, may own, operate, lease, manage or franchise (i) any guest lodging facility other than the Hotel unless we or our affiliate franchises or licenses the facility, and/or (ii) any time share resort, vacation club, residence club, fractional ownership residence, condominium/apartment leasing or rental business, or the like, for any facility or business that shares directly or indirectly, common areas, amenities, recreation facilities, services, supplies or support activities with the Hotel.
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	The Franchise Agreement does not impose any noncompetition covenants after the termination or expiration of the Franchise Agreement.
s. Modification of the agreement	FA: Section 17.2	Requires writing signed by both parties (except for unilateral changes to System Standards Manual, Schedule C (where permitted) or unilateral reduction of scope of restrictive covenants by us). Other modifications primarily to comply with various states laws.
t. Integration/ merger clause	Section 17.7.3	Only the terms of the Franchise Agreement and attachments to Franchise Agreement are binding (subject to state law). Any representations or promises made outside the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreements is intended to disclaim any of the representations we made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 17.6	Subject to state law, all disputes must be mediated before litigation (except as otherwise disclosed in EXHIBIT "J" to this Disclosure Document).
v. Choice of forum	Section 17.6	Subject to state law, all mediation and litigation must take place in Orange County, Florida (except as otherwise disclosed in EXHIBIT "J" to this Disclosure Document).
w. Choice of law	Section 17.6	Subject to state law, Florida law governs the agreement (except as otherwise disclosed in EXHIBIT "J" to this Disclosure Document).

ITEM 18 PUBLIC FIGURES

We do not use any public figures to promote our 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 if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

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 Federal Trade Commission, the appropriate state regulatory agencies, and our management by contacting ~~Brian Alexander,~~Ilkim Hincer, Executive Vice President ~~of Business Affairs~~ and ~~Acting General Counsel~~Chief Legal Officer, 5701 Stirling Road, Davie, Florida 33314, (954) 488-~~7804~~6141, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE 1 - SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 201~~7~~8 TO 20~~19~~20

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	201~~7~~8	0	0	0
	201~~8~~9	0	0	0
	20~~19~~20	0	~~0~~1	~~0~~+1
Company-Owned	201~~7~~8	0	0	0
	201~~8~~9	0	0	0
	20~~19~~20	0	0	0
Total Outlets	201~~7~~8	0	0	0
	201~~8~~9	0	0	0
	20~~19~~20	0	~~0~~1	~~0~~+1

TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 201~~7~~8 TO 20~~19~~20

State	Year	Number of Transfers
Total	201~~7~~8	0
	201~~8~~9	0
	20~~19~~20	0

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS ~~2017 TO 2019~~2018 TO 2020

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Georgia~~Totals~~	201~~7~~8	0	0	0	0	0	0	0
	201~~8~~9	0	0	0	0	0	0	0
	20~~19~~20	0	~~0~~1	0	0	0	0	~~0~~1
Totals	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1

TABLE 4 - STATUS OF COMPANY-OWNED OUTLETS FOR YEARS ~~2017 TO~~ 2018 TO 2020~~2019~~							
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Outlets Reacquired From Franchisee**	**Outlets Closed**	**Outlets Sold to Franchisee**	**Outlets at End of Year**
Totals	201~~7~~8	0	0	0	0	0	0
	201~~8~~9	0	0	0	0	0	0
	20~~19~~20	0	0	0	0	0	0

TABLE 5 - PROJECTED OPENINGS AS OF DECEMBER 31, 20~~19~~20			
State	**Franchise Agreements Signed But Outlet Not Opened**	**Projected New Franchised Outlets in the Next Fiscal Year**	**Projected New Company-Owned Outlets in the Next Fiscal Year**
California	1	0	0
Florida	2	0	0
Michigan~~Georgia~~	1	0	0
Total	~~2~~4	0	0

Our fiscal year ends on December 31st. All references to years in these tables refer to December 31st of that year.

A list of all current Reverb franchisees is attached to this Disclosure Document as EXHIBIT "E" (Part A), including their names and the addresses and telephone numbers of their outlets as of December 31, 20~~19~~20. In addition, EXHIBIT "E" (Part B) lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last 3 fiscal years, no current or former Reverb franchisees have signed confidentiality clauses that restrict them from discussing with you their experience as a franchisee in our franchise system.

There are no (i) trademark-specific franchisee organizations associated with the franchise system being offered that we have created, sponsored or endorsed or (ii) independent franchisee organizations that have asked to be included in this Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

Attached to this Disclosure Document as EXHIBIT "F" are the audited financial statements of Hard Rock Hotel Licensing, Inc., which comprise the balance sheets as of December 31, 20~~19~~20, December 31, 201~~8~~9 and December 31, 201~~7~~8 and the related statements of operations, stockholder's equity, and cash flows for the fiscal years ended December 31, 20~~19~~20, December 31, 201~~8~~9 and December 31, 201~~7~~8 and independent auditors' report.

ITEM 22 CONTRACTS

Attached to this Disclosure Document (or the Franchise Agreement attached to this Disclosure Document) are copies of the following franchise and other contracts or agreements proposed for use or in use in this state:

Exhibits to Disclosure Document

EXHIBIT "C"	Franchise Agreement
EXHIBIT "G"	Franchisee Disclosure Questionnaire
EXHIBIT "H"	General Release
EXHIBIT "I"	State ~~Effective Dates~~ Addendum
~~EXHIBIT "J"~~	~~State Addendum~~
EXHIBIT "J"	State Effective Dates

Attachments to Franchise Agreement

Schedule E	Form of Manager's Acknowledgment
Schedule F	Guaranty
Schedule H	~~Joint Controllers~~ Data Processing Agreement
Schedule I	State Addendum

ITEM 23 RECEIPT

~~EXHIBIT "K"~~EXHIBIT "K" to this Disclosure Document are detachable receipts. You are to sign both, keep one copy and return the other copy to us.

EXHIBIT "A"

TO DISCLOSURE DOCUMENT

STATE AGENCIES AND ADMINISTRATORS

CALIFORNIA Commissioner of ~~Business Oversight~~Financial Protection & Innovation Department of ~~Business Oversight~~Financial Protection & Innovation 320 West 4th Street, #750 Los Angeles, CA 90013 (213) 576-7500 1-866-275-2677 **HAWAII** Commissioner of Securities of the State of Hawaii 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 Agents for Service of Process: Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 **ILLINOIS** Illinois Attorney General Chief, Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465 **INDIANA** Secretary of State Securities Division Room E-018 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	**MARYLAND** Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202 (410) 576-6360 **MICHIGAN** Franchise Administrator Consumer Protection Division 670 Law Building Lansing, MI 48913 (517) 373-7117 **MINNESOTA** Department of Commerce Commissioner of Commerce 85 Seventh Place East, #500 St. Paul, MN 55101-3165 (651) 296-4026 **NEW YORK** New York Attorney General Investor Protection & Securities Bureau Franchise Section 120 Broadway, 23rd Floor New York, NY 10271 (212) 416-8236 **NORTH DAKOTA** North Dakota Securities Department State Capitol, Fifth Floor, Dept 414 600 East Boulevard Avenue Bismarck, North Dakota 58505-0510 (701) 328-4712	**RHODE ISLAND** Department of Franchise Regulation 1511 Pontiac Avenue John O. Pastore Complex Bldg 69-1 Cranston, Rhode Island 02920 (401) 462-9527 **SOUTH DAKOTA** Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-4823 **VIRGINIA** State Corporation Commission Division of Securities and Retail Franchising 1st Floor (service of process) 9th Floor (administrator) 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051 **WASHINGTON** Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760 **WISCONSIN** Department of Financial Institutions Division of Securities 201 W Washington Avenue, Suite 500 Madison, WI 53703 (608) 261-9555

EXHIBIT "B"

TO DISCLOSURE DOCUMENT

FRANCHISOR'S AGENT FOR SERVICE OF PROCESS

CT Corporation System
1200 South Pine Island Road
Plantation, Florida 33324

In states listed in EXHIBIT "A", the additional agent
for Service of Process is listed in EXHIBIT "A"

EXHIBIT "C"

TO DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

[See Attached]

Location:
Entity No.
Unit No.:

REVERB
FRANCHISE AGREEMENT

~~THIS~~ This Franchise ~~FRANCHISE AGREEMENT ("~~Agreement~~"),~~ (this "**Agreement**"), dated _____________, 202~~_~~2___, is between Hard Rock Hotel Licensing, Inc., a Florida corporation ~~("~~(“**we**~~", "~~”, “**our**~~"~~” or ~~"~~“**us**~~"),~~”), and _____, _____ ~~("~~(“**you**~~").~~”). The definitions of capitalized terms are found in Appendix A. In consideration of the following mutual promises, the parties agree as follows:

FRANCHISE

1. ~~1. Franchise.~~

We have the exclusive right to franchise to you the distinctive ~~"~~“Reverb~~"~~” System for providing transient guest lodging services. We grant to you and you accept the Franchise, effective and commencing on the Opening Date and ending on the earliest to occur of the Term's expiration or a Termination. The Franchise is effective only at the Location and may not be transferred or relocated. You will call the Hotel a ~~"~~“**REVERB ~~________."~~________.”** You may adopt additional or secondary designations for the Hotel with our prior written consent, which we may withhold, condition, or withdraw on written notice in our sole discretion. You shall not affiliate or identify the Hotel with another franchise system, reservation system, brand, cooperative or registered mark during the Term.

~~**2. Reverb Association.**~~

2. ~~2.1~~ REVERB ASSOCIATION

2.1. Membership~~.~~

At our request, and upon formation, you will automatically become a member of the Reverb National Association ~~("~~(“**RENA**~~"),~~”), planned to be an unincorporated association. Other Chain franchisees shall also be members of RENA. It is our objective that RENA will be formed for the purpose of considering and discussing common issues relating to advertising and operation of facilities in the System and, through its Executive Committee, making recommendations to us regarding such issues and other matters.

2.2. ~~2.2~~ Global Leadership Conference~~.~~

You or your representative will attend each Global Leadership Conference when it is held. You will pay the costs of transportation, lodging and meals (except those we provide as part of the Conference) for your attendees.

~~**3. Your Improvement and Operating Obligations.**~~

3. ~~3.1~~ YOUR IMPROVEMENT AND OPERATING OBLIGATIONS

3.1. Pre-Opening Improvements and Lease~~.~~

You must select, acquire, construct and/or renovate the Hotel as provided in Schedule D. You must obtain our approval of your financing in accordance with Section 3.18 prior to commencement of construction. Prior to the Opening Date, you must provide us with a written certificate from your architect, licensed professional engineer, or recognized expert consultant of applicable laws stating that the Hotel conforms with all applicable laws, including laws governing public accommodations for persons with disabilities. The certificate must be in a form substantially identical to the form attached hereto as Schedule~~-~~ G. We do not review or approve the terms of your lease or purchase agreement for the facility. However, you must ensure that your lease includes provisions that require the landlord to: (i) notify us of any of your defaults under the lease; (ii) notify us of the termination or expiration of your lease; and (iii) allow us to enter the premises and remove any trade fixtures, signs, trade dress and other items bearing our Marks if you fail to do so within a reasonable period of time after the termination or expiration of this Agreement.

3.2. ~~3.2~~ Operation~~.~~

You will operate and maintain the Hotel continuously after the Opening Date on a year-round basis as required by System Standards and offer transient guest lodging and other related services of the Hotel (including those specified on Schedule B) to the public in compliance with all federal, state and local laws, regulations and ordinances as well as the System Standards. You will keep the Hotel in a clean, neat, and sanitary condition. You will clean, repair, replace, renovate, refurbish, paint, and redecorate the Hotel and its FF&E as and when needed to comply with System Standards. The Hotel will be managed by either a management company or an individual manager with significant training and experience in general management of similar lodging facilities. Any management company that you engage must execute the Form of Manager's Acknowledgment attached to this Agreement as Schedule E prior to assuming any management responsibilities. The Hotel will accept payment from guests by all credit and debit cards we designate in the System Standards Manual. The Hotel will follow standard industry practices for safeguarding cardholder information, applicable laws and regulations, and such other requirements as we may include in the System Standards Manual or as we may otherwise communicate from time to time for such purpose. You may add to or discontinue the amenities, services and facilities described in Schedule B, or lease or subcontract any service or portion of the Hotel, only with our prior written consent which we will not unreasonably withhold or delay. Your front desk operation, telephone system, parking lot, swimming pool and other guest service facilities may not be shared with or used by guests of another lodging or housing facility. You acknowledge that any breach of System Standards for the Hotel, its guest amenities, and your guest service performance is a material breach of this Agreement.

3.3. ~~3.3~~ Training~~.~~

You (or a person with executive authority if you are an entity) and the Hotel's General Manager (or other representative who exercises day to day operational authority) and the Hotel's other employees that we designate will attend the training programs described in Section 4.1 we designate as mandatory for franchisees or General Managers, respectively. You will train or cause the training of all Hotel personnel as and when required by System Standards and this Agreement. You will pay for all travel, lodging, meals and compensation expenses of the people you send for training programs and all travel, lodging, meal and facility and equipment rental expenses of our representatives if training is provided at the Hotel.

~~1.1.~~3.4. ~~3.4~~ Marketing~~.~~

~~1.1.1.~~3.4.1. ~~3.4.1~~ You will participate in System marketing programs, including the Directory, if any, the Reservation System, the Sales Referral Program and guest loyalty programs. You will obtain and maintain the computer and communications service and equipment we specify to participate in the Reservation System and Sales Referral Program. You will comply with our rules and standards for participation, and will honor reservations and commitments to guests and travel industry participants. You authorize us to offer and sell reservations for rooms and services at the Hotel according to the rules of participation and System Standards. You shall implement, at your expense, your own local advertising. During each Franchise Year, you are required to spend a commercially reasonable amount of money, consistent with industry standard, to market, advertise and promote your Hotel in your local market. In addition to these marketing expenditures, you are required to spend a minimum of $25,000 on grand opening marketing and promotional activities relating to your Hotel. Your advertising materials must use the Marks correctly, and must comply with System Standards or be approved in writing by us prior to publication. You will stop using any non-conforming, outdated or misleading advertising materials if we so request.

~~1.1.2.~~3.4.2.~~3.4.2~~ At your sole expense, you must engage our designated vendor for purposes of developing a new branded website platform for your Hotel in compliance with Section 15.6. You may not establish or maintain any other website in connection with the marketing or operation of your Hotel. The Hotel must participate in our Chain-wide Internet marketing activities like other marketing programs including any arrangements we make with third party distribution channels that are mandated in the System Standards Manual. You shall provide us with information about the Hotel and utilize our approved photographer for taking photographs of the Hotel for posting on the Chain website. The content you provide us or use yourself for any Internet marketing must be true, correct and accurate, and you will notify us in writing promptly when any correction to the content becomes necessary. You shall promptly modify at our request the content of any Internet marketing material for the Hotel you use, authorize, display or provide to conform to System Standards. You will discontinue any Internet marketing that conflicts, in our reasonable discretion, with Chain-wide Internet marketing activities. You must honor the terms of any participation agreement you sign for Internet marketing. You shall pay when due any fees, commissions, charges and reimbursements relating to Internet marketing activities (i) in which you agree to participate, or (ii) that we designate as mandatory on a Chain-wide basis. We may suspend the Hotel's participation in Internet marketing activity if you default under this Agreement.

~~1.1.3.~~3.4.3.~~3.4.3~~ You will participate in any guest rewards or loyalty program we determine is appropriate and pay the Loyalty Program Charge associated with the program as set forth in Schedule C.

~~1.1.4.~~3.4.4.~~3.4.4~~ You will participate in and comply with the terms of the Sales Referral Program, receive lead generation fees earned thereunder (if any), and pay all lead generation fees payable thereunder (if any), all as may be earned or payable under the Sales Referral Program. You acknowledge that currently (a) the fee payable to us for leads that we generate for the Hotel is 5% of the revenues the Hotel receives in connection with bookings from such leads and (b) the fee payable to you for leads you generate for other Reverb Hotels is 1% of the revenues the other Reverb Hotels receive in connection with bookings from such leads. The lead generation fees described in the preceding sentence, and their calculation, are further described and defined in the System Standards Manual, and the System Standards Manuals' descriptions and definitions of the Sales Referral Program govern all such fees and calculations in all respects. You acknowledge that we may at any time, in our sole discretion, modify, amend or terminate the Sales Referral Program (including the fees generated thereunder).

3.5. ~~3.5~~ Governmental Matters~~.~~

You will obtain as and when needed all governmental permits, licenses and consents required by law to construct, acquire, renovate, operate and maintain the Hotel and to offer all services you advertise or promote. You will pay when due or properly contest all federal, state and local payroll, withholding, unemployment, beverage, permit, license, property, ad valorem and other taxes, assessments, fees, charges, penalties and interest, and will file when due all governmental returns, notices and other filings. You will comply with all applicable federal, state and local laws, regulations and orders applicable to you and/or the Hotel. You must notify us of the results of all inspections of your Hotel conducted or required by any governmental agency no later than five (5) days following your receipt of the results of the applicable inspection.

~~1.2.~~3.6. ~~3.6~~ Financial Books & Records; Audits~~.~~

~~1.2.1.~~3.6.1. ~~3.6.1~~ The Hotel's transactions must be timely and accurately recorded in accounting books and records prepared on an accrual basis compliant with generally accepted accounting principles of the United States ("**GAAP**") and consistent with the most recent edition of the Uniform System of Accounts for the Lodging Industry published by the American Hotel & Motel Association, as modified by this Agreement and System Standards. You acknowledge that your accurate accounting for and reporting of Room Revenues, Merchandise Revenues and Food and Beverage Revenues is a material obligation you accept under this Agreement.

~~1.2.2.~~3.6.2. ~~3.6.2~~ Upon our request, you will send to us copies of financial statements, tax returns, and other records relating to the Hotel for the applicable accounting period that we require under this Agreement and System Standards. We may notify you of a date on which we propose to audit the Hotel's books and records at the Hotel. You will be deemed to confirm our proposed date unless you follow the instructions with the audit notice for changing the date. You need to inform us where the books and records will be produced. You need to produce for our auditors at the confirmed time and place for the audit the books, records, tax returns and financial statements for the Hotel. We may also perform an audit of the Hotel's books and records without advance notice. Your staff must cooperate with and assist our auditors to perform any audit we conduct.

~~1.2.3.~~3.6.3. ~~3.6.3~~ We will notify you in writing if you default under this Agreement because (i) you do not cure a violation of Section 3.6.2 within 30 days after the date of the initial audit, (ii) you cancel two or more previously scheduled audits, (iii) you refuse to admit our auditors during normal business hours at the place where you maintain the Hotel's books and records, or refuse to produce the books and records at the audit or send them to us as required under this Agreement and System Standards for the applicable accounting periods, (iv) our audit determines that the books and records you produced are incomplete or show evidence of tampering or violation of generally accepted internal control procedures, or (v) our audit determines that that you have reported to us less than 97% of the sum of the Hotel's Total Revenues plus Merchandise Revenues for any fiscal year preceding the audit. Our notice of default may include, in our sole discretion and as part of your performance needed to cure the default under this Section 3.6, an "Accounting Procedure Notice." You must also pay any deficiency in Recurring Fees, any Audit Fee we assess you for your default of Section 3.6 as described in Section 4.8, and/or other charges we identify and invoice as a result of the audit. The Accounting Procedure Notice requires that you obtain and deliver to us, within 90 days after the end of each of your next three fiscal years ending after the Accounting Procedure Notice, an audit opinion signed by an independent certified public accountant who is a member of the American Institute of Certified Public Accountants addressed to us that the Hotel's Total

Revenues you reported to us during the fiscal year fairly present the Total Revenues of the Hotel computed in accordance with this Agreement for the fiscal year.

~~1.2.4.~~3.6.4. ~~3.6.4~~ You shall, at your expense, prepare and submit to us by the tenth day of each month, a statement in the form prescribed by us, accurately reflecting for the immediately preceding month Total Revenues, Room Revenues, Food and Beverage Revenues, Merchandise Revenues, expenditures on local marketing, advertising and promotional activities, and such other data or information as we may require. You must submit your statements to us using our on-line reporting and payment tool or through such other technology or means as we may establish from time to time.

3.7. ~~**3.7 Inspections.**~~ Quality Assurance Program

You acknowledge that the Hotel's participation in our ~~quality assurance inspection program~~Quality Assurance Program (including unannounced inspections) is a material obligation you accept under this Agreement. Our Quality Assurance Program consists of a variety of periodic inspections and evaluations of your Hotel, which may be conducted by us, our affiliates or third-party providers that we designate. You will permit our representatives to perform quality assurance inspections of the Hotel at any time with or without advance notice. The quality assurance inspections may address any issues that we deem appropriate, including, without limitation, food safety and sanitation issues. The inspections will commence during normal business hours although we may observe Hotel operation at any time. You and the Hotel staff will cooperate with the inspector performing the inspection. If the Hotel fails an inspection, you refuse to cooperate with our inspector, or you refuse to comply with our published inspection System Standards, then you will pay us when invoiced for any Reinspection Fee specified in System Standards Manuals. You will also be charged the Reinspection Fee if we are required to return to the Hotel to inspect it as a result of your failure to complete any Improvement Obligation by the deadline established in the Punch List, as set forth in Schedule D. We may also conduct paper and electronic customer satisfaction surveys of your guests and include the results in your final quality assurance score. We may publish and disclose the results of quality assurance inspections and guest surveys. We may, at our discretion, implement a chain-wide quality assurance/mystery shopper inspection program to be performed by a reputable third party. ~~You will pay the cost of the third party inspection when invoiced, for no more than four (4) inspections in any calendar year.~~As of the Effective Date, our Quality Assurance Program consists of the inspections and programs listed in the table below, and requires payment of the associated fees. We may charge your Quality Assurance Program at any time, including the associated fees.

~~3.8~~

Quality Assurance Program			
Program	**Frequency**	**Fee**	**Due Date**
Mystery Shopper Inspection	No minimum or maximum frequency	$4,000 per year paid in 4 quarterly installments of $1,000.	30 days after invoicing (invoice is sent 10 days after report is issued)
Food Safety HCAAP Inspection	2 times per year	$550 per inspection ($1,100 per year)	30 days after invoicing (invoice is sent 10 days after report is issued)
Brand Compliance Evaluation	1 time per year	No additional fee	Not Applicable

QUALITY ASSURANCE PROGRAM			
Program	**Frequency**	**Fee**	**Due Date**
Medallia Guest Survey Program with Online Aggregator	No minimum or maximum frequency	$8,250 one-time setup fee Monthly fee calculated as $3.00 multiplied by total number of guest rooms in your Hotel	30 days after invoicing ($8,250 setup fee invoiced prior to opening and monthly fee invoiced on a monthly basis)

3.8. Insurance~~. You~~

3.8.1. Obligations of Tenants, Subtenants and Contractors. If you enter into any lease or sublease for premises at the Hotel or any contract for redevelopment or renovation or similar work at, or materials for, the Hotel, said lease, sublease or contract shall require the tenant, subtenant or contractor to maintain insurance satisfying all of the requirements of this Section 3.8 including all applicable coverages listed herein or such other insurance as may be commercially reasonable under the circumstances. If any such leases, subleases or contracts is entered into before the Effective Date, and the terms of those leases or subleases will not expire or the contract work will not be completed by the Effective Date, then, on or before the commencement of the Term, you shall either (a) cause such tenants, subtenants and contractors to obtain ~~and maintain during the Term of this Agreement the~~ the insurance required by this Section 3.8, including all applicable coverages listed above, or (b) obtain such insurance, at your expense, on behalf of such tenants, subtenants and contractors.

3.8.2. Schedules and Certificates of Insurance. You shall promptly provide us with certificates of insurance evidencing all insurance coverages required of you under this Section 3.8, and you shall immediately provide, upon renewal, expiration, change, or cancellation of any insurance coverage ~~required under the System Standards Manual from insurers meeting the standards established in the Manual. Unless we instruct you otherwise, your liability insurance~~ , a new certificate of insurance to us. All insurance policies ~~will~~shall name ~~Hard Rock Hotel Licensing, Inc., their current and former~~us and our affiliates~~, successors and assigns~~ as additional insureds. ~~The required coverage includes: (i)~~

3.8.3. General Requirements for Insurance. All insurance required by this Section 3.8 must be provided by policies issued by insurance companies who are qualified to do business in the jurisdiction where the Hotel is located with a Best rating of at least AX or, if not rated by A.M. Best, an S&P or Moodys or Fitch rating of A or better. All policies of insurance required hereunder must be in full force and effect at all times throughout the Term, except for the coverage described in Section 3.8.5.7 must be in full force and effect at all times throughout the Term and for an additional period of two (2) years after the end of the Term. All insurance policies must have attached thereto: (a) an endorsement that such policy will not be canceled or materially changed without at least 30 days' prior written notice to us and you, (b) an endorsement to the effect that no act or omission of you, any affiliate of yours, us or any affiliate of ours, will affect the obligation of the insurer to pay the full amount of any loss sustained; and (c) an endorsement denying to the insurer rights of subrogation against you, any affiliate of yours, us and any affiliate of ours, to the extent rights of recovery against you, any affiliate of yours, us or any affiliate of ours, have been waived by the insured prior to occurrence of injury or loss and further providing that the insurance will not be invalidated by such a waiver. Any insurance may be provided under blanket policies of insurance. All insurance that you maintain pursuant to Section 3.8.5.2 must, so long as the Hotel is mortgaged or encumbered pursuant to a mortgage or similar security instrument, be subject to a standard mortgagee clause in favor of the holder of the mortgage or other security instrument and must provide that the insurance company will have no right of subrogation against such holder.

3.8.4. Waiver. We, our affiliates, you and your affiliates shall not assert against the other, and each does hereby waive with respect to the others, any claims for any losses, damages, liabilities or expenses (including attorneys' fees) incurred or sustained by any of them on account of damage or injury to persons or property arising out of the ownership, operation or maintenance of the Hotel, to the extent that the same is covered by the insurance required to be carried under this Section 3.8.

3.8.5. Coverage. At all times during the Term, you, at your sole cost and expense, shall procure and maintain in full force and effect each of the following insurance coverages with respect to the Hotel and any retail store within the Hotel:

3.8.5.1. During Construction. At all times during the period of construction, furnishing and equipping of the Hotel and at all times during any other period of construction (including renovations, alterations and improvements), until final completion thereof, Builder's Risk Insurance ("All Risk" or equivalent coverage) for the Hotel in an amount not less than the estimated cost of ~~construction (during the construction period); (ii) All Risk property damage insurance; (iii)~~such construction (including "hard" and "soft" costs), written on a completed value basis or a reporting basis, for property damage, protecting you and us, as our and your interests may appear, with a deductible not to exceed $100,000 and to include Loss of Business Income due to Delay in Completion from the date of projected completion and extending for at least 12 months thereafter, including the coverages identified in Section 3.8.5.2. Such Loss of Business Income coverage shall include, but not be limited to cover the Recurring Fees due to us and any other expense due to us.

3.8.5.2. Property Damage Insurance. At all times during the Term, "All Risk" (or its equivalent) property damage insurance for the Hotel protecting you and us, as our and your interests may appear, with replacement cost valuation and a stipulated value endorsement (to be provided not later than promptly following substantial completion of the Hotel) in an amount not less than the full replacement value thereof and including, among other things, (a) coverage for all physical loss or damage to the Hotel (including contents); (b) coverage for earth movement, hurricane, flood and windstorm to the extent available at commercially reasonably rates, limits and deductibles; (c) no exclusions other than industry standard exclusions for property of similar size and location; and (d) provision for deductible not to exceed $10,000 (other than for earth movement, hurricane, flood or windstorm, as provided above).

3.8.5.3. Business Interruption Insurance ~~for 3 years of Royalty Fees; (iv) general public~~. Business Interruption Insurance for the Hotel on an "All Risk" basis. Such insurance shall include, among other things (a) coverage against all insurable risks of physical loss or damage, (b) coverage for earth movement, hurricane, flood and windstorm to the extent available at commercially reasonable rates, limits and deductibles, (c) a deductible (for other than hurricane, flood or windstorm) of not more than $10,000 per occurrence, (d) no exclusions other than industry standard exclusions for property of similar size and location, and (e) coverage for the Recurring Fees hereunder in an amount equal to at least the Recurring Fees payable for three (3) operating years in connection with Hotel (as reasonably projected by you for the first full operating year and thereafter based on the amounts actually paid during the most recently ended operating year). Such coverage shall also include an extended period of indemnity of 365 days to cover the period of time immediately following completion of repairs and until Hotel reaches the same level of financial performance experienced immediately prior to loss.

3.8.5.4. Liability Insurance.

a. Commercial General Liability insurance protecting you and us against claims brought in connection with the Hotel for personal injury, death and damage to and theft of property of third persons, in an amount not less than $1,000,000 per occurrence and $2,000,000 in the aggregate. Such liability insurance shall include such coverage as we shall reasonably require and as is commercially available, which shall include, but not be limited to, coverage against liability ~~insurance in an amount not less than $5,000,000 per occurrence; (v) umbrella~~arising out of (a) the sale of liquor, wine and beer on the Hotel premises, (b) assault or battery, (c) false arrest, detention or imprisonment or malicious prosecution, (d) libel, slander, defamation or violation of the right of privacy, (e) wrongful entry or eviction, (f) contractual liability, and (g) products and completed operations. Such insurance shall contain no exclusion other than industry standard exclusions for property of similar size and location and provide for a deductible or self-insured retentions of not more than $25,000 per occurrence.

b. Business Automobile Liability insurance pertaining to any owned, non-owned or hired automobiles, in an amount of not less than $1,000,000 combined single limit.

c. Liability policies shall designate you as a named insured and us as an additional insured.

3.8.5.5. Umbrella/Excess Liability Insurance. Umbrella/excess liability insurance with a minimum of $25,000,000 per occurrence~~; (vi)~~. Such policy shall provide excess liability above coverage required in Section 3.8.5.4, and Employer Liability required in Section 3.8.5.6.

3.8.5.6. Workers' Compensation Insurance. Statutory Workers' Compensation and Disability Benefits Insurance and any other insurance required by applicable Law(s), covering all Hotel employees and all persons employed by you, us, contractors, subcontractors, or any entity performing work on or for the Hotel (unless and to the extent provided by such parties), including Employer's Liability coverage, all in amounts not less than the statutory ~~workers' compensation and disability benefits insurance as required by law (~~minimum, except that ~~employers liability~~Employers Liability coverage ~~must~~shall be ~~at least~~in an amount not less than $1,000,000~~); (vii)~~.

3.8.5.7. Professional Liability Insurance. If there is a Spa, Salon or other professional ~~liability insurance with a minimum of $1,000,000 per occurrence; (viii) products~~ services provided, professional liability insurance ~~with a minimum of~~in an amount not less than $1,000,000 per occurrence~~; (ix) fidelity~~.

3.8.5.8. Fidelity. Fidelity and dishonesty insurance, and money and securities insurance in ~~an amount~~such amounts as Licensor shall deem advisable but not less than $~~100~~1,000~~; (x) privacy~~,000.

~~1.2.4.1.~~3.8.5.9. Cybersecurity. Privacy and ~~s~~Security liability insurance and Tech E&O Cyber insurance covering activities and Services provided in connection with this Agreement, with a minimum coverage of at least $10,000,000 per claim~~; and (xi)~~

~~insurance against loss, theft, damage, confiscation or destruction of the memorabilia for the full appraised value of each item of memorabilia.~~.

3.8.5.10. ~~3.9~~ Other. Such additional insurance as may be required with respect to the Hotel or any part thereof, together with insurance against such other risks as its now, or hereafter may be, customary to insure against in the operation of similar property, considering the nature of the business and the geographic and climatic nature of the Hotel's location.

All such policies of insurance described above must be in the form of "occurrence insurance" to the extent available on a commercially reasonable basis.

3.8.5.11. Insurance Carriers; Evidence of Coverage. All insurance carriers providing coverages must meet standards as described in Section 3.8.1 or must be otherwise deemed acceptable to and approved by us in advance, and must be licensed by applicable governmental authorities where coverage is provided. The coverages provided by any policy under this Section 3.8 must include response to legal proceedings wherever brought, including states and territories within the legal jurisdiction of the United States. Policy monies must be payable worldwide.

3.8.5.12. Defense of Claims. All liability insurance policies procured and maintained by you pursuant to this Section 3.8 must require the insurance carrier to provide and pay for attorneys to defend any legal actions, lawsuits, or claims brought against you, us, or any of our or your respective officers, directors, agents, or employees.

3.9. Conferences~~.~~

You or your representative will attend each annual Global Leadership Conference. Mandatory recurrent training for franchisees and General Managers described in Section 4.1.4 may also be held at a RENA conference, Global Leadership Conference or any other conference or program we mandate. You will receive reasonable notice of each conference.

3.10. ~~3.10~~ Purchasing~~.~~

We may from time to time approve specifications or vendors of products and services used or sold at the Hotel that meet our standards and requirements. If we do so, then you agree to purchase such products and services meeting those specifications, and if we require it, only from vendors that we have approved, including us or our affiliates. We may designate a single vendor for any product, service or supply and may approve a vendor only as to certain products or services. Each contract you enter with a vendor must permit you to terminate the contract if we cease to approve such vendor. We are not responsible or liable for any cancellation or termination fee imposed by such vendor upon any such termination. You acknowledge and agree that we or our affiliates may receive and retain for our account certain payments, fees, commissions, rebates, refunds and other reimbursements from vendors. You further acknowledge and agree that we and our affiliates may have ownership or other interests in vendors or affiliates of vendors. You have no right to receive any such payments, fees, commissions, rebates, refunds and other reimbursements or payments from vendors.

3.11. ~~3.11~~ Good Will~~.~~

You will use reasonable efforts to protect, maintain and promote the name ~~"~~"Reverb~~"~~" and its distinguishing characteristics, and the other Marks. You will not permit or allow your officers, directors, principals, employees, representatives, or guests of the Hotel to engage in conduct which is unlawful or damaging to the good will or public image of the Chain or System. If your Hotel receives a "red penalty notice" (or other similar designation) by TripAdvisor (or any other reputable online review site) due to fraudulent reviews, we may require that you pay for a company that we designate to investigate the fraudulent reviews. You must follow all steps recommended by the company to rectify the situation at your expense. You will follow System Standards for identification of the Hotel and for you to avoid confusion on the part of guests, creditors, lenders, investors and the public as to your ownership and operation of the Hotel, and the identity of your owners. You will participate in Chain-wide guest service and satisfaction guaranty programs we require in good faith for all Reverb Hotels. You shall use your best efforts to promote usage of other Reverb Hotels by members of the public. Except as provided in the System Standards Manual or if you obtain our prior written consent, which we may withhold in our sole discretion, neither you nor the Hotel shall promote or advertise any competing business at the Hotel including, but not limited to, any other guest lodging facility, time share resort, vacation club, residence club, fractional ownership residence, condominium/apartment leasing or rental business, or the like, unless we or one of our affiliates franchise, manage or own that business.

3.12. ~~3.12~~ Hotel Modifications~~.~~

You may not materially modify, diminish or expand the Hotel (or change its interior design, layout, FF&E, or facilities) ~~only after~~unless you receive our prior written consent, which we will not unreasonably withhold or delay. If we so request, you will obtain our prior written approval of the plans and specifications for any material modification, which we will not unreasonably withhold or delay. You may not begin construction until we have approved these plans. Once approved, you may not make any changes to the plans without our prior written approval. You will not open to the public any material modification until we inspect it for compliance with the Approved Plans and System Standards.

3.13. ~~3.13~~ Courtesy Lodging~~.~~

You will provide lodging at the ~~"~~"Employee Rate~~"~~" established in the System Standards Manual from time to time (but only to the extent that adequate room vacancies exist) to our representatives traveling on business, but not more than three standard guest rooms at the same time.

3.14. ~~3.14~~ Minor Renovations~~.~~

Beginning three years after the Opening Date, we may issue a ~~"~~"Minor Renovation Notice~~"~~" to you that will specify reasonable Hotel upgrading and renovation requirements (a ~~"~~"**Minor Renovation**~~")~~") to be commenced no sooner than 90 days after the notice is issued, having an aggregate cost for labor, FF&E and materials estimated by us to be not more than the Minor Renovation Ceiling Amount. You will perform the Minor Renovations as and when the Minor Renovation Notice requires. We will not issue a Minor Renovation Notice within three years after the date of a prior Minor Renovation Notice, or if the three most recent quality assurance inspection scores of the Hotel averaged ______________________________ and the most recent quality assurance inspection score for the Hotel was ______________________ points (or equivalent scores under a successor quality assurance scoring system we employ), when the Hotel is otherwise eligible for a Minor Renovation.

3.15. ~~3.15~~ Technology Standards & Communications~~.~~

You recognize that the System requires you to acquire, operate and maintain a computer-based property management system and provide guests with innovative technology for communications and entertainment. You must purchase the computer system and other equipment and software that we specify. We may modify System Standards to require new technology at all Reverb Hotels. At our request, you shall participate in any intranet or extranet system developed for use in connection with the System. Such intranet or extranet system may be combined with that of our affiliates. You shall agree to such terms and conditions for the use of such intranet or extranet system as we may prescribe, which may include, among other things: (a) confidentiality requirements for materials transmitted via such system; (b) password protocols and other security precautions; (c) grounds and procedures for our suspension or revocation of access to the system by you and others; and (d) procedures governing the parties' access to and use of electronic communications posted on electronic bulletin boards or transmitted via the system. The Program Fee will cover all fees and expenses imposed from time to time by us or a third-party service provider in connection with hosting such system.

3.16. ~~3.16~~ Guaranty~~.~~

Each person designated on Schedule B as a "Guarantor" must guarantee your obligations under this Agreement by executing the Guaranty attached hereto as Schedule F and delivering it to us upon our request.

3.17. ~~3.17~~ Reserve Fund~~.~~

You must establish and maintain a separate deposit account at a federally insured financial institution ~~and deposit monthly into such account the following amounts: [ ].~~ . On an annual basis, you must deposit into the reserve fund the minimum amount that we specify (not to exceed the sum of 5% of Total Revenues plus 5% of Merchandise Revenues). You must use the funds in such account (the "Reserve Fund" exclusively for (a) replacements and renewals of furniture, fixtures and equipment; (b) renovations of public areas and guest rooms; and (c) repairs to and maintenance of the Hotel's physical facilities (which costs are normally capitalized under GAAP), such as exterior and interior repainting, resurfacing building walls, floors, roofs, and parking lots, and replacing folding walls. You must spend the Reserve Funds for these purposes when replacements, renovations or repairs are reasonably needed in order to maintain the Hotel in accordance with the Hotel System and the requirements of this Agreement. If a lender requires you to deposit funds into a separate reserve account, such funds are required to be used exclusively for the purposes set forth in the two preceding sentences, and the amounts required to be deposited equals or exceeds the amounts required in the first sentence of this Section 3.17, then your compliance with such lender's reserve account requirements is deemed to satisfy your obligation to establish and fund the Reserve Fund under this Section 3.17.

~~**4. Our Operating and Service Obligations.** We will provide you with the following services and assistance:~~

3.18. ~~4.1~~ Financing

Before you enter into any direct or indirect financing arrangement with respect the Hotel, you must submit to us a written request for our written approval of your proposed financing. You shall include in such request a general description of all of the material terms of the proposed financing and detailed budgets for the Hotel. You must provide us with such additional information and documentation regarding the proposed financing as we may reasonably request. We will use commercially reasonable efforts to approve or disapprove of the proposed financing within 30 days after the submission of all information that we request. If we disapprove any such financing, then we will provide to you in reasonable detail the reasons therefor. You must obtain our approval for, and shall secure and provide us written evidence of, all financing and equity contributions necessary to complete the Hotel by no later than 180 days after the Effective Date.

4. OUR OPERATING AND SERVICE OBLIGATIONS

We will provide you with the following services and assistance:

4.1. Training~~.~~

We may offer (directly or indirectly by subcontracting with an affiliate or a third party) initial training, remedial training and supplemental training.

~~1.2.5.~~4.1.1. ~~4.1.1~~ Initial Training. You agree to comply with the System's standards for the training of persons involved in the operation of the Hotel, including completion by the General Manager (or other person with day-to-day management responsibility for the operation of the Hotel) and other key personnel that we designate of a training program for the operation of the Hotel under the System, at a site that we designate. Your General Manager must:(i) be approved by us in our commercial reasonable discretion; (ii) be hired at least six (6) months prior to the Opening Date; and (iii) complete this training program to our satisfaction no later than 90 days prior to the Opening Date. Any replacement General Manager must complete this training program to our satisfaction prior to assuming management responsibility. We may also offer certain Internet-based training as a supplement to the classroom training experience.

~~1.2.6.~~4.1.2. ~~4.1.2~~ Initial Onsite Training. Prior to opening, your staff must complete our initial onsite training program that is conducted at your Hotel. The onsite training program lasts approximately ten (10) days and takes place two (2) to four (4) weeks prior to the opening date of your Hotel.

~~1.2.7.~~4.1.3. ~~4.1.3~~ Remedial Training. We may require you, your General Manager and/or your staff to participate in remedial training if the Hotel receives a D or F (or equivalent score) on a quality assurance inspection, a D or F +GX score on a third party's electronic guest survey (or equivalent evaluation system), or experiences significant complaints to our guest services department, as determined by us in our sole discretion. This training may be offered at our corporate offices, at a regional location, on-line or at the Hotel. The training may be in the form of one or more classes held at different times and locations as we may require.

~~1.2.8.~~4.1.4. ~~4.1.4~~ Supplemental Training. All General Managers must complete recertification training every three years. We may offer other mandatory or optional training programs. Recertification and other supplemental training may be offered in our U.S. training center or other locations or held in conjunction with a Chain lodging conference. We may also offer Internet-based training via the Chain's intranet website.

~~1.2.9.~~4.1.5. ~~4.1.5~~ Training Fees and Costs. You are responsible for all travel, lodging and other expenses you and your employees incur in attending these programs. All training will be conducted at your expense. You must reimburse us for our costs associated with providing our initial training program to you. If any training is conducted at your Hotel, you must reimburse us for reasonable travel expenses, accommodations, subsistence, materials and other reasonable expenses of those reasonably necessary persons we send to your Hotel to conduct the training. Upon our request, you must provide lodging for our training team if training is conducted at your Hotel. We do not charge any other training fees at this time, although we reserve the right to charge additional training fees for new training programs in the future.

4.2. ~~4.2~~ Reservation System~~.~~

We will operate and maintain (directly or by subcontracting with an affiliate or one or more third parties) a computerized Reservation System or such technological substitute(s) as we determine, in our discretion. You agree to pay us the Program Fees on a monthly basis. A portion of the Program Fees will be used to pay the Basic Reservation Fee associated with administering the Reservation

System and cover the cost, maintenance and use of the Reservation System. We will use the Program Fees (i.e., the portion of the Program Fees that comprises the Basic Reservation Fee and the portion covering the cost, maintenance and use of the Reservation System) for the acquisition, development, support, equipping, maintenance, improvement and operation of the Reservation System. In addition to the Program Fees, you agree to pay us one-time Reservation System set-up fee of $10,000 (the "**Reservation System Set-up Fee**"). The Reservation System Set-up Fee is due 12 months prior to the scheduled Opening Date of the Hotel and covers the costs to set up the website, booking widget and Central Reservation System. We will provide software maintenance and support for any software we license to you to connect to the Reservation System if you are up to date in your payment of Recurring Fees and all other fees you must pay under any other agreement with us or our affiliate. During the Term, the Hotel will participate in the Reservation System on an exclusive basis, including entering into all related technology agreements and complying with all terms and conditions which we establish from time to time for participation. The Hotel may not book any reservations through any other electronic reservation system, booking engine or other technology. The parties agree that in connection with the processing of the information you collect or capture through your property management system, we and you are joint data controllers. The parties agree that for any other processing of information for which there is not joint determination of the purposes and means, we and, as the case may be, you remain separate and independent controllers. The rights and the obligations of the parties on the information collected or captured in your property management system are governed by the ~~Joint Controllers~~ Data Processing Agreement attached hereto as Schedule H (the "**DPA**") We have the right to provide reservation services to lodging facilities other than Reverb Hotels or to other parties.

~~1.3.~~4.3. ~~4.3~~ Marketing~~.~~

~~1.3.1.~~4.3.1. ~~4.3.1~~ We will use Marketing Contributions we collect as part of the Program Fees to promote public awareness and usage of Reverb Hotels by implementing advertising, promotion, publicity, market research, loyalty marketing and other marketing programs, training programs and related activities, and the production and distribution of Chain publications and directories of hotels. We will determine in our discretion: (i) The nature and type of media placement; (ii) The allocation (if any) among international, national, regional and local markets; and (iii) The nature and type of advertising copy, other materials and programs. We can utilize the Marketing Contributions for any of the following purposes: (i) developing maintaining, administering, directing, preparing, or reviewing advertising and marketing materials, promotions, directories and programs; (ii) public awareness of any of the Marks; (iii) public and consumer relations and publicity; (iv) brand development; (v) research and development of technology, products and services; (vi) website development and search engine optimization; (vii) development and implementation of quality control programs; (viii) changes and improvements to the System; (ix) developing and maintaining the reservation system and related support; (x) the fees and expenses of any advertising agency we engage, in our discretion, to assist in producing or conducting advertising or marketing efforts; (xi) any other programs or activities that we deem necessary or appropriate to promote or improve the System; and (xi) our or our affiliates' expenses associated with direct or indirect labor, administrative, overhead or other expenses incurred in connection with promotional, marketing or advertising efforts or any of the foregoing activities. We are not obligated to supplement or advance funds available from collections of the Marketing Contributions to pay for marketing activities. We do not promise that the Hotel or you will benefit directly or proportionately from marketing activities.

~~1.3.2.~~4.3.2. ~~4.3.2~~ We may, at our discretion, implement special international, national, regional or local promotional programs (which may or may not include the Hotel) and may make available to you (to use at your option) media advertising copy and other marketing materials for prices which reasonably cover the materials' direct and indirect costs.

~~1.3.3.~~4.3.3. ~~4.3.3~~ We may issue a Chain Directory in paper, electronic or other format. We will include the Hotel in this Chain Directory if (i) you submit the information we request on time, and (ii) you are not in default under this Agreement at the time we must compile the information for the Directory. If the Directory is issued in paper form, we may supply Directories to you for display at locations specified in the System Standards Manual or policy statements.

~~1.3.4.~~4.3.4. ~~4.3.4~~ We may, at our discretion, implement "group booking" programs created to encourage use of Reverb Hotels for tours, conventions and the like.

4.4. ~~4.4~~ Purchasing and Other Services~~.~~

We may offer optional assistance to you with purchasing items used at or in the Hotel. Our affiliates may offer this service on our behalf. We may restrict the vendors authorized to sell proprietary or Mark-bearing items in order to control quality, provide for consistent service or obtain volume discounts. We will maintain and provide to you lists of vendors approved to furnish Mark-bearing items, or whose products conform to System Standards.

4.5. ~~4.5~~ The System~~.~~

We will control and establish requirements for all aspects of the System. We may, in our discretion, change, delete from or add to the System, including any of the Marks or System Standards, in response to changing market conditions. We may, in our discretion, permit deviations from System Standards, based on local conditions and our assessment of the circumstances. We may, in our discretion, change the designation standards for the Chain and then require that you change the designation of the Hotel and related presentation of that designation where it appears.

4.6. ~~4.6~~ Consultations and Standards Compliance~~.~~

We will assist you to understand your obligations under System Standards by telephone, mail, during quality assurance inspections, through the System Standards Manual, at training sessions and during conferences and meetings we conduct. We will provide telephone and mail consultation on Hotel operation and marketing through our representatives. We will offer you access to any Internet website we may maintain to provide Chain franchisees with information and services, subject to any rules, policies and procedures we establish for its use and access and to this Agreement. We may limit or deny access to any such website while you are in default under this Agreement.

4.7. ~~4.7~~ System Standards Manual and Other Publications~~.~~

We will specify System Standards in the System Standards Manual, policy statements or other publications which we may make available to you via our Chain intranet, in paper copies or through another medium. We will provide you with access to the System Standards Manual promptly after we sign this Agreement. We will notify you via our Chain intranet or another medium of any System Standards Manual revisions and/or supplements as and when issued as well as any other publications and policy statements in effect for Chain franchisees from time to time.

4.8. ~~4.8~~ Inspections and Audits~~.~~

We have the unlimited right to conduct unannounced quality assurance inspections of the Hotel and its operations (including, without limitation, food safety and sanitation audits), records and Mark usage to test the Hotel's compliance with System Standards and this Agreement, and the audits described in Section 3.6. We have the unlimited right to reinspect if the Hotel does not achieve the score required on an inspection. We may impose a reinspection fee and will charge you for our costs as provided in Section 3.7. You will pay us an "Audit Fee" of $1,000.00 and reimburse us for the cost of the audit or inspection, including without limitation, reasonable accounting and attorneys' fees and travel and lodging expenses that we or our representatives incur, when we invoice you for an Audit Fee under Section 3.6. We may increase the Audit Fee on a Chain-wide basis to cover any increases in our audit costs, but not more than 5% per year on a cumulative basis. Our inspections are solely for the purposes of checking compliance with System Standards.

4.9. ~~4.9~~Technical Services~~.~~

We shall provide you with the following technical advisory services prior to the Opening Date (the "**Technical Services**"):

a. ~~(a)~~ advice in formulating or refining the concepts for the Hotel, the preliminary plans and specifications for the construction of the Hotel and all related Hotel facilities, including land planning and landscaping, and in formulating or refining preliminary layouts, drawings, and designs for the interior of the Hotel and the furnishing and equipping thereof. In connection therewith, we may recommend to you layouts and other criteria and specifications for the facilities to be included in the Hotel;

b. ~~(b)~~ advice as to architects, contractors, engineers, designers, decorators, landscape architects, and such other specialists and consultants as is necessary for completing the Hotel. The Parties acknowledge that we have no liability or responsibility for any act or omission of any such person that you utilize;

c. ~~(c)~~ advice with respect to vendor contracts for artwork, graphics, fixtures, audio-visual components, operating supplies, operating equipment and FF&E; and

d. ~~(d)~~ advice in preparing budgets for the initial purchase of FF&E for the Hotel.

It is the intention of the parties that responsibility for implementation of each of the foregoing items is upon you, but that we will be available to assist you in such implementation. In rendering the Technical Services, we have the right, in our sole discretion, to be assisted by third persons, and, accordingly, some or all of such Technical Services may be provided by such third persons. We may, upon notice to you, require you to pay directly to any such third person any portion or all of any payment due to us hereunder.

In consideration of the foregoing services, you agree to pay us a Technical Services Fee of $500 per guest room. In addition to the payment of the Technical Services Fee, you shall reimburse us, within thirty (30) days after we submit an invoice to you, for all actual costs that we incur in providing the Technical Services, including travel, accommodations and other expenses (but not salaries or overhead). The Technical Services Fee is payable fifty percent (50%) upon the Effective Date with the balance to be paid in 12 to 18 equal monthly installments (as specified by us) each month through the target Opening Date.

5. ~~5. Term.~~ TERM

The Term begins on the date that we insert in the preamble of this Agreement after we sign it (the "**Effective Date**") and expires at the end of the fifteenth (15th) Franchise Year. **[If New Construction Schedule D –insert twentieth (20th)]** However, each of us has the right to terminate this Agreement, without cause, and as a matter of right, on the 5th or 10th anniversary of the Opening Date **[If New Construction Schedule D add 15th]** by giving prior written notice to the other, provided that if you decide to exercise your right to terminate this Agreement, you must have paid all fees and charges due under this Agreement (and all related agreements, including any promissory notes or other incentive agreements, and any agreements relating to the use of a property management system or Reservation System) as of the date you provide notice of termination and as of the effective date of the termination. The written notice required by this Section 5 shall be given at least 6 months, but not more than twelve (12) months, before the date of the proposed termination. You will pay no Liquidated Damages if you comply with the terms of this Section and you perform the post termination obligations specified in this Agreement. NEITHER PARTY HAS RENEWAL RIGHTS OR OPTIONS.

6. ~~6. Application and Initial Fees.~~ APPLICATION AND INITIAL FEES

You must pay us a non-refundable Application Fee of $25,000. If your franchise is for a new construction or conversion Hotel, you must pay us an Initial Fee. If you are a transferee of an existing Hotel or are renewing an existing franchise, you will pay us a Relicense Fee. The amount of your Initial or Relicense Fee is the greater of $50,000 or $500 multiplied by the total number of guest rooms in your Hotel, which fee shall be paid when you sign this Agreement and is fully earned when we sign this Agreement. We must conduct a Probity Investigation on each person that directly or indirectly holds a 5% or greater Equity Interest in the franchisee entity and you must reimburse us for our costs of conducting each such Probity Investigation.

7. ~~7.~~ RECURRING FEES, TAXES AND INTEREST

~~1.4.~~7.1. Recurring Fees~~, Taxes and Interest.~~.

~~7.1~~ You will pay us certain ~~"~~"**Recurring Fees**~~"~~" each month of the Term payable in U.S. dollars (or such other currency as we may direct if the Hotel is outside the United States). The Recurring Fees described in this Section 7.1 are payable ten days after the month in which they accrue, without billing or demand. Other Recurring Fees are payable at the time set forth in the System Standards. Recurring Fees include the following:

~~1.4.1.~~7.1.1. ~~7.1.1~~ A ~~"~~"**Royalty**~~"~~" equal to the sum of (a) five and one-half percent (5.~~0~~5%) of ~~Total~~Room Revenues accruing during the calendar month plus (b) ten percent (10.0%) of Merchandise Revenues accruing during the calendar month. The Royalty accrues from the earlier of the Opening Date or the date you identify the Hotel as a Chain Hotel or operate it under a Mark until the end of the Term.

~~1.4.2.~~7.1.2. ~~7.1.2~~ A ~~"~~"**Program Fee**~~"~~" as set forth in Schedule C, including a "Marketing Contribution" for advertising, marketing, training, and other related services and programs, a "Basic Reservation Fee" for the Reservation System (including the acquisition, development, support, equipping, maintenance, improvement and operation of the Reservation System) and fees imposed by us, our affiliates or third parties for certain software, technology and related services, accrues from the Opening Date until the end of the Term, including during reservation suspension periods. We collect and deposit these Fees from franchisees, then disburse and administer the funds collected by means of a separate account or accounts. We may use the Program Fees we collect, in whole or in part, to reimburse our reasonable direct and indirect costs, overhead or other expenses of providing marketing, training and reservation services. You will also pay or reimburse us as described in Schedule C “**Additional Fees**” such as commissions we pay to travel and other agents paid for certain reservations at the Hotel and fees for additional services and programs. We may charge Facilities using the Reservation System outside the United States for reservation service using a different formula. We may change, modify, add or delete the Program Fee and/or Additional Fees in accordance with Schedule C.

7.2. ~~7.2~~ Taxes

You will pay to us ~~"~~“**Taxes**~~"~~” equal to any federal, state or local sales, gross receipts, use, value added, excise or similar taxes assessed against us on the Recurring Fees by the jurisdictions where the Hotel is located, but not including any income tax, franchise or other tax for the privilege of doing business by us in your State. You will pay Taxes to us when due.

7.3. ~~7.3 "~~Interest~~"~~

“Interest” is payable when you receive our invoice on any past due amount payable to us under this Agreement at the rate of 1.5% per month or the maximum rate permitted by applicable law, whichever is less, accruing from the due date until the amount is paid.

7.4. ~~7.4~~ Transfer Fee

If a transfer occurs, your transferee or you will pay us our then current Application Fee and a ~~"~~“**Relicense Fee**~~"~~” equal to the Initial Fee we would then charge a new franchisee for the Hotel.

7.5. ~~7.5~~ Method of Payment

All fees and other amounts payable by you pursuant to this Agreement must be paid by wire transfer of immediately available funds to an account that we designate from time to time. If no due date is specified, the fee or other amount will be due 10 days after invoicing.

~~**8. Indemnifications.**~~

7.6. ~~8.1~~ Withholding Taxes

All amounts payable to us shall be paid by you without deduction for any withholding, value-added or other taxes, duties or other deductions (the “**Withholding Taxes**”), and all payments to us shall be increased to the extent necessary to provide us with the same net amount we would have received if no Withholding Taxes had been applicable to such payments; provided, however, in no event shall you be required to increase payments to us on account of income tax withholdings. You nevertheless shall (a) remit to the applicable governmental authority, on a timely basis, all Withholding Taxes applicable to any payments to us, (b) provide us with an official receipt issued by such governmental authority for payment of such Withholding Taxes within 30 days of such payment and (c) set forth in a remittance report to be submitted to us within 15 days of each such payment, the amount of such Withholding Taxes and the payments to us related to the Withholding Taxes. You shall be responsible for the determination of the correct amount of Withholding Taxes payable in accordance with the tax laws and tax treaties for the jurisdiction in which the Hotel is located, and you shall indemnify and hold harmless us and our affiliates, and their respective shareholders, trustees, beneficiaries, directors, officers, employees and agents, from and against all claims and liabilities for unpaid or underpaid Withholding Taxes, including any claims and liabilities for the payment of interest, surcharges, penalties, damages and expenses of any kind, which may be imposed, levied or assessed by the applicable governmental authority.

8. INDEMNIFICATIONS

~~1.5.~~8.1. Independent of your obligation to procure and maintain insurance, you will indemnify, defend and hold the Indemnitees harmless, to the fullest extent permitted by law, from and against all Losses and Expenses, incurred by any Indemnitee for any investigation, claim, action, suit, demand, administrative or alternative dispute resolution proceeding, relating to or arising out of any transaction, occurrence or service at, or involving the operation of, the Hotel, any payment you make or fail to make to us, any breach or violation of any contract or any law, regulation or ruling by, or any act, error or omission (active or passive) of, you, any party associated or affiliated with you or any of the owners, officers, directors, employees, agents or contractors of you or your affiliates, including when you are alleged or held to be the actual, apparent or ostensible agent of the Indemnitee, or the active or passive negligence of any Indemnitee is alleged or proven. You have no obligation to indemnify an Indemnitee for damages to compensate for property damage or personal injury if a court of competent jurisdiction makes a final decision not subject to further appeal that the Indemnitee engaged in willful misconduct or intentionally caused such property damage or bodily injury. This exclusion from the obligation to indemnify shall not, however, apply if the property damage or bodily injury resulted from the use of reasonable force by the Indemnitee to protect persons or property.

~~1.6.~~8.2. ~~8.2~~ You will respond promptly to any matter described in the preceding paragraph, and defend the Indemnitee. You will reimburse the Indemnitee for all costs of defending the matter, including reasonable attorneys' fees, incurred by the Indemnitee if your insurer or you do not assume defense of the Indemnitee promptly when requested, or separate counsel is appropriate, in our discretion, because of actual or potential conflicts of interest. We must approve any resolution or course of action in a matter that could directly or indirectly have any adverse effect on us or the Chain, or could serve as a precedent for other matters.

~~1.7.~~8.3. ~~8.3~~ We will indemnify, defend and hold you harmless, to the fullest extent permitted by law, from and against all Losses and Expenses incurred by you in any action or claim arising from your proper use of the System alleging that your use of the System and any property we license to you is an infringement of a third party's rights to any trade secret, patent, copyright, trademark, service mark or trade name. You will promptly notify us in writing when you become aware of any alleged infringement or an action is filed against you. You will cooperate with our defense and resolution of the claim. We may resolve the matter by obtaining a license of the property for you at our expense, or by requiring that you discontinue using the infringing property or modify your use to avoid infringing the rights of others.

~~9. **Your Assignments, Transfers and Conveyances.**~~

9. ~~9.1~~ YOUR ASSIGNMENTS, TRANSFERS AND CONVEYANCES

9.1. Transfer of the Hotel~~.~~

This Agreement is personal to you (and your owners). We are relying on your experience, skill and financial resources (and that of your owners and the guarantors, if any) to sign this Agreement with you. ~~You may finance the Hotel and grant a lien, security interest or encumbrance on it without notice to us or our consent.~~ If a Transfer is to occur, the transferee or you must comply with Section 9.3 and Section 9.7. Your Franchise is subject to termination when the Transfer occurs and transferee will execute a new Franchise Agreement for a new Franchise. You and your owners may, only with our prior written consent and after you comply with Section~~s~~ 9.3, Section 9.6 and Section 9.7, assign, pledge, transfer, delegate or grant a security interest in all or any of your rights, benefits and obligations under this Agreement, as security or otherwise. Transactions involving Equity Interests that are not Equity Transfers do not require our consent (except as otherwise specified in Section 9.7) and are not Transfers but are subject to the requirements of Section 9.7.

9.2. ~~9.2~~ Public Offerings and Registered Securities~~.~~

You may engage in the first registered public offering of your Equity Interests only after you pay us a public offering fee equal to $5,000 plus reimbursement of all legal costs we incur in relation to your public offering. You must send us, for review, all offering materials relating to the securities offering. You must send us the materials at least 60 days before distributing them to any prospective buyers or filing them with any government agency. Your Equity Interests (or those of a person, parent, subsidiary, sibling or affiliate entity, directly or indirectly effectively controlling you), are freely transferable without the application of this Section if they are, on the Effective Date, or after the public offering fee is paid, they become, registered under the federal Securities Act of 1933, as amended, or a class of securities registered under the Securities Exchange Act of 1934, as amended, or listed for trading on a national securities exchange or the automated quotation system of the National Association of Securities Dealers, Inc. (or any successor system), provided that: (i) any tender offer for at least a majority of your Equity Interests will be an Equity Transfer subject to Section 9.1; and (ii) any tender that would result in a new person owning a direct or indirect Equity Interest in the franchisee entity or in the Hotel of five percent (5%) or greater, whether as a result of a single transaction or a series of transactions, will be subject to Section 9.7.

9.3. ~~9.3~~ Conditions~~.~~

We may, to the extent permitted by applicable law, condition and withhold our consent to a Transfer when required under this Section 9 until the transferee and you meet certain conditions. If a Transfer is to occur, the transferee (or you, if an Equity Transfer is involved) must first complete and submit our Application, qualify to be a franchisee in our sole discretion (including passing a Probity Investigation as stated in Section 9.7), given the circumstances of the proposed Transfer, provide the same supporting documents as a new franchise applicant, pay the Application and Relicense Fees then in effect, sign the form of Franchise Agreement we then offer in conversion transactions and agree to renovate the Hotel as if it were an existing facility converting to the System, as we reasonably determine. We will provide a Punch List of improvements we will require after the transferee's Application is submitted to us. We may, in our discretion, require the transferee to place funds in escrow, at its expense, in order to complete all necessary renovations. We may require structural changes to the Hotel if it no longer meets System Standards for entering conversion facilities or, in the alternative, condition our approval of the Transfer on one or more of the following: limit the transferee’s term to the balance of your Term, add a right to terminate without cause exercisable by either party after a period of time has elapsed, or allow you to terminate the Franchise when you sell the Hotel and pay us Liquidated Damages under Section 12.1 at the same rate as you would pay if the termination occurred before the Opening Date. Such payment would be due and payable when you transfer possession of the Hotel. We must also receive general releases from you and each of your owners, and payment of all amounts then owed to us and our affiliates by you, your owners, your affiliates, the transferee, its owners and affiliates, under this Agreement or otherwise. Our consent to the transaction will not be effective until these conditions are satisfied.

9.4. ~~9.4~~ Permitted Transferee Transactions~~.~~

You may transfer an Equity Interest or effect an Equity Transfer to a Permitted Transferee without obtaining our consent (except as required by Section 9.7), renovating the Hotel or paying a Relicense Fee or Application Fee. No Transfer will be deemed to occur, but the transfer will be subject to Section

9.7. You also must not be in default and you must comply with the application and notice procedures specified in Section~~s~~ 9.3, Section 9.6 and Section 9.7. Each Permitted Transferee must first agree in writing to be bound by this Agreement, or at our option, execute the Franchise Agreement form then offered prospective franchisees. No transfer to a Permitted Transferee shall release a living transferor from liability under this Agreement or any guarantor under any Guaranty of this Agreement. You must comply with this Section if you transfer the Hotel to a Permitted Transferee. A transfer resulting from a death may occur even if you are in default under this Agreement.

9.5. ~~9.5~~ Attempted Transfers~~.~~

Any transaction requiring our consent under this Section 9 in which our consent is not first obtained shall be void, as between you and us. You will continue to be liable for payment and performance of your obligations under this Agreement until we terminate this Agreement, all your financial obligations to us are paid and all System identification is removed from the Hotel.

9.6. ~~9.6~~ Notice of Transfers~~.~~

You will give us at least 30 days prior written notice of any proposed Transfer or Permitted Transferee transaction. You will notify us when you sign a contract to Transfer the Hotel and 10 days before you intend to close on the transfer of the Hotel. We will respond to all requests for our consent and notices of Permitted Transferee transactions within a reasonable time not to exceed 30 days. You will notify us in writing within 30 days after a change in ownership of 25% or more of your Equity Interests that are not publicly held or that is not an Equity Transfer, or a change in the ownership of the Hotel if you are not its owner. You will provide us with lists of the names, addresses, and ownership percentages of your owner(s) at our request.

9.7. ~~9.7~~ Transfer of Ownership Interests~~.~~

You must notify us in writing of any proposed transfer of a direct or indirect Equity Interest in you (the franchisee entity) or in the Hotel to any person. Any proposed transfer of a direct or indirect equity interest in the franchisee entity or in the Hotel of five percent (5%) or greater, whether as a result of a single transaction or a series of transactions, requires our prior written approval and is subject to our conducting of a background check on the prospective owner of such interest to insure the proposed transfer to such person does not jeopardize any existing or future gaming license held by us or any of our affiliates (a "**Probity Investigation**"). You shall cause such persons to provide complete cooperation and assistance in connection with a Probity Investigation, including providing any information, documents or authorizations requested by us or our designee. You shall reimburse us for any and all costs incurred by us and our affiliates in connection with the Probity Investigations. If a Probity Investigation (in our sole opinion) indicates that the proposed transfer to such person could jeopardize any current or future gaming license of us or any of our affiliates, then we are not required under any circumstances to approve the transfer to such person. In addition to the requirements set forth in this Section 9.7, any transfer of an Equity Interest in the franchisee entity, the Hotel or the Location or substantially all of the assets of the Hotel, or your rights under this Agreement, in whole or in part, or any Controlling Interest in you, is also subject to the other conditions set forth in Section~~s~~ 9 above.

10. ~~10. Our Assignments.~~ OUR ASSIGNMENTS

We may assign, delegate or subcontract all or any part of our rights and duties under this Agreement, including by operation of law, without notice and without your consent. We will have no obligations to you after you are notified that our transferee has assumed our obligations under this Agreement except those that arose before we assign this Agreement.

11. ~~11.~~ DEFAULT AND TERMINATION

~~1.8.~~11.1. Default ~~and Termination.~~

~~11.1 **Default.**~~ In addition to the matters identified in Section~~s~~ 3.1 and Section 3.6, you will be in default under this Agreement if (a) you do not pay us when a payment is due under this Agreement or any other instrument, debt, agreement or account with us related to the Hotel, (b) you do not perform any of your other obligations when this Agreement and the System Standards Manual require, or (c) if you otherwise breach this Agreement. If your default is not cured within ten days after you receive written notice from us that you have not filed your monthly report, paid us any amount that is due or breached your obligations regarding Confidential Information, or within 30 days after you receive written notice from us of any other default (except as noted below), then we may terminate this Agreement by written notice to you, under Section 11.2. We will not exercise our right to terminate if you have completely cured your default, or until any waiting period required by law has elapsed. In the case of default resulting from the Hotel's failure to meet Quality Standards as measured by a quality assurance inspection, if you have acted diligently to cure the default but cannot do so, and the default does not relate to health or safety, we may, in our discretion, enter into an improvement agreement with you provided you request such an agreement within 30 days after receiving notice of the failing inspection. If we have entered into an improvement agreement, you must cure the default within the time period specified in the improvement agreement which shall not exceed 90 days after the failed inspection. We may terminate this Agreement and any or all rights granted hereunder if you do not perform that improvement agreement.

11.2. ~~11.2~~ Termination~~.~~

We may terminate this Agreement effective when we send written notice to you or such later date as required by law or as stated in the default notice, when (1) you do not cure a default as provided in Section 11.1 or we are authorized to terminate under Schedule D due to your failure to perform your Improvement Obligation, (2) you discontinue operating the Hotel as a ~~"~~"Reverb~~",~~", (3) you do or perform, directly or indirectly, any act or failure to act that in our reasonable judgment is or could be injurious or prejudicial to the goodwill associated with the Marks or the System (including, without limitation, receipt of two (2) or more "red penalty notices" (or other similar designation) from TripAdvisor (or another reputable online review site) within any 12-month period, or three (3) or more "red penalty notices" (or other similar designation) during the Term, for fraudulent reviews), (4) you lose possession or the right to possession of the Hotel, (5) you (or any guarantor) suffer the termination of another franchise agreement with us or one of our affiliates, (6) you intentionally maintain false books and records or submit a materially false report to us, (7) you (or any guarantor) generally fail to pay debts as they come due in the ordinary course of business, (8) you, any guarantor or any of your owners or agents misstated to us or omitted to tell us a material fact to obtain or maintain this Agreement with us, (9) you receive two or more notices of default from us in any one year period (whether or not you cure the defaults), (10) a violation of Section 9 occurs, or a Transfer occurs before the relicensing process is completed, (11) you or any of your Equity Interest owners contest in court the ownership or right to franchise or license all or any part of the System or the validity of any of the Marks, (12) you, any guarantor or the Hotel is subject to any voluntary or involuntary bankruptcy, liquidation, dissolution, receivership, assignment, reorganization, moratorium, composition or a similar action or proceeding that is not dismissed within 60 days after its filing, (13) you maintain or operate the Hotel in a manner that endangers the health or safety of the Hotel's guests, (14) if a Government Authority (as defined in the DPA) finds you in breach of applicable Laws, that it is reasonably likely, in our reasonable business judgment, to affect adversely the System, any Chain Hotel, the Marks, or the goodwill associated therewith; or (15) we determine, based upon advice of governmental authorities with jurisdiction over us or our affiliates or upon advice of our counsel, that the continued existence of this Agreement could cause us or our affiliates to be in jeopardy of (i) losing a gaming license then held by it, (ii) being denied a gaming license otherwise available to it because of our relationship to you as a result of this Agreement, or (iii) being subjected to material adverse effects if this Agreement continues to exist.

~~1.9.~~11.3. ~~11.3~~ Casualty and Condemnation~~.~~

~~1.9.1.~~11.3.1. ~~11.3.1~~ You will notify us promptly after the Hotel suffers a Casualty that prevents you from operating in the normal course of business, with less than 75% of guest rooms available. You will give us information on the availability of guest rooms and the Hotel's ability to honor advance reservations. You will tell us in writing within 60 days after the Casualty whether or not you will restore, rebuild and refurbish the Hotel to conform to System Standards and its condition prior to the Casualty. This restoration will be completed within 180 days after the Casualty. You may decide within the 60 days after the Casualty, and if we do not hear from you, we will assume that you have decided, to terminate this Agreement, effective as of the date of your notice or 60 days after the Casualty, whichever comes first. If this Agreement so terminates, you will pay all amounts accrued prior to termination and follow the post-termination requirements in Section 13. You will not be obligated to pay Liquidated Damages if the Hotel will no longer be used as an extended stay or transient lodging facility after the Casualty~~.~~

~~1.9.2.~~11.3.2. ~~11.3.2~~ You will notify us in writing within 10 days after you receive notice of any proposed Condemnation of the Hotel, and within 10 days after receiving notice of the Condemnation date. This Agreement will terminate on the date the Hotel or a substantial portion is conveyed to or taken over by the condemning authority.

~~1.9.3.~~11.3.3. ~~11.3.3~~ Any protected territory covenants will terminate when you give us notice of any proposed Condemnation or that you will not restore the Hotel after a Casualty (we do not intend to grant any territorial protections).

11.4. ~~11.4~~ Our Other Remedies~~.~~

We may suspend the Hotel from the Reservation System for any default or failure to pay or perform under this Agreement or any other written agreement with us relating to the Hotel, discontinue Reservation System referrals to the Hotel for the duration of such suspension, and may divert previously made reservations to other Reverb Hotels after giving notice of non-performance, non-payment or default. All Program Fees and related Reservation System user fees accrue during the suspension period. We may deduct points under our quality assurance inspection program for your failure to comply with this Agreement or System Standards. Reservation service will be restored after you have fully cured any and all defaults and failures to pay and perform. We may charge you, and you must pay as a condition precedent to restoration of reservation service, a Service Interruption Fee specified on Schedule C to reimburse us for our costs associated with service suspension and restoration. We may omit the Hotel from the Directory if you are in default on the date we must determine which Reverb Hotels are included in the Directory. You recognize that any use of the System not in accord with this Agreement will cause us irreparable harm for which there is no adequate remedy at law, entitling us to injunctive and other relief. We may litigate to collect amounts due under this Agreement without first issuing a default or termination notice. Our consent or approval may be withheld if needed while you are in default under this Agreement or may be conditioned on the cure of all your defaults.

11.5. ~~11.5~~ Your Remedies~~.~~

If we fail to issue our approval or consent as and when required under this Agreement within a reasonable time of not less than 30 days after we receive all of the information we request, and you believe our refusal to approve or consent is wrongful, you may bring a legal action against us to compel us to issue our approval or consent to the obligation. To the extent permitted by applicable law, this action shall be your exclusive remedy. We shall not be responsible for direct, indirect, special, consequential or exemplary damages, including, but not limited to, lost profits or revenues.

~~2.~~12. ~~12.~~ Liquidated Damages~~.~~

12.1. ~~12.1~~ Generally~~.~~

If we terminate this Agreement under Section 11.2, or you terminate this Agreement (except under Section 11.3 or as a result of our default which we do not cure within a reasonable time after written notice), you will pay us within 30 days following the date of termination, as Liquidated Damages, an amount calculated as the product of 36 multiplied by the average monthly Royalties and Program Fees imposed during the immediately preceding 12 full calendar months (or the number of full calendar months after the Opening Date if less than 12). If the termination occurs prior to the Opening Date, then the amount of Liquidated Damages shall be ~~$150,000.~~an amount equal to $3,600 multiplied by the total number of guest rooms that we approved for the Hotel. You will also pay any applicable Taxes assessed on such payment and Interest calculated under Section 7.3 accruing from 30 days after the date of termination. Liquidated Damages are paid in place of our claims for lost future Recurring Fees under this Agreement. Our right to receive other amounts due under this Agreement is not affected.

12.2. ~~12.2~~ Condemnation Payments~~.~~

In the event a Condemnation is to occur, you will pay us the fees set forth in Section 7 for a period of one year after we receive the initial notice of condemnation described in Section 11.3.2, or until the Condemnation occurs, whichever is longer. You will pay us Liquidated Damages equal to the average daily Royalties and Program Fees for the one year period preceding the date of your condemnation notice to us multiplied by the number of days remaining in the one year notice period if the Condemnation is completed before the one year notice period expires. This payment will be made within 30 days after Condemnation is completed (when you close the Hotel or you deliver it to the condemning authority). You will pay no Liquidated Damages if the Condemnation is completed after the one year notice period expires, but the fees set forth in Section 7 must be paid when due until Condemnation is completed.

13. ~~13. Your Duties At and After Termination.~~ YOUR DUTIES AT AND AFTER TERMINATION

When a Termination occurs for any reason whatsoever:

13.1. ~~13.1~~ System Usage Ceases~~.~~

You will immediately stop using the System to operate and identify the Hotel. You will remove all signage and other items bearing any Marks and follow the other steps detailed in the System

Standards Manual for changing the identification of the Hotel. You will promptly paint over or remove the Hotel's distinctive System trade dress, color schemes and architectural features. You shall not identify the Hotel with a confusingly similar mark or name, or use the same colors as the System trade dress for signage, printed materials and painted surfaces. You will cease all Internet marketing using any Marks to identify the Hotel.

13.2. ~~13.2~~ Other Duties~~.~~

You will pay all amounts owed to us under this Agreement within 10 days after termination. You will owe us Recurring Fees on Room Revenues accruing while the Hotel is identified as a ~~"~~“Reverb~~",~~”, including the Program Fees for so long as the Hotel receives service from the Reservation System. We may immediately remove the Hotel from the Reservation System and divert reservations as authorized in Section 11.4. We may notify third parties that the Hotel is no longer associated with the Chain. We may also, to the extent permitted by applicable law, and without prior notice enter the Hotel and any other parcels, remove software (including archive and back-up copies) for accessing the Reservation System, all copies of the System Standards Manual, Confidential Information, equipment and all other personal property of ours, and paint over or remove and purchase for $10.00, all or part of any interior or exterior Mark-bearing signage (or signage face plates), including billboards, whether or not located at the Hotel, that you have not removed or obliterated within five days after termination. You will promptly pay or reimburse us for our cost of removing such items, net of the $10.00 purchase price for signage. We will exercise reasonable care in removing or painting over signage. We will have no obligation or liability to restore the Hotel to its condition prior to removing the signage. We shall have the right, but not the obligation, to purchase some or all of the Hotel's Mark-bearing FF&E and supplies at the lower of their cost or net book value, with the right to set off their aggregate purchase price against any sums then owed us by you. You will take measures to meet data retention and data destruction requirements, either per this DPA or by Data Protection Laws, whichever is stricter.

13.3. ~~13.3~~ Advance Reservations~~.~~

The Hotel will honor any advance reservations, including group bookings, made for the Hotel prior to termination at the rates and on the terms established when the reservations are made and pay when due all related travel agent commissions.

13.4. ~~13.4~~ Survival of Certain Provisions~~.~~

Section~~s~~ 3.6 (as to audits, for 2 years after termination), Section 3.11, Section 7 (as to amounts accruing through termination), Section 8, Section 11.4, Section 12, Section 13, Section 15, Section 16~~,~~ and Section 17 of this Agreement and the provisions of the DPA survive termination of this Agreement.

14. ~~14. Your Representations and Warranties.~~ YOUR REPRESENTATIONS AND WARRANTIES

You expressly represent and warrant to us as follows:

14.1. ~~14.1~~ Quiet Enjoyment and Financing~~.~~

You own, or will own prior to commencing improvement, or lease, the Location and the Hotel. You will be entitled to possession of the Location and the Hotel during the entire Term without restrictions that would interfere with your performance under this Agreement, subject to the reasonable requirements of any financing secured by the Hotel. You have, when you sign this Agreement, and will maintain during the Term, adequate financial liquidity and financial resources to perform your obligations under this Agreement.

14.2. ~~14.2~~ This Transaction~~.~~

You and the persons signing this Agreement for you have full power and authority and have been duly authorized, to enter into and perform or cause performance of your obligations under this Agreement. You have obtained all necessary approvals of your owners, Board of Directors and lenders. No executory franchise, license, or affiliation agreement for the Hotel exists other than this Agreement. Your execution, delivery and performance of this Agreement will not violate, create a default under or breach of any charter, bylaws, agreement or other contract, license, permit, indebtedness, certificate, order, decree or security instrument to which you or any of your principal owners is a party or is subject or to which the Hotel is subject. Neither you nor the Hotel is the subject of any current or pending merger, sale, dissolution, receivership, bankruptcy, foreclosure, reorganization, insolvency, or similar action or proceeding on the date you execute this Agreement and was not within the three years preceding such date, except as disclosed in the Application. You will submit to us the documents about the Hotel, you, your owners and your finances that we request in the Franchise Application (or after our review of your initial submissions) before or within 30 days after you sign this Agreement.

14.3. ~~14.3~~ No Misrepresentations or Implied Covenants~~.~~

All written information you submit to us about the Hotel, you, your owners, any guarantor, or the finances of any such person or entity, was or will be at the time delivered and when you sign this Agreement, true, accurate and complete, and such information contains no misrepresentation of a material fact, and does not omit any material fact necessary to make the information disclosed not misleading under the circumstances. There are no express or implied covenants or warranties, oral or written, between we and you except as expressly stated in this Agreement.

~~**15. Proprietary Rights.**~~

15. ~~15.1~~ PROPRIETARY RIGHTS

15.1. Marks and System~~.~~

You will not acquire any interest in or right to use the System or Marks except under this Agreement. You will not apply for governmental registration of the Marks, or use the Marks or our corporate name in your legal name, but you may use a Mark for an assumed business or trade name filing.

15.2. ~~15.2~~ Inurements~~.~~

All present and future distinguishing characteristics, improvements and additions to or associated with the System by us, you or others, and all present and future service marks, trademarks, copyrights, service mark and trademark registrations used and to be used as part of the System, and the associated good will, shall be our property and will inure to our benefit. No good will shall attach to any secondary designator that you use.

15.3. ~~15.3~~ Other Locations and Systems~~.~~

We and our affiliates each reserve the right to own, in whole or in part, and manage, operate, use, lease, finance, sublease, franchise, license (as franchisor or franchisee), provide services to or joint venture (i) distinctive separate lodging or food and beverage marks and other intellectual property which are not part of the System, and to enter into separate agreements with you or others (for separate charges) for use of any such other marks or proprietary rights, (ii) other lodging, food and beverage facilities, or businesses, under the System utilizing modified System Standards, and (iii) a Chain Hotel at or for any location, including next to your Hotel. You acknowledge that we are affiliated with or in the future may become affiliated with other lodging providers or franchise systems that operate under names or marks other than the Marks. We and our affiliates may use or benefit from common hardware, software, communications equipment and services and administrative systems for reservations, franchise application procedures or committees, marketing and advertising programs, personnel, central purchasing, approved vendor lists, franchise sales personnel (or independent franchise sales representatives), etc.

15.4. ~~15.4~~ Confidential Information~~.~~

You will take all appropriate actions to preserve the confidentiality of all Confidential Information. Access to Confidential Information should be limited to persons who need the Confidential Information to perform their jobs and are subject to your general policy on maintaining confidentiality as a condition of employment or who have first signed a confidentiality agreement. You will not permit copying of Confidential Information (including, as to computer software, any translation, decompiling, decoding, modification or other alteration of the source code of such software). You will use Confidential Information only for the Hotel and to perform under this Agreement. Upon termination (or earlier, as we may request), you shall return to us all originals and copies of the System Standards Manual, policy statements and Confidential Information ~~"~~“fixed in any tangible medium of expression~~,"~~,” within the meaning of the U.S. Copyright Act, as amended. Your obligations under this subsection commence when you sign this Agreement and continue for trade secrets (including computer software we license to you) as long as they remain secret and for other Confidential Information, for as long as we continue to use the information in confidence, even if edited or revised, plus three years. We will respond promptly and in good faith to your inquiry about continued protection of any Confidential Information.

15.5. ~~15.5~~ Litigation~~.~~

You will promptly notify us of (i) any adverse or infringing uses of the Marks (or names or symbols confusingly similar), Confidential Information or other System intellectual property, and (ii) or any threatened or pending litigation related to the System against (or naming as a party) you or us of which you become aware. We alone handle disputes with third parties concerning use of all or any part of the System. You will cooperate with our efforts to resolve these disputes. We need not initiate suit against imitators or infringers who do not have a material adverse impact on the Hotel, or any other suit or proceeding to enforce or protect the System in a matter we do not believe to be material.

15.6. ~~15.6~~ The Internet~~.~~

Except as otherwise specifically permitted in this Section 15.6, you shall not in any manner authorize or permit (or purport to authorize or permit) any person, directly or indirectly, to utilize, sublicense or display, on or in connection with any Internet Site, the Marks, any derivation thereof, any trademarks, trade names, service marks, logos or designs confusingly similar thereto, or any buried computer code, keywords, adwords, meta-tags, social media handles the Marks or any such derivations or similar materials. The term “**Internet Site**” includes any world wide web site, USENET, newsgroup, bulletin board or other online service, any successor thereto at any electronic domain name, address or location, any other form of online service or electronic domain name, address or location, and any other form of online service or electronic commerce whatsoever. We and our affiliates may develop and maintain, or license the development and maintenance of, one or more Internet Site(s) for Reverb hotels and other products and businesses as we, in our sole discretion, may determine (each a “**Reverb Internet Site**”). You may have the Hotel featured on a Reverb Internet Site, in the same manner as we include other Reverb hotels, whether owned or franchised by us. Upon our request, you shall provide (or cause to be provided) to us any Hotel-related information that we require for inclusion in a Reverb Internet Site or any other Internet Site designed by us. You are not entitled to participate in any manner in any revenues resulting from any link from any Franchisee Internet Site (as defined below) to a Reverb Internet Site. At our request, each advertisement of the Hotel shall prominently display the Internet Uniform Resource Locator (URL) of a Reverb Internet Site designated by us to you. You must develop an Internet Site for the Hotel (a "**Franchisee Internet Site**") at your sole expense in compliance with the following terms and conditions:

(a) You must engage our designated vendor for purposes of developing the Franchisee Internet Site for your Hotel utilizing our standardize website template for Reverb hotels.

(b) Subject to our approval, you may use the Marks in the Franchisee Internet Site's domain name, but such domain name is deemed our property, must be registered in our name, and is deemed included in the Marks under the terms of this Agreement.

(c) The format, content and promotion (including promotion through the use of keywords, social media handles and adwords) of the Franchisee Internet Site are subject to our approval.

(d) You shall use the Franchisee Internet Site solely for promotion of the Hotel.

(e) You shall not sell or offer for sale merchandise or conduct any other business, including online gaming operations, on such Franchisee Internet Site.

(f) You may include a simple link from the Franchisee Internet Site to a Reverb Internet Site that we designate. In any link to a Reverb Internet Site, (i) the Reverb Internet Site must not be framed or otherwise made to appear as a part of the Franchisee Internet Site or any other Internet Site, and (ii) such link must not imply any endorsement by us or the Reverb Internet Site or imply any other association with the Franchisee Internet Site or any other Internet Site.

(g) You shall ensure that the Franchisee Internet Site does not link to any Internet Site other than a Reverb Internet Site or another Internet Site that we designate.

(h) We shall provide links from our Internet Sites to the Franchisee Internet Site, giving comparable prominence and positioning of the link as we give to our other Reverb Hotels.

(i) In any Franchisee Internet Site's webpage, you shall make sure to provide a link to your privacy policy that will apply to the collection, storage and use of the information collected or capture through your personal management system, it being agreed that such privacy policy shall:

i. inform of the purposes for which the personal information is being collected and processed;

ii. include such other information as may be necessary to enable processing in respect of the personal information collected to be fair;

iii. inform that the personal information collected will be shared among us and you and our respective ~~A~~affiliates (the purposes for such sharing shall also be described pursuant to applicable Laws);

iv. inform that the personal information collected will be shared among us and you and our respective ~~A~~affiliates for the purposes of marketing each of our respective products and services to customers, with the consent of the customers, and enable customers to opt out or withdraw their consent for such marketing;

v. inform customers that their personal data may be transferred outside the territory where the personal data was collected by each of us and you from time to time in accordance with applicable Law; and

vi. We do not review or approve the terms of your privacy policy.

You may not establish or maintain any website in connection with the marketing or operation of the Hotel other than the Franchisee Internet Website described above. You may market your Hotel on the Internet only in strict compliance with this Agreement and the System Standards Manual. The format, content and promotion of the Franchisee Internet Site is subject to our approval.

~~16. **Relationship of Parties.**~~

16. ~~16.1~~ RELATIONSHIP OF PARTIES

16.1. Independence~~.~~

You are an independent contractor. You are not our legal representative or agent, and you have no power to obligate us for any purpose whatsoever. We and you have a business relationship based entirely on and circumscribed by this Agreement. No partnership, joint venture, agency, fiduciary or employment relationship is intended or created by reason of this Agreement. You will exercise full and complete control over and have full responsibility for your contracts, daily operations, labor relations, employment practices and policies, including, but not limited to, the recruitment, selection, hiring, disciplining, firing, compensation, work rules and schedules of your employees.

16.2. ~~16.2~~ Joint Status~~.~~

If you comprise two or more persons or entities (notwithstanding any agreement, arrangement or understanding between or among such persons or entities) the rights, privileges and benefits of this Agreement may only be exercised and enjoyed jointly. The liabilities and responsibilities under this Agreement will be the joint and several obligations of all such persons or entities.

~~**17. Legal Matters.**~~

17. ~~17.1~~ LEGAL MATTERS

17.1. Partial Invalidity~~.~~

If all or any part of a provision of this Agreement violates the law of your state (if it applies), such provision or part will not be given effect. If all or any part of a provision of this Agreement is declared invalid or unenforceable, for any reason, or is not given effect by reason of the prior sentence, the remainder of the Agreement shall not be affected. However, if in our judgment the invalidity or ineffectiveness of such provision or part substantially impairs the value of this Agreement to us, then we may at any time terminate this Agreement by written notice to you without penalty or compensation owed by either party.

17.2. ~~17.2~~ Waivers, Modifications and Approvals~~.~~

If we allow you to deviate from this Agreement, we may insist on strict compliance at any time after written notice. Our silence or inaction will not be or establish a waiver, consent, course of dealing, implied modification or estoppel. All modifications, waivers, approvals and consents of or under this Agreement by us must be in writing and signed by our authorized representative to be effective. We may unilaterally revise Schedule C when this Agreement so permits.

17.3. ~~17.3~~ Notices~~.~~

Except for your notification obligations under the DPA, notices will be effective if in writing and delivered (i) by facsimile transmission with confirmation original sent by first class mail, postage prepaid, (ii) by delivery service, with proof of delivery, or (iii) by first class, prepaid certified or registered mail, return receipt requested, to the appropriate party (x) at its address stated below or as it may otherwise designate by notice, or (y) by such other means as to result in actual or constructive receipt by the person or office holder designated below. The parties may also communicate via electronic mail between addresses to be established by notice. You consent to receive electronic mail from us. Notices shall be deemed given on the date delivered or date of attempted delivery, if refused.

____

Our address: __________________________________

Attention:______________________________; Fax No.

Your name: _____, Your address: _____, Attention: _____; Your fax No.: _____.

17.4. ~~17.4~~ Remedies~~.~~

Remedies specified in this Agreement are cumulative and do not exclude any remedies available at law or in equity. The non-prevailing party will pay all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party to enforce this Agreement or collect amounts owed under this Agreement.

17.5. ~~17.5~~ Miscellaneous~~.~~

This Agreement is exclusively for the benefit of the parties. There are no third party beneficiaries. No agreement between us and anyone else is for your benefit. The section headings in this Agreement are for convenience of reference only.

~~2.1.~~17.6. ~~17.6~~ Choice of Law; Venue; Dispute Resolution~~.~~

~~2.1.1.~~17.6.1. ~~17.6.1~~ This Agreement will be governed by and construed under the laws of the State of Florida, except for its conflicts of law principles.

~~2.1.2.~~17.6.2. ~~17.6.2~~ The parties shall attempt in good faith to resolve any dispute concerning this Agreement or the parties' relationship promptly through negotiation between authorized representatives. If these efforts are not successful, either party may attempt to resolve the dispute through non-binding mediation. Either party may request mediation through the National Franchise Mediation Program, using the procedures employed by the CPR Institute for Dispute Resolution, Inc. We will provide you with the contact address for that organization. The mediation will be conducted by a mutually acceptable and neutral third party. If the parties cannot resolve the dispute through negotiation or mediation, or choose not to negotiate or mediate, either party may pursue litigation.

~~2.1.3.~~17.6.3. ~~17.6.3~~ You consent and waive your objection to the non-exclusive personal jurisdiction of and venue in the Florida state courts situated in Orange County, Florida and the United States District Court for the Middle District of Florida for all cases and controversies under this Agreement or between we and you.

~~2.1.4.~~17.6.4. **~~17.6.4~~ WAIVER OF JURY TRIAL. THE PARTIES WAIVE THE RIGHT TO A JURY TRIAL IN ANY ACTION RELATED TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN THE FRANCHISOR, THE FRANCHISEE, ANY GUARANTOR, AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS.**

~~2.1.5.~~17.6.5. ~~17.6.5~~ Any judicial proceeding directly or indirectly arising from or relating to this Agreement shall be considered unique as to its facts and may not be brought as a class action. You and each of the owners of your Equity Interests waive any right to proceed against us by way of class action.

17.7. ~~17.7~~ Special Acknowledgments~~.~~

You acknowledge the following statements to be true and correct as of the date you sign this Agreement, and to be binding on you.

~~2.1.6.~~17.7.1. **~~17.7.1~~ You received our Franchise Disclosure Document for prospective franchisees ("FDD") at least 14 days before signing this Agreement or paying the Initial Fee to us.**

~~2.1.7.~~17.7.2. **~~17.7.2~~ Neither we nor any person acting on our behalf has made any oral or written representation or promise to you on which you are relying to enter into this Agreement that is not written in this Agreement or in the FDD. You release any claim against us or our agents based on any oral or written representation or promise not stated in this Agreement or in the FDD.**

~~2.1.8.~~17.7.3. **~~17.7.3~~ This Agreement, together with the appendix, exhibits and schedules attached, is the entire agreement superseding all previous oral and written representations, agreements and understandings of the parties about the Hotel and the Franchise. To the extent that any provision in the California State Addendum is inconsistent with any provision in this Agreement, the provision in the California State Addendum shall control.**

~~2.1.9.~~17.7.4. **~~17.7.4~~ You acknowledge that no salesperson has made any promise or provided any information to you about projected sales, revenues, income, profits or expenses from the Hotel except as stated in Item 19 of the FDD or in a writing that is attached to this Agreement.**

~~2.1.10.~~17.7.5. **~~17.7.5~~ You understand that the franchise relationship is an arms' length, commercial business relationship in which each party acts in its own interest.**

~~2.1.11.~~17.7.6. **~~17.7.6~~ You (including your shareholders, directors and officers), and your affiliates, subsidiaries, respective shareholders, beneficial owners of non-publicly traded shareholders and, to your knowledge, the funding sources for any of the**

foregoing, are not: (a) identified on the list of "Specially Designated Nationals or Blocked Persons" ("SDNs") maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) and are not a Specially Designated National or Blocked Person; (b) are not directly or indirectly owned or controlled by the government of any country that is subject to an embargo or economic or trade sanctions by the United States government; or (c) acting on behalf of a government of any country that is subject to such an embargo. You shall notify us in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties of this Section 17.7.6 incorrect. Notwithstanding anything to the contrary in this Agreement, no assignment of this Agreement, sale of the Hotel or sale of a controlling interest in the franchisee entity shall be made to a Specially Designated National or Blocked Person (as herein defined below) or to an entity in which a Specially Designated National or Blocked Person has an interest. For purposes of this Agreement, "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 with whom we 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.ustreas.gov/offices/enforcement/ofac.

~~2.1.12.~~17.7.7. ~~**17.7.7**~~ **Neither you, nor any general partner, managing member or beneficial owner of the franchisee entity, is or has been (a) a defendant in civil litigation alleging fraud, deceit or similar claims; (b) convicted of a criminal offense or the subject of a pending criminal proceeding (other than minor traffic offenses); (c) the subject of a petition for protection under any bankruptcy or similar insolvency laws; (d) a defaulting party in a foreclosure proceeding; or (e) the subject of disciplinary action with respect to the suspension or revocation of a professional or gaming license.**

~~2.1.13.~~17.7.8. ~~**17.7.8**~~ **Neither you nor any of your affiliates is (i) a person who is identified by any governmental authority as "unsuitable" to be associated with a gaming facility; (ii) a person who has been denied a gaming license in any jurisdiction as a result of an "unsuitability" or similar determination (for the avoidance of doubt, a person shall not be deemed to be "unsuitable" pursuant to the foregoing solely as a result of a gaming license denial following a competitive bidding or similar process in which the gaming license being pursued was not awarded to such person, provided that such denial was not the result of an "unsuitability" or similar determination made by the applicable governmental authority), or (iii) a person who has been subject to a suspension or revocation of a gaming license in any jurisdiction.**

17.8. ~~17.8~~ Force Majeure~~.~~

Neither you nor we shall be liable for loss or damage or deemed to be in breach of this Agreement if the failure to perform obligations results from: (a) windstorms, rains, floods, earthquakes, typhoons, mudslides or other similar natural causes; (b) fires, strikes, embargoes, war, acts of terrorism or riot; (c) legal restrictions that prohibit or prevent performance; or (d) any other similar event or cause beyond the control of the party affected. Any delay resulting from any of such causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, so long as a remedy is continuously and diligently sought by the affected party, except that no such cause shall excuse payment of amounts owed at the time of such occurrence or payment of Recurring Fees and other amounts due to us subsequent to such occurrence other than a governmental or judicial order prohibiting such payments. Force Majeure will not excuse, or apply with respect to, any breaches resulting from an epidemic or pandemic of a contagious illness or disease or resulting from any economic or financial changes caused by such epidemic or pandemic.

17.9. ~~17.9~~ No Protected Territory~~.~~

You are not granted any territorial rights or protections whatsoever. We have the unrestricted right to establish and operate, or grant others the right to establish and operate, Chain Hotels and other competitive businesses at any location, including next to your Hotel.

IN WITNESS WHEREOF, the parties have executed this Agreement on this ____ day of ____________, 202___ and agree to be bound by the terms and conditions of this Agreement as of the Effective Date.

WE, as franchisor

____

By:______________________________
Vice President

YOU, as franchisee:

By:______________________________

APPENDIX A

DEFINITIONS

Additional Fees has the meaning given to such term in Section 7.1.2.

Agreement means this Franchise Agreement.

Application Fee means the fee you pay when you submit your Application under Section 6.

Approved Plans means your plans and specifications for constructing or improving the Hotel initially or after opening, as approved by us under Schedule D.

Audit Fee has the meaning given to such term in Section 4.8.

Basic Reservation Fee means the fees set forth in Section 7.1.2 and Schedule C, as modified in accordance with this Agreement for reservation services and other charges.

Branded Merchandise means any Merchandise that bears, or is associated with, any of the Marks.

Casualty means destruction or significant damage to the Hotel by act of God or other event beyond your reasonable anticipation and control.

Chain means the network of Reverb Hotels.

Chain Hotel means a lodging facility we own, lease, manage, operate or authorize another party to operate using the System and identified by the Marks.

Condemnation means the taking of the Hotel for public use by a government or public agency legally authorized to do so, permanently or temporarily, or the taking of such a substantial portion of the Hotel that continued operation in accordance with the System Standards, or with adequate parking facilities, is commercially impractical, or if the Hotel or a substantial portion is sold to the condemning authority in lieu of condemnation.

Confidential Information means any trade secrets we own or protect and other proprietary information not generally known to the lodging industry including confidential portions of the System Standards Manual or information we otherwise impart to you and your representatives in confidence. Confidential Information includes the “Standards of Operation and Design Manual” and all other System Standards manuals and documentation, including those on the subjects of employee relations, finance and administration, field operation, purchasing and marketing, the Reservation System software and applications software.

Design Standards mean standards specified in the System Standards Manual from time to time for design, construction, renovation, modification and improvement of new or existing Reverb Hotels, including all aspects of facility design, number of rooms, rooms mix and configuration, construction materials, workmanship, finishes, electrical, mechanical, structural, plumbing, HVAC, utilities, access, life safety, parking, systems, landscaping, amenities, interior design and decor and the like for a Chain Hotel.

Directory means any general purpose directory we issue, whether printed, web-based, or issued in another medium, which may list the names and addresses of Reverb Hotels in the United States, and at our discretion, other System facilities located outside the United States, Canada and Mexico.

DPA has the meaning given to such term in Section 4.2.

Effective Date means the date we insert in the Preamble of this Agreement after we sign it.

Equity Interests shall include, without limitation, all forms of equity ownership of you, including voting stock interests, partnership interests, limited liability company membership or ownership interests, joint and tenancy interests, the proprietorship interest, trust beneficiary interests and all options, warrants, and instruments convertible into such other equity interests.

Equity Transfer means any transaction in which your owners or you sell, assign, transfer, convey, pledge, or suffer or permit the transfer or assignment of, any percentage of your Equity Interests that will result in a change in control of you to persons other than those disclosed on Schedule B, as in effect prior to the transaction. Unless there are contractual modifications to your owners' rights, an Equity Transfer of a corporation or limited liability company occurs when either majority voting rights or beneficial ownership of more than 50% of the Equity Interests changes. An Equity Transfer of a partnership occurs when a newly admitted partner will be the managing, sole or controlling general partner, directly or indirectly through a change in control of the Equity Interests of an entity general partner. An Equity Transfer of a trust occurs when either a new trustee with sole investment power is substituted for an existing trustee, or a majority of the beneficiaries convey their beneficial interests to persons other than the beneficiaries existing on the Effective Date. An Equity Transfer does not occur when the Equity Interest ownership among the owners of Equity Interests on the Effective Date changes without the admission of new Equity Interest owners. An Equity Transfer occurs when you merge, consolidate or issue additional Equity Interests in a transaction which would have the effect of diluting the voting rights or beneficial ownership of your owners' combined Equity Interests in the surviving entity to less than a majority.

Hotel means the Location, together with all improvements, buildings, common areas, structures, appurtenances, facilities, entry/exit rights, parking, amenities, FF&E and related rights, privileges and properties existing or to be constructed at the Location on or after the Effective Date.

FF&E means furniture, fixtures and equipment.

FF&E Standards means standards specified in the System Standards Manual for FF&E and supplies to be utilized in a Chain Hotel.

Food and Beverage means those items of food and beverage sold at the Hotel.

Food and Beverage Revenues means all revenues derived from or attributable to the sale of any food or beverage at or from the Hotel. Food and Beverage Revenues does not include any revenues associated with food or beverage items that are included as part of a "guest package". With respect to any food and beverage sold at or from your Hotel by any person other than you or your affiliate, Food and Beverage Revenues shall include all fees payable to you or your affiliate in connection with the sale of such food and beverage, including, without limitation, rental fees for use of space within the Hotel, fees for the right to place vending machines within the Hotel, and fees calculated as a percentage of revenues generated by such person from the sale of food and beverage (but Food and Beverage Revenues shall not include the gross revenues derived by such person from the sale of food and beverage except to the extent such revenues are paid to you or your affiliate). For purposes of calculating Food and Beverage Revenues, you must include: (i) the full purchase price, whether for cash, check, credit card, credit transactions, or otherwise; (ii) the full amount of any check, credit card or other credit transaction, regardless of whether such amount is ultimately collected; and (iii) the fair market value of any barter or other non-cash property and/or services received as an alternative to cash payments. For purposes of calculating Food and Beverage Revenues, the following amounts shall be excluded: (i) federal, state or local excise, sales, occupancy, resort, use, and other taxes collected from patrons or guests as a part of or based upon the sales price of any goods or services, including gross receipts, room, bed, admission, cabaret, or similar taxes; and (ii) gratuities to employees or service charges levied in lieu of such gratuities which, in either case, are paid to employees.

Franchise means the non-exclusive franchise to operate the type of Chain Hotel described in Schedule B only at the Location, using the System and the Mark we designate in Section 1.

Franchisee Internet Site has the meaning given to such term in Section 15.6.

Franchise Year means:

(i) *If the Opening Date occurs on the first day of a month*: the period beginning on the Opening Date and ending on the day immediately preceding the first anniversary of the Opening Date, and each subsequent one year period; or

(ii) *If the Opening Date does not occur on the first day of a month:* the period beginning on the Opening Date and ending on the first anniversary of the last day of the month in which the Opening Date occurs, and each subsequent one year period.

Hotel means the Reverb hotel established and operated pursuant to this Agreement.

Improvement Obligation means your obligation to either (i) renovate and upgrade the Hotel, or (ii) construct and complete the Hotel, in accordance with the Approved Plans and System Standards, as described in Schedule D.

Indemnitees means us, our direct and indirect parent, subsidiary and sister corporations, and the respective officers, directors, shareholders, employees, agents and contractors, and the successors, assigns, personal representatives, heirs and legatees of all such persons or entities.

Initial Fee means the fee you are to pay for signing this Agreement as stated in Section 6, if the Agreement is for a new construction or conversion franchise.

Interest has the meaning given to such term in Section 7.3.

Internet Site has the meaning given to such term in Section 15.6.

Liquidated Damages means the amounts payable under Section 12, set by the parties because actual damages will be difficult or impossible to ascertain on the Effective Date and the amount is a reasonable pre-estimate of the damages that will be incurred and is not a penalty.

Location means the parcel of land situated at <<Hotel_Address>>, as more fully described in Schedule A.

Losses and Expenses means (x) all payments or obligations to make payments either (i) to or for third party claimants by any and all Indemnitees, including guest refunds, or (ii) incurred by any and all Indemnitees to investigate, respond to or defend a matter, including without limitation investigation and trial charges, costs and expenses, attorneys' fees, experts' fees, court costs, settlement amounts, judgments and costs of collection; and (y) the "Returned Check Fee" we then specify in the System Standards Manual ($20.00 on the Effective Date) if the drawee dishonors any check that you submit to us.

Maintenance Standards means the standards specified from time to time in the System Standards Manual for repair, refurbishment and replacement of FF&E, finishes, decor, and other capital items and design materials in Reverb Hotels.

Marketing Contribution means the fee you pay to us under Section 7.1.2 and Schedule C, as amended, for advertising, marketing, training and other services.

Marks means, collectively (i) the service marks associated with the System published in the System Standards Manual from time to time including, but not limited to, the name, design and logo for “Reverb” and other marks (U.S. Reg. Nos. ___________________________________) and (ii) trademarks, trade names, trade dress, logos and derivations, and associated good will and related intellectual property interests.

Marks Standards means standards specified in the System Standards Manual for interior and exterior Mark-bearing signage, advertising materials, china, linens, utensils, glassware, uniforms, stationery, supplies, and other items, and the use of such items at the Hotel or elsewhere.

Merchandise means any merchandise and retail items that are offered for sale at or from the Hotel. You may not offer any Merchandise for sale at or from the Hotel that we have not previously approved in writing.

Merchandise Revenues means gross revenues derived from or attributable to the sale of any Branded Merchandise offered at the Hotel, including the full purchase price of purchases in whole or in part by means of gift certificates, advertising certificates or trade-ins. In calculating Merchandise Revenues, you must include: (i) the full purchase price, whether for cash, check, credit card, credit transactions, or otherwise; (ii) the full amount of any check, credit card or other credit transaction, regardless of whether such amount is ultimately collected; and (iii) the fair market value of any barter or other non-cash property and/or services received as an alternative to cash payments. For purposes of calculating Merchandise Revenues, the following amounts shall be excluded: (i) federal, state or local excise, sales, occupancy, resort, use, and other taxes collected from patrons or guests as a part of or based upon the sales price of any goods or services, including gross receipts, room, bed, admission, cabaret, or similar taxes; and (ii) gratuities to employees or service charges levied in lieu of such gratuities which, in either case, are paid to employees.

Minor Renovation means the repairs, refurbishing, repainting, and other redecorating of the interior, exterior, guest rooms, public areas and grounds of the Hotel and replacements of FF&E we may require you to perform under Section 3.14.

Minor Renovation Ceiling Amount means $3,000.00 per guest room.

Minor Renovation Notice means the written notice from us to you specifying the Minor Renovation to be performed and the dates for commencement and completion given under Section 3.14.

Opening Date has the meaning specified in Schedule D.

Operations Standards means standards specified in the System Standards Manual for cleanliness, housekeeping, general maintenance, repairs, concession types, food and beverage service, vending machines, uniforms, staffing, employee training, guest services, guest comfort and other aspects of lodging operations.

Permitted Transferee means (i) any entity, natural person(s) or trust receiving from the personal representative of an owner any or all of the owner's Equity Interests upon the death of the owner, if no consideration is paid by the transferee or (ii) the spouse or adult issue of the transferor, if the Equity Interest transfer is accomplished without consideration or payment, or (iii) any natural person or trust receiving an Equity Interest if the transfer is from a guardian or conservator appointed for an incapacitated or incompetent transferor.

Probity Investigation has the meaning given to such term in Section 9.7.

Program Fees means the assessments charged as set forth in Section 7.1.2 and Schedule C, as modified in accordance with this Agreement.

Prototype Plans has the meaning specified in Schedule D for New Construction Facilities.

Punch List means the list of upgrades and improvements attached as part of Schedule D, which you are required to complete under Section 3.1 and Schedule D.

Recurring Fees means fees paid to us on a periodic basis, including without limitation, Royalties, Program Fees, and other reservation fees and charges as stated in Section 7.

Relicense Fee means the fee your transferee pays to us when a Transfer occurs or the fee you pay to us if you are renewing an existing franchise.

Reinspection Fee means the fee you must pay to us under Section 3.7 if you do not complete your Punch List on time, fail any inspection or do not cooperate with our inspector or inspection System Standards.

Reservation System or ~~"~~“Central Reservation System~~"~~” means the system for offering to interested parties, booking and communicating guest room reservations for Reverb Hotels described in Section 4.2.

Reservation System Set-up Fee has the meaning given to such term in Section 4.2.

Reserve Fund has the meaning given to such term in Section 3.17.

RENA means the Reverb National Association.

Reverb Internet Site has the meaning given to such term in Section 15.6.

Room Revenues means gross revenues derived from or attributable to rentals of guest rooms at the Hotel. With respect to the sale of a “guest package” that is lodging accommodations sold in conjunction with other goods, hotel amenities or services provided by either the property or third parties as part of a single transaction, Room Revenues shall be calculated as the ADR (Average Daily Rate) for your Hotel on the day the guest package is sold. Any revenues derived from the sale of a “guest package” in excess of ADR shall be excluded from Room Revenues but shall be included in Total Revenues. In calculating Room Revenues, you must include: (i) the full purchase price, whether for cash, check, credit card, credit transactions, or otherwise; (ii) the full amount of any check, credit card or other credit transaction, regardless of whether such amount is ultimately collected; and (iii) the fair market value of any barter or other non-cash property and/or services received as an alternative to cash payments. For purposes of calculating Room Revenues, the following amounts shall be excluded: (i) federal, state or local excise, sales, occupancy, resort, use, and other taxes collected from patrons or guests as a part of or based upon the sales price of any goods or services, including gross receipts, room, bed, admission, cabaret, or similar taxes; (ii) gratuities to employees or service charges levied in lieu of such gratuities which, in either case, are paid to employees; and (iii) the imputed value of complimentary hotel rooms.

Royalty means the monthly fee you pay to us for use of the System under Section 7.1.1. ~~"~~“Royalties~~"~~” means the aggregate of all amounts owed as a Royalty.

Sales Referral Program means our Sales Referral Program included in the System Standards Manual, as such program may be modified or amended from time to time by us in accordance with this Agreement. Under the Sales Referral Program, we provide lead generation for bookings at the Hotel, and you provide lead generation for bookings at other Reverb Hotels.

Service Interruption Fee means the fee you pay us when we suspend Central Reservation Service because you default under this Agreement, in the amount specified in Schedule C.

System means the comprehensive system for providing guest lodging facility services under the Marks as we specify which at present includes only the following: (a) the Marks; (b) other intellectual property, including Confidential Information, System Standards Manual and know-how; (c) marketing, advertising, publicity and other promotional materials and programs; (d) System Standards; (e) training programs and materials; (f) quality assurance inspection and scoring programs; and (g) the Reservation System.

System Standards means the standards for participating in the System published in the System Standards Manual, including but not limited to Design Standards, FF&E Standards, Marks Standards, Operations Standards, Technology Standards and Maintenance Standards and any other standards, policies, rules and procedures we promulgate about System operation and usage.

System Standards Manual means the Standards of Operation and Design Manual and any other manual we publish or distribute specifying the System Standards.

Taxes means the amounts payable under Section 7.2 of this Agreement.

Technical Services has the meaning given to such term in Section 4.9.

Technical Services Fees has the meaning given to such term in Section 4.9.

Technology Standards means standards specified in the System Standards Manual for local and long distance telephone communications services, telephone, telecopy and other communications systems, point of sale terminals and computer hardware and software for various applications, including, but not limited to, front desk, rooms management, records maintenance, marketing data, accounting, budgeting and interfaces with the Reservation System to be maintained at the Reverb Hotels.

Term means the period of time during which this Agreement shall be in effect, as stated in Section 5.

Termination means a termination of this Agreement.

Total Revenues means Room Revenues, Food and Beverage Revenues and all other revenues and income of any kind that are derived from or attributable to the operation of the Hotel, including, without limitation: (i) revenues from the sale of Hotel amenities, such as room service, parking facilities, Internet and telephone access and usage, arcades, health clubs, spas, recreational activities, entertainment (including in-room movies), key forfeiture and vending machines; and (ii) rentals and other payments made by licensees, lessees or concessionaires of retail space in the Hotel. For purposes of calculating Total Revenues, you must include: (i) the full purchase price, whether for cash, check, credit card, credit transactions, or otherwise; (ii) the full amount of any check, credit card or other credit transaction, regardless of whether such amount is ultimately collected; and (iii) the fair market value of any barter or other non-cash property and/or services received as an alternative to cash payments. For purposes of calculating Total Revenues, the following amounts shall be excluded: (i) any Merchandise Revenues; (ii) federal, state or local excise, sales, occupancy, resort, use, and other taxes collected from patrons or guests as a part of or based upon the sales price of any goods or services, including gross receipts, room, bed, admission, cabaret, or similar taxes; (iii) gratuities to employees or service charges levied in lieu of such gratuities which, in either case, are paid to employees; (iv) revenues derived from the financing, sale or other disposition of the Hotel, capital assets, furniture, fixtures and equipment, and other items not in the ordinary course of the Hotel's operations and income derived from securities and other property acquired and held for investment purposes; (v) interest on funds held in the Reserve Fund; (vi) receipts from awards or sales relating to any taking, from other transfers in lieu of and under the threat of any taking, and other receipts relating to any taking, but only to the extent that such amounts are specifically identified as compensation for alterations or physical damage to the Hotel; or (vii) proceeds of any hazard or casualty insurance, other than business interruption insurance.

Transfer means (1) an Equity Transfer, (2) you assign, pledge, transfer, delegate or grant a security interest in all or any of your rights, benefits and obligations under this Agreement, as security or otherwise without our consent as specified in Section 9, (3) you assign (other than as collateral security for financing the Hotel) your leasehold interest in (if any), lease or sublease all or any part of the Hotel to any third party, (4) you engage in the sale, conveyance, transfer, or donation of your right, title and interest in and to the Hotel, (5) your lender or secured party forecloses on or takes possession of your interest in the Hotel, directly or indirectly, or (6) a receiver or trustee is appointed for the Hotel or your assets, including the Hotel. A Transfer does not occur when you pledge or encumber the Hotel to finance its acquisition or improvement, you refinance it, or you engage in a Permitted Transferee transaction.

“You” and “Your” means and refers to the party named as franchisee identified in the first paragraph of this Agreement and its Permitted Transferees.

“We”, “Our” and “Us” means and refers to Hard Rock Hotel Licensing, Inc., a Florida corporation, its successors and assigns.

Withholding Taxes has the meaning given to such term in Section 7.6.

SCHEDULE A

(Legal Description of Hotel)

SCHEDULE B

PART I: YOUR OWNERS:

Name	Ownership Percentage	Type of Equity Interest	Office Held (Title)

PART II: THE FACILITY:

Primary designation of Hotel: **Reverb**

Number of approved guest rooms:

Parking facilities (number of spaces, description):

Other amenities, services and facilities:

PART III: GUARANTORS:

Name

Initial

SCHEDULE C
(Date)

I. Program Fee

The Program Fee consists of the "Marketing Contribution," the "Basic Reservation Fee" and fees imposed by us and third-parties for certain software, technology and related services. The monthly Program Fee will equal 5.5% of Room Revenues. The portion of the Program Fee comprised by the Marketing Contribution is the amount that we specify from time to time (not to exceed the sum of 1.5% of Total Revenues plus 1.5% of Merchandise Revenues). The portion of the Program Fee comprised by the Basic Reservation Fee is the amount we specify from time to time (not to exceed 2% of Room Revenues). The Program Fee is subject to change for all Reverb Hotels, and new fees and charges may be assessed for new services, but only upon the recommendation of the Executive Committee of and our approval.

II. Additional Fees

A. Loyalty Program Charges

You must participate in all loyalty, special marketing and frequent traveler programs that we establish from time to time. These programs and the fees associated with these programs are subject to change. You must pay your fair share of the cost of system-wide programs and other marketing initiatives now existence or developed in the future, including, without limitation, Hard Rock Rewards and other frequent travel programs, market initiatives or other programs that we may develop. These fees and costs would be in addition to the marketing fund fees you are required to pay us.

Currently, we require that you participate in our guest recognition rewards program that is affiliated with certain "Reverb" branded facilities. You must purchase certain equipment to install at your Hotel in connection with the rewards program as required by the System Standards Manual. In addition, you must obtain software licenses from third parties as specified in the System Standards Manual at your cost in order to participate in the rewards program. Under the current version of the program, you are not required to make any contributions to the rewards program based on purchases made by Hard Rock Rewards members.

We reserve the right to change terms of the program, the costs and redemption reimbursement amounts, the calculation factors and the required equipment and software licenses at any time. We also may require you to participate in other special marketing programs or frequent traveler programs, and you must pay any fees and purchase any equipment that we require to participate in in these programs.

B. Guest Services Assessment

We will contact you if we receive any guest complaint about you or the Hotel, and you will be responsible for resolving the complaint to the satisfaction of the guest. If you do not resolve any complaint within 7 business days after we refer it to you and the guest contacts us again to seek resolution, we will charge you a "Guest Services Assessment" of $100.00, plus the costs we incur to settle the matter with the guest. The Guest Services Assessment Fee is intended only to reimburse us for the costs of complaint handling and is not intended as a penalty or liquidated damages. All guest complaints remain subject to indemnification under this Agreement.

C. **Service Interruption Fee**

If we suspend Central Reservation System Service because of your default under this Agreement, then you must pay us a Service Interruption Fee of $200 before we restore service. If we must reactivate your service three or more times in any 12 month period, the Service Interruption Fee will be increased to $500.

D. **Travel Agent Commissions and Other Distribution Charges**

In addition to the Basic Reservation Fee and Reservation Set-up Fee, you will also pay all travel agent commissions generated through the Reservation System for reservations at the Hotel within 10 days after receipt of an invoice for these commissions. Third parties not affiliated with us or HRC (for example, Expedia or Hotels.com) may impose fees in connection with the bookings made through the Reservation System and any such third party fees, expenses or commissions are in addition to, and not included within, the Basic Reservation Fee or Reservation Set-up Fee. You are solely responsible for payment of telecommunications costs and long distance carrier costs incurred in connection with "CRO" generated bookings. "CRO" refers to any of the offices of Hard Rock Cafe International (USA), Inc., including, without limitation, any central reservations system or "800" number established by Hard Rock Cafe International (USA), Inc., through which reservations are processed by voice operators. The Hotel's property management system vendor may impose additional fees and require you to obtain certain licenses in order to establish a two-way interface with the Reservation System. If additional customization is required in connection with the set-up of the Reservation System for your Hotel, you must reimburse HRC for all costs incurred by HRC to meet the additional scope of work required for such customization. Any of the foregoing third party fees, expenses or commissions are in addition to and not included with the Basic Reservation Fees and the Reservation Set-up Fee.

We may change, modify or delete Additional Fees for existing services and programs and add new Additional Fees for new services and programs at any time upon not less than 30 days written notice.

SCHEDULE D
ADDENDUM FOR CONVERSION FACILITIES

This Addendum applies if you are converting an existing guest lodging facility to a Reverb Hotel.

1. YOUR IMPROVEMENT OBLIGATION:

1.1 Improvements. You must select and acquire the Location and acquire, equip and supply the Hotel in accordance with System Standards. You must provide us with proof that you own or lease the Hotel before or within 30 days after the Effective Date. You must begin renovation of the Hotel no later than thirty (30) days after the Effective Date. The deadline for completing the pre-opening phase of conversion and the renovations specified on any Punch List attached to this Schedule D is 12 months after the Effective Date. All renovations will comply with System Standards, any Approved Plans and the Punch List. Your general contractor or you must carry the insurance required under this Agreement during renovation. You must complete the pre-opening renovation specified on the Punch List before we consider the Hotel to be ready to open under the System. You must continue renovation and improvement of the Hotel after the Opening Date if the Punch List so requires. We may, in our discretion, require you to place funds in escrow, at your expense, in order to complete all necessary renovations. We may, in our sole discretion, terminate this Agreement by giving written notice to you (subject to applicable law) if (1) you do not commence or complete the pre-opening or post-opening improvements of the Hotel by the dates specified in this Section, or (2) you prematurely identify the Hotel as a Chain Hotel or begin operation under the System name described in Schedule B in violation of Section 1.3 below and you fail to either complete the pre-opening Improvement Obligation or cease operating and/or identifying the Hotel under the Marks and System within five days after we send you written notice of default. Time is of the essence for the Improvement Obligation. We may, however, in our sole discretion, grant one or more extensions of time to perform any phase of the Improvement Obligation. You will pay us a non-refundable extension fee of $2.00 per room for each day of any extension of the deadline for completing pre-opening improvements. This fee will be payable to us after each 30 days of the extension. You will pay us the balance of the extension fee outstanding when the Hotel opens under the System 10 days after the Opening Date. You must also pay us the Reinspection Fee described in Section 3.7 if you fail to complete any Improvement Obligation by the deadline established in the Punch List and our representatives must return to the Hotel to inspect it. We may grant you an extension of time to complete the items on your Punch List in our sole discretion. The grant of an extension to perform your Improvement Obligation will not waive any other default existing at the time the extension is granted.

1.2 **Improvement Plans**. You will create plans and specifications for the work described in Section 1.1 of this Schedule D (based upon the System Standards and this Agreement) if we so request and submit them for our approval before starting improvement of the Location. We will not unreasonably withhold or delay our approval, which is intended only to test compliance with System Standards, and not to detect errors or omissions in the work of your architects, engineers, contractors or the like. Our review does not cover technical, architectural or engineering factors, or compliance with federal, state or local laws, regulations or code requirements. We will not be liable to your lenders, contractors, employees, guests, others or you on account of our review or approval of your plans, drawings or specifications, or our inspection of the Hotel before, during or after renovation or construction. Any material variation from the Approved Plans requires our prior written approval. We may offer to provide you or your architect with interior design or other prototypes. If you decline to utilize such prototype(s) in developing the Hotel, we may charge you a fee for reviewing your custom plans and designs. We may offer other optional architectural and design services for a separate fee, which we estimate will not exceed $100,000. You will promptly provide us with copies of permits, job progress reports, and other information as we may reasonably request. We may inspect the work while in progress without prior notice. ~~You~~ During the pre-opening period, you must engage, at your sole cost and expense, ~~engage the structural and~~ a life safety consultant ~~that we designate~~ (the "**Life Safety Consultant**") to undertake a review of the existing building underlying the Hotel. The Life Safety Consultant shall make recommendations to you regarding certain fire and life safety measures for you to implement in connection with the conversion of the Hotel. The identity of the Life Safety Consultant is subject to our prior written approval. You shall, in good faith, consider any recommendations made by the Life Safety Consultant. During the pre-opening period, you must also engage, at your sole cost and expense, a structural consultant (the "**Structural Consultant**") to perform a structural peer review ("**Peer Review**"). The Peer Review will determine if the structural plans and specifications conform to applicable codes and the Hotel System. The Peer Review is limited in scope and will be conducted to the extent necessary to render an opinion regarding the stability and integrity of the primary structural system and exterior wall components. The identity of the Structural Consultant is subject to our prior written approval.

1.3 **Pre-Opening**. You may identify the Hotel as a Chain Hotel prior to the Opening Date, or commence operation of the Hotel under a Mark and using the System, only after first obtaining our approval or as permitted under and strictly in accordance with the System Standards Manual. If you identify the Hotel as a Chain Hotel or operate the Hotel under a Mark before the Opening Date without our express written consent, then in addition to our remedies under Section 1.1 of this Schedule D and Section~~s~~ 11.2 and Section 11.4 of the Agreement, you will begin paying the Royalty to us, as specified in Section 7.1, from the date you identify or operate the Hotel using the Mark. We may delay the Opening Date until you pay the Royalty accruing under this Section.

2. DEFINITIONS:

Opening Date means the date on which we authorize you to open the Hotel for business identified by the Marks and using the System.

SCHEDULE D
ADDENDUM FOR NEW CONSTRUCTION FACILITIES

This Addendum applies if you are constructing a new Reverb Hotel.

1. YOUR IMPROVEMENT OBLIGATION:

1.1 **Improvements.** You will select and acquire the Location and acquire, design, construct, equip and supply the Hotel in accordance with Approved Plans, Schedule D and System Standards. You will provide proof of ownership or a ground lease of the Location before or within 30 days after the Effective Date. You will commence construction of the Hotel within 180 days after the Effective Date or 90 days after we deliver the Prototype Plans, whichever is later, and complete construction and properly, deliver the certification as described in Section 1.2(b) in a period after the Effective Date that is no later than (i) eighteen months if the Hotel is to have 100 or fewer guest rooms, or (ii) twenty months if the Hotel is to have more than 100 guest rooms. Your general contractor or you must carry the insurance required under this Agreement during construction. We may, at our option, terminate this Agreement by written notice to you if you do not meet these deadlines. We may, in our sole discretion, grant extensions of time to perform any phase of the Improvement Obligation. You will pay us an extension fee equal to $2.00 times the number of guest rooms in the Hotel for each day of any extension of the deadline for opening the Hotel. This Fee will be payable to us after each 30 days of the extension. You will pay us any extension fee outstanding when the Hotel opens 10 days after the Opening Date. The Initial Fee described in Section 6 is not refundable. Construction commences, for purposes of this Section, when all of the following occur: (x) We approve a site plan, completed working drawings and detail specifications for the Hotel; (y) Governmental permits are issued to commence foundation construction; and (z) You commence pouring concrete for building footings.

1.2 **Improvement Plans.** (a) Your architect and you will create construction documents (including a project manual and working drawings) for the Hotel based upon the System Standards and this Agreement (particularly Schedule D), and then submit them for our approval before starting improvement of the Location. We may, upon your request and subject to availability, provide your designated architect with a set of "Prototype Plans" for a Chain Hotel which your architect can use for creating the construction documents. To receive the Prototype Plans, your architect must sign and return to us the Prototype Plans Agreement attached as Exhibit A. If we offer to provide you with interior design or other prototypes and you decline to utilize them in developing the Hotel, we may charge you a fee for reviewing your custom plans and designs. We may offer other optional architectural and design services for a separate fee, which we estimate will not exceed $100,000. Your architect must certify to us and to you that the Hotel's plans and specifications comply with the design requirements of the Americans with Disabilities Act ("**ADA**"), the Department of Justice Standards for Accessible Design ("**ADAAG**") under that Act, and all codes that apply using the form of certificate in Exhibit B. ~~You~~During the pre-opening period, you must engage, at your sole cost and expense, ~~engage the structural and~~ a life safety consultant ~~that we designate~~ (the "**Life Safety Consultant**") to undertake a review of the plans and specifications for the Hotel. The Life Safety Consultant shall make recommendations to you regarding certain fire and life safety measures for you to incorporate into the plans and specifications for the Hotel to be approved by us in accordance with this Agreement and the Hotel System. We will not unreasonably withhold or delay our approval, which is intended only to test compliance with System Standards, and not to detect errors or omissions in the work of your architects, engineers, contractors or the like, who must exercise their own independent professional care, skill and diligence in the design and construction of your Hotel. The identity of the Life Safety Consultant is subject to our prior written approval. You shall, in good faith, consider any recommendations made by the Life Safety Consultant. During the pre-opening period, you must also engage, at your sole cost and expense, a structural consultant (the "**Structural Consultant**") to perform a structural peer review ("**Peer Review**"). The Peer Review will determine if the structural plans and specifications conform to applicable codes and the Hotel System. The Peer Review is limited in scope and will be conducted to the extent necessary to render an opinion regarding the stability and integrity of the primary structural system and exterior wall components. The identity of the Structural Consultant is subject to our prior written approval. Our review does not cover technical, architectural or engineering factors relating to the Location, or compliance with federal, state or local laws, regulations or code requirements, for which your architect is responsible. You must allow for 10 days of our review each time you submit Plans to us. We will not be liable to your lenders, contractors, employees, guests, others, or you on account of our review or approval of your plans, drawings or specifications, or our visitation to the Hotel before, during or after construction or any subsequent renovation. Any material variation from the Approved Plans requires our prior written approval. We may, in our discretion, charge a reasonable fee if changes are made to the Approved Plans after final approval. You will promptly provide us with copies of permits, job progress reports, and other information as we may reasonably request. We may visit the Hotel and observe the work while in progress without prior notice. We may direct you to change the work in progress if it deviates from the Approved Plans or System Standards. We may terminate this Agreement if you fail to comply with any such direction. If we provide your architect with a set of Prototype Plans, your contractor, architect and you must meet with our representatives at your office or in a nearby hotel meeting room to discuss the Approved Plans, the timetable for construction, change order approval, our limited oversight and inspection roles and completion requirements. You will not commence construction of the Hotel until this meeting occurs.

(b) Before we authorize you to open the Hotel, you must complete and submit the Certification of ADA Compliance in the form attached to Exhibit B (the "**Certification**"). You must complete the Certification per its instructions and submit it to us only after it has been signed by your general contractor, your architect of record or a consulting architect you hire for the Certification. If you cannot obtain the signature of the contractor or such an architect for the Certification, you must sign the Franchisee's Certification of Compliance on the signature page of the Certification. The Certification contains a checklist of ADA related matters that you must address in developing and completing the Hotel. If we determine that the Certification has not been properly completed, or if we have actual knowledge (not constructive or implied knowledge) that the signatures on the Certification are false or fraudulent, we will return the Certification to you with written notice that we will not permit you to open the Hotel for business under the System until we receive a properly completed Certification. We may terminate this Agreement under Section 1.1 of this Schedule D or Section 11 if you do not submit the Certification properly completed before you open the Hotel under the System, you fail to meet the deadline for completing the Hotel specified in Section 1.1 because you do not submit a properly completed Certification, or if you submit a false or fraudulent Certification. We will delay the Opening Date until you submit the properly completed Certification. We shall not be liable to you or any third party if the Certification is improperly completed or the Hotel is not built or operated in compliance with ADA.

(c) Before we authorize you to open the Hotel, you must furnish us with information about the construction costs of the Hotel by providing a copy of your contractor's application for payment on AIA form G702 and G703 or other documentation reasonably acceptable to us. We will use this information, along with similar information obtained from other franchisees, to more accurately project the cost of developing new construction Facilities in the United States, which we are required to disclose in our Franchise Disclosure Document for new franchisees. We will not disclose outside of our organization or our consultants any information you give to us in a manner which would enable other franchisees or persons to determine your costs for constructing your Hotel.

1.3 **Pre-Opening.** You may identify the Hotel as a Chain Hotel prior to the Opening Date, or commence operation of the Hotel under a Mark and using the System, only after first obtaining our approval, or as permitted under and strictly in accordance with the System Standards Manual. You may not open the Hotel until it passes our completion inspection, at which we determine that the Hotel as built meets our Standards, and we receive from you and your architect or contractor the certification in the form attached as Exhibit B stating that the Hotel as built conforms to the Approved Plans and the design requirements of ADA, ADAAG and all applicable codes. If the Hotel fails the inspection you designate as the completion inspection and does not meet our Standards and conform to the Approved Plans, then you must reimburse us for the actual, reasonable costs (travel, lodging, meals) of every additional inspection we perform before the Opening Date, including the inspection that results in authorizing the Hotel's opening.

2. DEFINITIONS:

Opening Date means the date on which we authorize you to open the Hotel for business identified by the Marks and using the System.

Prototype Plans means the prototype documents reflecting the overall design intent, FF&E, and color schemes for a Chain Hotel, that we deliver to you after the Effective Date. The Prototype Plans are not appropriate for a specific Hotel.

SCHEDULE E
FORM OF MANAGER'S ACKNOWLEDGEMENT

This Manager Acknowledgment ("**Manager Acknowledgement**") is executed as of ____________________, 20~~1~~2___, by and among __________________, a ______________ ("**Manager**"), __________________, a ______________ ("**Franchisee**"), and ~~HARD ROCK HOTEL LICENSING, INC.,~~Hard Rock Hotel Licensing, Inc., a Florida corporation ("**Franchisor**"). All capitalized terms not otherwise defined herein, shall have the meaning assigned to them in the Franchise Agreement (herein after defined).

WHEREAS, Manager has entered into an agreement ("**Management Agreement**") with Franchisee, pursuant to which Manager will operate that certain Reverb Hotel located at ______________________ (the "**Hotel**"), in accordance with the terms and conditions of that certain Reverb Franchise Agreement dated _________________, 20[ ] (as such agreement may be amended, supplemented, restated or otherwise modified, the "**Franchise Agreement**") between Franchisor and Franchisee; and

WHEREAS, Franchisee has requested that Franchisor approve Manager to operate the Hotel 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. Franchisor's Consent. Franchisor hereby consents to the operation of the Hotel by Manager during the term of the Franchise Agreement on behalf of and subject to the control of Franchisee with respect to and in accordance with the terms and conditions of the Franchise Agreement, subject to and upon the terms and conditions set forth below. Franchisor's consent granted in the immediately preceding sentence shall terminate contemporaneously with any termination of the Franchise Agreement without notice to Manager; provided that the duties and obligations of Manager that by their nature or express language survive such termination, including, without limitation, Sections 3.b~~.~~ and Section 3.c~~.~~ below, shall continue in full force and effect notwithstanding the termination of the Franchise Agreement.

2. Manager Representations and Covenants. Manager represents and warrants to Franchisor that:

a. Manager is not in control of or controlled by persons who have been convicted of any felony or a crime involving moral turpitude, or been convicted of any other crime or offense or committed any acts, or engaged in any conduct that is reasonably likely to have an adverse effect on the Hotel System, the Marks, the goodwill associated therewith, or Franchisor's interests therein;

b. neither Manager nor any affiliate of Manager is a Competitor;

c. the Management Agreement is valid, binding and enforceable; contains no terms, conditions, or provisions that are, or through any act or omission of Franchisee or Manager, may be or may cause a breach of or default under the Franchise Agreement; and is for a term of not less than ten (10) years; and

d. neither Manager nor any Affiliate of Manager is a person or entity with whom United States persons are prohibited from transacting business.

For purposes of this Manager Acknowledgment, a "Competitor" any person that, at any time during the term, whether directly or through an affiliate, owns in whole or in part, or is the licensor or franchisor of, a Competing Brand, irrespective of the number of hotels owned, licensed or franchised under such Competing Brand name. The parties acknowledge that a person is not deemed to be a Competitor solely because the person (a) is a franchisee of a Competing Brand, (b) manages a Competing Brand hotel, so long as the individual or entity is not the exclusive manager of the Competing Brand, or (c) owns a minority interest in a Competing Brand, so long as neither the person nor any of its affiliates is an officer, director, employee, or affiliate of the Competing Brand, provides services (including as a consultant) to the Competing Brand, or exercises, or has the right to exercise, control over the business decisions of the Competing Brand. A

"Competing Brand" means any upscale hotel brand or trade name or any other hotel brand or trade name that, in Franchisor's sole judgment, competes with the Hotel System or with any Reverb Hotel.

3. Manager and Franchisee Acknowledgements. Manager and Franchisee covenant and agree to the following:

a. Manager shall have the exclusive authority and responsibility for the management of the Hotel on behalf of and subject to the control of Franchisee with respect to and in accordance with the terms and conditions of the Franchise Agreement. The general manager of the Hotel shall devote his or her full time and attention to the management and operation of the Hotel and shall have successfully completed Franchisor's management training program as required under the Franchise Agreement;

b. The Hotel will be operated in strict compliance with the requirements of the Franchise Agreement, and Manager will observe fully and be bound by all terms, conditions and restrictions regarding the management and operation of the Hotel set forth in the Franchise Agreement, including those related to Confidential Information and the Marks, as if and as though Manager had executed the Franchise Agreement as "Franchisee," provided that Manager obtains no rights under the terms of the Franchise Agreement except as specifically set forth herein. Manager shall comply with all applicable Laws, rules, and regulations, and shall obtain in a timely manner all permits, certificates, and licenses necessary for the full and proper operation of the Hotel;

c. Franchisor may enforce directly against Manager all terms and conditions in the Franchise Agreement regarding the Franchise during and subsequent to Manager's tenure as operator of the Hotel;

d. Any default under the terms and conditions of the Franchise Agreement caused wholly or partially by Manager shall constitute a default under the terms and conditions of the Management Agreement, for which Franchisee shall have the right to terminate the Management Agreement;

e. Franchisee and Manager shall not modify or amend the Management Agreement in such a way as to create a conflict or other inconsistency with the terms and conditions of the Franchise Agreement or this Manager Acknowledgment;

f. Except in extraordinary circumstances, such as theft or fraud on the part of Manager or a default by Franchisee under the Franchise Agreement caused by Manager for which Franchisee needs to promptly remove Manager from the Hotel, the Management Agreement shall not be terminated or permitted to expire without at least thirty (30) days' prior written notice to Franchisor; and

g. Franchisor shall have the right to communicate directly with Manager and the managers at the Hotel regarding day-to-day operations of the Hotel and such communications shall be deemed made to Franchisee because Manager and the managers at the Hotel are acting on behalf of Franchisee and Manager as their agents and Franchisor shall have the right to rely on the instructions of such managers as to matters relating to the operation and promotion of the Hotel.

4. Existence and Power. Manager and Franchisee each represents and warrants with respect to itself that (i) it is a legal entity duly formed, validly existing, and in good standing under the laws of the jurisdiction of its formation, (ii) it has the ability to perform its obligations under this Manager Acknowledgment and under the Management Agreement, and (iii) it has all necessary power and authority to execute and deliver this Manager Acknowledgment.

5. Authorization; Contravention.

a. Manager and Franchisee each represents and warrants with respect to itself that the execution and delivery of this Manager Acknowledgment and the performance by Manager and Franchisee of its 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, or award by which each may be bound or affected, or (c) any agreement, indenture or other instrument to which each is a party; and

b. Manager represents and warrants to Franchisor that neither Manager (including, without limitation, any and all of its directors and officers), nor any of its affiliates or the funding sources for either is a Specially Designated National or Blocked Person (as defined in the Franchise Agreement). Neither Manager nor any affiliate of Manager is directly or indirectly owned or controlled by the government of any country that is subject to an embargo by the United States government. Neither Manager nor any affiliate of Manager is acting on behalf of a government of any country that is subject to such an embargo. Manager further represents and warrants that it is in compliance with any applicable anti-money laundering law, including, without limitation, the USA Patriot Act. Manager agrees that it will notify Franchisor in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties of this Section 5.b~~.~~ incorrect.

6. Controlling Agreement. If there are conflicts between any provision(s) of the Franchise Agreement and this Manager Acknowledgment on the one hand and the Management Agreement on the other hand, the provision(s) of the Franchise Agreement and this Manager Acknowledgment shall control.

7. No Release. This Manager Acknowledgment shall not release or discharge Franchisee from any liability or obligation under the Franchise Agreement, and Franchisee shall remain liable and responsible for the full performance and observance of all of the provisions, covenants, and conditions set forth in the Franchise Agreement.

8. Limited Consent. Franchisor's consent to Manager operating the Hotel is personal to Manager, and this Manager Acknowledgment is not assignable by Franchisee or Manager. If there is a change in control of Manager or if Manager 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 Manager, Franchisee shall promptly notify Franchisor of any such change and Manager shall be subject to approval under the Franchise Agreement as a new operator of the Hotel.

9. Defined Terms. Unless specifically defined herein, all capitalized terms used in this Manager Acknowledgment shall have the same meanings set forth in the Franchise Agreement.

10. Counterparts. This Manager Acknowledgment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same instrument. Delivery of an executed signature page to this Manager Acknowledgment by facsimile transmission shall be effective as delivery of a manually signed counterpart of this Manager Acknowledgment.

11. Governing Law. This Manager Acknowledgment shall be construed in accordance with the laws of the State of Florida without regard to the conflict of laws principles thereof, and contains the entire agreement of the parties hereto. Manager hereby submits itself to the non-exclusive jurisdiction of the courts of the State of Florida, United States of America, in any suit, action, or proceeding arising, directly or indirectly, out of or relating to this Manager Acknowledgment; and so far as is permitted under applicable law, this consent to personal jurisdiction shall be self-operative.

12. Manager's Address. Manager's mailing address is ____________________________. Manager agrees to provide written notice to both Franchisee and Franchisor if there is any change in Manager's mailing address.

13. IN ANY LITIGATION BETWEEN THE PARTIES FOUNDED UPON OR ARISING FROM THIS MANAGER ACKNOWLEDGMENT OR THE LICENSE AGREEMENT, THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL, AND THE PARTIES HEREBY STIPULATE THAT ANY SUCH TRIAL SHALL OCCUR WITHOUT A JURY.

14. Indemnity. Manager shall Indemnify Franchisor and its Affiliates and all of their respective shareholders, directors, officers, employees, agents and representatives from and against any and all claims, actions, proceedings, costs, damages, and liabilities, including, without limitation, reasonable attorney's fees, court and arbitration costs, and costs of investigation (whether pre-hearing, during hearing, or upon appeal) arising out of, connected with, or resulting, directly or indirectly, from (i) the enforcement of this Agreement and (ii) Manager's acts or omissions to act in connection with the compliance with all Laws.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Manager Acknowledgment, under seal, as of the date first above written.

	FRANCHISOR:
ATTEST:	HARD ROCK HOTEL LICENSING, INC.
______________________________	By: ______________________________ Name: ____________________________ Title: _____________________________
	FRANCHISEE:
ATTEST:	[FRANCHISEE]
______________________________	By: ______________________________ Name: ____________________________ Title: _____________________________
	MANAGER:
ATTEST:	[MANAGER]
______________________________	By: ______________________________ Name: ____________________________ Title: _____________________________

SCHEDULE F

GUARANTY

~~________~~To induce ~~____~~Hard Rock Hotel Licensing, Inc. and its successors and assigns ("**you**") to sign the Franchise Agreement (the "**Agreement**") with the party named as the "**Franchisee**," to which this Guaranty is attached, the undersigned, jointly and severally ("**we**, "**our**" or "**us**"), irrevocably and unconditionally (i) warrant to you that Franchisee's representations and warranties in the Agreement are true and correct as stated, and (ii) guaranty that Franchisee's obligations under the Agreement, including any amendments, will be punctually paid and performed.

~~________~~Upon default by Franchisee and notice from you we will immediately make each payment and perform or cause Franchisee to perform, each unpaid or unperformed obligation of Franchisee under the Agreement. Without affecting our obligations under this Guaranty, you may without notice to us extend, modify or release any indebtedness or obligation of Franchisee, or settle, adjust or compromise any claims against Franchisee. We waive notice of amendment of the Agreement. We acknowledge that Section 17 of the Agreement, including Remedies, Venue and Dispute Resolution, and WAIVER OF JURY TRIAL, applies to this Guaranty.

~~________~~Upon the death of an individual guarantor, the estate of the guarantor will be bound by this Guaranty for obligations of Franchisee to you existing at the time of death, and the obligations of all other guarantors will continue in full force and effect.

~~________~~This Guaranty may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one in the same instrument.

~~________IN WITNESS WHEREOF~~In Witness Whereof, each of us has signed this Guaranty effective as of the date of the Agreement.

WITNESSES:	**GUARANTORS:**
____________________________	____________________________ Name: Address:
____________________________	____________________________ Name: Address:

SCHEDULE G

CERTIFICATE OF COMPLIANCE

(TO BE COMPLETED BY FRANCHISEE'S ARCHITECT, ENGINEER, EXPERT CONSULTANT, OR OTHER LICENSED PROFESSIONAL)

In connection with the proposed Reverb Hotel located at ______________________________ (the "**Hotel**"), I hereby represent and certify to [FRANCHISEE] and to Hard Rock Hotel Licensing, Inc. that:

1. **I HAVE USED PROFESSIONAL REASONABLE EFFORTS TO ENSURE THAT THE HOTEL CONFORMS TO AND COMPLIES WITH THE DESIGN STANDARDS AND REQUIREMENTS OF ALL APPLICABLE LAWS, REGULATIONS, AND ALL REQUIREMENTS GOVERNING PUBLIC ACCOMMODATIONS FOR PERSONS WITH DISABILITIES IN EFFECT AT THE TIME THAT THIS CERTIFICATION IS MADE; AND**

2. **THE HOTEL COMPLIES WITH THE DESIGN STANDARDS AND REQUIREMENTS OF ALL APPLICABLE LAWS AND REGULATIONS; AND**

3. **IN MY PROFESSIONAL JUDGMENT, THE HOTEL DOES IN FACT CONFORM TO AND COMPLY WITH SUCH DESIGN STANDARDS AND REQUIREMENTS.**

By: ______________________________

Print Name: ______________________

Firm: ____________________________

Date: ____________________________

SCHEDULE H

~~JOINT CONTROLLERS~~ DATA PROCESSING AGREEMENT

~~Joint Controllers~~ Data Processing Agreement

This ~~Joint Controller~~ Data Processing Agreement (herein known as the "**DPA**"), is attached to and forms part of the License Agreement dated the ~~______________~~________ day of_________________, 202___ (the "**Agreement**"), by and between Hard Rock Hotel Licensing, Inc. ("**Hard Rock**"), and ~~_________________________~~____________________ ("**Licensee**" and, together with Hard Rock, the "**Parties**" and, each, a "~~**Controller**~~**Party**"). All capitalized terms not otherwise defined herein, shall have the meaning assigned to them in the Agreement.

To the extent that any of the terms or conditions contained in this DPA may contradict or conflict with any of the terms or conditions of the Agreement, it is expressly understood and agreed that the terms of this DPA shall take precedence and supersede the Agreement. All other terms and provisions of said Agreement shall remain in full force and effect.

~~**TERMS AND DEFINITIONS**~~

~~**The following terms and definitions are used in this DPA:**~~

1. ~~**Agreement**: Agreement within the context of this document refers to the legally binding contract described in the preamble of this DPA.~~

2. ~~**Breach of Security**: A Breach of Security means:~~

   A. ~~Unauthorized acquisition of Guest Profile Data that compromises the security, confidentiality, or integrity of the personal information maintained by a Controller or one of their agents;~~

   B. ~~The accidental~~To the extent that any terms or ~~unlawful destruction, loss, alteration, unauthorized disclosure of,~~conditions contained in this DPA may contradict or ~~access to, Guest Profile Data transmitted, stored or otherwise Processed; or~~

   C. ~~Any Guest Profile Data that is in any way disclosed, not in the normal course of business, whether by accident or done maliciously; or~~

   D. ~~Any form of breach and compromise of system security and/or Database(s) including, but not limited to, ransomware, phishing, password guessing, recording key strokes, denial-of-service, malware or virus, etc.~~

~~**Data Protection Laws**: means (i) all applicable Laws and non-governmental standards protecting Guest Profile Data (including Payment Card Industry Data~~conflict with the Approved Standard ~~(PCI-DSS) and Payment Application Data Security~~Contractual Clauses, as defined herein, the provisions of the Approved Standard ~~(PA-DSS), and the Health Insurance Portability and Accountability Act of 1996 (HIPAA); (ii) all applicable Laws concerning the protection, transport, storage, use and~~Contractual Clauses (to the extent that they are applicable to Processing ~~of data (including the Privacy Shield, the California Consumer Privacy Act (CCPA), and~~under the ~~General Data Protection Regulation (GDPR)); and (iii) all applicable Laws similar to those listed in~~Agreement) shall take precedence and supersede the ~~subsections above~~DPA.

3. ~~**Government Authority**: Any federal, state, municipal, local, territorial, or other governmental department, regulatory authority, judicial or administrative body, whether domestic, foreign, or international.~~

4. ~~**Guest Profile Data**: means any information and data (whether in paper or electronic format) relating to an identified or identifiable Guest (herein after defined) or household.~~

5. ~~**Guest**: means an identified or identifiable natural person that is a Licensee customer or guest or prospective guest at the Hotel and who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, biometric, mental, economic, cultural or social identity of that natural person, and from whom personal information is collected.~~

6. ~~**Law**: Any law, statute, declaration, decree, directive, legislative enactment, order, ordinance, regulation, rule or other binding restriction of or by any Government Authority, including Data Protection Laws.~~

~~7.~~1. ~~**Processing (Processed, Process)**: Processing of Guest Profile Data means any operation or set of operations which is performed upon Guest Profile Data, or on sets of Guest Profile Data, whether or not by automated means, and whether or not in electronic, digital, online or offline (e.g. paper) media or formats, such as collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination, or otherwise making available, alignment or combination, restriction, erasure or destruction, and includes "collection" as such term is defined in the CCPA.~~

~~8.~~1. ~~**Processor**: means a natural or legal person, public authority, agency or other body which Processes Guest Profile Data on behalf of a Controller and includes "service providers" as such term is defined in the CCPA.~~

~~**Section 1 – Joint Controllers**~~

Exhibit C to this DPA sets out the definitions used in this DPA.

1. Processing Relationship and Applicable Provisions

(1.1) This DPA determines the rights and obligations of the ~~Controllers for~~Parties with respect to the ~~joint~~ Processing of Personal Information (including the Guest Profile Data) in connection with the Agreement. It applies to all activities of the Parties, or Processors appointed by a ~~Controller~~Party, when Processing ~~the Guest Profile Data. The Parties have jointly determined the purposes and means of Processing Guest Profile Data in accordance with Data Protection Laws~~such Personal Information.

(1.2) The Parties acknowledge and agree that~~-~~:

(a) in connection with the Processing of the Guest Profile Data present in the Database(s), they are **joint** ~~controllers because~~Controllers in accordance with Data Protection Laws where they jointly determine the purposes and means of such Processing activity. The assessment of the parties' role as ~~controllers~~joint Controllers has taken into account who determines the purpose and means of Processing and that all relevant employees of the Controllers have access to and use the Database(s~~).~~);

~~(1.2) The Parties agree that the legal basis for the Processing of Database(s) could be, depending on the specific case, any of the following:~~

~~(a) Consent;~~

~~(b) Necessary for the performance of a contract to which the Guest is party or in order to take steps at the request of the Guest prior to entering into a contract; and/or~~

~~(c) Necessary for compliance with a legal obligation to which a Controller is subject; and/or~~

~~(d) Necessary for the purposes of the legitimate interest pursued by a Controller or by a third party.~~

(b) ~~Hard Rock and Licensee agree to be **joint** controllers for the Processing of the Guest Profile Data. The Parties agree that for any other Processing of personal data for which there is not joint determination of~~where they determine the purposes and means~~, Hard Rock and, as the case may be, Licensee~~ of Processing Guest Profile Data independently and separately from one another, they will remain **separate** and **independent** ~~controllers.~~Controllers with respect to such Processing activities;

(c) in each of the cases set-out in paragraphs (a) and (b) of this Section 1.2, the provisions of this DPA (with the exception of Exhibit A) will apply and will determine the rights and obligations of the Parties (in their capacity as Controllers, whether joint or otherwise) with respect to the Processing of Guest Profile Data

(1.3) The Parties agree and acknowledge that where Hard Rock (in its capacity as a Processor) Processes Personal Information on behalf of the Licensee (in its capacity as a Controller), Exhibit A to this DPA ('*Controller-to-Processor Provisions*') will apply and will determine the rights and obligations of the Parties with respect to such Processing of Personal Information as further described in Exhibit A where applicable.

~~(1.3)~~(1.4) Each ~~Controller~~Party shall maintain a record of Processing activities under its responsibility pursuant to Data Protection Laws, in particular, with a comment on the nature of the Processing operation as one of joint Controller, independent Controller or ~~sole~~Processor responsibility~~.~~

~~(1.4)~~(1.5) If Licensee has questions regarding ~~applicability of personal data~~whether any Personal Information should be considered as "**Guest Profile Data**~~",~~" under the Agreement, Licensee should immediately contact Hard Rock at the contact information provided under Section ~~8~~9 herein below.

2. ~~Section 2 –~~General Obligations of the Controllers

(2.1) ~~(2.1)~~ Each Controller warrants and undertakes that:

(a) It will have in place appropriate technical and organizational measures to protect the Guest Profile Data against accidental or unlawful destruction or accidental loss, alteration, unauthorized disclosure or access, and which provide a level of security appropriate to the risk represented by the Processing and the nature of the data to be protected. Consequently, each Controller must ~~make~~carry out (and be able to document) ~~a data protection impact~~an appropriate risk assessment, and subsequently implement appropriate technical and organizational measures to mitigate the risks identified and to ensure that the Processing of Guest Profile Data is performed in accordance with Data Protection Laws, provided that Licensee shall also comply with the requirements in Section ~~7. Such measures shall comply with the requirements of Data Protection Laws~~8.

(b) It will have in place procedures so that any Processor it authorizes to have access to the Guest Profile Data, will respect and maintain the confidentiality and security of the Database(s). Any Processor acting under the authority of a Controller, shall be obligated to Process the Database(s) only on instructions from such Controller and only for providing services to the Controller.

(c) It will Process the Guest Profile Data in accordance with:

i. Purpose limitation: Guest Profile Data may be Processed and subsequently used or further communicated only for legitimate purposes, in alignment with Controller's privacy policy and, where applicable, consent secured from the Guest;

ii. Data quality and proportionality: Guest Profile Data in the Database(s) must be accurate and, where necessary, kept up to date. The Guest Profile Data must be adequate, relevant and not excessive in relation to the purposes for which they are ~~transferred and further~~ Processed;

iii. Transparency: Guests must be provided ~~through~~ written notices and privacy policies ~~with~~ which contain the necessary information ~~necessary~~ required under Data Protection Laws to ensure fair and transparent Processing ~~(such as information about the purposes~~ of ~~Processing and about, the transfer and data retention);~~Guest Profile Data;

iv. Guest Profile Data used for marketing purposes: Where Guest Profile Data is Processed for the purposes of direct marketing, effective procedures should exist requiring the Guest to "opt-in" for having his~~/~~ or her data used for such purposes and, also, effective procedures should exist allowing the Guest at any time to "opt-out" from having his/her data used for such purposes.

(d) It is using Guest Profile Data for a permitted business or commercial purpose as such term may be defined under Data Protection Laws. It shall not sell (including as such term may be defined in Data Protection Laws) the Guest Profile Data and shall not retain, use, or disclose the Guest Profile Data for any ~~other~~ customer or client, or for any commercial purposes other than as agreed to in the Agreement and this DPA. Notwithstanding anything to the contrary in the DPA or the Agreement, the Parties acknowledge and agree that Hard Rock's access to the Guest Profile Data is not part of the consideration exchanged by the Parties in respect of the DPA or the Agreement.

(e) If Processing relies on the consent of the Guest, and the consent is withdrawn, it shall stop all Processing related to that Guest ~~upon notice~~as soon as practicable upon notice unless continued Processing is required for business purposes and permitted under applicable Data Protection Laws.

(f) It shall ensure that all its employees and Processors engaged in the Processing of Guest Profile Data under this DPA are informed of the confidential nature of the Guest Profile Data. It shall also ensure that all such persons have received the appropriate training regarding their responsibilities, and have executed written confidentiality agreements or are under an appropriate statutory obligations of confidentiality. It shall take commercially reasonable steps to ensure the reliability of all such persons engaged in the Processing of Guest Profile Data.

~~(g) It shall not Process or transfer any Guest Profile Data in or to a territory other than the territory where it collected the Guest Profile Data, unless it takes measures to ensure that such Processing or transfer is in compliance with Data Protection Laws, including entering into ancillary agreements or implementing security measures or obtaining consent as may be required by such Data Protection Laws. Each party shall comply with local storage requirements under Data Protection Laws. To the extent that the Parties are relying on a specific statutory mechanism to normalize international data transfers and that mechanism is subsequently modified, revoked, or held in a court of competent jurisdiction to be invalid, the Parties agree to cooperate in good faith to promptly pursue a suitable alternate mechanism, such as binding corporate rules or standard contractual clauses in the case of GDPR, that is a recognized compliance standard and can lawfully support the transfer.~~

~~(h)~~(g) Upon the other Controller's request, it shall provide reasonable cooperation and assistance needed for ensuring the requesting Controller's compliance with its obligation to conduct a data protection impact assessment ~~related to that Controller's rights and obligations~~where required under Data Protection Laws in connection with the Processing of Guest Profile Data under the Agreement, to the extent that the requesting Controller does not otherwise have access to the relevant information, and to the extent such information is available to the other Controller.

~~(i)~~(h) In the event of a dispute or claim brought by a Government Authority concerning the Processing of the Guest Profile Data against either or both of the Controllers, the Parties will inform each other about any such disputes or claims, and will cooperate with a view to settling them amicably in a timely fashion.

~~(j)~~(i) It shall abide by a decision of a competent court or of the Government Authority which is final and against which no further appeal is possible.

3. ~~Section 3 – Use of Processor and Sub-Processors~~ – International Transfers of Personal Information

(3.1) ~~(~~Each Controller warrants and undertakes that it shall not Process or transfer any Guest Profile Data in or to a territory other than the territory where the Guest Profile Data was collected, unless it takes measures to ensure that such Processing or transfer is in compliance with Data Protection Laws, including entering into ancillary agreements or implementing security measures or obtaining consent as may be required by such Data Protection Laws. Each party shall comply with local storage requirements under Data Protection Laws.

(3.2) To the extent that the Parties are relying on a specific statutory mechanism to legitimize the Processing or transfer described in Section 3.1~~)~~ and that mechanism is subsequently modified, revoked, or held in a court of competent jurisdiction to be invalid, the Parties agree to cooperate in good faith to promptly pursue a suitable alternate mechanism that is a recognized compliance standard and can lawfully support such Processing or transfer (such as the Draft Standard Contractual Clauses).

(3.3) In accordance with Section 3.1, the Parties acknowledge and agree that:

(a) the EU Standard Contractual Clauses for Controllers shall apply to the transfer of Guest Profile Data from the Licensee acting as a Controller to Hard Rock acting as a Controller where the transfer of such Personal Information is a Restricted Transfer to which the EU GDPR applies or an Onward Transfer to which the EU GDPR applies;

(b) the UK Standard Contractual Clauses for Controllers shall apply to the transfer of Guest Profile Data from the Licensee acting as a Controller to Hard Rock acting as a Controller where the transfer of such Personal Information is a Restricted Transfer to which the UK GDPR applies or an Onward Transfer to which the UK GDPR applies;

(c) the EU Standard Contractual Clauses for Controllers and the UK Standard Contractual Clauses for Controllers are incorporated into this Agreement, without further need for reference, incorporation or attachment and that by executing this Agreement they are deemed to have executed the EU Standard Contractual Clauses for Controllers and the UK Standard Contractual Clauses for Controllers as applicable to the relevant transfer of Personal Information; and

(d) the information required for the purposes of the EU Standard Contractual Clauses for Controllers and the UK Standard Contractual Clauses for Controllers (as applicable) is provided in Exhibit B (*Description of Transfers*). For the purposes of clause II(h) of the EU Standard Contractual Clauses for Controllers, the data importer shall process Guest Profile Data in accordance with the principles set out in Annex A of the EU Standard Contractual Clauses for Controllers.

(3.4) The Parties shall promptly notify each other of:

(a) any legally binding request for disclosure of Guest Profile Data by a public authority or other organisation or body; and

(b) it becoming aware of any direct access by public authorities to Guest Profile Data.

(3.5) The Parties shall use its best efforts to obtain a waiver from any prohibition on it from notifying each other about disclosure or access to Guest Profile Data and to exhaust all available remedies to challenge the request if, after a reasonable assessment, it concludes that there are grounds under the laws of the country of destination to do so. The party subject to the disclosure or access request shall document its assessment and if compelled to provide Guest Profile Data, only provide the minimum amount of information permissible when responding to a request or order for disclosure, based on a reasonable interpretation of the request or order.

4. – Use of Processor and Sub-processors

~~(3.1)~~(4.1) The Controllers are entitled to use ~~p~~Processors and/or ~~s~~Sub-processors in connection with the joint ~~p~~Processing of Guest Profile Data. However, Hard Rock shall have the right to prohibit the engagement by Licensee of a particular ~~p~~Processor and/or ~~s~~Sub-processors in connection with the joint Processing of Guest Profile Data by sending a written objection notice and setting forth a reasonable basis for objection. The Parties will make a good-faith effort to resolve Hard Rock's objection.

~~(3.2)~~(4.2) ~~(3.2)~~ If any ~~p~~Processors and/or ~~s~~Sub-processors are used in connection with the joint Processing of Guest Profile Data, each Controller is obliged, inter alia, to:

(a) ~~•~~ use only ~~p~~Processors providing sufficient guarantees to implement appropriate technical and organizational measures in such a manner that the Processing of Guest Profile Data will meet the requirements of Data Protection Laws and ensure the protection of the rights of the Guest;

~~•~~ ensure that a valid Processing ~~written~~ agreement has been ~~made~~entered into in writing between the Controller and the ~~processor;~~

(b) ~~• ensure~~Processor that ~~a valid sub-processing written~~meets the requirements of Data Protection Laws, including ensuring that the Processor imposes essentially equivalent data protection obligations to those set-out in the Processing agreement ~~has been made between the Processor and~~ to any ~~sub-processor~~Sub-processors that it may engage to carry out Processing activities on behalf of the Controller; and

(c) ensure that each such Processor meets the requirements to be a service provider under the CCPA.

~~(3.3)~~(4.3) ~~(3.3)~~ A Controller shall remain fully liable vis-à-vis the other Controller for the performance of any ~~processor~~of its Processors or ~~sub-processor~~Sub-processors that fail~~s~~ to fulfill its data protection obligations~~.~~ (whether under contract or under Data Protection Laws) in connection with the Processing of Guest Profile Data.

~~(3.4)~~(4.4) ~~(3.4)~~ One Controller may request that the other Controller audit its Processor(s) or provide confirmation that such an audit has occurred (or, where available, obtain or assist in obtaining a third-party audit report concerning the other Controller's Processor's operations) to ensure compliance with the obligations imposed under this DPA or the Agreement or ~~applicable~~ Data Protection Laws.

~~4.~~5. ~~Section 4~~ – Rights of the Guests

~~(4.1)~~(5.1) ~~(4.1)~~ The Controllers are each responsible for the Guests with whom the individual Controller collects the Guest Data Profile of such Guest, including the responsibility:

(a) ~~•~~ to inform the Guest of the Processing of Guest Profile Data and the rights of the Guest under Data Protection Laws;

(b) ~~•~~ to ensure that the necessary authority (including an appropriate lawful basis under Data Protection Laws) exists for the Processing of the Guest Profile Data, including the obtaining of consent or identifying other legitimate interests, if required;

(c) to ensure that Guest Profile Data can be shared with the other Controller under Data Protection Laws; and

(d) ~~•~~ that Guest Profile Data are securely erased when they are no longer necessary ~~or~~unless continued Processing is required ~~by~~for business purposes and permitted under applicable Data Protection Laws.

~~(4.2)~~(5.2) ~~(4.2)~~ Each Controller is responsible for ensuring the rights of the Guest in accordance with Data Protection Laws and, in general, with:

(a) ~~•~~ duty of disclosure when collecting Guest Profile Data from the Guest;

(b) ~~•~~ duty of disclosure if Guest Profile Data are not collected from the Guest;

(c) ~~•~~ right of access by the Guest;

(d) ~~•~~ right to rectification;

(e) ~~•~~ right to erasure (the right to be forgotten);

(f) ~~•~~ right to restriction of Processing;

(g) ~~•~~ notification obligation regarding rectification or erasure of Guest Profile Data or restriction of Processing;

(h) ~~•~~ right to data portability;

(i) ~~•~~ right to object to Processing; and

(j) ~~•~~ any other right that might be required under Data Protection Laws.

~~(4.3)~~(5.3) ~~(4.3)~~ The Parties acknowledge that a Guest may exercise his or her rights under Data Protection Laws in respect of and against each of the Controllers. If one of the Controllers receives a request or inquiry from a Guest regarding matters covered by another Controller~~'~~'s responsibilities, the request ~~is~~shall be forwarded to such Controller without undue delay. ~~In~~The Guest must be notified and be provided with an explanation in connection with the forwarding of a request or inquiry to the other Controller~~, the Guest must be notified about the essence of this DPA~~.

~~(4.4)~~(5.4) ~~(4.4)~~ The Parties are responsible for assisting each other to the extent this is relevant and necessary in order for both Parties to comply with their obligations to the Guests. Competent contact persons for the Parties are:

Hard Rock: dataprotection@hardrock.com;

Licensee: [*Fill in contact person*].

Each party must immediately inform the other of any change of the contact person.

~~(4.5)~~(5.5) ~~(4.5)~~ The Parties commit themselves to provide any data required to be provided under Data Protection Laws to the Guest in a concise, transparent, intelligible, and easily accessible form, using clear and plain language. The information shall be provided free of charge.

~~(4.6)~~(5.6) ~~(4.6)~~ If a Guest exercises his or her rights against one of the Parties, in particular of the rights of access, correction, or deletion of his or her Guest Profile Data, the Parties are obliged to forward this request to the other party without undue delay. The Party receiving the request must immediately provide the information within its operating range to the Guest. If Guest Profile Data are to be deleted, the Parties shall inform each other in advance. A Controller may object to the deletion for a legitimate interest or if a basis for refusing deletion exists under Data Protection Laws, for example, if there is a legal obligation to retain the data set requested for deletion; in such a case, the Controller shall provide in detail the legal basis for the denial of the deletion request to both the other Controller and the Guest requesting the deletion specifically indicating the legal retention period where applicable.

~~5.~~6. ~~Section 5~~ Data Retention/Data Destruction

~~(5.1)~~(6.1) ~~(5.1)~~ Each Controller shall take measures to meet data retention and data destruction requirements, either ~~per~~in accordance with this DPA or as required by Data Protection Laws, whichever is stricter. Each Controller shall retain the Guest Profile Data no longer than is necessary to fulfill purposes ~~of such data~~for which such Personal Information was collected and/or Processed for or as may be required to comply with legal obligations or applicable Law. If the Guest Profile Data must be stored or retained by a Controller, then de-identification, encryption, or other similar measures to protect the Guest Profile Data shall be taken by that Controller. Backup data is also subject to this Section ~~5~~6.

~~(5.2)~~(6.2) ~~(5.2)~~ If a Controller disposes of any paper or electronic record containing Guest Profile Data, such Controller will do so in an appropriate manner or as specified by Data Protection Laws, whichever is stricter, to prevent unauthorized access in connection with its disposal. Such Controller will ensure Guest Profile Data is properly and permanently destroyed without any undue delay and in the time specified by Data Protection Laws. Upon request from the other Controller, such Controller will certify in writing to the other Controller that all forms of Guest Profile Data have been destroyed in accordance with these standards and will describe any exceptions where applicable.

~~(5.3)~~(6.3) ~~(5.3)~~ If a Controller becomes subject to a duty to preserve (or halt the destruction of) documents once litigation, an audit or a government investigation is reasonably anticipated, the other Controller shall be notified. Both Controllers shall immediately order a halt to all document destruction for the data specified to the extent required by applicable Law.

~~6.~~7. ~~Section 6~~ – Right To Audit

~~(6.1)~~(7.1) ~~(6.1)~~ At Hard Rock's request and Licensee's expense, Licensee shall confirm compliance with this DPA, as well as any Data Protection Laws and industry standards. Hard Rock~~,~~ has the right directly or through an ~~appointed~~ audit firm, ~~has the right,~~ at its expense, to audit Licensee or its affiliates that Process the Guest Profile Data ~~Profiles~~.

~~(6.2)~~(7.2) ~~(6.2)~~ Hard Rock will announce the intent to audit Licensee by providing 10 business days' notice to Licensee. A document specifying the scope and deliverables to be expected from the audit will be provided to Licensee at the time Licensee is notified of the audit. The audit is limited to those systems of Licensee used to Process the Guest Data Profile. If the documentation requested cannot be removed from the Licensee's premises, Licensee will allow access to its site and allow for a reasonable workspace and Internet connectivity. The Licensee will make necessary employees or agents available for interviews in person or on the phone during the period of the audit.

~~(6.3)~~(7.3) ~~(6.3)~~ In lieu of Hard Rock or Hard Rock's appointed audit firm performing the audit, if Licensee has an external audit firm that performs a certified review that is directly applicable to this DPA, Hard Rock may choose to review the audit results (e.g. a SOC2, Type II audit of data security controls). Hard Rock reserves the right to determine if the certified reviews are sufficient for the purpose of their audit.

~~(6.4)~~(7.4) ~~(6.4)~~ Licensee agrees to a vulnerability and application scanning at least once a month and must take prompt corrective action(s) to remediate any vulnerabilities or security concerns identified by Hard Rock or otherwise identified vulnerabilities that may affect the Guest Profile Data. Corrective action(s) must be implemented in a timeframe commensurate with industry standards or as agreed upon with Hard Rock.

~~7.~~8. ~~Section 7~~ – Security

~~(7.1)~~(8.1) ~~(7.1)~~ Licensee shall maintain at least the security measures described in this Section ~~7~~8 and the Agreement, and shall not materially decrease such security measures during the term of the Agreement.

~~(7.2)~~(8.2) ~~(7.2)~~ If requested and no more than once a calendar year, Licensee shall promptly and accurately complete a written information security questionnaire provided by Hard Rock or a third party on Hard Rock's behalf regarding Licensee's business practices and information technology environment.

~~(7.3)~~(8.3) ~~(7.3)~~ Licensee shall design and implement an ~~Information Security Plan,~~ information security program that is based on industry recognized security standards (such as, but not limited to, the ISO 27001, ISO 27002 and/or the ISO 27701) which will include administrative, technical and physical safeguards appropriate to the size and complexity of Licensee's business and the nature and scope of the services to be performed in order to ensure the confidentiality, integrity and availability of the Guest Profile Data, and the by-products of such information, such as statistics, reports and other aggregated and anonymized data~~.~~ (the "**Information Security Program**"). The Information Security Program will include information regarding the initial risk assessment, risk management and control, the training of Licensee's agents, employees and contractors with respect to compliance with the Information Security Program, testing of the Information Security Program, oversight of any Licensee arrangements, periodic reports to Hard Rock upon request, and the process for annual certification of Licensee. The Information Security Program will also include policies and procedures designed to detect, assess, control and respond to any access to the Guest Profile Data. Security measures shall include, but are not limited to, access controls, encryption, and audit logging for all target servers as well as any portable computing device or any portable storage medium.

~~(7.4)~~(8.4) ~~(7.4)~~ Licensee shall maintain production and disaster recovery systems in geographically dispersed secured datacenters with redundancy on all critical support elements (i.e. data, power, environmental controls, and fire suppression), with no single point of failure.

~~(7.5)~~(8.5) ~~(7.5)~~ Licensee shall store all backup data as part of its designated automatic backup and recovery processes in encrypted form, using a commercially supported encryption solution.

~~(7.6)~~(8.6) ~~(7.6)~~ Any and all Guest Profile Data will be stored, Processed, and maintained solely on designated target servers and that no Guest Profile Data at any time will be Processed on or transferred to any portable or laptop computing device or any portable storage medium, unless that storage medium is in use as part of the Licensee~~'~~'s designated backup and recovery processes.

~~(7.7)~~(8.7) ~~(7.7)~~ In order to ensure the ability to investigate security incidents, Licensee agrees to make available detailed logging of its transactions, including but not limited to: privileged access to any information, including IP addresses of the user and original user name; account creation, deletions, and modifications; failed attempts to access data; All logins (failed and successful) with IP address, using date, time, and user ID; Any OS patch or OS configuration changes and the user and IP address making them; any changes to files in the web application directories, and the user and IP address making them; any log file deleted and the user and IP address making the change; any log file changed by the non-owing process and the user and IP address making the change; Service start/stop any service or server (i.e., any reboot of service or server outside of the normal maintenance window); and changes to firewall configuration files; and the user and IP address making the changes.

~~(7.8)~~(8.8) ~~(7.8)~~ It is presumed that the consequences of a virus, Trojan, or worm infection; intrusion by unauthorized third-parties; or similar Breach of Security are not beyond the control of Licensee.

~~8.~~9. ~~Section 8~~ – Incident Planning and Breach of Security Response

~~(8.1)~~(9.1) ~~(8.1)~~ The Controller that has possession or control of the system or the Guest Profile Data for which a Breach of Security occurred or from whom the reason for the Breach of Security originates is responsible for notifying the Breach of Security to the Government Authority and to the affected Guests in accordance with Data Protection Laws concerning their operating ranges without undue delay. If the reason for the Breach of Security is not immediately attributable to one of the Controllers, Hard Rock is responsible for notifying the Breach of Security to the Government Authority and to the affected Guests. After having become aware of a Breach of Security, a Controller must inform the other Controller of the Breach of Security without undue delay. The other Controller must be kept informed of the status of remediation and reporting of the Breach of Security and be provided a copy of the notification to the Government Authority. Licensee shall have the additional responsibilities relating to a Breach of Security as set forth in Section ~~8~~9.2 through ~~8~~Section 9.11 below.

~~(8.2)~~(9.2) ~~(8.2)~~ Licensee shall have an ~~Incident Response Plan~~incident response plan in preparation for a Breach of Security~~.~~ that is based on industry recognized standards such as, but not limited to, the relevant standards expected by ISO 27001 (the "**Incident Response Plan**"). In the event of a Breach of Security, the Licensee shall execute its Incident Response Plan.

~~(8.3)~~(9.3) ~~(8.3)~~ Licensee shall provide Hard Rock with the name and contact information for its Data Protection Officer (DPO) or other employee of Licensee who shall serve as Hard Rock's primary privacy and security contact and shall be available to assist Hard Rock as a contact in resolving obligations associated with a Breach of Security;

Licensee's Privacy and Security Contact Information:

Name:	
Phone:	
Email:	

In the instance of a ~~breach~~Breach of Security or suspected ~~breach~~Breach of Security, it must be reported to Hard Rock's Security contact within twenty (24) hours of discovery, so as to meet timeframes mandated by Data Protection Laws;

Hard Rock's Security Contact Information:

Name:	Data Protection Office
Phone:	+1 (954) 488-7104
Email:	dataprotection@hardrock.com

~~(8.4)~~(9.4) ~~(8.4)~~ Immediately following Licensee's notification to Hard Rock of a Breach of Security, the Parties shall coordinate with each other to investigate the Security Breach. Licensee agrees to fully cooperate with Hard Rock, including, without limitation:

- Assisting with any investigation;
- Providing Hard Rock with physical access to the facilities and operations affected;
- Facilitating interviews with Licensee's employees and others involved in the matter;
- Making available all relevant records, logs, files, data reporting and other materials required to comply with Data Protection Laws, industry standards or as otherwise ~~[reasonably]~~ required by Hard Rock; and
- Keeping Hard Rock informed with timely updates after the discovery of the Breach of Security (see also Section ~~8.12~~9.7).

~~(8.5)~~(9.5) Hard Rock will not expect Licensee to divulge proprietary business information.

~~(8.6)~~(9.6) Licensee shall use best efforts to immediately remedy any Breach of Security and prevent any further Breach of Security at Licensee's expense. Licensee shall reimburse Hard Rock for actual costs incurred by Hard Rock in responding to, and mitigating damages caused by, any Breach of Security or suspected ~~breach~~Breach of Security, including all costs of notice and/or remediation.

~~(8.7)~~(9.7) Unless otherwise agreed by the Parties in writing, Licensee shall provide Hard Rock with updated information on a regular basis until any actual or suspected Breach of Security and investigation has been resolved to Hard Rock's satisfaction.

~~(8.8)~~(9.8) Licensee agrees that it shall not inform any third party of any Breach of Security without first obtaining Hard Rock's prior written consent. Further, Licensee agrees that Hard Rock shall have the sole right to determine:

- Whether notice of the Breach of Security is to be provided to any individuals, regulators, law enforcement agencies, consumer reporting agencies, Government Authority or others as required by Data Protection Laws, or otherwise in Hard Rock's discretion; and
- The contents of such notice, whether any type of remediation may be offered to affected persons, and the nature and extent of any such remediation.

~~(8.9)~~(9.9) Licensee agrees to fully cooperate at its own expense with Hard Rock in any litigation or other formal action deemed ~~[reasonably]~~ necessary by Hard Rock to protect its rights relating to the use, disclosure, protection and maintenance of the Guest Profile Data.

~~(8.10)~~(9.10) In the event of any Breach of Security, Licensee shall promptly use its best efforts to prevent a recurrence of any such Security Breach.

~~(8.11)~~(9.11) Licensee will maintain records of any known or suspected ~~security incidents~~Breach of Security in accordance with commercially accepted industry practices, and will make such records available to Hard Rock upon request.

~~9.~~10. ~~Section 9~~ – Liability and Indemnity

~~(9.1)~~(10.1) ~~(9.1)~~ The Controllers will indemnify each other and hold each other harmless from any cost, charge, damages, expense or loss which they cause each other as a result of their breach of any of the provisions of the DPA and/or the applicable provisions of Data Protection Laws ~~pursuant to Section 8 of the Agreement~~.

~~10.~~11. ~~Section 10~~ – Duration and Termination

~~(10.1)~~(11.1) ~~(10.1)~~ This DPA shall come into effect on the effective date of the Agreement. ~~Both Controllers~~The Parties shall Process Personal Information (including Guest Profile Data) until the date of expiration or termination of the Agreement~~, Guest Profile Data~~, or until the Agreement is replaced by a new agreement determining the distribution of responsibilities in connection with Processing.

AGREEMENT TO ADDENDUM

The individuals signing below hereby represents and warrants that they are duly authorized to execute and deliver this DPA on behalf of their organization and that this DPA is binding upon each party and organization in accordance with its terms.

Hard Rock Hotel Licensing, Inc.	**Licensee**
Signature	**Signature**
Printed Name	**Printed Name**
Title	**Title**

EXHIBIT A

TO DATA PROCESSING AGREEMENT

Controller-to Processor Provisions

In accordance with Section 1.3 of the DPA, this Exhibit A applies where Hard Rock acts in its capacity as a Processor by Processing Personal Information on behalf of the Licensee acting in its capacity as a Controller. This Exhibit A contains the following parts:

- Part A – General Processor Obligations
- Part B – Use of Sub-processors
- Part C – International Transfers of Personal Information
- Part D – Technical and Organizational Measures

The scope of the Processing carried out by Hard Rock under this Exhibit A is as follows:

(a) Scope, nature and purpose of Processing: see Exhibit B (*Description of Transfers*);

(b) Duration: for so long as the Licensee is a party to the DPA or as otherwise set out in Exhibit B (*Description of the Transfers*); and

(c) Types of Personal Information and categories of individuals: see Exhibit B (*Description of Transfers*) and herein referred to as the "relevant Personal Information".

Part A – General Processor Obligations

(1) Hard Rock shall:

(a) only Process Personal Information on the documented instructions of the Licensee and for the specific purpose(s) of the Processing activity, as set out in Exhibit B (*Description of Transfer)*, unless required to Process that Personal Information for other purposes required by applicable Law. Where such a requirement is placed on Hard Rock, it shall provide prior notice to the Licensee unless the law prohibits the giving of notice;

(b) deal promptly with inquiries from the Licensee relating to the Processing of the relevant Personal Information;

(c) assist the Licensee to respond to and fulfil reasonable requests from individuals exercising their rights under Data Protection Laws;

(d) assist the Licensee to conduct privacy impact assessments where these are required under Data Protection Laws;

(e) at the Licensee's option or direction on termination or expiry of this Agreement, arrange within a reasonable time period for the return and/or deletion of the relevant Personal Information at the Licensee's own cost. Notwithstanding the foregoing, Hard Rock may retain the relevant Personal Information (or subsets of the same) where this is necessary for the purpose of defending itself or its Sub-processors in relation to any claim or legal proceeding and/or where it is required by applicable Law to retain copies of the relevant Personal Information (or subsets of the same);

(f) be able to demonstrate its compliance with this Exhibit A, including undertaking audits of compliance on a regular basis, documenting such audits and keeping appropriate documentation of the Processing activities under its responsibility;

(g) allow for and contribute to reviews of data files and documentation, or of audits of the Processing activities covered by this Exhibit A;

(h) promptly notify the Licensee of:

- any request received directly by Hard Rock from individuals to which the relevant Personal Information relates;
- any Breach of Security relating to Personal Information Processed;
- any reason it has to believe that the Licensee's instruction infringes Data Protection Laws; and
- any reason it has to believe that it or any Sub-processor are prevented from fulfilling the Licensee's instructions and Hard Rock's obligations under the Agreement, this Exhibit A or Data Protection Laws;

(i) ensure that persons authorised to process the relevant Personal Information have committed themselves to confidentiality or are under an appropriate statutory obligation of confidentiality; and

(j) where an appointment of a data protection officer is required under Data Protection Laws, inform of his or her contact details to the Licensee.

(k) implement appropriate technical and organizational measures for the protection of Personal Information and the rights and freedoms of individuals to which such Personal Information relates, including but not limited to:

- where determined to be appropriate, the use of encryption and the use anonymisation or pseudonymisation;
- only granting access to the relevant Personal Information to members of its personnel only to the extent strictly necessary for the implementation, management and monitoring of the Agreement;
- in the event of a Breach of Security, Hard Rock shall take appropriate measures to address the Breach of Security, including measures to mitigate its possible adverse effects and if the Breach of Security is likely to result in significant adverse effects, Hard Rock shall without undue delay notify the Licensee. Hard Rock shall document the relevant facts relating to the Breach of Security including its effects and any remedial action taken. Hard Rock shall cooperate in good faith with and shall provide reasonable assistance to the Licensee to enable the Licensee to comply with its obligations under Data Protection Laws;
- adopt measures to ensure the ongoing confidentiality, integrity, availability and resilience of its systems and services;
- have the ability to restore the availability and access to relevant Personal Information in a timely manner in the event of a physical or technical incident;
- have a process for regularly testing, assessing and evaluating the effectiveness of the technical and organisational measures implemented; and
- assist the Licensee to comply with its own data security obligations under Data Protection Laws.

Part B – Use of Sub-processors

(2) The Licensee provides a general authorization to Hard Rock to engage Sub-processors to Process the relevant Personal Information. With respect to Sub-processors who are not Hard Rock Affiliates, Hard Rock shall provide the Licensee with a list of such Sub-processors upon request. Hard Rock shall give the Licensee prior notice of any intended addition to or replacement of those Sub-processors. If the Licensee reasonably objects to that change within 10 business days of such notice, Hard Rock shall inform the Licensee of any impact that

such objection may have on Hard Rock's ability to carry out the Processing activities on behalf of the Licensee, after which the Licensee may reconsider its decision to object. In the event the Licensee maintains its decision to object, the Parties will cooperate in good faith to consider any alternative arrangements available that are reasonable. Such alternative arrangements may include the use of another Sub-processor, suspending the relevant Processing activity or terminating the relevant service(s) that involve the use of the objected to Sub-processor.

(3) Hard Rock shall ensure that it has a written contract with any Sub-processor it engages to Process Personal Information. That contract must contain obligations on the Sub-processor similar to those set out in this Clause Exhibit A and Hard Rock shall ensure the Sub-processor complies with those obligations.

Part C – International Transfers of Personal Information

(4) The Parties shall not transfer relevant Personal Information to a third party located in a territory or sector which has not received a an EU Adequacy Decision (for EU Personal Information) or UK Adequacy Decision (for UK Personal Information), unless they ensure that the transfer is subject to one of the appropriate safeguards set out in Article 46 of the UK GDPR and/or EU GDPR. To the extent that the Parties are relying on a specific statutory mechanism to legitimize the Processing or transfer described in this Part C and that mechanism is subsequently modified, revoked, or held in a court of competent jurisdiction to be invalid, the Parties agree to cooperate in good faith to promptly pursue a suitable alternate mechanism that is a recognized compliance standard and can lawfully support such Processing or transfer (such as the Draft Standard Contractual Clauses).

(5) The EU Standard Contractual Clauses for Processors shall apply to the transfer of the relevant Personal Information from the Licensee to Hard Rock where the transfer of the relevant Personal Information is a Restricted Transfer to which the EU GDPR applies or an Onward Transfer to which the EU GDPR applies.

(6) The UK Standard Contractual Clauses for Processors shall apply to the transfer of Personal Information from the Licensee to Hard Rock where the transfer of the relevant Personal Information is a Restricted Transfer to which the UK GDPR applies or an Onward Transfer to which the UK GDPR applies.

(7) The Parties agree that the EU Standard Contractual Clauses for Processors and the UK Standard Contractual Clauses for Processors are incorporated into this Exhibit A, without further need for reference, incorporation or attachment and that by executing this Agreement they are deemed to have executed the EU Standard Contractual Clauses for Processors and the UK Standard Contractual Clauses for Processors.

(8) The information required for the purposes of the EU Standard Contractual Clauses for Processors and the UK Standard Contractual Clauses for Processors (as applicable) is provided in Exhibit B (*Description of Transfers*) of this DPA and Part D (*Technical and Organisational Measures*) of this Exhibit A. The law governing the EU Standard Contractual Clauses for Processors shall, in respect of each relevant transfer, be the law of the country in which the data exporter is established.

(9) Hard Rock shall promptly notify the Licensee of:

(a) any legally binding request for disclosure of the relevant Personal Information by a public authority or other organisation or body; and

(b) it becoming aware of any direct access by public authorities to the relevant Personal Information.

(10) Hard Rock shall use its best efforts to obtain a waiver from any prohibition on it from notifying the Licensee about disclosure or access to the relevant Personal Information falling under Part C Section 8 of this Exhibit A and to exhaust all available remedies to challenge the request if, after a reasonable assessment, it concludes that there are grounds under the laws of the country of destination to do so. It shall document its assessment and if compelled to provide the relevant Personal Information, it shall only the minimum amount of information permissible when responding to a request or order for disclosure, based on a reasonable interpretation of the request or order.

Part D – Technical and Organizational Measures

The following describes the Technical and Organizational Measures to be implemented by the Parties to protect Personal Data against accidental or unlawful destruction or accidental loss, alteration, unauthorised disclosure or access:

1. Appropriate steps to protect the Personal Data from unauthorized use, access, disclosure, alteration, or destruction by implementing network security controls that conform to generally recognized industry standards and best practices to protect and maintain the security of all Personal Data collected, handled, processed or otherwise used or accessed by all Parties. Party shall regularly monitor these measures to ensure that they meet the requirements of Applicable Data Protection Laws, and it shall ensure that the measures implemented protect the rights and freedoms of individual data subjects. Party shall not materially decrease the security measures during the term of the Agreement. The Parties shall carry out regular checks to ensure that the Technical and Organizational Measures they implement continue to provide an appropriate level of security.

2. Comply with necessary information security and privacy management frameworks such as, but not limited to, ISO 27001, ISO 27002, NIST, ISO 27701 or other industry standards to ensure sufficient care and protection of all Personal Data provided. In particular, each Party shall design and implement an Information Security Program, which will include administrative, technical and physical safeguards appropriate to the size and complexity of Party's business and the nature and scope of the services to be performed in order to ensure the confidentiality, integrity and availability (CIA Triad) of the Personal Data, and the by-products of such information. Ensuring the CIA Triad will enable the organization to keep their sensitive data protected from unauthorized access and data exfiltration.

4. The Information Security Program will include information regarding the initial risk assessment, risk management and control, the training of each Party's agents with respect to compliance with the Information Security Program, testing of the Information Security Program, oversight of any Third-Party arrangements, periodic reports to the other Party upon request, and the process for annual certification of each Party. The Information Security Program will also include policies and procedures designed to detect, assess, control and respond to any unauthorized access to the Personal Data. These technical and organizational measures should be reviewed and assed at least annually with the goal of continual improvement in these efforts to ensure the appropriate levels of security of processing is achieved. Security measures include, but are not limited to, access controls, encryption, audit logging and/or other means. All such security measures must take into account the nature of the data and the adequate risks associated with such data.

5. Maintain production and disaster recovery systems in geographically dispersed secured SOC2 certified datacenters with redundancy on all critical support elements (i.e. data, power, environmental controls, and fire suppression).

6. Agree that upon handling sensitive and/or Personal Data, such data will not cross publicly accessible networks in unencrypted or plain text formats.

7. Store a Party backup data as part of its designated automatic backup and recovery processes in encrypted form, using a commercially supported encryption solution that utilizes industry standard encryption algorithms and encryption strengths appropriate to the data being protected. The ability to restore the availability and access to Personal Data in a timely manner in the event of a physical or technical incident must be documented and tested.

8. Any and all Personal Data will be stored, Processed, and maintained solely on designated target servers. Party further agrees that any and all Personal Data stored on any portable or laptop computing device or any portable storage medium is likewise encrypted.

9. To any extent that in providing any services a Party has access to the other Party's computing environment (the "**Other Party System**") (which includes, without limitation, Party's transmission or storage of electronic files or other electronic data to the Other Party System), Party shall meet all commercially reasonable technological security standards, including, but not limited to, the use of computer firewalls, strong multi-factor authentication,

encrypted transmissions and storage, anti-malware programs, regular and timely software security patch application, and controlled access to the physical location of computer hardware, to protect Personal Data and the Other Party System against any damage, disruption or interference from any destructive computer programming including, but not limited to, harmful computer instructions, viruses, Trojan horses, and worms introduced by or through any hardware or software delivered or used by Party.

10. In order to ensure the ability to investigate security incidents, each Party agrees to make available detailed logging of its transactions, including but not limited to: privileged access to any sensitive information, including IP addresses of the user and original user name; Account creation, deletions, and modifications; Failed attempts to access data; All Logins (failed and successful) with IP address, using date, time, and user ID; Any OS patch or OS configuration changes and the user and IP address making them; Any changes to files in the web application directories, and the user and IP address making them; Any log file deleted and the user and IP address making the change; Any log file changed by the non-owing process and the user and IP address making the change; Service start/stop any service or server (i.e., any reboot of service or server outside of the normal maintenance window); and changes to firewall configuration files; and the user and IP address making the changes.

11. Each Party agrees to retain all authentication logs for a minimum of three (3) months from the creation of such logs.

12. Each Party shall take measures to meet data retention and data destruction requirements pursuant to Applicable Data Protection Laws. Each Party shall collect only necessary Personal Data and retain it no longer than is necessary to Process the Personal Data or complete the task or service agreed to in the Agreement unless otherwise specified. If the Personal Data must be stored or retained, then de-identification, encryption, or other similar measures to protect the Personal Data shall be taken.

13. If Party disposes of any paper or electronic record containing Personal Data, Party will do so in an appropriate manner or as specified by Applicable Data Protection Laws, whichever is stricter, to prevent unauthorized access in connection with its disposal. Party will ensure it is properly and permanently destroyed without any undue delay. Upon written request, a Party will certify in writing to the other Party that all forms of Personal Data have been destroyed in accordance with these standards, and will describe any exceptions.

14. At any time during the term of the Agreement, and pursuant to Schedule 4 of the Agreement, a Party may make a written request to another Party to purge, retrieve, and/or destroy some or all of the Personal Data related to Party's services under the Agreement and such Party shall certify compliance with such request upon completion, and will describe any exceptions.

15. No more than once a calendar year, each Party promptly and accurately agree to complete a written information security questionnaire requested in writing by another Party or a third-party on a Party's behalf regarding such Party's business practices and information technology environment in relation to all Personal Data being handled and/or services being provided by Party to the other Party.

16. A Party must show accountability through their actions of putting in place the above listed technical and organizational measures. Taking a "data protection by design and default" approach is mandatory. As well as, carrying out data protection impact assessments for uses of Personal Data that are likely to result in high risk to individuals' rights and freedoms. . The accountability obligations are ongoing. Each Party must review and, where necessary, update the measures that are put into place. Being accountable and transparent in a Party's policies can help build trust with individuals (guests and employees) and may help with mitigate enforcement action.

EXHIBIT B

TO DATA PROCESSING AGREEMENT

Description of Transfers

The table below describes the transfer of Personal Information between the Licensee and Hard Rock. The "*Applicable Contractual Clauses*" column sets out the specific contractual clauses (as provided for under the provisions of this DPA) that apply to the Personal Information Processing described in the corresponding row.

Entities		**Processing Information**						**Applicable Contractual Clauses**[1]			
Data Exporter	**Data Importer**	**Subject Matter of the Processing**	**Data Subject Categories**	**Categories of Personal Information (including Special Category Data)**	**Nature and Purpose(s) of Processing**	**Maximum Retention Period**	**Duration of Processing Activity**	**CC**	**CP**	**SCC CC**	**SCC CP**
Licensee	Hard Rock	Processing Personal Information in the context of **guest data management.**	Guest	Guest Profile Data as defined in the Agreement.	Processing to provide requested goods and services.	5 years from the date of receipt or for so long as required to do so in line with obligations under applicable legal and regulatory obligations.	Until termination of the Agreement or for so long as required to do so in line with obligations under the Agreement or applicable legal and regulatory obligations. Any Personal Information that is stored based on consent will be stored as long as consent is not withdrawn or handling opposed.	X		X	

[1] The following key applies to the identification of the contractual clauses that are applicable to the Personal Information Processing described in each row of the table. **CC** = the Controller to Controller clauses described in the main body of the DPA covering both joint Processing and independent Processing, **CP** = the Controller to Processor Clauses described in Exhibit A to the DPA, **SCC CC** = the applicable standard contractual clauses for international Personal Information transfers described in Section 3 of the DPA and **SCC CP** = the applicable standard contractual clauses for international Personal Information transfers described in Exhibit A, Part C of the DPA.

Entities		**Processing Information**						**Applicable Contractual Clauses**[1]			
Data Exporter	**Data Importer**	**Subject Matter of the Processing**	**Data Subject Categories**	**Categories of Personal Information (including Special Category Data)**	**Nature and Purpose(s) of Processing**	**Maximum Retention Period**	**Duration of Processing Activity**	**CC**	**CP**	**SCC CC**	**SCC CP**
Licensee	Hard Rock	Processing Personal Information in the context of **direct marketing** to guests.	Guest	Guest Profile Data as defined in the Agreement.	Processing to provide offers for goods and services.	5 years from the date of receipt or for so long as required to do so in line with obligations under applicable legal and regulatory obligations.	Where Guest consented to Licensee/Hard Rock sending marketing communications, Guest Profile Data is stored for as long as is reasonably necessary, having regard for a legal claim to be raised which the Parties would be entitled to defend, or for as long as is reasonably necessary to respond to any queries by Guest or any regulatory authority. Any Personal Information that is stored based on consent will be stored as long as consent is not withdrawn or handling opposed.	X		X	
Licensee	Hard Rock	Processing Personal Information in the context of **HR management**.	Licensee Executive Staff	-Names; -Data of birth; -Postal address; -Contact telephone number; -Email; - Resume/CV (experience, qualifications and character).	Providing training for the operation of the Hotel under the Hotel System, and for management of Executive Staff participation to Hard Rock annual global leadership conference.	5 years from the date of receipt or for so long as required to do so in line with obligations under applicable legal and regulatory obligations.	Until termination of the Agreement, unless retention is required to fulfill regulatory obligations.		X		X

Entities		Processing Information						Applicable Contractual Clauses[1]			
Data Exporter	**Data Importer**	**Subject Matter of the Processing**	**Data Subject Categories**	**Categories of Personal Information (including Special Category Data)**	**Nature and Purpose(s) of Processing**	**Maximum Retention Period**	**Duration of Processing Activity**	**CC**	**CP**	**SCC CC**	**SCC CP**
Licensee	Hard Rock	Managing Personal Information in the context of the applicable **Hard Rock Rewards Program management.**	Guest	-Names; -Data of birth; -Postal address; -Contact telephone number; -Email; -Transactional data (goods and services purchased)	Fulfilling membership contract.	5 years from the date of receipt or for so long as required to do so in line with obligations under applicable legal and regulatory obligations. Where Guest consented to Licensee/Hard Rock sending marketing communications, Guest Profile Data is stored for as long as is reasonably necessary, having regard for a legal claim to be raised which the Parties would be entitled to defend, or for as long as is reasonably necessary to respond to any queries by Guest or any regulatory authority.	Until termination of the Agreement or cancellation of membership by the Guest whichever comes earlier. Personal information based on consent will be stored as long as consent is not withdrawn or handling opposed.	X	X	X	X
Licensee	Hard Rock	Processing Personal Information in the **Job Application context.**	Applicants	Job Application information: -Resume; -Names; -Data of birth; -Postal address; -Contact telephone number; -Email; -Work history.	Processing job applicant Personal Information to fulfill the job posting.		As long as job posting is filled.		X		X

EXHIBIT C

TO DATA PROCESSING AGREEMENT

Definitions

The following definitions are used in this DPA:

1. **Adequacy Decision**: means a country, territory or sector within a country which has been subject to a finding, and continues to be subject to a finding for the duration of this Agreement, of an adequate level of protection for Personal Information under the EU GDPR or UK GDPR as applicable to the Personal Information Processing activity and "**EU Adequacy Decision**" and "**UK Adequacy Decision**" should be construed accordingly.
2. **Agreement**: means the legally binding contract described in the preamble of this DPA.
3. **Approved Standard Contractual Clauses**: means the EU Standard Contractual Clauses for Controllers, EU Standard Contractual Clauses for Processors, the Draft Standard Contractual Clauses when finalised and approved by the European Commission, the UK Standard Contractual Clauses for Controllers and the UK Standard Contractual Clauses Processors.
4. **Breach of Security**: means the following:
    A. Unauthorized acquisition of Guest Profile Data that compromises the security, confidentiality, or integrity of the personal information maintained by a Controller or one of their agents;
    B. A breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, Personal Information (including Guest Profile Data) transmitted, stored or otherwise Processed; or
    C. Any Guest Profile Data that is in any way disclosed, not in the normal course of business, whether by accident or done maliciously; or
    D. Any form of breach and compromise of system security and/or Database(s) including, but not limited to, ransomware, phishing, password guessing, recording key strokes, denial-of-service, malware or virus, etc.
5. **Controller**: means the natural or legal person, public authority, agency or other body which, alone or jointly with others, determines the purposes and means of the Processing of Personal Information.
6. **Data Protection Laws**: means (i) all applicable Laws and non-governmental standards protecting Personal Information including Guest Profile Data (including Payment Card Industry Data Standard (PCI-DSS) and Payment Application Data Security Standard (PA-DSS), and the Health Insurance Portability and Accountability Act of 1996 (HIPAA)); (ii) all applicable Laws concerning the protection, transport, storage, use and Processing of Personal Information (including the California Consumer Privacy Act (CCPA), the EU GDPR, the UK GDPR and the UK Data Protection Act 2018); and (iii) all applicable Laws similar to those listed in the subsections above.
7. **Draft Standard Contractual Clauses**: means the European Commission's draft implementing decision (and Annex) on standard contractual clauses for the transfer of personal data to third countries pursuant to Regulation (EU) 2016/679 issued for consultation on 12 November 2020.
8. **EU GDPR**: means the General Data Protection Regulation (EU) 2016/679.
9. **EU Personal Information**: means Personal Information to which the EU GDPR applies.

10. **EU Standard Contractual Clauses for Controllers**: means (i) the standard contractual clauses approved by the European Commission for the transfer of personal data from a Controller to a Controller (document reference number 2004/915/EC) for which references to the Directive 95/46/EC of 24 October 1995 therein (including Annex A) shall be deemed to be replaced with respective provisions of the EU GDPR; or (ii) such other standard contractual clauses that are approved by the European Commission for the transfer of EU Personal Information to a third country which has not received an EU Adequacy Decision (and are subsequently incorporated into this Agreement).

11. **EU Standard Contractual Clauses for Processors**: means (i) the standard contractual clauses approved by the European Commission for the transfer of personal data from a Controller to a Controller (document reference number 2010/87/EU) for which references to the Directive 95/46/EC of 24 October 1995 therein shall be deemed to be replaced with respective provisions of the EU GDPR; or (ii) such other standard contractual clauses that are approved by the European Commission for the transfer of EU Personal Information to a third country which has not received an EU Adequacy Decision (and are subsequently incorporated into this Agreement).

12. **Government Authority**: means any federal, state, municipal, local, territorial, or other governmental department, regulatory authority, judicial or administrative body, whether domestic, foreign, or international and includes Supervisory Authorities.

13. **Guest Profile Data**: means any information and data (whether in paper or electronic format) relating to an identified or identifiable Guest (herein after defined) or household.

14. **Guest**: means an identified or identifiable natural person that is a Licensee customer or guest or prospective guest at the Hotel and from whom Personal Information is collected.

15. **Information Security Program**: has the meaning given to it under Section 8.3 of this DPA.

16. **Incident Response Plan**: has the meaning given to it under Section 9.2 of this DPA.

17. **Law**: means any law, statute, declaration, decree, directive, legislative enactment, order, ordinance, regulation, rule or other binding restriction of or by any Government Authority, including Data Protection Laws.

18. **Onward Transfer**: means the onward transfer of Personal Information previously exported pursuant to a Restricted Transfer to another party that is: (i) not in country, a territory or specified sector within a country that is (but for the operation of this DPA) recognised as providing an adequate level of protection for Personal Information under the EU GDPR or UK GDPR (as applicable to the Personal Information transfer); and (ii) is not subject to any safeguards or derogations that would permit the transfer of the Personal Information to the country, territory or sector in accordance with the EU GDPR or UK GDPR (as applicable to the Personal Information transfer).

19. **Personal Information**: means any information relating to an identified or identifiable natural person (including a Guest); an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person. The term "personal data" shall have the same meaning as "Personal Information".

20. **Processing (Processed, Process)**: means any operation or set of operations which is performed upon Personal Information (including Guest Profile Data, or on sets of Guest Profile Data), whether or not by automated means, and whether or not in electronic, digital, online or offline (e.g. paper) media or formats, such as collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination, or otherwise making available, alignment or combination, restriction, erasure or destruction, and includes "collection" as such term is defined in the CCPA.

21. **Processor**: means a natural or legal person, public authority, agency or other body which Processes Guest Profile Data on behalf of a Controller and includes "service providers" as such term is defined in the CCPA.

22. **Restricted Transfer**: means a transfer of Personal Information to a country, a territory or specified sector within a country that is (but for the operation of this Agreement): (i) not recognised as providing an adequate level of protection for Personal Information under the EU GDPR or UK GDPR (as applicable to the Personal Information transfer); and (ii) is not subject to any safeguards or derogations that would permit the transfer of the Personal Information to the country, territory or sector in accordance with the EU GDPR or UK GDPR (as applicable to the Personal Information transfer).

23. **Sub-processor**: means an entity that is engaged by a Processor to carry out specific Processing activities on behalf of the Controller. For the purposes of Exhibit A of this DPA, the term "Sub-processor" includes any Hard Rock Affiliate.

24. **Supervisory Authorities**: means independent public authorities responsible for monitoring the application of Data Protection Laws, in order to protect the fundamental rights and freedoms of individuals in relation to the Processing of Personal Information.

25. **UK GDPR**: means the EU GDPR as it forms part of the laws of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 and as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019 and 2020 respectively and any legislation in force in the United Kingdom from time to time that subsequently amends or replaces the UK GDPR.

26. **UK Personal Information**: means Personal Information to which the UK GDPR applies.

27. **UK Standard Contractual Clauses for Controllers:** means (i) the standard contractual clauses approved by the EU Commission for the transfer of personal data from a Controller to a Controller (document reference number 2004/915/EC) for which references to the Directive 95/46/EC of 24 October 1995 therein (including Annex A) shall be deemed to be replaced with respective provisions of the UK GDPR: or (ii) such other standard contractual clauses that are approved under the UK GDPR for the transfer of UK Personal Information to a third country which has not received a UK Adequacy Decision (and are subsequently incorporated into this Agreement).

28. **UK Standard Contractual Clauses for Processors**: means (i) the standard contractual clauses approved by the EU Commission for the transfer of personal data from a Controller to a Processor (document reference number 2010/87/EU) for which references to the Directive 95/46/EC of 24 October 1995 therein shall be deemed to be replaced with respective provisions of the UK GDPR: or (ii) such other standard contractual clauses that are approved under the UK GDPR for the transfer of UK Personal Information to a third country which has not received a UK Adequacy Decision (and are subsequently incorporated into this Agreement).

EXHIBIT "D"

TO DISCLOSURE DOCUMENT

TABLE OF CONTENTS OF SYSTEM STANDARDS MANUAL

~~*[See Attached]*~~

The Table of Contents to ~~OPERATIONS MANUALS~~

~~"Reverb By Hard Rock~~ our "Brand Guidelines~~" – online manual – 140 pages *[See following pages for more detailed table of contents for this*~~ Manual~~]~~

~~"Operations~~" and "Design and Construction Brand Standards~~" – online manual – approximately 300 pages *[See following pages for more detailed table of contents for this*~~ Manual~~]~~" (186 pages total) are provided below:

~~"Storybook" - 31 pages~~

~~"Position Training Manuals" – Number of pages varies by position~~

~~"~~I. Brand ~~Book" – 68 pages~~

~~"SHOP~~Guidelines Manual~~" – 18~~ (499 pages total)

- Brand Standards - 58 pages
- Culinary Kitchen Crew – 120 pages
- Engineering Maintenance Crew – 8 pages
- Housekeeping Crew – 55 pages
- Lounge Crew – FnB – 120 pages
- Lounge Crew – Lobby Will Call – 128 pages
- ~~"VIBE Manual" – 22~~ Sales Marketing Crew – 10 pages

~~REVERB BY HARD ROCK BRAND GUIDELINES~~

~~REVERB BY HARD ROCK~~
~~OPERATIONS BRAND STANDARDS~~

~~Identifier~~	~~"Director"~~	~~"Crew"~~	~~Process Framework~~	~~Title~~
~~ALL-TRW0X001~~	~~All~~	~~Universal~~	~~Fan Engagement~~	~~Presentation and Wardrobe~~
~~ALL-TRW0X002~~	~~All~~	~~Universal~~	~~Fan Engagement~~	~~Greeting and Tone~~
~~ALL-TRW0X003~~	~~All~~	~~Universal~~	~~Fan Engagement~~	~~Basics of Etiquette or Savoir Faire~~
~~ALL-TRW0X004~~	~~All~~	~~Universal~~	~~Fan Engagement~~	~~Fan Engagement and handling of requests~~
~~ALL-TRW0X005~~	~~All~~	~~Universal~~	~~Fan Engagement~~	~~Fan Engagement when BYOD~~
~~ALL-TRW0X006~~	~~All~~	~~Universal~~	~~Fan Engagement~~	~~Telephone Engagement~~
~~ALL-TRW0X007~~	~~All~~	~~Universal~~	~~Fan Engagement~~	~~Chat Engagement~~
~~ALL-TRW0X008~~	~~All~~	~~Universal~~	~~Fan Engagement~~	~~Written communication~~
~~ALL-TRW0X009~~	~~All~~	~~Universal~~	~~Fan Engagement~~	~~Entering a Fan's room~~
~~ALL-TRW0X011~~	~~All~~	~~Universal~~	~~Service Recovery~~	~~Service Recovery Management~~
~~ALL-TRW0X012~~	~~All~~	~~Universal~~	~~Service Recovery~~	~~Irate Fan handling~~
~~ALL-TRW0X013~~	~~All~~	~~Universal~~	~~Service Recovery~~	~~Encore Toolkit and Empowerment~~
~~ALL-TRW0X014~~	~~All~~	~~Universal~~	~~Service Recovery~~	~~Written Service Recovery communication~~
~~TIC-TRW0X001~~	~~Ticketing~~	~~N/A~~	~~Fan Engagement~~	~~Fan Profile Management~~
~~TIC-TRW04001~~	~~Ticketing~~	~~N/A~~	~~Operations~~	~~Reservation Market Information Requirements~~
~~TIC-TRW04002~~	~~Ticketing~~	~~N/A~~	~~Operations~~	~~Reservation Response Timelines~~
~~TIC-TRW00001~~	~~Ticketing~~	~~N/A~~	~~Pre-Arrival~~	~~Reservation Options~~
~~TIC-TRW00002~~	~~Ticketing~~	~~N/A~~	~~Pre-Arrival~~	~~Reservation Call Process~~
~~TIC-TRW00003~~	~~Ticketing~~	~~N/A~~	~~Pre-Arrival~~	~~Reservation Email Process~~
~~TIC-TRW00004~~	~~Ticketing~~	~~N/A~~	~~Pre-Arrival~~	~~Reservation Chatbot process~~
~~TIC-TRW00005~~	~~Ticketing~~	~~N/A~~	~~Pre-Arrival~~	~~Reservation Ticket Confirmation handling, a gateway to the Fan’s stay~~

~~TIC TRW00006~~	~~Ticketing~~	~~N/A~~	~~Pre-Arrival~~	~~Reservation Quality Control and Daily Reports~~
~~TIC TRW00007~~	~~Ticketing~~	~~N/A~~	~~Pre-Arrival~~	~~Pre-Stay Communication, setting the tone~~
~~TLC TRW01001~~	~~The Crew~~	~~The Lounge~~	~~Fan Arrival~~	~~The First Impression at the Hotel~~
~~TLC TRW01002~~	~~The Crew~~	~~The Lounge~~	~~Fan Arrival~~	~~The Lounge Experience - The Welcome and the Zones~~
~~TLC TRW02001~~	~~The Crew~~	~~The Lounge~~	~~Service Delivery~~	~~The Lounge Crew Ownership~~
~~TLC TRW02002~~	~~The Crew~~	~~The Lounge~~	~~Service Delivery~~	~~The Lounge Co-working and Business Services~~
~~TLC TRW04001~~	~~The Crew~~	~~The Lounge~~	~~Operations~~	~~Music Styling and App Music Management~~
~~TLC TRW04002~~	~~The Crew~~	~~The Lounge~~	~~Operations~~	~~Art Program and Activation~~
~~TLC TRW00001~~	~~The Crew~~	~~Rooms~~	~~Pre-Arrival~~	~~Room Allocation~~
~~TLC TRW01003~~	~~The Crew~~	~~Rooms~~	~~Fan Arrival~~	~~Check-in Options at Reverb~~
~~TLC TRW01004~~	~~The Crew~~	~~Rooms~~	~~Fan Arrival~~	~~DYI Check-in Online with Evebot~~
~~TLC TRW01005~~	~~The Crew~~	~~Rooms~~	~~Fan Arrival~~	~~DYI Check-in On-site with the Kiosk~~
~~TLC TRW01006~~	~~The Crew~~	~~Rooms~~	~~Fan Arrival~~	~~Assisted Check-in experience~~
~~TLC TRW01007~~	~~The Crew~~	~~Rooms~~	~~Fan Arrival~~	~~Handling Arrivals with room not ready~~
~~TLC TRW01008~~	~~The Crew~~	~~Rooms~~	~~Fan Arrival~~	~~VIP Handling and Escort~~
~~TLC TRW04004~~	~~The Crew~~	~~Rooms~~	~~Operations~~	~~The Waitlisted Fan~~
~~TLC TRW04005~~	~~The Crew~~	~~Rooms~~	~~Operations~~	~~Handling of No-Shows~~
~~TLC TRW04006~~	~~The Crew~~	~~Rooms~~	~~Operations~~	~~Handling of Reservation Cancellation Charges~~
~~TLC TRW04007~~	~~The Crew~~	~~Rooms~~	~~Operations~~	~~Handling of Early Guaranteed Rooms (Pre-booking)~~
~~TLC TRW04008~~	~~The Crew~~	~~Rooms~~	~~Operations~~	~~Full House Walk Out Policy~~
~~TLC TRW04009~~	~~The Crew~~	~~Rooms~~	~~Operations~~	~~Handling Day Use Reservations~~
~~TLC TRW04010~~	~~The Crew~~	~~Rooms~~	~~Operations~~	~~Room Inventory Management (House, Comp, OOO and OOS)~~
~~TLC TRW04011~~	~~The Crew~~	~~Rooms~~	~~Operations~~	~~Float Management~~
~~TLC TRW04012~~	~~The Crew~~	~~Rooms~~	~~Operations~~	~~Payment Options - Credit Card Handling and Cash~~

~~TLC TRW04013~~	~~The Crew~~	~~Rooms~~	~~Operations~~	~~Payment Options - Routing, City Ledger and Paymasters~~
~~TLC TRW04014~~	~~The Crew~~	~~Rooms~~	~~Operations~~	~~Adjustments, Rebates, Paid-outs and Refunds~~
~~TLC TRW04015~~	~~The Crew~~	~~Rooms~~	~~Operations~~	~~Will Call Rooms Shift Management~~
~~TLC TRW04016~~	~~The Crew~~	~~Rooms~~	~~Operations~~	~~The Close-Day and Overnight Coverage~~
~~TLC TRW06001~~	~~The Crew~~	~~Rooms~~	~~Fundamental Control~~	~~Getting Ready - Reservations related Fundamental Controls~~
~~TLC TRW06002~~	~~The Crew~~	~~Rooms~~	~~Fundamental Control~~	~~Fraud Prevention - Operations Fundamental Controls~~
~~HK TRW02001~~	~~Housekeeping~~	~~Room Cleaning~~	~~Service Delivery~~	~~The Stay Experience - Fan Room Control~~
~~HK TRW02002~~	~~Housekeeping~~	~~Room Cleaning~~	~~Service Delivery~~	~~Fan Sleep Area~~
~~HK TRW02003~~	~~Housekeeping~~	~~Room Cleaning~~	~~Service Delivery~~	~~Fan Vanity and Open Closet Area~~
~~HK TRW02004~~	~~Housekeeping~~	~~Room Cleaning~~	~~Service Delivery~~	~~Fan Bathroom and Signature Shower~~
~~HK TRW02005~~	~~Housekeeping~~	~~Room Cleaning~~	~~Service Delivery~~	~~The Roadie Room~~
~~HK TRW02006~~	~~Housekeeping~~	~~Room Cleaning~~	~~Service Delivery~~	~~Task Assignment~~
~~HK TRW02007~~	~~Housekeeping~~	~~Room Cleaning~~	~~Service Delivery~~	~~Room Cleanliness - The Cleaning Sequence~~
~~HK TRW02008~~	~~Housekeeping~~	~~Room Cleaning~~	~~Service Delivery~~	~~Cleaning Frequency and Deep Cleaning~~
~~HK TRW02009~~	~~Housekeeping~~	~~Room Cleaning~~	~~Service Delivery~~	~~Room Status at Reverb~~
~~HK TRW02010~~	~~Housekeeping~~	~~Room Cleaning~~	~~Service Delivery~~	~~Sustainability Program (*)~~
~~HK TRW02011~~	~~Housekeeping~~	~~Room Cleaning~~	~~Service Delivery~~	~~Do Not Disturb~~
~~HK TRW02012~~	~~Housekeeping~~	~~Room Cleaning~~	~~Service Delivery~~	~~On-request items - the Amenity Closet~~
~~HK TRW02013~~	~~Housekeeping~~	~~Public Cleaning~~	~~Service Delivery~~	~~Public Areas - The Entrance and The Lounge~~
~~HK TRW02014~~	~~Housekeeping~~	~~Public Cleaning~~	~~Service Delivery~~	~~Public Areas - Corridors, Elevators and Amenity Closet~~
~~HK TRW02015~~	~~Housekeeping~~	~~Public Cleaning~~	~~Service Delivery~~	~~Public Areas - High Rise Windows and Doors~~
~~HK TRW02016~~	~~Housekeeping~~	~~Public Cleaning~~	~~Service Delivery~~	~~Public Areas - Meeting Rooms, Events, F&B Outlets and Fitness Room~~
~~HK TRW04002~~	~~Housekeeping~~	~~Room Cleaning~~	~~Operations~~	~~Pest Control~~
~~HK TRW04003~~	~~Housekeeping~~	~~Room Cleaning~~	~~Operations~~	~~Housekeeping Manual Handling~~

~~LAU TRW04001~~	~~Housekeeping~~	~~Laundry~~	~~Operations~~	~~Laundry Rooms Linen~~
~~LAU TRW04002~~	~~Housekeeping~~	~~Laundry~~	~~Operations~~	~~Laundry F&B and Events Linen~~
~~LAU TRW04003~~	~~Housekeeping~~	~~Laundry~~	~~Operations~~	~~Laundry Uniform Handling~~
~~TLC TRW00002~~	~~The Crew~~	~~Rooms~~	~~Pre-Arrival~~	~~Group Pre-Check-in and registration~~
~~TLC TRW01009~~	~~The Crew~~	~~Rooms~~	~~Fan Arrival~~	~~Group Arrival~~
~~TLC TRW02004~~	~~The Crew~~	~~Rooms~~	~~Service Delivery~~	~~Group or Band Handling~~
~~TLC TRW02005~~	~~The Crew~~	~~Rooms~~	~~Service Delivery~~	~~Events The Reverb Way~~
~~TLC TRW02006~~	~~The Crew~~	~~Rooms~~	~~Service Delivery~~	~~The Reverb Show-Around~~
~~TLC TRW02007~~	~~The Crew~~	~~Rooms~~	~~Service Delivery~~	~~Luggage Support Handling~~
~~TLC TRW03001~~	~~The Crew~~	~~Rooms~~	~~Fan Departure~~	~~Check-out Options~~
~~TLC TRW03002~~	~~The Crew~~	~~Rooms~~	~~Fan Departure~~	~~Express Check-out with Evebot~~
~~TLC TRW03003~~	~~The Crew~~	~~Rooms~~	~~Fan Departure~~	~~Assisted Check-out experience~~
~~TLC TRW03004~~	~~The Crew~~	~~Rooms~~	~~Fan Departure~~	~~Kiosk Check-out Experience~~
~~TLC TRW03005~~	~~The Crew~~	~~Rooms~~	~~Fan Departure~~	~~Late Check Out~~
~~TLC TRW03006~~	~~The Crew~~	~~Rooms~~	~~Fan Departure~~	~~Early Departure~~
~~TLC TRW03007~~	~~The Crew~~	~~Rooms~~	~~Fan Departure~~	~~Group Departures~~
~~POM TRW04001~~	~~Engineering~~	~~POM~~	~~Operations~~	~~Engineering Responsibilities~~
~~POM TRW04002~~	~~Engineering~~	~~POM~~	~~Operations~~	~~Engineering Training Requirements~~
~~POM TRW04004~~	~~Engineering~~	~~POM~~	~~Operations~~	~~Technical Services Register~~
~~POM TRW04005~~	~~Engineering~~	~~POM~~	~~Operations~~	~~Building Blueprints and Documents -~~
~~POM TRW04008~~	~~Engineering~~	~~POM~~	~~Operations~~	~~Utility Consumption monitoring~~
~~POM TRW04009~~	~~Engineering~~	~~POM~~	~~Operations~~	~~Energy Consumption monitoring~~
~~POM TRW04011~~	~~Engineering~~	~~POM~~	~~Operations~~	~~Building Preventative Maintenance~~
~~POM TRW04012~~	~~Engineering~~	~~POM~~	~~Operations~~	~~Rooms Preventative Maintenance~~

~~POM TRW04014~~	~~Engineering~~	~~POM~~	~~Operations~~	~~Maintenance Requests from the Fans~~
~~POM TRW04020~~	~~Engineering~~	~~POM~~	~~Operations~~	~~Safety Tag and Lockout~~
~~ALL TRW08001~~	~~Management~~	~~N/A~~	~~Management~~	~~Prohibited Services @Reverb~~
~~ALL TRW08002~~	~~Management~~	~~N/A~~	~~Management~~	~~DOD - Director On Duty~~
~~ALL TRW08003~~	~~Management~~	~~N/A~~	~~Management~~	~~Quality Assurance at Reverb~~
~~ALL TRW91101~~	~~Management~~	~~N/A~~	~~Fundamental Control~~	~~Loss Prevention Programs - Emergency Handling~~
~~ALL TRW91102~~	~~Management~~	~~N/A~~	~~Emergency~~	~~Evacuation Handling~~

~~**EXHIBIT "E"**~~

[See breakdown on following pages]

The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.

The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.

The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.

Sub Folder : Engineering Maintenance Crew (3)

- POM TRW04001 - Engineering Responsibilities
- POM TRW04012 – Rooms Preventative Maintenance
- POM TRW04014 – Maintenance Requests from the Fans

Sub Folder : Housekeeping Crew (22)

HK C02001 - Harmony Cleaning Sequence Checklist

HK TRW02001 - The Stay Experience - Fan Room Control

HK TRW02002 - Fan Sleep Area

HK TRW02003 – Fan Vanity and Open Closet Area

HK TRW02004 – Fan Bathroom and Signature Shower

HK TRW02005 – The Roadie Room

HK TRW02006 – Task Assignment

HK TRW02009 – Room Status at Reverb

HK TRW02010 – Sustainability Program

HK TRW02011 – Do Not Disturb

HK TRW02012 – On Request Items - The Amenity Closet

HK TRW02013 – Public Areas – The Entrance and The Lounge

HK TRW02014 – Public Areas – Corridors, Elevators and Amenity Closet

HK TRW02015 – Public Areas – High Rise Windows and Doors

HK TRW02016 – Public Areas – Meeting Rooms, Events, FnB Outlets and Fitness Room

HK TRW04001 – Legionella Prevention Management

HK TRW04002 – Pest Control

HK TRW04003 – Housekeeping Manual Handling

HK TRW04004 – Cleaning after a Reverb Pet Stay

LAU TRW04001 – Laundry Rooms Linen

LAU TRW04002 – Laundry FnB Linen

LAU TRW04003 – Laundry Uniform Handling

The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.

The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.

The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.

The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.

The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.

II. Design and Construction Brand Standards (186 pages total)

The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.

The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.

The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.

EXHIBIT "E"

TO DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

Part A (Current Franchisees)

The following table lists our franchisees that were open as of December 31, 2020.

HOTELS OPEN AS OF DECEMBER 31, 20~~19~~20				
State	**City**	**Address**	**Phone**	**Owner Name(s)**
Georgia~~None~~	Atlanta	89 Centennial Olympic Drive, SW Atlanta Georgia 30313	770-298-8860	Bolton Atlanta, LP

HOTELS NOT OPEN AS OF DECEMBER 31, 20~~19~~20				
State	**City**	**Address**	**Phone**	**Owner Name(s)**
California	Cotati	147 St Joseph's Way Cotati, California 94931	786-368-3733	Cotati Hotel, LLC
Florida~~Georgia~~	Miami~~Atlanta~~	348 NE 20th Terrace Miami, Florida 33137~~89 Centennial Olympic Drive, SW~~ ~~Atlanta Georgia 30313~~	615-277-1111~~770-298-8860~~	~~Bolton Atlanta, LP~~Platinum Edge, LLC
Florida	Tampa	6800 North Dale Mabry Highway, Suite 248 Tampa, Florida 33614	813-932-9200	Distortion Project, LLC
Michigan	Kalamazoo	225 Parsons Street Kalamazoo, Michigan 49007	269-383-5775	225 Parsons Hotel, LLC

Part B (Former Franchisees Who Left System During Prior Fiscal Year)

State	**City**	**Current Business Phone or Last Known Home Phone**	**Owner Name(s)**
None			

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

EXHIBIT "F"

TO DISCLOSURE DOCUMENT

<u>FINANCIAL STATEMENTS</u>

[See Attached]

Hard Rock Hotel Licensing, Inc.

(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Financial Statements
For the fiscal years ended December 31, 2019, 2018, and 2017

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Index

Page(s)

Deloitte.

Deloitte & Touche LLP
Certified Public Accountants
333 Southeast 2nd Avenue
Suite 3600
Miami, FL 33131
USA

Tel: +1 305 372 3100
Fax: +1 305 372 3160
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

To the Stockholder of
Hard Rock Hotel Licensing, Inc.
Davie, Florida

We have audited the accompanying financial statements of Hard Rock Hotel Licensing, Inc. (the "Company"), a wholly owned subsidiary of Hard Rock Cafe International (USA), Inc., which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of operations, stockholder's equity, and cash flows for each of the three years in the period ended December 31, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hard Rock Hotel Licensing, Inc. as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the accompanying financial statements have been prepared from the separate records maintained by the Company and may not necessarily be indicative of the conditions that would have existed or the results of operations if the Company has been operated as an unaffiliated company. The portions of certain expenses represent allocations paid by the Parent on the Company's behalf. Our opinion is not modified with respect to this matter.

Deloitte & Touche LLP

April 20, 2020

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Balance Sheets

	December 31, 2019	December 31, 2018
Assets		
Cash	$ 94,030	$ 94,030
Receivables—net	633,606	655,836
Total current assets	727,636	749,866
Contract asset	969,670	559,678
Other intangible assets—net	13,283,306	14,375,805
Due from Parent	26,882,034	25,278,834
Other assets—net	6,280,000	4,400,000
Total assets	$ 48,142,646	$ 45,364,183
Liabilities and Stockholder's Equity		
Liabilities		
Accrued and other current liabilities	$ -	$ 25,460
Deferred revenue	8,542	8,464
Total current liabilities	8,542	33,924
Deferred revenue	865,222	367,465
Deferred tax liabilities—net	3,037,205	3,128,164
Total liabilities	3,910,969	3,529,553
Stockholder's equity		
Common stock, $1.00 par value; 1,000 shares authorized, issued and outstanding	1,000	1,000
Additional paid-in capital	28,313,322	28,313,322
Retained earnings	15,917,355	13,520,308
Total stockholder's equity	44,231,677	41,834,630
Total liabilities and stockholder's equity	$ 48,142,646	$ 45,364,183

The accompanying notes are an integral part of these financial statements.

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Statements of Operations

	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2018	Fiscal Year Ended December 31, 2017
Revenues			
License royalties and fees	$ 5,335,842	$ 5,399,444	$ 7,257,363
Expenses			
Marketing and advertising	442,275	404,036	591,378
General and administrative	872,759	534,082	517,306
Amortization	1,092,499	1,092,499	1,092,499
Loss on impairment	-	-	2,726,139
Total expenses	2,407,533	2,030,617	4,927,322
Operating income	2,928,309	3,368,827	2,330,041
Income before (provision) benefit for income taxes	2,928,309	3,368,827	2,330,041
(Provision) Benefit for income taxes	(531,262)	(892,966)	439,492
Net income	$ 2,397,047	$ 2,475,861	$ 2,769,533

The accompanying notes are an integral part of these financial statements.

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Statements of Stockholder's Equity

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Total
Balance at December 25, 2016	1,000	$ 1,000	$ 28,313,322	$ 8,274,914	$ 36,589,236
Net income	-	-	-	2,769,533	2,769,533
Balance at December 31, 2017	1,000	$ 1,000	$ 28,313,322	$ 11,044,447	$ 39,358,769
Net income	-	-	-	2,475,861	2,475,861
Balance at December 31, 2018	1,000	$ 1,000	$ 28,313,322	$ 13,520,308	$ 41,834,630
Net income	-	-	-	2,397,047	2,397,047
Balance at December 31, 2019	1,000	$ 1,000	$ 28,313,322	$ 15,917,355	$ 44,231,677

The accompanying notes are an integral part of these financial statements.

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Statements of Cash Flows

	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2018	Fiscal Year Ended December 31, 2017
Cash flows from operating activities			
Net income	$ 2,397,047	$ 2,475,861	$ 2,769,533
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization	1,092,499	1,092,499	1,092,499
Provision for bad debt expense	645,713	-	-
Deferred income taxes	(90,959)	576,561	(2,825,323)
Loss on impairment	-	-	2,726,139
Tax payments paid by Parent	622,222	316,405	2,456,881
Changes in assets and liabilities:			
Receivables	(623,483)	473,490	(794,181)
Other assets	(1,880,000)	(1,900,000)	(2,448,239)
Contract asset	(409,992)	(559,678)	-
Deferred revenue	497,835	233,312	38,417
Accrued and other current liabilities	(25,460)	1,399	418
Net cash provided by operating activities	2,225,422	2,709,849	3,016,144
Cash flows used from investing activity			
Cash swept by Parent	(2,225,422)	(2,684,894)	(3,014,271)
Net cash used from investing activity	(2,225,422)	(2,684,894)	(3,014,271)
Net increase in cash	-	24,955	1,873
Cash			
Beginning of period	94,030	69,075	67,202
End of period	$ 94,030	$ 94,030	$ 69,075

The accompanying notes are an integral part of these financial statements.

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Notes to Financial Statements

---

1. Organization and Nature of Business

Hard Rock Hotel Licensing, Inc. (the "Company") was incorporated in the State of Florida on February 28, 2001. The Company, a wholly owned subsidiary of Hard Rock Cafe International (USA), Inc. (the "Parent" or "Hard Rock"), was organized to conduct Hard Rock hotel licensing activities in the United States. Operations commenced in 2002. Hard Rock Cafe International (USA), Inc. is wholly owned by Seminole Hard Rock Entertainment, Inc. (SHRE), a wholly owned indirect subsidiary of Seminole HR Holdings, LLC, which is ultimately wholly owned by the Seminole Tribe of Florida (the "Tribe").

The accompanying financial statements have been prepared from separate records maintained by the Company and do not include certain allocations of costs incurred by affiliated entities (as also discussed in Note 6) on the Company's behalf. Accordingly, the accompanying financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations if the Company had been operated as an unaffiliated company.

The Company has two licensed hotels and one licensed hotel/casino in operation at December 31, 2019 and 2018.

2. Summary of Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows:

Fiscal Year
Beginning with 2018 fiscal year, the Company changed its financial reporting cycle to a calendar year-end reporting cycle and an end-of-month quarterly reporting cycle. Accordingly, the 2018 fiscal year began on January 1, 2018 (the day after the end of the 2017 fiscal year), and ended on December 31, 2018. Historically, the fiscal year was a 52- to 53-week fiscal year that ended on the Sunday nearest to December 31. Therefore, the results of the Company have been reported for the year-to-date ended December 31, 2018 ("Fiscal 2018"). Beginning in 2019, the fiscal years are the same as the corresponding calendar year (each beginning on January 1 and ending on December 31, and containing 365 or 366 days).

Basis of Presentation
The financial statements of the Company are presented in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Use of Estimates
The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value
Due to their short maturities, the carrying amount of cash, accounts receivable, and accrued liabilities approximated their fair values at December 31, 2019 and 2018.

2. Summary of Accounting Policies (Continued)

Receivables—Net

Receivables consist principally of amounts billed and currently due from licensees, less a provision, if necessary, for uncollectible receivables. The Company monitors the financial condition of licensees and estimates a provision for uncollectible license receivables based upon the overall aging of the receivables and historical bad debt experience. This estimate is periodically adjusted if the Company becomes aware of a specific licensee's inability to meet its financial obligations. While the best information available is used in making this determination, the ultimate recovery of recorded receivables is also dependent upon future economic events and other conditions that may be beyond the control of the Company. The Company had a provision of $537,379 and $384,559 for uncollectible licensee receivables at December 31, 2019 and 2018, respectively. The Company did not have a provision for uncollectible licensee receivables at December 31, 2017. During the year ended December 31, 2019, the Company wrote off uncollectible licensee receivables in the amount of $1,339,842. In April 2018, the Company removed its brand from the Palm Spring property and also ceased management of the property. As a result, the Company recorded uncollectible receivables of $1,144,417 for this managed hotel property in 2018 which were subsequently written off in 2019.

Other Intangible Assets—Net

Other intangible assets—net consists of hotel and casino license contracts. Such license assets are amortized on a straight-line basis over the average useful life of the corresponding contracts, which approximate 24 to 27 years. Amortization of such intangible assets was $1,092,499 for Fiscal 2019, Fiscal 2018, and Fiscal 2017. Other intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Judgments by the Company regarding the existence of impairment indicators are generally based on market and operational performance. Recoverability of the hotel and casino license contract is measured by a comparison of the carrying amount of the asset to the future undiscounted net cash flows expected to be generated by the asset. If such assets are determined to be impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds their fair value. Fair value is generally determined based on an estimate of discounted future cash flows. Evaluating potential impairment also requires the Company to estimate future operating results and cash flows. Accordingly, actual results could vary significantly from these estimates.

As of December 31, 2019 and 2018, aggregate hotel and casino license contracts totaled $27,303,714, presented net of accumulated amortization of $14,020,408 and $12,927,909, respectively. Total estimated average annual amortization expense expected for the next five fiscal years as of December 31, 2019, is approximately $1,092,499 each year. Amortization thereafter will be $7,820,811.

Other Assets—Net

Other assets—net primarily consists of funds contributed to a licensee to partially fund the conversion and rebranding of existing hotels ("key money"). Key money assets are amortized as a reduction of revenue over the term of corresponding license agreements. The Company advanced $2,000,000 in key money during Fiscal 2019 and Fiscal 2018. Amortization expense was $120,000, $100,000, and $51,758 for Fiscal 2019, Fiscal 2018, and Fiscal 2017, respectively.

Income Taxes

The Company's operations are included in SHRE's consolidated income tax returns. Provision for income taxes in these financial statements has been calculated on a separate-return basis.

2. Summary of Accounting Policies (Continued)

Income taxes are accounted for under the asset and liability method. Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each year-end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

Revenue Recognition
Revenues consist primarily of fees from licensees. The Company executes license agreements with each licensee, which set out the terms of its arrangement with the licensee. The license agreements typically require the licensee to pay technical assistance fees during the hotel development period and continuing royalty and marketing fees based upon a percentage of sales. The Company is not required to perform any future services for the ongoing royalties and, therefore, these royalties are recognized when they are earned under the terms of the related agreements, if collection is reasonably assured. The Company did not execute new management agreements with any licensee during Fiscal 2019, Fiscal 2018, and Fiscal 2017. Management fee revenue is based on a percentage of sales, plus an incentive management fee, which is based on the operational results. Management fees are recognized as earned under the terms of the related agreements, if collectibility is reasonably assured. The Company recognizes cost reimbursements from managed and licensed properties when it incurs the related reimbursable costs. As these costs have no added markup, the revenue and related expenses have no impact on the Company's operating or net income. These fees are reflected in the accompanying statements of operations as license royalties and fees.

Deferred Revenue
Deferred revenue consists of technical assistance fees paid in advance of services being performed. Amounts are recognized as the fees are earned, which is when all material services or conditions have been performed or satisfied.

Recent Accounting Pronouncements
In May 2014, the Financial Accounting Standards Board (FASB) issued the converged standard on revenue recognition, Accounting Standards Codification (ASC) 606, *Revenue From Contracts With Customers*, which supersedes the revenue recognition requirements in ASC 605, *Revenue Recognition*, and requires entities to recognize revenue when control of the promised goods or services is transferred to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The Company adopted ASC 606 as of January 1, 2018, using the modified retrospective transition method, which did not materially impact the results of its financial statements. The prior-period comparative information for Fiscal 2018 has not been restated and continues to be reported under the accounting standards in effect for that period.

In January 2017, the FASB issued Accounting Standards Update (ASU) No. 2017-04, *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. This ASU simplifies the subsequent measurement of goodwill by eliminating step 2 from the goodwill impairment test. This ASU will be effective for annual periods beginning after December 15, 2021, and interim periods thereafter. Early adoption is permitted for all entities. The Company has adopted the standard and determined that there is no material impact on its financial statements.

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Notes to Financial Statements

2. Summary of Accounting Policies (Continued)

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which provides guidance for accounting for leases. Under ASU No. 2016-02, the Company will be required to recognize the assets and liabilities for the rights and obligations created by leased assets. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2020, with early adoption permitted. The standard must be adopted using a modified retrospective approach and provides for certain practical expedients. The Company is assessing the impact that the adoption of Topic 842 will have on its financial statements and footnote disclosures.

In December 2019, the FASB issued ASU No. 2019-12, *Simplifying the Accounting for Income Taxes*, which simplifies ASC 740, *Income Taxes*, by modifying or clarifying the requirements related to, but not limited to, the following: the accounting for hybrid tax regimes (i.e., franchise taxes that are partially based on income), the recognition of a deferred tax asset for a step-up in tax basis resulting from a business combination, the allocation of deferred tax to legal entities that file separate financial statements and are not subject to tax, income tax accounting for employee stock ownership plans, and ownership changes of foreign equity method investments and foreign subsidiaries. ASU No. 2019-12 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. Once adopted, certain guidance should be applied on a retrospective basis for all periods presented. The Company has not early adopted ASU No. 2019-12 and is assessing the impact that the adoption of the standard will have on its financial statements and footnote disclosures.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows*. This ASU amends the guidance in ASC 230 on the classification of certain cash receipts and payments in the statement of cash flows. This ASU will be effective for annual periods beginning after December 15, 2018, and interim periods after December 15, 2019. Entities must apply the guidance retrospectively to all periods presented, but may apply it prospectively from the earliest date practicable, if retrospective application would be impracticable. The Company has adopted the new standard and determined that there is no impact on its financial statements.

3. Revenue

All revenues are generated in the United States.

Revenues consist primarily of royalty fees from licensees, which are recognized on a monthly basis. The Company executes license agreements with each licensee, which set out the terms of the Company's arrangement with the licensee. The Company generally recognizes termination fees when collection is probable as a result of the licensee's termination of the agreement.

Contract assets include commissions paid for hotel development projects for the execution of license or management agreements. The Company capitalizes direct costs that it incurs to obtain management and license agreements; these direct costs are recorded in the "Contract Asset" caption of the Company's balance sheets and the related amortization in the "License royalties and fees" caption of the Company's income statements. The Company amortizes these costs on a straight-line basis over the initial term of the agreements, ranging from 10 to 30 years. The Company had total capitalized costs related to contracts of $969,670 at December 31, 2019, and $559,678 at December 31, 2018.

3. Revenue (Continued)

Estimated amortization of commissions paid recorded in contract asset as of December 31, 2019, was as follows:

Year	Contract Asset
2020	$ 2,809
2021	14,666
2022	29,357
2023	50,171
2024	50,171
Thereafter	822,496
	$ 969,670

The Company records contract liabilities, which are classified as "Deferred revenue," for consideration received from a customer prior to transferring the related services. Such deferred revenue typically results from initial, nonrefundable site fees and application fees from licensees, and will be recognized as revenue over the term of the related contract.

Amounts received in advance are deferred as liabilities. The Company provides hotel/casino design and other advisory services to its managed and licensed hotel/casino owners, generally during the period prior to a hotel/casino's opening or during the period a hotel/casino is converting to a Hard Rock brand (the "preopening period"). As compensation for such services, the Company may be entitled to receive a fee that is payable during the preopening period of the hotel/casino. As these services are not a distinct performance obligation, the Company recognizes the fees on a straight-line basis over the initial term of the management or license agreement within "License royalties and fees" in its statements of operations.

Estimated deferred revenues expected to be recognized related to design and other advisory services provided to hotel/casino owners as of December 31, 2019, were as follows:

Year	Deferred Revenue
2020	$ 8,542
2021	21,485
2022	34,815
2023	42,188
2024	42,188
Thereafter	724,546
	$ 873,764

4. Commitments and Contingencies

The Company is subject to various claims, possible legal actions, and other matters arising in the normal course of business. The Company does not expect the disposition of these matters to have a material adverse effect on financial position, results of operations, or liquidity.

In connection with certain Hard Rock hotel license agreements, the Company has agreed to provide $2,900,000 in key money in the future to the owners upon the satisfaction of certain conditions.

5. Income Taxes

The components of the provision for income taxes are as follows:

	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2018	Fiscal Year Ended December 31, 2017
Provision for income taxes			
Current			
Federal	$ (504,441)	$ (253,501)	$ (2,038,359)
State and local	(117,781)	(62,904)	(347,471)
Total current provision for income taxes	(622,222)	(316,405)	(2,385,830)
Deferred			
Federal	(81,680)	(445,578)	2,601,801
State and local	172,640	(130,983)	223,521
Total deferred benefit for income taxes	90,960	(576,561)	2,825,322
Total net (provision) benefit for income taxes	$ (531,262)	$ (892,966)	$ 439,492

The Company is included in the consolidated income tax filings of SHRE; therefore, the tax provision for each respective year is not necessarily indicative of the actual income taxes ultimately paid by SHRE. The Company does not have any uncertain tax positions or related interest or penalties. SHRE utilizes the Company's cash, swept by the Company's Parent, to pay for the Company's current tax expense calculated on a separate-return basis. The Company's Parent is generally no longer subject to examination by US federal and most states' tax authorities for tax years before 2013.

The following table is a reconciliation of the US statutory income tax rate to the effective income tax rate included in the accompanying statements of operations:

	Ended December 31, 2019	Ended December 31, 2018	Ended December 31, 2017
U.S. Federal statutory rate	$ (614,945)	$ (707,453)	$ (815,514)
Remeasurement of deferred income tax liabilites resulting from the Tax Cuts and Jobs Act	-	-	1,331,938
Other	192,114	(35,773)	-
State taxes, net of federal benefit	(108,431)	(149,740)	(76,932)
Effective income tax (provision) benefit	$ (531,262)	$ (892,966)	$ 439,492

On December 22, 2017, the United States enacted the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act makes significant modifications to the provisions of the Internal Revenue Code, including, but not limited to, a corporate tax rate decrease from 35% to 21% effective as of January 1, 2018. The Company's net deferred tax assets and liabilities were revalued at the newly enacted US corporate rate in the year of enactment. The adjustment related to the remeasurement of the deferred tax asset and liability balances is a net tax benefit of $1,331,938 and is recorded in the benefit for income taxes in the accompanying statement of operations for the fiscal year ended December 31, 2017.

The tax effects of temporary differences that give rise to deferred tax assets and liabilities are as follows:

	December 2019	December 31, 2018
Accrued liabilities	$ -	$ 6,478
Deferred revenue	63,295	16,539
Bad debt	124,891	309,525
Other	(3,740)	(3,091)
Prepaid expenses	(246,799)	(142,409)
Intangible assets	(2,974,852)	(3,315,206)
Total net deferred tax liabilities	$(3,037,205)	$ (3,128,164)

6. Related-Party Transactions

The Company no longer has a related-party relationship with any of the properties beginning in Fiscal 2017.

The amount due from Parent of $26,882,034 and $25,278,834 at December 31, 2019 and 2018, respectively, is noninterest bearing, and is expected to be repaid by the Parent when cash is required for the Company's operations. The Parent has represented to the Company both its (a) intent to repay the amount due in the future should it be required for the Company's operations and (b) ability to repay the amount due based upon its current and anticipated financial condition. The receivable is composed mainly of excess cash generated from the Company's operations, which was transferred to the Parent.

The Parent allocates marketing costs to the Company in an amount equal to contractual marketing revenues received by the Company from its licensees recorded in license royalties and fees in the accompanying statements of operations. Allocated marketing costs were $442,275, $404,036, and $591,378 for Fiscal 2019, Fiscal 2018, and Fiscal 2017, respectively.

Certain administrative expenses, including personnel and travel-related costs, have been incurred by the Parent and its affiliates on behalf of the Company. The Parent and its affiliates have informed the Company that they cannot reasonably allocate such costs and do not expect to be reimbursed for such unallocated costs for any of the periods presented. Accordingly, these amounts are not reflected in the Company's financial statements.

7. Subsequent Events

The Company has completed its assessment of subsequent events from December 31, 2019, through April 20, 2020.

No other significant events were noted other than those disclosed within these financial statements.

Hard Rock Hotel Licensing, Inc.

(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Financial Statements
As of December 31, 2020 and 2019, and for the Years Ended December 31, 2020, 2019, and 2018

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Index

Page(s)

Deloitte.

Deloitte & Touche LLP
Certified Public Accountants
333 Southeast 2nd Avenue
Suite 3600
Miami, FL 33131
USA

Tel:+1 305 372 3100
Fax:+1 305 372 3160
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

To the Stockholder of
Hard Rock Hotel Licensing, Inc.
Davie, Florida

We have audited the accompanying financial statements of Hard Rock Hotel Licensing, Inc. (the "Company"), a wholly owned subsidiary of Hard Rock Cafe International (USA), Inc., which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of operations, stockholder's equity, and cash flows for each of the three years in the period ended December 31, 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the accompanying financial statements have been prepared from the separate records maintained by the Company and may not necessarily be indicative of the conditions that would have existed or the results of operations if the Company has been operated as an unaffiliated company. The portions of certain expenses represent allocations paid by the Parent on the Company's behalf. Our opinion is not modified with respect to this matter.

Deloitte + Touche LLP

March 31, 2021

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Balance Sheets

	December 31, 2020	December 31, 2019
Assets		
Cash	$ 94,030	$ 94,030
Receivables—net	432,689	633,606
Total current assets	526,719	727,636
Contract asset	709,592	969,670
Other intangible assets—net	12,190,806	13,283,306
Due from Parent	31,310,262	26,882,034
Other assets—net	6,145,834	6,280,000
Total assets	$ 50,883,213	$ 48,142,646
Liabilities and Stockholder's Equity		
Liabilities		
Deferred revenue	$ -	$ 8,542
Total current liabilities	-	8,542
Deferred revenue	1,953,720	865,222
Deferred tax liabilities—net	2,775,851	3,037,205
Total liabilities	4,729,571	3,910,969
Commitments and contingencies (Note 4)		
Stockholder's equity		
Common stock, $1.00 par value; 1,000 shares authorized, issued, and outstanding	1,000	1,000
Additional paid-in capital	28,313,322	28,313,322
Retained earnings	17,839,320	15,917,355
Total stockholder's equity	46,153,642	44,231,677
Total liabilities and stockholder's equity	$ 50,883,213	$ 48,142,646

The accompanying notes are an integral part of these financial statements.

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Statements of Operations

	Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2018
Revenues			
License royalties and fees	$ 3,807,901	$ 5,335,842	$ 5,399,444
Expenses			
Marketing and advertising	319,203	442,275	404,036
General and administrative	(59,862)	872,759	534,082
Amortization	1,092,500	1,092,499	1,092,499
Total expenses	1,351,841	2,407,533	2,030,617
Operating income	2,456,060	2,928,309	3,368,827
Income before provision for income taxes	2,456,060	2,928,309	3,368,827
Provision for income taxes	(534,095)	(531,262)	(892,966)
Net income	$ 1,921,965	$ 2,397,047	$ 2,475,861

The accompanying notes are an integral part of these financial statements.

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Statements of Stockholder's Equity

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Total
Balance at December 31, 2017	1,000	$ 1,000	$ 28,313,322	$ 11,044,447	$ 39,358,769
Net income	-	-	-	2,475,861	2,475,861
Balance at December 31, 2018	1,000	$ 1,000	$ 28,313,322	$ 13,520,308	$ 41,834,630
Net income	-	-	-	2,397,047	2,397,047
Balance at December 31, 2019	1,000	$ 1,000	$ 28,313,322	$ 15,917,355	$ 44,231,677
Net income	-	-	-	1,921,965	1,921,965
Balance at December 31, 2020	1,000	$ 1,000	$ 28,313,322	$ 17,839,320	$ 46,153,642

The accompanying notes are an integral part of these financial statements.

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Statements of Cash Flows

	Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2018
Cash flows from operating activities			
Net income	$ 1,921,965	$ 2,397,047	$ 2,475,861
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization	1,092,500	1,092,499	1,092,499
(Reversal of) provision for bad debt expense	(182,821)	645,713	-
Deferred income taxes	(261,354)	(90,959)	576,561
Tax payments paid by Parent	795,449	622,222	316,405
Changes in operating assets and liabilities:			
Receivables	383,738	(623,483)	473,490
Other Assets	134,166	(1,880,000)	(1,900,000)
Contract Asset	260,078	(409,992)	(559,678)
Deferred revenue	1,088,498	497,835	233,312
Accrued and other current liabilities	(8,542)	(25,460)	1,399
Net cash provided by operating activities	5,223,677	2,225,422	2,709,849
Cash flows used from investing activity			
Cash swept by Parent	(5,223,677)	(2,225,422)	(2,684,894)
Net cash used in investing activity	(5,223,677)	(2,225,422)	(2,684,894)
Net increase in cash	-	-	24,955
Cash			
Beginning of period	94,030	94,030	69,075
End of period	$ 94,030	$ 94,030	$ 94,030

The accompanying notes are an integral part of these financial statements.

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Notes to Financial Statements

1. Organization and Nature of Business

Hard Rock Hotel Licensing, Inc. (the "Company") was incorporated in the State of Florida on February 28, 2001. The Company, a wholly owned subsidiary of Hard Rock Cafe International (USA), Inc. (the "Parent" or "Hard Rock"), was organized to conduct Hard Rock hotel licensing activities in the United States. Operations commenced in 2002. Hard Rock is wholly owned by Seminole Hard Rock Entertainment, Inc. (SHRE), a wholly owned indirect subsidiary of Seminole HR Holdings, LLC, which is ultimately wholly owned by the Seminole Tribe of Florida.

The accompanying financial statements have been prepared from separate records maintained by the Company and do not include certain allocations of costs incurred by affiliated entities (as also discussed in Note 6) on the Company's behalf. Accordingly, the accompanying financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations if the Company had been operated as an unaffiliated company.

The Company has three licensed hotels and one licensed hotel/casino in operation at December 31, 2020 and 2019.

2. Summary of Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows:

Fiscal Year

Beginning with 2018 fiscal year, the Company changed its financial reporting cycle to a calendar year-end reporting cycle and an end-of-month quarterly reporting cycle. Accordingly, the 2018 fiscal year began on January 1, 2018 (the day after the end of the 2017 fiscal year), and ended on December 31, 2018. Historically, the fiscal year was a 52- to 53-week fiscal year that ended on the Sunday nearest to December 31. Therefore, the results of the Company have been reported for the year-to-date ended December 31, 2018 ("Fiscal 2018"). Beginning in 2019, the fiscal years are the same as the corresponding calendar year (each beginning on January 1 and ending on December 31, and containing 365 or 366 days).

Basis of Presentation

The financial statements of the Company are presented in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Summary of Accounting Policies (Continued)

Fair Value Measurements

Fair Value Hierarchy - Fair value is determined for assets and liabilities based on a hierarchy, which considers significant levels of observable or unobservable inputs. Observable inputs reflect market data obtained from

independent sources, while unobservable inputs reflect the Company's market assumptions. This hierarchy requires the use of observable market data when available. Levels used in the hierarchy are as follows:

- Level 1 - Quoted prices for identical instruments in active markets
- Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets
- Level 3 - Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable

Determination of Fair Value - The Company generally uses quoted market prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access to determine fair value and classifies such items in Level 1. Fair values determined by Level 2 inputs utilize inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted market prices in active markets for similar assets or liabilities and inputs other than quoted market prices that are observable for the asset or liability. Level 3 inputs are unobservable inputs for the asset or liability and include situations where there is little, if any, market activity for the asset or liability.

If quoted market prices are not available, fair value is based upon internally developed valuation techniques that use, where possible, current market-based or independently sourced market parameters, such as interest rates and currency rates. Assets or liabilities valued using such internally generated valuation techniques are classified according to the lowest-level input or value driver that is significant to the valuation. Thus, an item may be classified in Level 3 even though there may be some significant inputs that are readily observable.

Due to their short maturities, the carrying amount of cash, accounts receivable, and accrued liabilities approximated their fair values at December 31, 2020 and 2019.

Receivables—Net

Receivables consist principally of amounts billed and currently due from licensees, less a provision, if necessary, for uncollectible receivables. The Company monitors the financial condition of licensees and estimates a provision for uncollectible license receivables based upon the overall aging of the receivables and historical bad debt experience. This estimate is periodically adjusted if the Company becomes aware of a specific licensee's inability to meet its financial obligations. While the best information available is used in making this determination, the ultimate recovery of recorded receivables is also dependent upon future economic events and other conditions that may be beyond the control of the Company. The Company had a provision of $9 and $537,379 for uncollectible licensee receivables at December 31, 2020 and 2019, respectively. The Company did not have a provision for uncollectible licensee receivables at December 31, 2017. During the year ended December 31, 2020, the Company wrote off uncollectible licensee receivables in the amount of $354,549. In April 2018, the Company removed its brand from the Palm Spring property and also

2. Summary of Accounting Policies (Continued)

ceased management of the property. As a result, the Company recorded uncollectible receivables of $1,144,417 for this managed hotel property in 2018 which were subsequently written off in 2019.

Other Intangible Assets—Net

Other intangible assets—net consists of hotel and casino license contracts. Such license assets are amortized on a straight-line basis over the average useful life of the corresponding contracts, which approximate 24 to 27 years. Amortization of such intangible assets was $1,092,500, $1,092,499, and $1,092,499 for Fiscal 2020, 2019 and 2018, respectively. Other intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Judgments by the Company regarding the existence of impairment indicators are generally based on market and operational performance. Recoverability of the hotel and casino license contract is measured by a comparison of the carrying amount of the asset to the future undiscounted net cash flows expected to be generated by the asset. If such assets are determined to be impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds their fair value. Fair value is generally determined based on an estimate of discounted future cash flows. Evaluating potential impairment also requires the Company to estimate future operating results and cash flows. Accordingly, actual results could vary significantly from these estimates.

As of December 31, 2020 and 2019, aggregate hotel and casino license contracts totaled $27,303,714, presented net of accumulated amortization of $15,112,909 and $14,020,408, respectively. Total estimated average annual amortization expense expected for the next five fiscal years as of December 31, 2020, is approximately $1,092,499 each year. Amortization thereafter will be $6,728,310.

Other Assets—Net

Other assets—net primarily consists of cash advances to a licensee to partially fund the conversion and rebranding of existing hotels (“key money”). Key money assets are amortized as a reduction of revenue over the term of corresponding license agreements. The Company advanced $2,000,000 in key money during Fiscal 2019 and 2018, respectively. The Company did not advance key money during Fiscal 2020.

Amortization expense was $134,167, $120,000, and $100,000 for Fiscal 2020, 2019, and 2018, respectively.

Income Taxes

The Company’s operations are included in SHRE’s consolidated income tax returns. Provision for income taxes in these financial statements has been calculated on a separate-return basis. Income taxes are accounted for under the asset and liability method. Deferred income taxes are recognized for the tax consequences in future years of temporary differences between the tax bases of assets and liabilities and their financial reporting amounts at each year-end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The establishment of valuation allowances requires significant judgment and is impacted by various estimates.

2. Summary of Accounting Policies (Continued)

Both positive and negative evidence, as well as the objectivity and verifiability of that evidence, is considered in determining the appropriateness of recording a valuation allowance on deferred tax assets.

Revenue Recognition

Revenues consist primarily of fees from licensees. The Company executes license agreements with each licensee, which set out the terms of its arrangement with the licensee. The license agreements typically require the licensee to pay technical assistance fees during the hotel development period and continuing royalty and marketing fees based upon a percentage of sales. The Company is not required to perform any future services for the ongoing royalties and, therefore, these royalties are recognized when they are earned under the terms of the related agreements, if collection is reasonably assured. The Company did not execute new management agreements with any licensee during Fiscal 2020, 2019, and 2018. Management fee revenue is based on a percentage of sales, plus an incentive management fee, which is based on the operational results. Management fees are recognized as earned under the terms of the related agreements, if collectability is reasonably assured. The Company recognizes cost reimbursements from managed and licensed properties when it incurs the related reimbursable costs. As these costs have no added markup, the revenue and related expenses have no impact on the Company's operating or net income. These fees are reflected in the accompanying statements of operations as license royalties and fees.

Deferred Revenue

Deferred revenue consists of technical assistance fees paid in advance of services being performed. Amounts are recognized as the fees are earned, which is when all material services or conditions have been performed or satisfied.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which provides guidance for accounting for leases. Under ASU No. 2016-02, the Company will be required to recognize the assets and liabilities for the rights and obligations created by leased assets. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2020, with early adoption permitted. The standard must be adopted using a modified retrospective approach and provides for certain practical expedients. The Company is assessing the impact that the adoption of Topic 842 will have on its financial statements and footnote disclosures.

In December 2019, the FASB issued ASU No. 2019-12, *Simplifying the Accounting for Income Taxes*, which simplifies Accounting Standards Codification 740, Income Taxes, by modifying or clarifying the requirements related to, but not limited to, the following: the accounting for hybrid tax regimes (i.e., franchise taxes that are partially based on income), the recognition of a deferred tax asset for a step-up in tax basis resulting from a business combination, the allocation of deferred tax to legal entities that file separate financial statements and are not subject to tax, income tax accounting for employee stock ownership plans, and ownership changes of foreign equity method investments and foreign subsidiaries. ASU No. 2019-12 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. Once adopted, certain guidance should be applied on a retrospective basis for all periods presented.

2. **Summary of Accounting Policies (Continued)**

The Company has not early adopted ASU No. 2019-12 and is assessing the impact that the adoption of the standard will have on its financial statements and footnote disclosures.

3. **Revenue**

All revenues are generated in the United States.

Revenues consist primarily of royalty fees from licensees, which are recognized on a monthly basis. The Company executes license agreements with each licensee, which set out the terms of the Company's arrangement with the licensee. The Company generally recognizes termination fees when collection is probable as a result of the licensee's termination of the agreement.

Contract assets include commissions paid for hotel development projects for the execution of license or management agreements. The Company capitalizes direct costs that it incurs to obtain management and license agreements; these direct costs are recorded in the "Contract Asset" caption of the Company's balance sheets and the related amortization in the "License royalties and fees" caption of the Company's income statements. The Company amortizes these costs on a straight-line basis over the initial term of the agreements, ranging from 10 to 30 years. The Company had total capitalized costs related to contracts of $709,592 and $969,670 at December 31, 2020 and 2019, respectively.

Estimated amortization of commissions paid recorded in contract asset as of December 31, 2020, was as follows:

Year	Contract Asset
2021	$ 3,469
2022	14,492
2023	31,003
2024	39,417
Thereafter	621,211
	$ 709,592

The Company records contract liabilities, which are classified as "Deferred revenue," for consideration received from a customer prior to transferring the related services; these liabilities are recorded in the "Deferred Revenue" caption of the Company's balance sheets. Such deferred revenue typically results from initial, nonrefundable site fees and application fees from licensees, and will be recognized as revenue over the term of the related contract.

The Company provides hotel/casino design and other advisory services to its managed and licensed hotel/casino owners, generally during the period prior to a hotel/casino's opening or during the period a hotel/casino is converting to a Hard Rock brand (the "preopening period"). As compensation for such services, the Company may be entitled to receive a fee that is payable during the preopening period of the hotel/casino. As these services are not a distinct performance obligation, the Company recognizes the fees on a straight-line basis over the initial term of the management or license agreement within "License royalties and fees" in its statements of operations.

3. Revenue (Continued)

Estimated deferred revenues expected to be recognized related to design and other advisory services provided to hotel/casino owners as of December 31, 2020, were as follows:

Year	Deferred Revenue
2021	$ -
2022	14,848
2023	30,075
2024	35,950
Thereafter	1,872,847
	$ 1,953,720

4. Commitments and Contingencies

The Company is subject to various claims, possible legal actions, and other matters arising in the normal course of business. The Company does not expect the disposition of these matters to have a material adverse effect on financial position, results of operations, or liquidity.

In connection with certain Hard Rock hotel license agreements, the Company has agreed to provide $2,900,000 in key money in the future to the owners upon the satisfaction of certain conditions.

5. Income Taxes

The components of the provision for income taxes are as follows:

	Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2018
Provision for income taxes			
Current			
Federal	$ (691,979)	$ (504,441)	$ (253,501)
State and local	(103,470)	(117,781)	(62,904)
Total current provision for income taxes	(795,449)	(622,222)	(316,405)
Deferred			
Federal	191,894	(81,680)	(445,578)
State and local	69,460	172,640	(130,983)
Total deferred benefit for income taxes	261,354	90,960	(576,561)
Total net provision for income taxes	$ (534,095)	$ (531,262)	$ (892,966)

5. Income Taxes (Continued)

The Company is included in the consolidated income tax filings of SHRE; therefore, the tax provision for each respective year is not necessarily indicative of the actual income taxes ultimately paid by the Company. The Company does not have any uncertain tax positions or related interest or penalties. SHRE utilizes the Company's cash, swept by the Company's Parent, to pay for the Company's current tax expense calculated on a separate-return basis. The Company's Parent is generally no longer subject to examination by US federal and most states' tax authorities for tax years before 2014.

The following table is a reconciliation of the US statutory income tax rate to the effective income tax rate included in the accompanying statements of operations:

	Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2018	Fiscal Year Ended December 31, 2017
US federal statutory rate	$ (515,772)	$ (614,945)	$ (707,453)	$ (815,514)
Remeasurement of deferred income tax liabilities resulting from the Tax Cuts and Jobs Act	-	-	-	1,331,938
Other	40,694	192,114	(35,773)	-
State taxes, net of federal benefit	(59,017)	(108,431)	(149,740)	(76,932)
Effective income tax provision	$ (534,095)	$ (531,262)	$ (892,966)	$ 439,492

The tax effects of temporary differences that give rise to deferred tax assets and liabilities are as follows:

	December 31, 2020	December 31, 2019
Deferred revenue	$ 193,368	$ 63,295
Bad debt	(3,551)	124,891
Other	-	(3,740)
Prepaid expenses	(167,500)	(246,799)
Intangible assets	(2,798,168)	(2,974,852)
Net deferred tax liabilities	$ (2,775,851)	$ (3,037,205)

6. Related-Party Transactions

The amount due from Parent of $31,310,262 and $26,882,034 at December 31, 2020 and 2019, respectively, is noninterest bearing, and is expected to be repaid by the Parent when cash is required for the Company's operations. The Parent has represented to the Company both its (a) intent to repay the amount due in the future should it be required for the Company's operations and (b) ability to repay the amount due based upon its current and anticipated financial condition.

The receivable is composed mainly of excess cash generated from the Company's operations, which was transferred to the Parent.

6. Related-Party Transactions (Continued)

The Parent allocates marketing costs to the Company in an amount equal to contractual marketing revenues received by the Company from its licensees recorded in license royalties and fees in the accompanying statements of operations. Allocated marketing costs were $319,203, $442,275 and $404,036 for Fiscal 2020, Fiscal 2019, and Fiscal 2018, respectively.

Certain administrative expenses, including personnel and travel-related costs, have been incurred by the Parent and its affiliates on behalf of the Company. The Parent and its affiliates have informed the Company that they cannot reasonably allocate such costs and do not expect to be reimbursed for such unallocated costs for any of the periods presented. Accordingly, these amounts are not reflected in the Company's financial statements.

7. Subsequent Events

The Company has completed its assessment of subsequent events from December 31, 2020, through March 31, 2021.

No other significant events were noted other than those disclosed within these financial statements.

* * * * * *

EXHIBIT "G"

TO DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

[See Attached]

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know Hard Rock Hotel Licensing, Inc. ("we" or "us), and you are preparing to enter into a Franchise Agreement for the operation of a Reverb franchise. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document but you must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer on the back of this sheet.

Yes__	No__	1.	Have you received and personally reviewed the Franchise Agreement and each attachment or schedule attached to it?
Yes__	No__	2.	Have you received and personally reviewed the Franchise Disclosure Document we provided?
Yes__	No__	3.	Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
Yes__	No__	4.	Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
Yes__	No__	5.	Did you receive the Franchise Disclosure Document at least 14 calendar days before signing any agreement relating to the franchise (other than an NDA) or paying any money?
Yes__	No__	6.	Did you receive a complete execution copy of the Franchise Agreement at least seven (7) calendar days before you signed it?
Yes__	No__	7.	Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor?
Yes__	No__	8.	Have you discussed the benefits and risks of developing and operating a Reverb franchise with an existing Reverb franchisee?
Yes__	No__	9.	Do you understand the risks of developing and operating a Reverb franchise?
Yes__	No__	10.	Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs and other relevant factors?
Yes__	No__	11.	Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be mediated in Florida, if not resolved informally?
Yes__	No__	12.	Do you understand that you must satisfactorily complete the initial training course before we will allow your franchised business to open or consent to a transfer?
Yes__	No__	13.	Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Reverb franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
Yes__	No__	14.	Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes__ No__ 15. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Reverb franchise will generate, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes__ No__ 16. Do you understand that the Franchise Agreement and attachments to the Franchise Agreement contain the entire agreement between us and you concerning the franchise for the Reverb business, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments to the Franchise Agreement will not be binding?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

______________________________	______________________________
Signature of Franchise Applicant	Signature of Franchise Applicant
______________________________	______________________________
Name (please print)	Name (please print)
Dated ______________________	Dated ______________________
______________________________	______________________________
Signature of Franchise Applicant	Signature of Franchise Applicant
______________________________	______________________________
Name (please print)	Name (please print)
Dated ______________________	Dated ______________________

<u>EXPLANATION OF ANY NEGATIVE RESPONSES [REFER TO QUESTION NUMBER]:</u>

EXHIBIT "H"

TO DISCLOSURE DOCUMENT

<u>GENERAL RELEASE</u>

[See Attached]

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims (th~~e~~is "**Release**") is made as of ___________ ___, 202___ by ___________________________, a(n) _____________________ ("**Franchisee**"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of Hard Rock Hotel Licensing, Inc., a Florida corporation ("**Franchisor**," and together with Releasor, the "**Parties**").

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement (the "**Agreement**") pursuant to which Franchisee was granted the right to own and operate a Reverb hotel;

WHEREAS, Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee, and Franchisor has consented to such transfer; and

WHEREAS, as a condition to Franchisor's consent to the transfer, Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor's consent to the transfer, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims or obligations being terminated and released hereunder. [______________________________] represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries or related companies, divisions and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "**Released Parties**"), from any and all claims, liabilities, damages, expenses, actions or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business or their reputation.

4. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Florida.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

h. The Parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as any Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

[Signature Page Follows]

IN WITNESS WHEREOF Releasor has executed this Release as of the date first written above.

FRANCHISEE

____, a
____

By:______________________________________
Name: ___________________________________
Its: _____________________________________

FRANCHISEE'S OWNERS

Date ______________________________ ____
Signature

____
Typed or Printed Name

STATE OF________________________)
) ss.
County of_________________________)

The foregoing instrument was acknowledged before me this ____ day of ____________, by _______________________________________.

____
Notary Public

My commission expires:
____

Date ______________________________ ____________________________________
Signature

____
Typed or Printed Name

STATE OF______________________)
) ss.
County of______________________)

The foregoing instrument was acknowledged before me this ____ day of ____________, by _____________________________________.

____
Notary Public

My commission expires:

____

Date ______________________________ ____________________________________
Signature

____
Typed or Printed Name

STATE OF______________________)
) ss.
County of______________________)

The foregoing instrument was acknowledged before me this ____ day of ____________, by _____________________________________.

____
Notary Public

My commission expires:

____

EXHIBIT "I"

TO DISCLOSURE DOCUMENT

~~STATE EFFECTIVE DATES~~

~~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~~	~~May 15, 2020~~

~~EXHIBIT "J"~~~~EXHIBIT "A"~~

~~TO DISCLOSURE DOCUMENT~~

STATE ADDENDUM

[See Attached]

California State Addendum to Franchise Agreement and Franchise Disclosure Document

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise to be delivered together with the disclosure document.

2. Neither the franchisor nor any person or franchise broker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

3. California Business and Professions Code 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

4. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

5. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

6. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

7. The franchise agreement requires binding arbitration. The arbitration will occur at Orange County, Florida with the costs being borne by the filing party.

8. 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 provisions of a franchise agreement restricting venue to a forum outside the State of California.

9. The franchise agreement requires application of the laws of Florida. This provision may not be enforceable under California law.

10. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

11. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

12. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at http://www.dbo.ca.gov.

FRANCHISOR

Hard Rock Hotel Licensing, Inc., a Florida corporation

By:______________________________
Name:____________________________
Title:_____________________________

____
[Date]

FRANCHISEE

____
[Signature]

____
[Print Name]

____
[Date]

EXHIBIT "J"

TO DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

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	

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"

TO DISCLOSURE DOCUMENT

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 Hard Rock Hotel Licensing, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

If Hard Rock Hotel Licensing, Inc. 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in EXHIBIT "A" to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise is/are **(to be completed by franchise seller involved in sales process)**:

Name________________; Address______________________________; Phone______________
Name________________; Address______________________________; Phone______________
Name________________; Address______________________________; Phone______________

Issuance Date: April ~~20, 2020 (amended April 27, 2020)~~16, 2021

Hard Rock Hotel Licensing, Inc.'s agent to receive service of process is listed in ~~EXHIBIT "B"~~EXHIBIT "B" to this Disclosure Document.

I received a Franchise Disclosure Document for the State of California that included the following Exhibits:

EXHIBIT "A" State Agencies and Administrators
~~EXHIBIT "B"~~EXHIBIT "B" Agent for Service of Process
EXHIBIT "C" Franchise Agreement
EXHIBIT "D" Table of Contents of the confidential System Standards Manual
EXHIBIT "E" List of Franchisees
EXHIBIT "F" Financial Statements of Hard Rock Hotel Licensing, Inc.
EXHIBIT "G" Franchisee Disclosure Questionnaire
EXHIBIT "H" General Release
EXHIBIT "I" State Addendum
EXHIBIT "K" State Effective Dates
EXHIBIT "K" ~~State Addendum~~
~~EXHIBIT "K"~~ Receipts

____
Print Name

____________________ ______________________________
Date (Signature) Prospective Franchise Owner

____

(This Receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and returned to Hard Rock Hotel Licensing, Inc.)

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 Hard Rock Hotel Licensing, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

If Hard Rock Hotel Licensing, Inc. 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in EXHIBIT "A" to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise is/are **(to be completed by franchise seller involved in sales process)**:

Name________________; Address______________________________; Phone______________
Name________________; Address______________________________; Phone______________
Name________________; Address______________________________; Phone______________

Issuance Date: April ~~20, 2020 (amended April 27, 2020)~~16, 2021

Hard Rock Hotel Licensing, Inc.'s agent to receive service of process is listed in ~~EXHIBIT "B"~~EXHIBIT "B" to this Disclosure Document.

I received a Franchise Disclosure Document for the State of California that included the following Exhibits:

EXHIBIT "A" State Agencies and Administrators
~~EXHIBIT "B"~~EXHIBIT "B" Agent for Service of Process
EXHIBIT "C" Franchise Agreement
EXHIBIT "D" Table of Contents of the confidential System Standards Manual
EXHIBIT "E" List of Franchisees
EXHIBIT "F" Financial Statements of Hard Rock Hotel Licensing, Inc.
EXHIBIT "G" Franchisee Disclosure Questionnaire
EXHIBIT "H" General Release
EXHIBIT "I" State ~~Effective Dates~~Addendum
EXHIBIT "K" State ~~Addendum~~Effective Dates
~~EXHIBIT "K"~~EXHIBIT "K" Receipts

Print Name

Date

(Signature) Prospective Franchise Owner

(This Receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and returned to Hard Rock Hotel Licensing, Inc.)