FRANCHISE DISCLOSURE DOCUMENT

Hyatt Franchising, L.L.C.
a Delaware limited liability company
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The franchise offered is to operate an upscale, select service The StandardX™ hotel.

The total investment necessary to begin operation of a The StandardX™ hotel ranges from $28,378,455 to $87,936,518. This includes $178,770 to $857,317 that must be paid to the franchisor or affiliate.

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

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

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

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

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

Issuance date of this Franchise Disclosure Document: June 11, 2025

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 Exhibits H and I.
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 A 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 TheStandardX™ 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 TheStandardX™ hotel franchisee?	Item 20 or Exhibits H and I 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 E.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in Illinois. Out-of-state arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Illinois than in your own state.

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

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

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attn: Franchise Section
670 G. Mennen Building
Lansing, Michigan 48913
Telephone Number: (517) 335-7567

Notwithstanding paragraph (f) above, we intend to enforce fully the provisions of the arbitration section in our Franchise Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing our arbitration provision. If you acquire a franchise, you acknowledge that we will seek to enforce that section as written, and that the terms of the Franchise Agreement will govern our relationship with you, including the specific requirements of the arbitration section.

TABLE OF CONTENTS

PAGE

ITEM 1	THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	1
ITEM 2	BUSINESS EXPERIENCE	7
ITEM 3	LITIGATION	8
ITEM 4	BANKRUPTCY	8
ITEM 5	INITIAL FEES	9
ITEM 6	OTHER FEES	12
ITEM 7	ESTIMATED INITIAL INVESTMENT	28
ITEM 8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	32
ITEM 9	FRANCHISEE'S OBLIGATIONS	37
ITEM 10	FINANCING	39
ITEM 11	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	40
ITEM 12	TERRITORY	56
ITEM 13	TRADEMARKS	58
ITEM 14	PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	61
ITEM 15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	64
ITEM 16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	67
ITEM 17	RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	67
ITEM 18	PUBLIC FIGURES	73
ITEM 19	FINANCIAL PERFORMANCE REPRESENTATIONS	73
ITEM 20	OUTLETS AND FRANCHISEE INFORMATION	74
ITEM 21	FINANCIAL STATEMENTS	77
ITEM 22	CONTRACTS	77
ITEM 23	RECEIPTS	77

EXHIBITS

Exhibit A	Financial Statements
Exhibit B	Franchise Application
Exhibit C	Franchise Agreement
Exhibit D	Design and Construction Standards
Exhibit E	State Administrators/Agents for Service of Process
Exhibit F	System Standards Table of Contents
Exhibit G	Confidentiality Agreement
Exhibit H	List of Franchisees
Exhibit I	List of Franchisees Who Left the System
Exhibit J	Comfort Letter
Exhibit K	Central Hotel Services by Hyatt Master Agreement
Exhibit L	State-Specific Additional Disclosures and Riders

Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this disclosure document, "we," "us" or "our" means Hyatt Franchising, L.L.C., the franchisor. "You" means the entity acquiring a franchise. One or more of the owners of a Controlling Ownership Interest (defined in Item 15) in you who we specify must sign the Guaranty and Assumption of Obligations, which means that all provisions of the Franchise Agreement (Exhibit C) also will apply to those owners. We expect that only entities, and not individuals, will acquire our franchises.

Our Company History and Parent

We incorporated in Delaware as Hyatt Franchise Corporation and converted under Delaware law to Hyatt Franchising, L.L.C., a Delaware limited liability company. This change in form did not affect our existence as an operating business entity. Our principal business address is 150 North Riverside Plaza, Chicago, Illinois 60606. If we have an agent for service of process in your state, we disclose that agent in Exhibit E. We do business only under our company name and the Proprietary Marks (defined below). We have never operated Brand Hotels (defined below) , but some of our affiliates do. We have no predecessors and no business activities that are not described here.

Our parent company is Hyatt Hotels Corporation, whose principal business address is the same as our address. We have offered franchises for Brand Hotels since June 2025. We offered franchises for full service hotels under the Hyatt Regency® name from December 1994 until April 1997 and have again offered those franchises since September 2006. We offered franchises for full service hotels under the Hyatt® name (without a sub-brand) from December 1994 until April 1997 and again from September 2006 until January 2015. We previously offered (but no longer intend to offer) franchises for full service hotels under the Thompson® name from December 2018 to August 2021. There currently are 9 full service hotels which operate under the Hyatt name (without a sub-brand), 7 of which are franchised. We have offered franchises for full service, lifestyle hotels under the Hyatt Centric® brand since February 2015. We also have offered franchises for unique, up-scale accommodations and hospitality affiliations operating in the United States under their own names but associated with The Unbound Collection by Hyatt® name since June 2016. We began offering franchises for "lifestyle" hotels operating in the United States under the brand names "Destination®" and "joie de vivre®" (also referred to as "JdV®") in May 2019 and under the brand name "Caption by Hyatt®" in September 2019. We now refer to these brands as "Destination by Hyatt®," "JdV by Hyatt®" and "Caption by Hyatt®" respectively. We have offered franchises for upper-midscale, extended stay hotels operating in the United States under the brand name "Hyatt Studios™" since May 2023. We have also offered franchises for upper-midscale, select service hotels operating in the United States under the brand name "Hyatt Select™" since March 2025 and for select or full service, lifestyle hotels under the brand name "Unscripted by Hyatt™ since May 2025. We have never offered franchises in any other line of business.

Franchise Rights for Brand Hotels

We grant franchises for, and some of our affiliates operate, select service hotels that use the Hotel System (defined below) and are identified by the Proprietary Marks ("Brand Hotels"). Brand Hotels typically have 150 to 300 guest rooms and offer a select range of food and beverage facilities, and in some locations banquet services and meeting facilities. Brand Hotels also include a retail / grab and go component referred to as "The Box" located in the lobby. "The StandardX" is a select-service lifestyle brand focused on transient business and leisure guests looking for an intimate cosmopolitan hotel experience that is ideally situated to explore exciting destinations. We call the Brand Hotel that you will operate under the Franchise Agreement your "Hotel." You will operate the Hotel only from the location we approve before signing the Franchise Agreement.

The "Hotel System" means the concept and system associated with the establishment and operation of Brand Hotels, as we periodically modify it. The Hotel System now includes: (a) the trade names, trademarks, and service marks "The StandardX" and other trade names, trademarks, service marks, logos, slogans, trade dress, domain names, and other source and origin designations (including all derivatives) that we or our affiliate periodically develops and we periodically designate for use with the Hotel System (collectively, the "Proprietary Marks"); (b) all copyrightable materials that we or our affiliate periodically develops and we periodically designate for use with the Hotel System, including the contents of our secure extranet, electronic media, marketing materials (including advertising, marketing, promotional, and public relations materials and business and marketing plans), the Design and Construction Standards (defined below), sample architectural plans, drawings, designs, and layouts, such as site, floor, plumbing, lobby, electrical, and landscape plans and building designs, whether or not registered with the U.S. Copyright Office (collectively, the "Copyrighted Materials"); (c) all Confidential Information (defined in Item 14); (d) the standards that we periodically prescribe detailing certain design criteria to be incorporated into the design and layout of the Hotel and our minimum standards for engineering and construction of newly constructed, renovated, or adapted Brand Hotels, all as we determine them (the "Design and Construction Standards"), as set forth in Exhibit D; (e) the central reservations system and related services for Brand Hotels, as we may periodically modify it ("CRS"); (f) the global distribution systems ("GDS") and the online travel agencies and other alternative distribution systems ("ADS") that we periodically authorize or require for the Hotel and other similarly situated Brand Hotels, subject to Reasonable Deviations (defined in Item 8); (g) management, personnel, and operational training programs, materials, and procedures; (h) standards, specifications, procedures, and rules for operations, marketing, construction, equipment, furnishings, and quality assurance that we implement and may periodically modify for Brand Hotels (collectively, "System Standards") we describe in our confidential owner extranet, as we periodically amend them, or in other written or electronic communications; (i) marketing, advertising, and promotional programs; and (j) Mandatory Services and Non-Mandatory Services (each defined in Item 6).

Before signing the Franchise Agreement, and while you apply for franchise rights, you must submit the franchise application (Exhibit B) through our online application portal and pay the Application Fee (defined in Item 5). We will refund the Application Fee less a fee to cover our costs if you withdraw your franchise application before we approve it or if we do not approve it. During your evaluation process, and before receiving any Confidential Information, you must

sign the Confidentiality Agreement (Exhibit G) (the "Confidentiality Agreement"). Because we may engage in negotiations with you and other franchisees, you may sign a Franchise Agreement with us that differs significantly from the agreements that other franchisees sign for Brand Hotels.

Competition and the Market

The hotel market is well-established and highly competitive. Brand Hotels compete with other national select service hotel systems and with regional and local hotels that offer comparable services and lodging products. Brand Hotels will target both corporate business travelers and leisure travelers. Some competitors of Brand Hotels may be larger, may operate more hotels and may have greater resources than we do. Other competitive factors include room rates, quality of accommodations, name recognition, service levels, geographic area, site location, general economic conditions and your management capabilities.

Our Affiliates Who Supply the Franchise Network or Offer Franchises

The following companies are our affiliates who currently provide products or services to Brand Hotel franchisees.

- Hyatt Corporation administers the "World of Hyatt" program, under which members earn points for eligible amounts guests spend at Hyatt Network Hotels and resorts worldwide. "Hyatt Network Hotels" are Brand Hotels and other hotels, resorts, lodging facilities and other accommodations and hospitality affiliations that we, our affiliates, or our or their franchisees or licensees periodically own and/or operate under the name "Hyatt" or another brand that any of our affiliates own, regardless of whether those brands utilize the "Hyatt" mark in their names. Other companies that provide hospitality or hospitality-related services to members, including other hotel operators, airlines and car rental companies, as well as branded hotel chains that Hyatt Corporation's affiliates own, manage or license, also participate in the World of Hyatt program. Hyatt Corporation also will provide most of the Mandatory Services and Non-Mandatory Services to Brand Hotel franchisees. Hyatt Corporation (directly or through affiliates) has owned, operated, provided services to, and/or managed hotels since 1957 and currently owns, operates, provides services to and manages (directly or through affiliates) hotels and lodging facilities under more than 25 lodging brands. Hyatt Corporation has never offered franchises in any line of business.

- Rosemont Project Management, L.L.C. ("Rosemont") is a purchasing company that provides optional project management services and purchasing services for certain furniture, fixtures and equipment that Brand Hotels use. Rosemont has never operated hotels or offered franchises in any line of business.

Hyatt Corporation's and Rosemont's principal business addresses are the same as our address. We call Hyatt Corporation, Rosemont, us, and any of our other affiliates who also are subsidiaries of Hyatt Hotels Corporation that currently, or may in the future, provide goods or services to you during the Franchise Agreement's term, the "Hyatt Group."

The following companies are our affiliates who currently offer franchises or licenses in the United States and around the world. The branded hotels that some of these affiliates operate or

franchise might use the same reservations systems and other systems and processes as Brand Hotels.

- Hyatt Franchising Canada Corp. ("Hyatt Franchising Canada") has offered franchises for full service hotels operating in Canada since November 2007. Hyatt Franchising Canada has never operated hotels or offered franchises in any other line of business. Hyatt Franchising Canada's principal business address is the same as our address.

- Hyatt International (Europe Africa Middle East) LLC ("Hyatt International EAME") has offered franchises for full service hotels, select service hotels and/or extended stay hotels operating in the European Union since June 2014. Hyatt International EAME has never operated hotels or offered franchises in any other line of business but provides services to certain hotels in the European Union. Hyatt International EAME's principal business address is The Circle 09, 8058 Zurich-Airport, Switzerland.

- Hyatt Place Franchising, L.L.C. ("Hyatt Place") has offered franchises for select service hotels operating in the United States under the Hyatt Place® name since September 2005. Hyatt Place has never operated hotels or offered franchises in any other line of business. Hyatt Place's principal business address is the same as our address.

- Hyatt Place Canada Corporation ("Hyatt Place Canada") has offered franchises for select service hotels operating in Canada under the Hyatt Place® name since August 2006. Hyatt Place Canada has never operated hotels or offered franchises in any other line of business. Hyatt Place Canada's principal business address is the same as our address.

- Hyatt House Franchising, L.L.C. (formerly known as Summerfield Hotel Company, L.L.C. and before that as Summerfield Hotel Company L.P.) ("Hyatt House") has offered franchises for extended stay hotels operating in the United States since August 1999. Hyatt House has never operated hotels or offered franchises in any other line of business. Hyatt House's principal business address is the same as our address.

- Hyatt House Canada, Inc. (formerly known as Hyatt Summerfield Suites Canada, Inc.) ("Hyatt House Canada") has offered franchises for extended stay hotels operating in Canada since September 2007. Hyatt House Canada has never operated hotels or offered franchises in any other line of business. Hyatt House Canada's principal business address is the same as our address.

- Hyatt Franchising Latin America, L.L.C. ("Hyatt Franchising Latin America") has offered franchises for select service hotels, extended stay hotels, full service hotels and/or all-inclusive resorts operating in the Caribbean, Mexico, Central America, and South America since February 2013. Hyatt Franchising Latin America has

never operated hotels or all-inclusive resorts or offered franchises in any other line of business. Hyatt Franchising Latin America's principal business address is the same as our address.

- Hyatt do Brasil Participações Ltda. ("Hyatt Brazil") has offered franchises for full service hotels in Brazil since December 2024. Hyatt Brazil has managed hotels in Brazil since February 2000. Hyatt Brazil has never otherwise operated hotels or offered franchises in any other line of business. Hyatt Brazil's principal business address is Avenida das Nações Unidas, 14.171, 15º andar, Rochavera – Torre Marfin, São Paulo – SP, Brazil, CEP 04794-010.

- Hyatt International – Asia Pacific, Limited ("Hyatt International Asia Pacific") has offered franchises for full service hotels and select service hotels in Asia since July 2016. Hyatt International Asia Pacific has never operated hotels or offered franchises in any other line of business. Hyatt International Asia Pacific's principal business address is Suite 1302-07, 13/F, The Gateway, Tower 1, 25 Canton Road, Kowloon, Hong Kong.

Industry-Specific Regulations

You must comply with a number of federal, state and local laws that apply generally to establishing and operating hotel businesses. The laws involve, among other things, zoning and construction, public accommodations, accessibility by persons with disabilities, health and safety, and labor. Many laws vary from jurisdiction to jurisdiction. You must learn about and comply with all applicable laws. Examples of these laws include:

Health & Sanitation. Most states have regulations or statutes governing the lodging business and related services, including food handling and preparation. Many state and local authorities require lodging businesses to obtain licenses to assure compliance with health and sanitation codes. Health-related laws may affect the use of linens, towels and glassware, among other things.

Alcoholic Beverages. Alcoholic beverage service in a Brand Hotel is subject to extensive regulations and licensing governing virtually all aspects of the beverage service.

Facility Operations. Lodging facilities must comply with innkeepers' laws that, among other things, might (i) allow innkeepers under certain circumstances to impose liens against the possessions of guests who do not pay their bills; (ii) limit the liability of innkeepers regarding guests' valuables; (iii) require posting of house rules and room rates in each room or near the registration area; (iv) require registration of guests and proof of identity at check-in, and retention of records for a specified period of time; (v) limit the rights of innkeepers to refuse lodging to certain guests; and (vi) limit innkeepers' rights to evict guests under certain circumstances. Applicable federal and state civil rights laws prohibit discrimination in hotels on the basis of race, creed, color or national origin. Some states prohibit "overbooking" and require innkeepers to find other accommodations if the guest has paid a deposit. Some states and municipalities also have enacted laws and regulations governing non-smoking areas and guest rooms. In addition, the general business laws, rules and regulations which apply to hotels in your jurisdiction will affect

you. This includes any government orders related to emergent conditions, such as natural disasters and public health emergencies.

Persons with Disabilities. The accessibility laws, which include the Americans with Disabilities Act ("ADA") and all other laws, rules, regulations and ordinances governing accommodations for or relationships with persons with disabilities or similar individuals, as periodically in effect, require (among other things) that public accommodations, including hotels, (i) offer facilities without discriminating against persons with disabilities; (ii) offer auxiliary aids and services to enable a person with a disability to use and enjoy the establishment's goods or services if doing so is not unduly burdensome or disruptive to business; and (iii) remove barriers to mobility or communication to the extent readily achievable. The U.S. Department of Justice has published "accessibility guidelines" ("ADAAG") that specify, among other things, a minimum number of handicapped-accessible rooms, assistance devices for hearing, speech, and visually impaired persons, and general design and construction standards that apply to all areas of facilities. Under the ADA, all new public accommodations and commercial facilities must be "readily accessible to and useable by individuals with disabilities," unless it would be structurally impractical to do so. Alterations of existing facilities also might need to comply with the ADA and ADAAG. In addition, many states and municipalities have their own laws and regulations addressing disability discrimination, access requirements, building modifications and alterations and building code requirements.

Fire Safety. The Hotel and Motel Safety Act of 1990 (the "Safety Act") encourages public accommodations to install hard wired single-station smoke detectors. Certain travel directories include only those facilities that comply with the Safety Act. Other state and local fire and life safety codes might require maps, lighting systems and other safety measures unique to lodging facilities.

OSHA Regulations. Like many other businesses, lodging facilities are subject to Occupational Safety and Health Administration ("OSHA") standards. State occupational safety laws and rules may also apply.

Telephone Charges. Federal, state and local laws and regulations affect the re-offering of local, intrastate, and long distance telephone service in hotel guest rooms and at coin box telephones. Some states regulate or prohibit surcharges on local and intrastate calls.

Hotel Room Occupancy Tax Laws. You may be required to pay local or state room occupancy taxes in your jurisdiction.

Menu and Labeling Laws. Federal, state and local laws and regulations govern menu labeling. These laws and regulations may, among other things, require you to post caloric information on menus and provide additional written nutrition information to consumers upon request.

In addition to these laws, you must also comply with laws that apply generally to all businesses. You should investigate these laws.

Item 2

BUSINESS EXPERIENCE

Executive Vice President – Chief Growth Officer: Jim Chu

Mr. Chu has been our and Hyatt Hotels Corporation's Executive Vice President – Chief Growth Officer since June 2022. From March 2021 until May 2022, he was our and Hyatt Hotels Corporation's Executive Vice President – Global Franchising and Development. From March 2018 until February 2021, he was our and Hyatt Hotels Corporation's Global Head of Development and Owner Relations. Each of Mr. Chu's positions with us and our affiliates has been in Chicago, Illinois. As of July 1, 2025, we expect Mr. Chu to become our and Hyatt Hotels Corporation's Head of Owner Relations.

President, Inclusive Collection: Javier Águila

Mr. Águila has been our and Hyatt Hotels Corporation's President, Inclusive Collection in Zurich, Switzerland since March 2025. He has also been Hyatt Hotels Corporation's Group President, EAME in Zurich, Switzerland since June 2022. Before that, he was Group President of Europe and Global Strategy Apple Leisure Group in Madrid, Spain from February 2019 until June 2022. As of July 1, 2025, we expect Mr. Águila to become our and Hyatt Hotels Corporation's Executive Vice President – Chief Growth Officer.

Head of Americas Development – Daniel Hansen

Mr. Hansen has been our and Hyatt Corporation's Head of Americas Development since April 2024. He has also been our Global Head, Hyatt Studios since May 2023. From January 2022 until May 2023, he was the owner and President of Parabellum Advisory, LLC in Austin, Texas, a company providing consulting services for hotel owners. He served as the President and CEO of Summit Hotel Properties in Austin Texas from February 2011 until January 2021. He held the additional roles of its Chairman of the Board from January 2017 until January 2021 and its Executive Chairman from January 2021 until January 2022.

Executive Vice President, Group President – Americas: Peter Sears

Mr. Sears has been our and Hyatt Corporation's Executive Vice President, Group President – Americas in Chicago, Illinois since September 2014.

Global Head of Franchise & Owner Relations: Paul Daly

Mr. Daly has been our and Hyatt Corporation's Global Head of Franchise & Owner Relations since January 2024. From March 2021 until December 2023, he was our and Hyatt Corporation's Senior Vice President, Franchise Operations & Owner Relations. Before that, he was the Senior Vice President, Global Select and Franchise Operations & Owner Relations for Hyatt Place and Hyatt House from August 2019 until March 2021. From August 2018 until August 2019, he was Global Head of Guest Satisfaction Innovation for Hyatt Corporation in Chicago, Illinois.

Global Head, Brand Development: Miranda Mancuso

Ms. Mancuso has been our and Hyatt Corporation's Global Head, Brand Development since October 2024. Before that, she was SVP, Acquisitions & Development for Standard International in New York, New York from July 2008 until September 2024.

Senior Vice President, Head of Lifestyle Development: Catie Cramer

Ms. Cramer has been our and Hyatt Corporation's Senior Vice President, Head of Lifestyle Development since January 2025. Before that, she was VP, Luxury & Lifestyle Development for IHG Hotels & Resorts in San Francisco, California from October 2021 until January 2025. From April 2015 until October 2021, she was our and Hyatt Corporation's VP, Development & Owner Relations in San Francisco, California.

Senior Vice President, Development & Owner Relations: Jim Tierney

Mr. Tierney has been our and Hyatt Corporation's Senior Vice President, Development & Owner Relations since June 2019. From October 2017 until May 2019, he was our Corporate Vice President, Development & Owner Relations (East Division).

Vice President, Franchise Operations and Owner Relations: Keane Bell

Mr. Bell has been our and Hyatt Corporation's Vice President, Franchise Operations and Owner Relations since March 2021. Before that, Mr. Bell took a leave of absence from the workforce from March 2020 to March 2021.

Item 3

LITIGATION

Litigation Against Franchisees in the Last Fiscal Year

During the 2024 fiscal year, we brought a claim against franchisees as follows:

Hyatt Franchising, L.L.C. v. Imperial Hotels, LLC, Sunikumar Patel, Akash Maheshwari, Roshni Jariwala Desai, Madhvan Nair, Daksha Patel, Sanjay Desai, Raj Gandhi, Usha Patel, Vinod Jayrambhai Patel and Mina Jariwala, No. 01-24-0008-8964 (AAA 2024) (Unpaid Royalty Fees).

Other than as described above, no litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

Item 5

INITIAL FEES

Application Fee

You will pay us a lump-sum application fee (the "Application Fee") when you submit the franchise application through our online application portal. The Application Fee is $95,000 plus an additional $500 for each guest room in the Hotel over 200 rooms. If you withdraw your franchise application before we approve it, or if we do not approve your franchise application for any reason, then we will refund your Application Fee less a $7,500 fee to cover our costs for evaluating your application. After we approve your franchise application, the Application Fee is not refundable, even if we and you do not sign a Franchise Agreement. If you and we agree to add any guest rooms to the Hotel before the Hotel opens, then you must pay us, when we approve the additional guest rooms, an additional non-refundable Application Fee of $500 multiplied by the number of additional guest rooms over 200 total guest rooms at the Hotel.

PIP Preparation Fee

If you are converting an existing structure to a Brand Hotel, you will pay us a non-refundable fee of $10,000 for our preparation of the Property Improvement Plan (the "PIP"), which will detail the improvements necessary to renovate the structure to a Brand Hotel, at the time you submit your franchise application and the Application Fee.

Comfort Letter Fee

You must obtain a comfort letter or similar agreement, the current form of which is attached as Exhibit J, that we reasonably specify from each lender, each ground lessor (if applicable), the owner of fee simple title to the Hotel's real property or building and improvements (if you are not that owner), and each other entity with an interest (or any power or right, conditional or otherwise, to acquire an interest) in the Hotel's real property or building and improvements (each a "Comfort Letter Party"). Under this comfort letter or similar agreement, the Comfort Letter Party agrees (among other things) to assume your obligations under the Franchise Agreement (subject to our rights under the Franchise Agreement) if the Comfort Letter Party or any of its affiliates acquires title or otherwise assumes possession, or the right to sell or direct the disposition of, the Hotel's real property or building and improvements. You must pay our then applicable, non-refundable comfort letter fee, which currently is $2,500, for each comfort letter that we negotiate relating to the Hotel.

Pre-Opening Purchasing Services

At your option, you may ask Rosemont, our affiliate, to assist you with pre-opening purchasing services for any model rooms, FF&E, OS&E, and IT for a new Brand Hotel. Rosemont's fees for this optional assistance would range from $85,000 to $275,000, depending on how much and what kind of assistance you ask Rosemont to provide.

IT Project Management Services and Implementation and Training for Hyatt Proprietary Systems

We will provide the IT project management services, which are described in Exhibit E of the Franchise Agreement, relating to the opening of the Hotel (the "IT Project Management Services"). Our performance is dependent on your timely, accurate, and effective performance of all responsibilities listed in Exhibit E to the Franchise Agreement. These services include blueprint review and IT project management and planning and installation, configuration and training services for Hyatt proprietary systems. You must pay us a non-refundable fee of $58,300 for a Hotel with up to 250 guest rooms, and you must reimburse us or our affiliate for our or its reasonable expenses in rendering the IT Project Management Services, including any necessary transportation, lodging and meals (which we anticipate will range from $6,695 to $11,330), plus applicable taxes. If your Hotel is larger than 250 guest rooms, we may require a larger IT Project Management Services fee, which we and you would agree on before signing the Franchise Agreement. We will invoice you for the IT Project Management Services fee (including expenses) on or after we complete an IT Project Management Service or upon your termination of the Hotel development project or the IT Project Management Services, for any reason, in either event regardless of whether we have approved the Hotel for opening.

Additional Pre-Opening Advisory Services

You may request, or we may determine that you need, additional guidance, services or assistance during the pre-opening period concerning the development, construction, or inspection and approval process that is beyond what we typically provide to similarly situated Brand Hotels. We may determine you need additional pre-opening services under certain circumstances, including if the Hotel is a conversion of an existing structure to a Brand Hotel (rather than a newly-constructed facility), if one of our affiliates previously managed the Hotel, or if you (or your owners or operators) lack prior experience or familiarity with the System. If we agree to provide this additional guidance and advice (for example, making more than a reasonable number of visits to the Hotel during the development and construction period), then you must pay our then current fees for our services. The costs of these fees will vary depending on the additional guidance or service you request or we determine you need, but we estimate that you may pay between $0 and $250,000 for additional services or guidance before the Hotel opens.

Pre-Opening Training Fees and Expenses

In connection with the Hotel opening, we will provide owner/operator orientation and training to the Hotel management and staff on elements of the Hotel System, including training for the Hotel's general manager at our General Manager University and training for the managing owner and senior operations officer at the owner/operator orientation program. We may conduct training via remote learning, or in person (in one or more visits to the Hotel), or both, as we determine in our sole discretion. These fees and expenses will vary depending on how many people attend each particular training program, how much training they need, and where we conduct training. We currently estimate that the fees you pay to us and our affiliates for orientation and various initial training programs will range from $15,175 to $34,300. You must pay these amounts upon receiving our invoice and before the pre-opening team arrives at the Hotel. You must also reimburse us and our affiliates for our and their personnel's travel and living expenses

associated with any training programs that we provide on site at the Hotel. We currently estimate that reimbursement of our and our affiliates' expenses associated with these training programs, not including the tuition fees described above, will range from $3,600 to $7,405.

Extension Fee

If you are constructing a new Hotel, you must start and complete construction and open the Hotel, according to the timetables in the Franchise Agreement. If you are converting an existing hotel to a Brand Hotel, you must start renovation and open the Hotel under the Hotel System according to the timetables in the Franchise Agreement. We may terminate the Franchise Agreement if you fail to meet the required timetable. You may request one or more extensions of time by giving us, at least 3 months before the opening deadline, a written extension request and a $10,000 "Extension Fee." We will inform you of the length of the extension if and when we grant it. We will refund the Extension Fee only if we deny the extension. We may waive this fee under some circumstances.

Alternative Design Services Review

If you request review of alternative plans, design, or products other than those prescribed by our prototype plans, you must pay us an alternative design services review fee (the "Alternative Design Review Fee"). The amount of the Alternative Design Review Fee will vary depending on the size and location of the project and the scope of our review, but we expect the Alternative Design Review Fee to range from $5,000 to $30,000.

Revenue Management Services

You may elect to begin receiving certain revenue management services for your Hotel before the Hotel begins operating under the Proprietary Marks under the Revenue Management Services Program Schedule (the "Revenue Management Services Program Schedule") to the Central Hotel Services by Hyatt Master Service Agreement attached as Exhibit K (the "Central Services Agreement"). Depending on some factors concerning your (or your approved management company's) experience, we may in some situations require you to sign our Revenue Management Services Program Schedule and receive revenue management services from us. If you sign the Revenue Management Services Program Schedule, then we will provide specialized central revenue management services on a daily, weekly, monthly, and annual basis to assist you in a variety of essential hotel functions, including resource planning, inventory controls, market segmentation, and industry and competitor analyses for the Hotel (as more specifically described in Exhibit K). The current, non-refundable monthly subscription fee due under the Revenue Management Services Program Schedule is dependent upon the service tier level then in effect: for the "Tactical" Tier Level: $1,000 per month; for the "Essential" Tier Level: $1,000 per month for calendar months preceding the Opening Month (if applicable) and $2,000 per month from and after the Opening Month; and for the "Premium" Tier Level: $1,750 per month for calendar months preceding the Opening Month (if applicable) and $3,500 per month from and after the Opening Month. "Opening Month" means the calendar month in which the Hotel first opens to the public as a Hyatt branded or affiliated hotel, but if that date occurs after the 16th day of the month, then the "Opening Month" is the immediately following calendar month. We would provide services under the Revenue Management Services Program Schedule for up to 90 days

before the anticipated or scheduled opening date of the Hotel for the "Essential" service tier level or for up to 120 days before the anticipated or scheduled opening date of the Hotel for the "Premium" service tier level. You must pay these amounts within 30 days after you receive each invoice for services rendered and expenses incurred during the previous month. The total amount you may pay us for pre-opening revenue management services ranges from $0 to $7,000. We also reserve the right to charge you for reimbursement of expenses reasonably incurred by us, including for transportation and related expenses, printing, photocopying, postage, and delivery services. We may periodically increase these fees at any time upon 30 days' written notice to you, but we may not increase these fees by more than 10% per calendar year.

Field Marketing Program.

Up to 6 months before the opening of your Hotel, you may elect to receive from the Hyatt Group certain centralized resources to guide and support local integrated marketing for hotels that leverage the expertise of a designated field marketing team for a fee (which may contain a profit component, not to exceed a competitive amount), pursuant to the Field Marketing Program Schedule to the Central Services Agreement (the "Field Marketing Program Schedule"). Inclusions and deliverables vary by service level, and may include management of local digital marketing, regional marketing campaigns, website management, social media consultation, local promotion creation and execution, and brand activations. The current non-refundable monthly subscription fee due under the Field Marketing Program Schedule is dependent on the service tier level then in effect: for Tier 1: $996 per month; for Tier 2: $1,867 per month; and for Tier 3: $2,747 per month. The total amount you may pay us for pre-opening field marketing services ranges from $0 to $16,482.

Refundability and Range of Initial Fees

Except as we describe above concerning the Application Fee and Extension Fee, none of these payments are refundable under any circumstances. In addition, other than the Application Fee, Extension Fee and Comfort Letter Fee, all of the ranges of initial fees described in this Item 5 reflect the current fees for services rendered and depending on when the Hotel is developed or remodeled, may be higher in subsequent years.

Item 6

OTHER FEES

We group the ongoing fees that you will pay to us and other companies in the Hyatt Group when operating the Hotel into 3 categories. The first category includes the fees that the Franchise Agreement specifies. Except as described below, these fees are typically imposed and collected by and payable to us. The second category includes the fees for those System Services that we typically classify as Mandatory Services for Brand Hotels. The third category includes the fees for those System Services that we typically classify as Non-Mandatory Services for Brand Hotels. Depending on the particular circumstances of the Hotel, including its size, location and market positioning, we may reclassify some of the Mandatory Services listed below as Non-Mandatory Services and/or may reclassify some of the Non-Mandatory Services listed below as Mandatory

Services for the Hotel. The fees in the second and third group are typically imposed and collected by and payable to Hyatt Corporation. At times we may collect amounts on behalf of our affiliates for services that they provide to franchisees. This Item does not cover the ongoing fees or payments relating to the Hotel's operation that you pay directly to third parties.

Except for the transfer fee, all fees are non-refundable. In some cases we might negotiate some of the fees that some franchisees will pay, such as franchisees agreeing to develop multiple Brand Hotels or acquiring existing Brand Hotels. Otherwise, except as described below, all fees are uniform or are calculated on a uniform basis. There currently are no franchisee advertising cooperatives in the Brand Hotel network.

Fees Under the Franchise Agreement

You will pay these fees to us under the Franchise Agreement.

OTHER FEES

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalty Fee	5% of Gross Rooms Revenue	10th day of each month or later day we periodically specify ("Payment Day") based on Gross Rooms Revenue during previous month	See Notes 1 and 2
Cooperative advertising contributions	Amount Cooperative determines	As Cooperative determines	Payable only if you decide to participate in a Cooperative in your area
World of Hyatt program assessment	Currently 4.5% of eligible revenue or 2.25% of eligible revenue when a guest is enrolled on-property in World of Hyatt for that enrolling stay, but could increase if costs increase. See Note 3	Monthly	See Note 3
Comfort letter fee	Currently $2,500, but could increase if costs increase	As incurred	Due for each comfort letter you must obtain

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Quality assurance, franchisee compliance and guest satisfaction programs	Will vary under circumstances, based on the Focused Improvement Policy ("FIP") fees, which currently range from $5,000 to $20,000 per each stage of FIP, plus personnel's related expenses, and the Brand Protection Program ("BPP") fees, which are currently $45,000 per year. See Note 4	As incurred	In addition to the FIP and BPP fees, you must reimburse us for all costs, actions and additional training for your personnel. You must also participate in compliance (including for data security), best rate guarantee and guest satisfaction programs, and/or requirements to effect credits or discounts to guests, as we determine according to System Standards. We may introduce additional compliance programs in the future. Any fees associated with such programs will fall within the same ranges as the FIP and BPP fees. See Note 4
On-site quality assurance inspections	Currently $1,500 to $2,000 per annual inspection, but could increase if our costs increase	As incurred	You must also pay for any re-inspection needed due to a failed inspection (currently, $2,000 per inspection) and reverse the folio charge for the inspection company. See Note 4
Additional training and assistance	$950 per trainer per day plus our expenses, but could increase if our costs increase	As incurred	Due if you request, or we require, supplemental or optional training programs, including replacement training for new Core Management personnel hired after the Hotel opens. You also pay for the incurred travel, lodging, and other expenses for your attendees
Training tools and materials	Currently $3.64 per guest room per year, but could increase if our costs increase	Annually	Covers the cost of developing certain training tools and materials relating to Hyatt standards and policies
Fees for owner convention	Currently $2,000 to $5,000 per attendee, but could increase if our costs increase	As incurred (typically before the convention)	We and our affiliates hold owner conventions when we or they determine, typically annually or biennially. In addition to the fee for attendance, you must pay for the incurred travel, lodging, and other expenses for your attendees

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Fees for leadership summit	Currently $3,000 to $6,000 per attendee, but could increase if our costs increase	As incurred (typically before the leadership summit)	We and our affiliates periodically hold leadership summits that we recommend or may require your Hotel's general manager and/or above-property leaders to attend. Currently, a leadership summit occurs approximately once every 4 years. In addition to the fee for attendance, you must pay the travel, lodging, and other expenses for your attendees
Application Fee for new guest rooms (added after Hotel opens)	Greater of the then current PIP fee, currently $10,000, or $500 times number of new guest rooms	PIP fee, currently $10,000, due when you request approval, remainder due when we approve plans	Due only if you propose adding new guest rooms to the Hotel during Franchise Agreement's term
General Manager University	Currently $2,700 per newly hired or promoted general manager, but could increase if costs increase	As incurred	Required training program for all newly hired or recently promoted general managers. In addition to the fee for attendance, you must pay the travel, lodging and other expenses for your attendees
Transfer fee	No fee for transfers, but you or the transferee must pay the then-current amount of Application Fee	Together with transfer application	Applies to control transfers. We will refund the Application Fee paid (less $7,500) if we disapprove transfer
Fee for review of offering materials	$5,000	When submitting materials for our review	Due only if you or your owners propose offering of ownership interests in you or an owner
PIP fee for conversion of existing structure or for successor franchise	Then current PIP fee – currently $10,000, but could increase	With franchise application for conversion of an existing structure or a successor franchise	Due only if you are converting an existing structure to a Brand Hotel or applying for a successor franchise
Royalty fee upon termination	$5,000 per day plus our costs and expenses	As incurred	Due only if, and while, you fail to properly de-identify the Hotel after expiration or termination
Liquidated damages upon termination	See Note 5	15 days after termination	Due if Franchise Agreement terminates before its term expires

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Audit expenses	Cost of audit	As incurred	Due only if our audit reveals an understatement of 3% or more or if you fail to report on time or willfully underpay amounts
Late fee and interest	$225 late fee plus lesser of 1½% per month or the highest rate law allows	As incurred	Late fee is due on all overdue amounts. Interest is due on all amounts more than 7 days late or not available for withdrawal by due date
Costs and attorneys' fees	Will vary under circumstances	As incurred	Due if we prevail in dispute
Indemnification	Will vary under circumstances	As incurred	You must reimburse us and related parties for all claims and related costs arising from your application, the Hotel's development or operation (including failure to open on time), your breach, and your Hotel's proportionate share of our expenses in defending or controlling the defense of actions that involve both the Hotel and any other Hyatt Network Hotel
Testing of new product/supplier	Our costs, currently $20,000 for testing of new products/suppliers	As incurred	Due only if you request our approval of supplier or item
Insurance	Premiums and our costs plus fee (currently $200 per guest room per year)	As incurred	If you fail to obtain and maintain insurance, we may (if we choose) obtain it on your behalf and charge you our premiums and costs, plus a fee

System Services, System Services Costs, and System Services Charges

If you are in full compliance with your obligations under the Franchise Agreement, one or more members of the Hyatt Group will provide you those System Services we periodically specify. You must participate in all Mandatory Services and related programs, and may (at your option) participate in any or all Non-Mandatory Services and related programs, in the manner that we periodically specify. "System Services" means those services that the Hyatt Group generally and periodically makes available on a central, regional, or other shared or group basis (whether in whole or in part) to those Brand Hotels and other Hyatt Network Hotels that the Hyatt Group reasonably determines will be provided those services. We categorize System Services as either Mandatory Services or Non-Mandatory Services. "Mandatory Services" means those mandatory System Services that one or more members of the Hyatt Group provides to the Hotel and certain

other Brand Hotels and other Hyatt Network Hotels, and that the Hyatt Group reasonably determines must be acquired only from the Hyatt Group. "Non-Mandatory Services" means those non-mandatory System Services that one or more members of the Hyatt Group provides to the Hotel and certain other Brand Hotels and other Hyatt Network Hotels that the Hyatt Group reasonably determines will be offered to the Hotel and certain other Brand Hotels and other Hyatt Network Hotels on an optional basis.

We may periodically add to, delete from, and otherwise modify System Services, the scope of and manner of providing System Services upon written notice to you. "System Services Costs" means, for the System Services in which the Hotel participates (or is required to participate), all costs that the Hyatt Group actually incurs or properly accrues during the period of determination in providing those System Services, including out-of-pocket expenses, costs for employees, occupancy costs, capital costs, administrative expenses, carrying costs and other costs. Any allocation of shared costs that the Hyatt Group makes in good faith and with the intention of fairly allocating those costs to System Services is binding on us and you. The Hyatt Group may vary these allocations depending on, among other things, the specific brand, size or market positioning of the Hotel. System Services Costs include the actual costs that the Hyatt Group incurs and are not subject to any mark-up, premium or profit on any Mandatory Services, but may include a profit or mark-up component on Non-Mandatory Services.

"System Services Charges" means the amounts that the Hyatt Group charges the Hotel, and you will pay, for the Hotel's equitably allocable share of the System Services Costs attributable to the System Services in which the Hotel participates (or is obligated to participate), as the Hyatt Group periodically determines them. The Hyatt Group determines System Services Charges on the same basis as it determines those amounts for other Brand Hotels and Hyatt Network Hotels that we periodically and reasonably determine are similarly situated with the Hotel (subject to Reasonable Deviations (as defined in Item 8) and that participate in those System Services in the same manner (collectively, "Participating Hotels"). The Hyatt Group may in its reasonable discretion periodically change its method of allocation of the System Services Costs among Participating Hotels, and the categories of Brand Hotels and/or other Hyatt Network Hotels that are classified as Participating Hotels, but will at all times determine the method of allocation and categories of Participating Hotels on a reasonable, equitable and non-discriminatory basis.

Current System Services Charges for Mandatory Services

The following reflects the current System Services Charges for the current Mandatory Services. These amounts are estimates, and may change over time and/or as our and the Hyatt Group's costs of providing Mandatory Services changes.

OTHER FEES

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Commercial Services Fee	Currently 3.5% of Gross Rooms Revenue, but could increase if costs increase	Payment Day, based on Gross Rooms Revenue during previous month	See Note 6
Digital Acquisition Fee	Currently 1.35% of Gross Rooms Revenue through the Digital Channels, but could increase if costs or scope of services increase	Payment Day	See Note 7
Global distribution services and other reservation services	Currently averages about $8.50 per reservation, but could increase if costs increase	Payment Day	At our option, you must subscribe to certain GDS and/or ADS through us. See Note 8
Costs for mandatory contracts	Your allocable share of Hyatt Group's costs, currently $1,500 to $7,500 per month but could increase if costs increase	Payment Day	Covers contracts with vendors or service providers (like certain credit card acceptance agreements, music license agreements and telecommunications agreements) that cover the Hotel and all or certain subsets of Brand Hotels. See Note 9
Other corporate services	Your share of Hyatt Group's costs, currently $500 to $5,000 per month, but could increase if costs increase	Payment Day	See Note 10

Current System Services Charges for Non-Mandatory Services

The following reflects the current System Services Charges for the current Non-Mandatory Services. Currently you may choose to use, or not use, any of these Non-Mandatory Services at your Hotel.

OTHER FEES

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Field Marketing Program	Will vary depending on service tier selected. Currently, $996 to $2,747 per month, but could increase if costs increase	As incurred	Applies under the Field Marketing Program Schedule. See Note 11
Revenue Management Services Program	Currently $1,000 per month for Tactical Tier; $1,000 per month before Opening Month and $2,000 per month from and after Opening Month for Essential Tier; and $1,750 per month before Opening Month and $3,500 per month from and after Opening Month for Premium Tier, but could increase if costs increase	Within 30 days after receiving invoice	Applies under the Revenue Management Services Program Schedule. See Note 11
Central Sales Services Program	Will vary depending on services selected. Currently, $3,850 to $6,650 per month for group sales management services; $1,000 to $5,000 per month for lead specialist services; $1,600 to $3,200 per month for transient sales services; and $3,000 to $3,500 per month for administrative support services, but could increase if costs increase	As incurred	Applies under the Central Sales Services Program Schedule to the Central Services Agreement (the "Central Sales Services Program Schedule"). See Note 11

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Global Property Guest Services (GPGS) Add-On Program	Will vary depending on services selected. Currently, $3.50 to $16 per service interaction requested, but could increase if costs increase	As incurred	Applies under the Global Property Guest Services Program Schedule to the Central Services Agreement (the "GPGS Program Schedule"). See Note 11
Digital Ancillary Services Program	Currently, $1,250 per month plus commission payable to our vendor of 5% of net revenue actually received from bookings through the vendor's channels, but could increase if costs increase	As incurred	Applies under the Digital Ancillary Services Program Schedule to the Central Services Agreement (the "Digital Ancillary Services Program Schedule"). See Note 11
Purchasing services	Will vary depending on items purchased	As incurred	You might choose to buy items through our affiliate
Optional corporate services	Actual costs, which will vary depending on assistance needed	As incurred	The Hyatt Group corporate office may provide temporary employees for your Hotel at your request
Other related party transactions	Will vary depending on assistance provided and other circumstances	As incurred	Your Hotel will routinely engage in transactions with Brand Hotels and other Hyatt Network Hotels, some of which our affiliate may own or operate. For example, your Hotel may pay for using another hotel's staff (during high demand periods) or for another hotel redeeming quality assurance certificates that your Hotel previously issued to resolve a guest service problem at the Hotel
Optional technology services	Will vary depending on service(s) you acquire	As incurred	Covers some point-of-sale, accounting, procurement, guest service and other IT-related services that you may choose to acquire.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Hyatt Sales Force ("HSF") national sales team booking fees	• 6% (reduced to 3% if an intermediary is involved) of the Group Contract Revenue for group bookings resulting from HSF leads, but in neither case exceeding $30,000; • 3% of Gross Rooms Revenue per transient room night resulting from HSF leads; and • 1% of Gross Rooms Revenue per room night for leads generated from the sales sourcing center (*e.g.*, referrals)	As incurred	HSF offers sales services to Brand Hotels and other Hyatt Network Hotels for small to mid-sized accounts on a local/regional basis. Your acceptance of the business that HSF generates is optional and fees only apply to bookings that your Hotel confirms. "Group Contract Revenue" means 90% of the total revenue included in the group contract

In addition to any sales, use and other taxes that applicable law requires or permits us to collect from you for providing goods or services under the Franchise Agreement, you must pay us all federal, state, local or foreign (a) sales, use, excise, privilege, occupation or any other transactional taxes, and (b) other taxes or similar exactions, no matter how designated, that are imposed on us or that we are required to withhold relating to the receipt or accrual of amounts you pay us under the Franchise Agreement, excluding only taxes imposed on us for the privilege of conducting business and calculated based on our net income, capital, net worth, gross receipts, or some other basis or combination of those factors, but not excluding any gross receipts taxes imposed on us or our affiliates for your payments intended to reimburse us or our affiliates for expenditures incurred for your benefit and on your behalf. You must make these additional required payments in an amount necessary to provide us with after-tax receipts (taking into account any additional required payments) equal to the same amounts that we would have received if the additional tax liability or withholding had not been imposed or required.

Explanatory Notes to All Charts

1. Gross Rooms Revenue and Royalty Fee. "Gross Rooms Revenue" means "Total Rooms Revenue" or its equivalent, as determined in accordance with the Uniform System of Accounts for the Lodging Industry, Eleventh Edition, as published by the Educational Institute of the American Hotel and Motel Association, 2014, or a later edition that we approve, plus any revenue from resort fees, destination fees, or similar mandatory charges. If you receive any proceeds from any business interruption insurance applicable to the rental of rooms at the Hotel, then there will be added to Gross Rooms Revenue an amount equal to the imputed gross revenues that the insurer used to calculate those proceeds. Inclusion of resort fees, destination fees, or similar fees in "Gross Rooms Revenue" does not constitute our approval of or authorization to charge those fees. Your Royalty Fee will be 5% of Gross Rooms Revenue accrued during the

previous month. If you are constructing a new Hotel, we may agree to reduce your Royalty Fee for the first 1-3 years of the Hotel's operations.

2. Electronic Payments. You must make all payments for Royalty Fees, System Services Charges and other amounts due to us or any member of the Hyatt Group under the Franchise Agreement or relating to the Hotel by electronic funds transfer ("EFT") in compliance with System Standards. We periodically may change the procedure for payments. You must make funds available in your account to cover payments when due. You may not change your bank, financial institution, or account used in the operation of the Hotel without first telling us.

3. World of Hyatt Program. Brand Hotels must participate in, and pay all charges related to, the Hyatt Group's frequent guest loyalty program (the "Loyalty Program"), called the "World of Hyatt" program. The Hyatt Group assesses each Participating Hotel and certain other hotels an amount in the Hyatt Group's discretion to operate the Loyalty Program, which amount may change periodically. The assessment for each participating Brand Hotel (including the Hotel) is currently 4.5% of all eligible revenue generated at that hotel from members of the program (excluding applicable taxes) who provide their World of Hyatt member number when booking or 2.25% of that eligible revenue when a guest is enrolled on-property in World of Hyatt for that enrolling stay.

Under separate contractual arrangements, the following companies will participate in alliances with the World of Hyatt program in 2025: (i) the master licensee for Hyatt Residence Club and Hyatt Vacation Club, our shared ownership brands; (ii) HyCard, Inc., our affiliate (in relation with JPMorgan Chase Bank, the issuing company of the World of Hyatt credit cards); (iii) American Airlines; and (iv) Headspace, Inc. The Hyatt Group may allocate assessments for these programs at different rates than those applied to Brand Hotels, given the difference in the products and services being offered to Loyalty Program members. Owners of Participating Hotels bear no cost from including these programs in the Loyalty Program. The Hyatt Group also may agree to other similar joint marketing or co-branding arrangements in the future.

Currently, the Hyatt Group deposits all funds that it collects for the Loyalty Program (including sales of points and other related fees) into segregated accounts and invests a portion of the funds in various investment securities (primarily fixed income) that independent investment managers manage. These funds are designated to fund the Loyalty Program obligations, including all marketing and administrative costs, and current and future award redemptions. The Hyatt Group may periodically change the method of funding the Loyalty Program, the assessment methodology and other program attributes. An independent accounting firm audits the Loyalty Program on an annual basis and we will make copies of the audit reports available upon request. We may periodically change the assessment methodology and other program attributes in the future.

The Hyatt Group also has contractual arrangements with participating airlines under which Participating Hotel guests may choose to receive airline miles, in lieu of Loyalty Program points, as a result of their stay. The Participating Hotel must pay the actual cost of those miles that the airline charges to the Hyatt Group. Guests choosing airline miles for a stay at a Participating Hotel are not entitled to Loyalty Program points for that stay.

4. Quality Assurance, Franchisee Compliance, and Guest Satisfaction. The Hotel must participate in quality assurance, compliance and guest satisfaction programs that we periodically develop and modify (collectively, the "Quality Assurance and Compliance Program"). You must pay your allocable share of all fees and other costs associated with the Quality Assurance and Compliance Program. Our representatives may inspect or audit the Hotel at any time, with or without notice to you, to determine whether you and the Hotel are complying with the Hotel System, System Standards, and the terms of the Franchise Agreement, and you will give them free lodging (subject to availability) during the inspection period. If we determine that the Hotel is not complying with the Hotel System, System Standards, or any other Franchise Agreement provisions, then you will pay or bear the cost of the Hotel's allocable share of all fees and other costs associated with the Quality Assurance and Compliance Program to correct the non-compliance. This includes (a) reimbursing our costs related to your non-compliance, such as travel and living expenses, guest satisfaction payments or expenses, and other costs for administering any necessary actions, follow-up inspections, audits or re-evaluation visits until you have fully corrected the non-compliance, (b) paying for meetings and additional brand standards training programs that we specify and require your personnel to attend relating to your non-compliance, and (c) paying program fees which we and/or our affiliates may use to promote guest satisfaction initiatives for Hyatt Network Hotels. These amounts will vary depending on the extent of your non-compliance and may increase if our costs increase. Currently, we impose the following fees for each 6-month FIP stage if the Hotel is placed in or remains in FIP protocols as a result of QA scores below requirements: (i) Stage 1 - $5,000 administrative fee; (ii) Stage 2 - $15,000 administrative fee; and (iii) Stage 3 - $20,000 administrative fee. In addition, if the Hotel does not achieve passing scores necessary to exit the FIP protocols by the end of Stage 3, the Hotel is placed in our BPP program, which requires the Hotel to pay an administrative fee of $45,000 per year. We may, as we deem appropriate, reduce or refund FIP fees based on improved performance and/or your accelerated compliance with hotel renovation requirements. Under the FIP and BPP policies currently in place, Brand Hotels are eligible for up to a 100% reduction of the applicable FIP or BPP fee, based on improvement in performance. We may introduce additional compliance programs in the future. Any fees associated with such programs will fall within the same ranges as the FIP and BPP fees listed above.

5. Liquidated Damages. The amount of liquidated damages you must pay us if the Franchise Agreement terminates varies depending on when the Franchise Agreement terminates. Upon termination of the Franchise Agreement before the term expires for any reason (subject to Article X of the Franchise Agreement), you must pay us, within 15 days after the date of that termination, liquidated damages in a lump sum equal to (a) the lesser of 36 or the number of months then remaining in the Franchise Agreement term had it not been terminated, multiplied by (b) the sum of (i) the Average Monthly Revenue times 5% for lost future Royalty Fees, plus (ii) the Average Monthly Revenue times 3.5% for lost future System Services Charges.

"Average Monthly Revenue**"** means: (i) if, as of the effective date of termination, at least 36 months have elapsed since the Hotel's opening date, the average monthly Gross Rooms Revenue of the Hotel during the 12 full calendar months preceding the month of termination; or (ii) if, as of the effective date of termination, the Hotel's opening date has not yet occurred, the average monthly Gross Rooms Revenue per available guest room for all Brand Hotels in the United States (including those that we and our affiliates own, manage, and franchise) during the 12 full

calendar months preceding the month of termination, multiplied by the number of guest rooms approved for the Hotel; or (iii) if, as of the effective date of termination, the Hotel's opening date has occurred but less than 36 months have elapsed since the Hotel's opening date, either (a) the amount determined under part (ii) above or (b) the average monthly Gross Rooms Revenue of the Hotel during the period from the Hotel's opening date until the effective date of termination, whichever of (a) or (b) is greater.

However, if "Average Monthly Revenues" as determined under any part of (i) through (iii) above was materially and negatively impacted during the preceding 12 full calendar month period by a disruption in Hotel operations resulting from force majeure, casualty, suspension of operations (whether or not we consented to it), renovation of the Hotel, or any other similar circumstances, then we will determine "Average Monthly Revenue" by referencing the most recent 12 full calendar month period before termination during which the Hotel performance was not impacted.

If we or you terminate the Franchise Agreement because of a Consequential Termination, then the liquidated damages are 150% of the amount calculated above. A "Consequential Termination" occurs if (1) the Franchise Agreement's termination involves a transfer of the Hotel or its assets, or a direct or indirect Controlling Ownership Interest in you, to a Competitor (defined below); or (2) there are 3 or more franchise agreements for Hyatt-Related Select Service Brand (defined below) hotels with you or your affiliates (including the Franchise Agreement) that we (or our affiliate) terminate because of your (or your affiliate's) default or you (or your affiliates) terminate in breach of the applicable agreement. A "Hyatt-Related Select Service Brand" means any brand under which or in affiliation with which select service Hyatt Network Hotel operates. A "Competitor" is any entity that owns, franchises and/or manages, or is an affiliate of any entity that owns, franchises and/or manages, a select service hotel brand, trade name or service mark for a system of at least 4 hotels with an average daily room rate for all or substantially all of the hotels in the U.S. during the then most recent full calendar year that is at least 60% of the average daily room rate for Brand Hotels operating in the U.S.

If a governmental agency or other authority condemns or takes by eminent domain or expropriation, all or a substantial portion of the Hotel, and we and you do not agree to terms for relocating the Hotel, then either we or you may terminate the Franchise Agreement. If you and your owners sign our then current form of termination agreement and a general release, in a form satisfactory to us (together, a "Termination Agreement"), then you need not pay us liquidated damages when the Franchise Agreement terminates. The Termination Agreement will provide that if you or your affiliate begins construction on or operation of a new select service hotel at any location within the Area of Protection during the 24-month period following the termination, other than a Hyatt Network Hotel or a hotel that was already under contract to be developed at that particular location within the Area of Protection on the date that the Termination Agreement is signed, then you must pay us liquidated damages of $5,000 multiplied by the number of guest rooms at that new select service hotel. If you and your owners do not sign a Termination Agreement, then you must pay us liquidated damages when the Franchise Agreement terminates.

If the Hotel is damaged by fire, flood, accident, hurricane or other casualty, you must notify us immediately. If the cost to repair the damage is less than or equal to the greater of (a) 60% of the market value of the Hotel immediately prior to the casualty, or (b) the amount of insurance proceeds made available to you in connection with the casualty ("Damage Threshold"),

then you must repair the damage promptly according to the System Standards and the Franchise Agreement's other terms and conditions. If the damage or repair requires you to close all or any portion of the Hotel, then you must commence reconstruction as soon as practicable (but in any event within 4 months) after closing the Hotel and reopen for continuous business operations as a Brand Hotel as soon as practicable (but in any event within 24 months) after closing the Hotel, but not without complying with the Franchise Agreement's other terms and conditions. The Franchise Agreement's term will be extended for the period of time during which the Hotel is closed, and you need not make any payments of Royalty Fees or System Services Charges while the Hotel is closed unless you receive insurance proceeds compensating you for lost Gross Rooms Revenue during such period, in which case you must pay Royalty Fees and System Services Charges on the amount of proceeds received allocable to such loss.

If the cost to repair the damage from the casualty exceeds the Damage Threshold, you may either: (a) repair the damage promptly according to the System Standards and the Franchise Agreement's other terms and conditions; or (b) elect to terminate the Franchise Agreement if you and your owners sign a Termination Agreement and pay a termination fee equal to the lesser of (i) the liquidated damages and (ii) the insurance proceeds you receive as a result of the casualty minus amounts required to be paid to your lenders minus unreturned capital investment of your owners (the "Net Recovery").

You must provide us any documentation that we may reasonably request to calculate the Damage Threshold, the insurance proceeds you receive for any casualty, and the Net Recovery amount (if applicable). Any Termination Agreement that you and we sign will provide that if you, any of your affiliates, or any other entity (including any buyer of the Hotel) begins construction on or operation of a select service hotel at the Hotel's site other than a Brand Hotel or another Hyatt Network Hotel at any time during the 24-month period following the effective date of termination of the Franchise Agreement, then you or your owners must pay us liquidated damages equal to the difference between (i) the amount of liquidated damages that you would have otherwise owed us under the Franchise Agreement at the time of termination, minus (ii) the amount of liquidated damages you actually paid us at the time of termination.

6. Commercial Services Fee. The "Commercial Services Fee" currently covers the costs for the following commercial services that the Hyatt Group makes available to the Hotel and other Participating Hotels (the "Commercial Services"):

(a) brand-wide marketing, advertising, public relations, and guest satisfaction program management and research for the Hotel;

(b) base Global Property and Guest Services which provide, among other things, centralized reservation services (including the services and charges for the base reservation fee which applies regardless of channel, and certain additional reservation fees based on channels) and care professionals supporting the business by enhancing the guest experience;

(c) revenue management technology, including the Hyatt Group's proprietary revenue management software, and advisory and support services, such as pricing strategy

across channels and on-going training, support, and tools for pricing and inventory applications;

(d) group sales support for large accounts, including lead generation from the Hyatt Group's global and regional sales offices, account management, and account development, and transient and luxury sales promotion services (including Consortia);

(e) sales and catering system services, including account management, booking pipeline management, and analysis through our designated sales software systems, which are required in order to receive leads from the Hyatt Group's sales sources;

(f) property management system services, including Opera PMS, web-in/web-out, and interface file, maintenance, and support;

(g) the Hyatt Group's digital product technology and infrastructure including Hyatt.com and the mobile app; and

(h) other technology services, including e-learning, e-mail, HyattConnect, SharePoint, identify access management, ServiceNow, in-room technology, and network access.

The Hyatt Group may periodically change the benefits and services currently included as Commercial Services and the charges and fees for those benefits and services. The Hyatt Group may adopt other methodologies for fees and charges related to chain-wide programs to Participating Hotels, including segregation by brand, geographic location, or other criteria that the Hyatt Group deems appropriate in its discretion. The Hyatt Group may periodically allocate the Commercial Services Fee as a fixed charge, percentage charge, direct billback, or any other combination of multiple allocation methodologies. The Hyatt Group may spend in any year more or less than the total Commercial Services Fee contributions in that year, but will use all Commercial Services Fees collected for Commercial Services.

7. Digital Acquisition Fee. We currently charge the Hotel and other Participating Hotels the "Digital Acquisition Fee" to help drive bookings through the Hyatt Group's online direct booking channels (the "Digital Channels"). The Digital Channels currently are the Hotel System Website and any Hyatt-branded website or mobile app (such as the World of Hyatt app). You must pay the Digital Acquisition Fee on the subset of Gross Rooms Revenue resulting from reservations that are generated through the Digital Channels, whether directly or via a link from another platform, such as a search engine advertisement, social media page, or any Franchisee Organization Website. We may, in our sole judgment and subject to change, exclude certain types of bookings that originate through Digital Channels for purposes of calculating the Digital Acquisition Fee and certain portions of Gross Rooms Revenue that is generated through the Digital Channels, such as the Upsell Revenue (defined below). Digital Channels do not include reservations placed through external sources, such as online travel agencies (e.g., priceline.com and expedia.com) or through Hyatt-managed channels that are not digital in nature, such as reservations placed via telephone calls to our global contact center.

8. GDS and Other Reservations Services. In addition to the global contact centers, the costs of which the Hyatt Group allocates to each Participating Hotel as part of the Commercial Services Fee, GDSs accept reservations for Participating Hotels and confirm the reservations with the Hyatt Group through the central reservations center. The Hyatt Group incurs a reservations fee for each reservation that these supplemental reservations systems accept, which currently averages approximately $8.50 per reservation, and the Hyatt Group passes on the charge to the hotel receiving the reservation at cost without imposing a markup or receiving a profit.

The Commercial Services Fee and these other reservation services fees include some of the current charges from providers of products or services for the Hotel, including the then current CRS operator (if applicable), the then current GDS and ADS operators (if applicable), and other suppliers to the Hotel, which may include us and/or our affiliates (collectively, "Providers"), that we currently collect from franchisees and pay (on their behalf) to the Providers. If any Provider assesses a single or group fee or other charge that covers all or a group of Brand Hotels or other Hyatt Network Hotels to which that Provider provides products or services, then our calculation of that fee or other charge among the Hotel and other Participating Hotels is final. The Providers may periodically increase the fees and other charges they impose. At our option, you must begin paying these fees and other charges directly to the applicable Provider(s).

9. Mandatory Contracts. The Hyatt Group periodically enters into relationships with vendors or providers of services that may require mandatory participation by all or certain subsets of Participating Hotels, such as certain contracts provided through Avendra, LLC, credit card acceptance agreements, music license agreements and certain telecommunications agreements. While the Hyatt Group does not receive any fees, rebates or commissions under these mandatory contracts, certain of the mandatory contracts may provide for promotional or other allowances that the Hyatt Group then allocates among Participating Hotels, as the Hyatt Group determines or the applicable vendor or supplier requires, or that the Hyatt Group uses for activities benefiting all or substantially all Participating Hotels.

10. Other Corporate Services. The Hyatt Group provides a number of other corporate services and programs for the benefit of Participating Hotels for which those hotels reimburse the Hyatt Group on a cost recovery basis, including taxes, if applicable. These services and programs include group sales promotional programs and events that 2 or more Participating Hotels sponsor, property evaluations, profit improvement services, quality assurance materials, security services, certain training programs and other various services. As part of these other corporate services, the Hyatt Group currently provides "upsell" services for Brand Hotels and other Participating Hotels, offering room upgrades to guests having reservations at the Hotel before they arrive. If the guest purchases the room upgrade, you must pay the Hyatt Group a commission on the additional revenue. That commission currently is 5% of the difference between the Gross Rooms Revenue at the upgraded rate and the Gross Rooms Revenue at the rate the guest originally booked, excluding taxes (the "Upsell Revenue"). The Upsell Revenue currently does not include any additional revenue resulting from the upgrade, such as early arrival fees and additional revenue derived from upgrades to the F&B Operations.

11. Central Hotel Services by Hyatt Program. The Hyatt Group currently offers to Participating Hotels centralized resources to guide, support, and augment local and on-property services that leverage the expertise of our designated specialty teams for a fee (which may contain

a profit component, not to exceed a competitive amount), pursuant to the Central Services Agreement and the various schedules attached to such agreement for the following services: field marketing, revenue management services, central sales services, global property guest services add-ons, and digital ancillary services. Inclusions and deliverables for each program vary by service level. Central hotel services are generally Non-Mandatory Services but in certain circumstances may be designated as Mandatory Services as a condition of our approval of the Hotel's management company, as consideration for other items negotiated as part of the Franchise Agreement, or as part of the requirements of our Quality Assurance and Compliance Program.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of Payment	Column 4 When due	Column 5 To whom payment is to be made
Application Fee (1)	$95,000 to $145,000	Lump sum	Upon signing franchise application	Us
Comfort letter fee(s)	$0 to $2,500	Lump sum	When your lender(s) sign a comfort letter with us	Us
Alternative Design Review Fee	$0 to $30,000	As agreed	As incurred	Us
Extension of opening deadline	$0 to $10,000	As agreed	When you request extension of Hotel opening deadline	Us
IT Project Management Services fee and expense reimbursement	$64,995 to $69,630	As agreed	Before the Hotel opens	Us
Signage	$65,000 to $100,000	As agreed	As incurred	Suppliers
Telecommunications systems, security system and Technology System equipment and fees (2)	$638,600 to $777,650	As agreed	As incurred	Suppliers and Hyatt Corporation

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of Payment	Column 4 When due	Column 5 To whom payment is to be made
Architecture and design	$537,500 to $1,950,000	As agreed	As incurred	Architects, engineers, designers and other professionals
Construction, improvements, remodeling, decorating costs and other sitework	$21,875,000 to $67,500,000	As agreed	As incurred	General contractor, suppliers and us or our affiliate
Furniture, fixtures, other fixed assets and equipment (3)	$3,375,000 to $12,000,000	As agreed	As incurred	Suppliers
Operating supplies & equipment (4)	$625,000 to $2,700,000	As agreed	As incurred	Suppliers
Fire and life safety consultation	$15,000 to $30,000	As agreed	As incurred	Suppliers
General and administrative buildout costs (5)	$320,000 to $500,000	As agreed	As incurred	Third parties
Revenue management fees (6)	$0 to $17,500	As agreed	Monthly, if you participate in the revenue management program	Us
Field marketing program fees (6)	$0 to $24,723	As agreed	Monthly, if you participate in the field marketing program	Us
Pre-opening marketing and sales expenses (7)	$62,500 to $300,000	As agreed	Before opening	Us and third parties
Liquor license (8)	$30,000 to $400,000	As agreed	As incurred	Government agency or previous license holder
PIP fee	$0 to $10,000	As agreed	For our preparation of the PIP if you are converting an existing structure to a Brand Hotel	Us

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of Payment	Column 4 When due	Column 5 To whom payment is to be made
Training expenses (fees and reimbursements payable to us)	$18,775 to $41,705	As agreed	As incurred	Us
Training expenses (your and your personnel's costs to attend)	$20,085 to $27,810	As agreed	As incurred	Suppliers
Additional optional training	$0 to $250,000	As agreed	As incurred	Us
Miscellaneous pre-opening costs (9)	$276,000 to $375,000	As agreed	As incurred	Suppliers, employees, us and Hyatt Corporation
Additional funds - 3 months (10)	$360,000 to $675,000	As agreed	As incurred	Suppliers, employees, us and Hyatt Corporation
TOTAL ESTIMATED INITIAL INVESTMENT (excluding real estate costs) (11)	$28,378,455 to $87,936,518			

Explanatory Notes

1. Application Fee. The Application Fee listed above is for a Brand Hotel with 125 to 300 guest rooms. We describe the Application Fee and the conditions for its refund in Item 5.

2. Telecommunications systems, security system and Technology System equipment. We include in this estimate the projected costs of acquisition/installation and the annual support and service contracts for the first year that the Hyatt Group provides as part of Mandatory Services.

3. Furniture, fixtures, other fixed assets, and equipment. Costs for fixtures, equipment, furnishings, furniture, room equipment and appliances, and other items (collectively, "FF&E") depend mostly on the Hotel's size and configuration. This item covers costs for all FF&E for the Hotel except the costs for telecommunications systems, security system and Technology System equipment and related fees that we describe separately in Note 2 above and the OS&E that we describe in Note 4 below.

4. Operating Supplies and Equipment. Costs for initial operating supplies and equipment, including initial food and beverage inventory, bed linens, personal care amenities, cleaning supplies, and other consumables and similar items we periodically specify for the Hotel

(collectively, "OS&E") depend mostly on the Hotel's size and location. This item does not include the FF&E for the Hotel that we describe in Note 3 above or the costs for telecommunications systems, security system and Technology System equipment and related fees that we describe in Note 2 above.

5. General and administrative. This item includes costs for permit fees, security deposits, utility deposits and startup requirements, impact fees (one-time charges that the government levies to offset service costs relating to the new development), tap fees (charges for connecting to existing water or sewer lines), and various business licenses. Landlords sometimes pay some of the tap or impact fees, and the amount depends on municipal requirements and the final Hotel configuration. This item also includes costs for insurance, legal and accounting expenses**.**

6. Revenue management fees and field marketing program fees. These items include revenue management program fees and field marketing program fees, respectively, during the pre-opening period and the first 3 months of operation. We describe these fees in Item 5.

7. Pre-opening marketing and sales expenses. This item includes costs for marketing and sales programs that you undertake before the Hotel opens, including payments of the applicable System Services Charges during the pre-opening period and the costs to establish and operate a sales office during the pre-opening period. It does not include field marketing or revenue management program fees that you pay to us if you participate in those programs.

8. Liquor license. Liquor license costs vary widely depending on the jurisdiction. In most jurisdictions, the cost will be on the low end of the range, but could be on the high end (or even exceed the high end) in those jurisdictions that consider a liquor license to be an asset. You may be able to apply for a full spirits liquor license and pay standard costs for this license that would be on the lower end of the estimate. However, if your property is located in a "quota" city or state, you might need to locate and purchase a full spirits liquor license on the open market, which could mean your anticipated costs are on the mid-to-high range of this cost estimate. If you purchase a liquor license on the open market, you may be able to re-sell your liquor license in those jurisdictions to another licensee if you sell your Hotel. The liquor license that you apply for or purchase must include beer, wine and full spirits, as allowable under applicable law in the Hotel's jurisdiction. If you engage a third party to be the F&B Operator (defined in Item 8), depending on the jurisdiction, you might not need a liquor license.

9. Miscellaneous pre-opening costs. This item includes costs for office and other supplies, wages for Hotel management and employees before opening, and other miscellaneous pre-paid opening expenses, as well as estimated amounts you may pay to us or our affiliates for optional training or consulting services.

10. Additional funds – 3 months. This item estimates your initial start-up expenses (other than the items identified separately in the table). These expenses include payroll costs for the Hotel's personnel but not any management fees or similar draw. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your costs depend on how closely you follow our methods and procedures; your management skill,

experience, and business acumen; local economic conditions; the local market for the Hotel's services; the prevailing wage rate; competition; and the sales level reached during the initial period.

11. Total estimated initial investment (excluding real estate costs). The estimated amounts presented in the table above are to construct a new, full-size Brand Hotel with 125 to 300 guest rooms, according to the Design and Construction Standards and the Hotel System. We relied on our affiliates' experience in developing and operating hotels since 1957 to compile the estimate for additional funds and other figures. You should review these figures carefully with a business advisor before deciding to acquire the franchise. Except as described in Item 10, we do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan. The estimate does not include any finance charge, interest, or debt service obligations. Except for a portion of the Application Fee that we will refund if we do not approve the application, no amounts in the chart are refundable.

Brand Hotels typically are in primary markets in urban, densely-populated locations. They will typically occupy property of 1 to 3 acres, but the amount of land the Hotel requires will vary greatly depending upon local building codes, setback requirements, parking requirements and similar factors. Leasing or purchase costs vary widely and depend on geographic location, size, visibility, local rental rates, other businesses in the area, other local economic conditions, the site's market potential, the type of ownership or leasehold interest and other factors. Because of these factors, this table does not estimate the costs for the Hotel's rent or security deposit or the purchase price for the building or land on which the Hotel is located (if you decide to buy, rather than lease, the land and/or premises).

If you own an existing hotel that you plan to convert from another brand to a Brand Hotel, you might already have incurred many of the costs listed in this Item, but you still will incur significant costs to upgrade and renovate the Hotel to meet our current standards for Brand Hotels. These costs vary widely and depend primarily on the Hotel's existing condition and FF&E. Before we and you sign the Franchise Agreement, we will prepare a PIP on your Hotel and provide details about our conversion and upgrade requirements for the Hotel.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate the Hotel according to our System Standards, which may regulate, among other things, the types, models, and brands of products and services your Hotel uses; required and authorized products and services that the Hotel must offer to customers and quality standards for those products and services (including F&B Operations, as defined below); and designated and approved suppliers of these products and services, which may include or be limited to us and/or our affiliates that we may designate. "F&B Operations" means all food and beverage operations for Hotel guests and patrons consisting of the following (in each case, to the extent applicable): (a) restaurant, dining, bar, lounge, and retail food and beverage services; (b) banquet, meeting, event, catering (including outside catering) and room services; (c) a multi-functional

service area that serves coffee and breakfast, lunch and dinner menu items, and alcoholic beverages; (d) grab-and-go food and beverage items available for purchase in a Hotel market; (e) a communal area serving as a combination restaurant, bar, coffee shop and workplace; (f) a standalone restaurant and/or rooftop bar; and (g) all other food, beverage and related services at the Hotel.

If you are constructing a new Brand Hotel or converting an existing hotel or other building to a Brand Hotel, we or Hyatt Corporation will advise you on the System Standards to be met, the aesthetics to be reflected, and the systems to be installed at the Hotel, so the Hotel can be opened and operated as a Brand Hotel. You and we or Hyatt Corporation will determine the types and levels of services and assistance you will receive and the fees you will pay for the services. We and Hyatt Corporation are the only approved suppliers for these services if you are constructing a new Hotel. We also provide IT Project Management Services and other technology-related services.

You must use the Opera PMS at the Hotel. We will provide services necessary to install access to the PMS at the Hotel under the Franchise Agreement. You must also sign an agreement with our designated supplier to provide connectivity services and training for the PMS.

System Services

Mandatory Services and Non Mandatory Services comprise the System Services. If you are in full compliance with your obligations under the Franchise Agreement, we or one or more members of the Hyatt Group will provide you those System Services that we periodically specify. You must participate in all Mandatory Services and related programs, and may (at your option) participate in any or all Non-Mandatory Services and related programs, in the manner that we periodically specify. You must acquire all Mandatory Services (as we periodically modify them) only from a member of the Hyatt Group. We may periodically add to, delete from, and otherwise modify these System Services, and the scope of and manner of providing System Services, upon notice to you. Also, due to the differences in products, services, markets and hospitality experiences among Brand Hotels and other Hyatt Network Hotels, we may, where we deem appropriate in our judgment: (a) classify certain System Services as Mandatory Services for the Hotel which we classify as Non-Mandatory Services or do not offer to other Brand Hotels and/or other Hyatt Network Hotels; (b) not provide to the Hotel certain System Services that we provide to other Brand Hotels and/or other Hyatt Network Hotels; and (c) limit the scope of those System Services provided to franchised Brand Hotels, such as by limiting the access that franchised Brand Hotels have to certain customer and other proprietary information for Hyatt Network Hotels other than the Hotel. We describe the current System Services and the current charges for those System Services in Item 6, including all of the services offered pursuant to the Central Services Agreement, which are generally Non-Mandatory Services but in certain circumstances may be designated as Mandatory Services as a condition of our approval of the Hotel's management company, as consideration for other items negotiated as part of the Franchise Agreement, or as part of the requirements of the Quality Assurance and Compliance Program.

Avendra, LLC ("Avendra") is a products and services sourcing company that offers volume contracts to its customer hotels on a variety of FF&E and other items used in hotel operations, including food and beverage equipment and supplies (such as branded and commodity programs),

operating equipment and supplies (such as linens, pillows, terry, and light bulbs), and other products and services (such as printing and stationery, logoed items, chemicals, and pest elimination), at competitive prices that Avendra negotiates. You determine whether, and the extent to which, your Hotel will use Avendra's services. However, if you choose not to use Avendra, you might find it impracticable to purchase certain products for the Hotel (such as bathroom amenities made specifically for Hyatt Network Hotels) elsewhere.

You may, and if we require (depending on your or your approved management company's experience) you must, acquire revenue management services from us. You also may, but are not required to, use Rosemont's purchasing and project management services and acquire our pre-opening advisory assistance for your Hotel. If you are constructing a new Brand Hotel, you may decide to engage us (or our affiliate) to provide technical services and assistance relating to the Hotel's development. We or another member of the Hyatt Group, Avendra and Rosemont negotiate purchase arrangements with suppliers, including price terms, for some required Hotel items. When we do so, we seek to promote the overall interests of the network of Brand Hotels and other Hyatt Network Hotels and our interests as the franchisor. We do not provide material benefits (like renewal or granting additional franchises) to individual franchisees for purchasing particular products or services or for using particular suppliers.

You must participate in, connect with, and use the authorized CRS, GDS and ADS as we periodically designate for offering, booking, modifying, and communicating guest room reservations for the Hotel and bear all related costs and expenses. You may only use the GDS and ADS that we periodically authorize. You must honor and give first priority on available rooms to all confirmed reservations that the CRS, GDS or ADS refer to the Hotel. The CRS and approved GDS and ADS are the only reservation systems or services that the Hotel may use for reservations. You will establish the Hotel's room rates, if those rates and your pricing policies comply with System Standards (to the maximum extent the law allows). You must comply with our "best rate guarantee" and related policies, as we periodically modify them. You may not charge any guest a rate higher than the rate that the reservations center specifies to the guest when the guest makes the reservation.

Except as described here and in Item 6, in providing these and other products and services to you, the Hyatt Group companies have the right to charge prices that exceed their costs and include a profit margin. Except as described above or in Item 5 or 6, there currently are no other goods or services for the Hotel that you must buy or lease from us or one of our affiliates or for which we or one of our affiliates is an approved supplier or the only approved supplier.

Approved Suppliers, Hotel System and System Standards

Promptly after preparing the plans for your Hotel's construction or remodeling, you must prepare and deliver to us for our approval a plan for conducting and administering the F&B Operations at the Hotel (the "F&B Operations Plan"). The F&B Operations Plan will contain the identity of any proposed restaurant operator or other operator of some or all F&B Operations at the Hotel (other than you or your approved management company) (each an "F&B Operator") and the restaurant concept(s) that you plan to incorporate as part of or adjacent to the Hotel. You must make the modifications to the F&B Operations Plan that we reasonably specify and ensure that the Hotel and its F&B Operations operate according to the approved F&B Operations Plan. You may

not make any material changes to the F&B Operations Plan (including any changes to the proposed restaurant concept(s) and/or F&B Operator(s)) without our prior written approval. Before the Hotel begins operating under the Proprietary Marks, you must require each F&B Operator to sign the documents we reasonably specify to protect our (and our affiliates') intellectual property and other rights. At our option, you must submit to us for our prior approval any proposed lease or other agreement between you (or your affiliate or management company) and the F&B Operator under which the F&B Operator will conduct F&B Operations, in which case you may not sign (or permit your affiliate or management company to sign) any lease or other agreement that we have not approved.

If you or your management company do not have in-house technology services support, you must contract with a third party technology consultant that meets our qualifications for "break/fix" support. You must also use our designated cyber end point protection and web filtering tools and enter into agreements with suppliers of such services, as applicable.

You currently must use our designated third party provider of travel agent commission program services. This provider calculates travel agent commissions, remits them to travel agents and collects them from participating hotels. You also must use our designated provider of quality assurance and inspection services. Except as described in this Item or in Item 5 or 6, there currently are no goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Hotel that you must buy from us, our affiliates, or designated or approved suppliers. Except for The Living Company, which may provide some FF&E to Brand Hotels, none of our officers currently owns an interest in any supplier to Brand Hotel franchisees.

However, you must buy or lease most other products and services for your Hotel according to our System Standards. We issue and modify standards and specifications based on our, our affiliates' and our franchisees' experience in operating Brand Hotels and other Hyatt Network Hotels. Our standards and specifications may impose minimum requirements for delivery, performance, reputation, prices, quality, design, and appearance, among other factors. You must ensure that the Hotel strictly complies with all applicable laws and maintains adequate insurance policy coverage in the amounts that we periodically specify. Our System Standards or other communications will identify our standards and specifications and/or names of approved suppliers.

If you wish to obtain any FF&E, supplies, or other goods and services from a source that we have not previously approved as meeting our System Standards (for those items that require supplier approval), you must send us a written request with any information and samples we consider necessary to determine whether the product, service and source meet our then current criteria. If you comply with our processes and procedures, we will respond to your request within a reasonable time period (typically 30 days) after receiving all information we request. We may charge you our costs to review your request and evaluate the product, service and/or source. We may condition our approval on standards and requirements relating to quality, quantity, warranties, prices, volume capability, frequency of delivery, distribution methods and locations, standards of service (including prompt attention to complaints), consistency, reliability, financial capability, labor and customer relations, the willingness and ability to comply with our vendor compliance guide and other criteria. We may modify our System Standards in this area as we deem best. We may, at our option, revoke our approval of certain goods, services or sources if they fail to continue

to meet our System Standards. We may designate a particular source for, or model or brand of, FF&E, supplies or other goods or services that we (in our sole judgment) determine to be critical to the Hotel System.

If the Hyatt Group receives any payments from vendors or service providers whose costs are included as part of System Services Costs, the Hyatt Group currently will offset them against System Services Costs. We and our affiliates may receive rebates, commissions, payments, benefits and other material consideration from suppliers on account of their actual or prospective dealings with you and other franchisees and owners of Brand Hotels, but neither we nor our affiliates will receive rebates from suppliers based solely on the volume of your purchases from those suppliers unless we either forward those rebates to you, use them to cover System Services Costs, or otherwise use those rebates for the benefit of the Hotel System or the Brand Hotel network. During the 2024 fiscal year, Hyatt Corporation received $52,108 in rebates from suppliers of food and beverage products and office supplies based on purchases that franchised Brand Hotels made from those suppliers, but Hyatt Corporation used this entire amount to offset part of the System Services Costs. In addition, Brand Hotel network suppliers attending franchisee conventions, conferences, or other meetings of Brand Hotel owners make contributions to us or other members of the Hyatt Group (which do not derive from franchisee purchases) that we use to defray your and other franchisees' and owners' costs of attending these functions. Except for these payments, neither we nor our affiliates currently receive, or have negotiated to receive, similar payments or other material consideration from suppliers based on our franchisees' purchases or leases, although our affiliates currently receive rebates from suppliers based on goods and services they buy for Brand Hotels that they operate.

You also must participate in and comply with the terms of all of our mandatory marketing, reservation service, rate and room inventory management, advertising, cooperative advertising, guest frequency and loyalty, social responsibility, discount or promotional, customer award, customer loyalty, Internet, computer, training and operating programs, including a PMS that interfaces with the CRS or any other central reservation system that we periodically adopt. We may periodically establish and/or coordinate these programs with third parties we designate. These third parties might (but need not) be our affiliates. You must sign and comply with any license, participation and other agreements we periodically specify relating to these programs.

You may not make any material changes to the Hotel's construction, including any changes to any structural or life safety equipment or systems, the number and/or type of guest rooms or common areas, or any architectural features, without our prior written consent and complying with our conditions and procedures. We may periodically require you to upgrade or renovate the Hotel, including by altering the Hotel's appearance and/or replacing a material portion of improvements and/or FF&E, to comply with then current building décor, appearance, trade dress standards and other aspects of the Hotel System that we have established and then require for new similarly situated Brand Hotels (subject to Reasonable Deviations (defined below)). This upgrading or renovation might require you to invest additional capital in the Hotel and/or incur higher operating costs. You must implement the upgrading and renovation within the time period we request. However, all of these upgrades and renovations will apply to similarly situated Brand Hotels (subject to Reasonable Deviations). In order to assist you in having funds available to make any necessary capital expenditures at the Hotel and comply with your upgrade and renovation

obligations (but without limiting those obligations), you must deposit into a separate account that you control an amount equal to (a) 3% of the Hotel's total operating revenue accrued each month during the first year of operations, (b) 4% of the Hotel's total operating revenue accrued each month during the second year of operations, and (c) 5% of the Hotel's total operating revenue accrued each month during the balance of the Franchise Agreement's term. You will use these funds only to make approved capital expenditures and comply with your upgrade and renovation obligations, although your obligations may require you to spend more than the amount in the account.

"Reasonable Deviations" means that, if the market area or circumstances of a Brand Hotel warrant, then, in our Reasonable Business Judgment (defined below), we may apply an aspect of the Hotel System, System Standard, requirement, fee or other term or condition to the Hotel in a manner which differs from the manner in which that aspect of the Hotel System, requirement, fee or other term or condition applies to one or more other similarly situated Brand Hotels. "Reasonable Business Judgment" means that our action or inaction has a business basis that is intended to benefit the Brand Hotel network or the profitability of the network, including us and our affiliates, regardless of whether some individual hotels may be unfavorably affected; or to increase the value of the Proprietary Marks; or to increase or enhance overall hotel guest or franchisee or owner satisfaction; or to minimize possible brand inconsistencies or customer confusion.

Collectively, the purchases and leases you must make from us, from designated or approved suppliers, or according to our System Standards represent approximately 95% of your total purchases and leases to establish, and approximately 95% of your total purchases and leases to operate, the Hotel. During our 2024 fiscal year, we did not derive any revenue from selling or leasing products or services directly to Brand Hotel franchisees, but our affiliates collected about $1,249,833 in fees and other revenue from providing various products and services to Brand Hotel franchisees, but not including revenue from any Commercial Services Fee or similar fees for the System Services outlined in Item 6. In addition, Brand Hotel franchisees received $6,572,188 more in loyalty program reimbursements than they paid in loyalty program fees during 2024. We derived these figures from our affiliates' internal financial records.

Item 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	1.1, 2.5 and 2.6 of Franchise Agreement	7 and 11

Obligation		Section in agreement	Disclosure document item
b.	Pre-opening purchases/leases	2.1, 2.2, 2.5, 2.7, 3.3, 4.3, 4.4, 5.1, Article 9 and Exhibit B-1 of Franchise Agreement	5, 7, 8 and 11
c.	Site development and other pre-opening requirements	2.1 to 2.4 and Exhibit B-3 of Franchise Agreement; Revenue Management Services Program Schedule	5, 7, 8 and 11
d.	Initial and ongoing training	3.1, 3.4, 4.2 and 12.4 of Franchise Agreement	5, 6, 7 and 11
e.	Opening	2.5 of Franchise Agreement	5 and 11
f.	Fees	2.2, 2.5, 3.1, 3.3, 3.4, 4.1, 4.2, 4.4, 4.8, 5.3, 7.5, 8.3, 12.4, 12.8, 13.2, 14.4, 16.1, 16.2 and 16.5 and Articles 3, 6, 9 and 10 and Exhibit B-1 of Franchise Agreement; Franchise Application; 7 of Confidentiality Agreement; Schedules to Central Services Agreement	5, 6, 7, 8 and 11
g.	Compliance with standards and policies/operating manual	2.1 to 2.3, 2.6, 3.2, 3.3, 5.1, 5.3, 5.4, 7.4 and 11.2 and Article 4 of Franchise Agreement; Management Company Rider	6, 8, 11, 13, 14 and 15
h.	Trademarks and proprietary information	3.2, 5.3 and 16.1 and Article 11 of Franchise Agreement; Confidentiality Agreement; Management Company Rider; 6 of Central Services Agreement	11, 13 and 14
i.	Restrictions on products/services offered	4.1, 4.3, 4.4, 4.5 and 4.6 of Franchise Agreement	8, 11 and 16
j.	Warranty and customer service requirements	4.3 and 4.5 of Franchise Agreement	8, 12 and 16
k.	Territorial development and sales quotas	Not applicable	Not applicable
l.	Ongoing product/service purchases	3.2, 3.3, 4.1, 4.3, 4.4, 4.5, and 4.6 of Franchise Agreement; Schedules to Central Services Agreement	5, 6, 7, 8 and 11
m.	Maintenance, appearance and remodeling requirements	3.2, 4.3, 4.4, 4.6, 4.7, 4.8 and 10.2 of Franchise Agreement	8, 11 and 16
n.	Insurance	Article 9 of Franchise Agreement; 8 of Central Services Agreement	6, 7 and 8

Obligation		Section in agreement	Disclosure document item
o.	Advertising	4.1, 4.3, 4.5 and Article 5 of Franchise Agreement	6, 8 and 11
p.	Indemnification	2.5 and 8.3 of Franchise Agreement; 7 of Confidentiality Agreement; 9 of Central Services Agreement	6
q.	Owner's participation/ management/staffing	3.1, 3.2, 4.2 and 4.6 of Franchise Agreement; Management Company Rider; Revenue Management Services Program Schedule	5, 7, 11 and 15
r.	Records and reports	4.3 and 4.7 and Article 7 of Franchise Agreement	6
s.	Inspections and audits	4.3, 4.8, 7.4 and 7.5 of Franchise Agreement	6
t.	Transfer	12.2 to 12.9 of Franchise Agreement and 8(e) of Confidentiality Agreement; 13 of Central Services Agreement	6 and 17
u.	Renewal	Article 13 of Franchise Agreement	6 and 17
v.	Post-termination obligations	12.4 and Articles 10, 14 and 16 of Franchise Agreement; 6 and 9 of Central Services Agreement	6, 13, 14 and 17
w.	Non-competition covenants	4.2, 4.10 and 4.11 of Franchise Agreement	15 and 17
x.	Dispute resolution	Article 14 of Franchise Agreement; 8 of Confidentiality Agreement; 11 of Central Services Agreement	6 and 17
y.	Honoring guest room rates	3.3 and 4.5 of Franchise Agreement	8
z.	Guarantor Monetary Threshold	12.1 of Franchise Agreement and Guaranty	15
aa.	Right of first offer	Exhibit C of Franchise Agreement	17

Item 10

FINANCING

We do not have a fixed financial assistance program for our franchisees and typically do not offer financial assistance to franchisees. However, in some cases we periodically may offer financial assistance to franchisees developing new Brand Hotels or converting existing hotels from

other brands to the Hotel System. We have no formal criteria to determine which franchisees will receive financial assistance or the amount or timing of the assistance. The terms of any financial assistance, including amount, interest rate, and repayment terms, will vary widely and depend on our agreement with the franchisee and its particular circumstances. Our decision to offer financial assistance depends on what we think is best for us and the Brand Hotel franchise network. We have no obligation to offer financial assistance to any franchisee.

Except as described above, neither we nor our affiliates offer direct or indirect financing. Neither we nor our affiliates guarantee your note, lease or obligation.

Item 11

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

Except as listed below, Hyatt Franchising, L.L.C. is not required to provide you with any assistance.

Before you begin operating the Hotel, we or another member of the Hyatt Group will:

1. Approve a site for the Hotel that meets our requirements. We do not provide any site selection assistance or specify an area within which you may look for a site. We do not own hotel premises and lease them to franchisees. In determining whether to approve a site, we consider, among other things, demographic characteristics, traffic patterns, parking, visibility, allowed signage, the predominant character of the neighborhood, competition from other lodging facilities in the area, the nature of other businesses near the site, and other commercial characteristics (including the purchase price or rental obligations and other lease terms) and the proposed site's size, appearance, and other physical characteristics. You may not develop a Brand Hotel at a site that we do not approve. We and you will not sign a Franchise Agreement until you have located and we have approved the Hotel's site. If you are converting an existing hotel from another brand to the Hotel System, we will inspect the hotel and prepare a PIP to provide details on our upgrade requirements. Each Comfort Letter Party must sign a comfort letter or similar agreement that we reasonably specify. (Sections 2.1 and 2.7 of Franchise Agreement)

2. Communicate our then current specifications and requirements for designing and developing a Brand Hotel, including the Design and Construction Standards. We will provide a briefing virtually, at our headquarters, or at another location we designate, to acquaint your managing owner or senior operations officer with our building process and support structure. If you are constructing a new Hotel at the site, you must design and construct the Hotel according to our Design and Construction Standards and Hotel System, and we and/or Hyatt Corporation will provide technical and design assistance related to the Hotel's development. If you are converting an existing hotel from another brand to the Hotel System, you must renovate the Hotel according to the PIP, which may reference some or all of our Design and Construction Standards and the Hotel System. The PIP is attached to the Franchise Agreement when we and you sign it. You may not

make any material changes to plans set forth in the PIP (including any changes to any structural or life safety equipment or systems, the number and/or type of guest rooms or common areas, or any architectural features), without our prior written consent, which we will not unreasonably withhold. We and our affiliates may operate, and authorize others to operate, Brand Hotels within or outside the United States providing additional, fewer and/or different amenities and services to guests than the Hotel provides, or that otherwise operate in a manner that is substantially different from the manner in which the Hotel operates. We may establish and periodically modify the Hotel System and System Standards for certain Brand Hotels in a manner that is different from the Hotel System and System Standards that apply to some or all Brand Hotels within or outside the United States. (Sections 2.1 2.6 and 2.8 and Exhibit B-3 of Franchise Agreement)

3. As described in Item 8, identify the brands, types, makes and/or models of FF&E and other items (including both products and services) that meet our System Standards and, if we require, designated and approved suppliers of these items. We or our designated affiliate will directly provide and deliver, and in certain cases install, some items. We will provide you with the names of approved suppliers for some items. Our System Standards or other communications provide our standards and specifications for some items. (Sections 3.3, 4.3 and 4.4 of Franchise Agreement)

4. Approve your initial design development documents and detailed plans for a new Hotel or renovation plans for conversion of an existing structure, including working drawings and specifications, if they comply with our Design and Construction Standards, the Hotel System and System Standards. You must prepare and submit the plans to us for our approval and change the plans as we specify. You may not begin constructing, remodeling or developing the Hotel until we have approved the plans. You may not change the approved plans, including by changing any structural or life safety equipment or systems, the number or type of guest rooms or common areas, or any architectural features, without our prior approval. (Section 2.1 and Exhibit B-3 of Franchise Agreement)

5. Approve an F&B Operations Plan and F&B Operator(s) that meet our requirements. (Section 2.3 of Franchise Agreement)

6. Approve you establishing a temporary or permanent sales office at the Hotel's site to solicit and accept reservations during the pre-opening period for stays after the Hotel's opening date, if it meets our requirements. Promptly after the Technology System is installed at the Hotel, you must, at our option, staff the pre-opening sales office with the Hotel's director of sales and begin operating the pre-opening sales office. (Section 2.4 of Franchise Agreement)

7. Provide the applicable System Services for the Hotel during its pre-opening period. (Section 4.1 of Franchise Agreement)

8. Approve a pre-opening marketing program that you prepare according to our requirements. At least 120 days before the Hotel's opening, you must prepare and submit to us for our approval a written pre-opening marketing program that satisfies our requirements and contemplates spending at least $500 times the number of guest rooms at

the Hotel. You must change the program as we specify and implement the approved program. We anticipate your spending additional amounts on pre-opening marketing as well. (Section 5.1 of Franchise Agreement)

9. Provide data installation services relating to the initial set-up of the CRS, GDS and ADS at the Hotel, IT Project Management Services, and other technology-related services described in Item 5. (Section 2.2 of Franchise Agreement) We describe the Technology System later in this Item.

10. Provide you access to the CRS and listings in advertising publications that we periodically specify during the period before the Hotel's opening date that we reasonably specify. (Section 3.3 of Franchise Agreement)

11. Train your Hotel's senior manager-level employees whom we periodically designate, which may include (as applicable), the general manager, rooms director, director of sales, engineering director, director of food and beverage, director of catering, executive chef, and assistant general manager (collectively, the "Core Management"), and other Hotel personnel we specify in the operation of a Brand Hotel to help ensure compliance with System Standards. We will place our trainer(s) at the Hotel for its opening. (Section 3.1 of Franchise Agreement).

12. Provide you access to the System Standards. You must comply with the System Standards, as we periodically modify them, except for any employment-related or other policies and procedures which are clearly indicated in the System Standards as being for your optional use. We may communicate the System Standards to you using various means that we may periodically establish, including electronic media and/or written materials, and you must continuously monitor and access any updates to the System Standards or other aspects of the Hotel System. The System Standards and any passwords or other digital identifications necessary to access the System Standards are confidential.

Any materials, guidance or assistance that we provide on employment-related policies or procedures, whether in the System Standards or otherwise, are solely for your (or your management company's) optional use. Those materials, guidance and assistance do not form part of the mandatory System Standards. You (or your approved management company) will determine to what extent, if any, these materials, guidance or assistance should apply to the Hotel's employees. We do not dictate or control labor or employment matters for franchisees and their employees. You (or your approved management company) are solely responsible for determining the terms and conditions of employment for all Hotel employees (including Core Management), for all decisions concerning the hiring, firing and discipline of Hotel employees, and for all other aspects of the Hotel's labor relations and employment practices. (Sections 3.2 and 4.3 of Franchise Agreement)

13. Authorize your Hotel to open under the Proprietary Marks if you satisfy our pre-opening conditions as set forth in the System Standards or otherwise in writing. We will use commercially reasonable efforts in our review and approval of plans and in our approval process to open the Hotel, including by making a reasonable number of visits to the Site (to the extent practical under the circumstances) and providing reasonable guidance

and advice relating to the Hotel's development or conversion. You must pay our then current fees for any additional guidance, services or assistance (beyond what we typically provide to similarly situated Brand Hotels, subject to Reasonable Deviations) that you request and we agree to provide. We act only in an advisory capacity and are not responsible for the adequacy or coordination of any plans and specifications, the integrity of any structures, compliance with applicable laws (including accessibility laws) or any insurance requirements, or obtaining any permits. We will have no liability to you for the Hotel's construction or renovation. You must give us certificates from your contractors concerning the Hotel's compliance. (Sections 2.5 and 2.6 of Franchise Agreement)

14. Provide revenue management services for the Hotel if you choose to acquire them or we determine that you must acquire them. (Revenue Management Services Program Schedule)

15. Provide field marketing program services for the Hotel if you choose to acquire them. (Field Marketing Program Schedule)

During your operation of the Hotel, we or another member of the Hyatt Group will:

1. Continue to provide the System Services for the Hotel, as we periodically modify them. (Section 4.1 of Franchise Agreement)

2. Advise you periodically regarding the Hotel's operation, for example, concerning System Standards and advertising and marketing materials and programs. If you request, and we agree to provide, additional or special guidance, assistance, or training, you must pay our then applicable charges and travel and living expenses. Any specific training, guidance or assistance that we provide does not create an obligation (whether by course of dealing or otherwise) to continue providing that specific training, guidance or assistance, all of which we may periodically modify. (Section 3.4 of Franchise Agreement)

3. Let you use our Proprietary Marks. (Sections 11.1 to 11.4 of Franchise Agreement)

4. Let you use our Confidential Information and Copyrighted Materials. (Sections 11.1, 11.5 and 11.6 of Franchise Agreement)

5. Provide you access to the System Standards as we may modify them periodically. You must restrict (and ensure your management company restricts) access to the System Standards according to our policies, as we periodically modify them. If there is a dispute over their contents, our master copy of the System Standards controls. Because complete and detailed uniformity under many varying conditions might not be possible or practical, we may, as we deem best, vary the Hotel System and System Standards for any Brand Hotel based upon the peculiarities of any condition or factors that we consider important to that hotel's successful operation. We need not grant you a similar variation or accommodation. The table of contents for the System Standards in effect as of the issuance date of this disclosure document is Exhibit F and reflects that the System Standards comprise 3,334 pages. (Sections 3.2 and 4.3 of Franchise Agreement)

6. Provide you access to the CRS and listings in advertising publications that we periodically specify during the Franchise Agreement's term. (Section 3.3 of Franchise Agreement)

7. Conduct periodic inspections of the Hotel and otherwise maintain the Quality Assurance and Compliance Program for the Brand Hotel franchise network. (Section 4.8 of Franchise Agreement)

8. Continue to provide revenue management services if we choose to offer and either you chose to acquire them or we determine that you must acquire them. (Revenue Management Services Program Schedule)

9. Continue to provide field marketing program services for the Hotel if we choose to offer and you choose to acquire them. (Field Marketing Program Schedule)

10. Provide central sales services, add-on global property guest services, or digital ancillary services if we choose to offer and you choose to acquire them. (Central Sales Services Program Schedule, GPGS Program Schedule, and Digital Ancillary Services Program Schedule)

Advertising and Marketing

Except for the System Services, which we describe in Item 6, there are no advertising funds or local or regional advertising cooperatives to which franchisees or other Brand Hotel operators must contribute. However, promoting Brand Hotels as a single chain in the United States is an important part of the Hotel System, so you must participate in and use, in the manner we specify, all advertising, marketing and promotional activities, materials and programs that we periodically require for similarly situated Brand Hotels (subject to Reasonable Deviations). (Section 5.2 of Franchise Agreement) The Hyatt Group prepares advertising, marketing and promotional programs as part of System Services. (Section 4.1 of Franchise Agreement) These programs may cover any media (including print, radio, television and electronic) and their scope may be local, regional, national or international or focus on a subset of hotels (like resort hotels or convention hotels). The Hyatt Group's corporate personnel and advertising agencies develop these programs. We will not use funds that franchisees pay for System Services principally to solicit new franchise sales. We will not prepare any periodic accounting of how we and our affiliates spend these funds. The Hyatt Group need not spend any amount on advertising, marketing or promotional programs in the area where the Hotel is located. There currently are no franchisee advertising councils that advise us on advertising and marketing policies. However, we may form, change, and dissolve these councils.

We may identify a region in which 2 or more Brand Hotels are located (including, if applicable, those that we or our affiliates own or operate) to establish a local or regional advertising cooperative (a "Cooperative"). We may form, change, dissolve and merge Cooperatives. The Cooperative's purpose will be to collect funds from its members and to plan, discuss, organize, develop, utilize, produce, disseminate, and implement marketing, advertising and promotional programs and materials on a collective basis (and to cover related expenses) for participating Brand Hotels. We will not require you to participate in a Cooperative. However, if you choose to

participate in the Cooperative, you must do so according to the Cooperative's rules, including by paying your Hotel's allocable share for any advertising, marketing, promotional and other programs that the Cooperative conducts. The Cooperative will be in charge of its own administration and determines contributions. Cooperative members will typically contribute to programs at the same rate. We anticipate that Cooperatives will operate from written governing documents and prepare financial statements that member franchisees may review. All restrictions relating to any advertising, marketing or promotional materials and programs that you use or conduct also apply to any materials and programs that the Cooperative will use or conduct. (Section 5.5 of Franchise Agreement)

You must ensure that all advertising, marketing, and promotional materials, all public relations plans and programs, and all uses of the Proprietary Marks are conducted in a dignified manner and comply with the System Standards, including the use of our standard templates where applicable, and which may, at our option, require our prior approval of materials that we have not previously approved. You must discontinue using any materials (including previously-approved materials) and stop engaging in any plans and programs (including previously-approved plans and programs) within the timeframe we specify after you receive written notice from us. You may not use Guest Information (defined in Item 14) in conducting marketing, advertising and promotional programs for the Hotel, except for programs conducted by or through us or with our supervision in each instance. (Section 5.3 of Franchise Agreement)

The "Hotel System Website" is a website that we or one or more members of the Hyatt Group develops, maintains and/or authorizes for all or a certain group of Brand Hotels that we periodically specify (and, at our option, other Hyatt Network Hotels). We currently provide each participating Brand Hotel a separate webpage on the Hotel System Website. You must comply with all System Standards relating to the Hotel System Website, including by providing us (or our designee) all information and other materials concerning the Hotel that we periodically request and promptly notifying us whenever any information concerning the Hotel on the Hotel's webpage is no longer accurate. By providing Hotel-related information and materials, you are representing to us that they are accurate and not misleading and do not infringe any third party's intellectual property or other rights. We have the final decision about all information or materials appearing on the Hotel System Website. As between us and you, we own all intellectual property rights and other rights in and to the Hotel System Website, including all data that visitors supply or the Hotel System Website obtains. We may discontinue the Hotel System Website and/or any of its content (including separate webpages for participating Brand Hotels) at any time.

You may not develop, maintain or authorize any website or other electronic medium (other than the Hotel System Website) that has the word "hyatt" or any similar word, or any of the Proprietary Marks, as part of its domain name or URL or that accepts reservations for the Hotel (other than through an approved link to a Hotel System Website) or otherwise sells any products or services associated with the Hotel or any of the Proprietary Marks. In addition, except for the Hotel System Website, approved ADS, and as otherwise provided here, you may not develop, maintain or authorize any other website, other online presence or other electronic medium that describes or in any other way promotes the Hotel or displays any of the Proprietary Marks. You may, with our approval (which we will not unreasonably withhold) and subject to compliance with System Standards, authorize any Travel Services Website or Franchisee Organization Website to

list and promote the Hotel together with other hotels. A "Travel Services Website" is a website that a third party (which is not your affiliate) operates that promotes and sells travel-related products and services for a number of hotel brands, including other Hyatt Network Hotels. A "Franchisee Organization Website" is a website that mentions the Hotel and other hotels in which you and your affiliates have an interest as part of your and their portfolio of properties and that has a primary purpose of promoting the entire portfolio (rather than only promoting the Hotel). (Section 5.4 of Franchise Agreement)

Technology System

You must use the computer hardware, software, and related equipment (the "Technology System") that we or our affiliate periodically designate to operate the Hotel. The Hotel will use the Technology System to administer the CRS and the property management system (the "PMS"); automate front desk registration/cashiering, telephone switchboard, housekeeping and accounting functions; record and track sales and labor data; run the point-of-sale ("POS"), key lock system, in-room entertainment, sound and related systems; and perform a variety of other management and reporting functions. To meet our current brand standards, you must install the following systems: Property Management, Point of Sale, Revenue Management, Events and Lead Generation System (Envision), Key Lock, PBX/Phones, In-Room Entertainment, High Speed Internet Service, Guest Computing, Hotel Music Services, Digital Surveillance, and Scent. The Technology System will generate and record revenue, payment, labor and other operational data relating to the Hotel and its operations. We will provide project management implementation and related services for the Technology System. Based on our current requirements for a Brand Hotel, we estimate that it will cost approximately $638,600 to $777,650 for you to acquire and install the Technology System at the Hotel.

You currently must acquire the PMS, POS system, and certain other components of the Technology System only from our designated vendors. You must acquire 24/7 support, maintenance, and warranty coverage from us or our designated PMS and POS vendor. Our designated PMS and POS vendor currently charges $3.90 per room per month but may increase this amount upon notice to you. Our designated PMS and POS vendor will also provide upgrades and updates to its licensed software if we approve them. You also must acquire maintenance from our designated PBX/phones vendor, our designated key lock vendor, and our designated sound system vendor, who currently charges $18.95 per month to provide quarterly updates to the playlist that the Brand Hotel network uses. We or another member of the Hyatt Group will provide other maintenance, support, upgrades and updates for parts of the Technology System and certain other technology services as part of the Mandatory Services for the Hotel, all of which are included in the Commercial Services Fee. No other party has an obligation to provide ongoing maintenance, repairs, upgrades or updates to the Technology System. The cost of other optional maintenance, updating, upgrading and support contracts varies widely depending on the market and the level of support you need. If you or your management company do not have in-house technology services support, you must contract with a third party technology consultant that meets our qualifications for "break/fix" support. You must also use our designated cyber end point protection and web filtering tools and enter into agreements with suppliers of such services, if applicable.

We may periodically require changes, upgrades, or updates to the Technology System. No contract limits the frequency or cost of changes, upgrades or updates. We or our affiliates may

charge you reasonable fees for software or other technology that we license to the Hotel and for other Technology System maintenance and support services that we or they periodically provide to the Hotel, such as revenue management software, PMS enhancements, Hyatt's Collaboration Network including HyattConnect, SharePoint Knowledge Network, E-Mail, User Identity Access Management, Learning Management Systems and Wide Area Network and Remote Access support. We will have independent, unlimited access to the information that the Technology System generates and tracks. (Sections 4.3, 4.4 and 7.4 of Franchise Agreement)

Hotel Opening

If you are developing a new Brand Hotel, including by adapting an existing building to a new use as a hotel, we estimate that you will open the Hotel approximately 24 to 36 months after paying the Application Fee. If you are converting an existing hotel from another brand to a Brand Hotel, we estimate that you will open the Hotel approximately 3 to 24 months after paying the Application Fee. The interval depends on the time it takes for you to finalize acquisition of the Hotel's premises (if applicable) and sign the Franchise Agreement, the suitability of the site, weather, the location and condition of the premises (including the premises' former use) and the construction schedule for the Hotel. You must open and begin operating the Hotel within 24 months after signing the Franchise Agreement for new Brand Hotels and 6 months after signing the Franchise Agreement for converted hotels (unless we agree to a longer period before we and you sign the Franchise Agreement). You also must meet various interim deadlines for the Hotel's development. If you do not meet these requirements, then you must pay the $10,000 extension fee to us and request an extension, which we may grant or deny at our option. If we approve the extension, we will set a new opening deadline, the extension fee is non-refundable, and we may (at our option) require you to modify any previously-approved detailed plans or the PIP (as applicable), to comply with the then current design, equipment and other aspects of the Hotel System. If you do not open the Hotel by the required completion date, we may terminate the Franchise Agreement.

You may not open or begin operating the Hotel under the Proprietary Marks until we have notified you in writing that: (1) you have properly developed and equipped the Hotel in compliance with the Franchise Agreement and all applicable laws; (2) Hotel personnel have completed all pre-opening training to our satisfaction; (3) you have paid all amounts then due to us and our affiliates; (4) you have obtained all required certificates of occupancy, licenses and permits to operate the Hotel; (5) you have given us evidence of insurance coverage and payment of premiums we request; (6) you have given us certifications concerning the Hotel's construction; and (7) we have conducted a pre-opening inspection and approved the Hotel for opening under the Proprietary Marks. You must open and begin operating the Hotel under the Proprietary Marks within 10 days after receiving our authorization, which we will not unreasonably withhold or delay. We may terminate the Franchise Agreement if you do not meet these deadlines. Our determination that you have met all of our pre-opening requirements is not a representation or warranty, express or implied, that the Hotel complies with any laws or is safe for occupancy, nor will such determination act as a waiver of your non-compliance, or our right to demand full compliance, with our pre-opening requirements or any other provision of the Franchise Agreement. You must indemnify us for costs and expenses we incur because of your failure to

open on time, including amounts we pay to customers whose reservations are canceled. (Sections 2.1 to 2.6 of Franchise Agreement)

You must and must cause your lessees and your affiliates and their respective lessees to: (a) develop, maintain and operate all Non-Hotel Components within the Mixed-Use Site (as defined in Item 16) in accordance with quality, design and operational standards consistent with the quality, design and operational standards applicable to the Hotel, (b) refrain from advertising, marketing or promoting the Non-Hotel Components as being associated with or part of the Hotel, the "The StandardX" brand or any other Proprietary Marks, except in connection with the Hotel, advertisement and promotion approved pursuant to Section 5 of the Franchise Agreement; and (c) operate the Non-Hotel Components in a way that, in our reasonable judgment, does not damage or reflect adversely on the goodwill associated with any Proprietary Mark.

Training

Our current required initial training program has 7 parts: the Owner Briefing, the owner/operator orientation program, the General Manager University ("GMU"), the operations training program, the sales/catering/revenue training program, the training programs for other Hotel personnel, and the Pre-Opening Brand Training. Except for any optional courses that we choose to provide, all initial training is mandatory. Our Franchise People & Learning Department administers and directs all of our initial training in coordination with our corporate operations team. Julie Suh, Associate Vice President, People & Learning, leads the Franchise People & Learning Department. Julie joined us and our affiliates in 2022. She has over 20 years of experience in the hotel/hospitality industry. We also have a staff of training professionals who conduct various training programs. These staff members typically have at least 15 years of experience in hotel and/or learning and development roles and at least 5 years of experience with us or our affiliates. The System Standards, videos, charts, pamphlets, and other training aids serve as the instructional materials for the training programs. You must pay us the fees and expenses described in Item 5 and Item 6 and you are responsible for all travel and living expenses (including travel, lodging, food and beverage, and miscellaneous charges) for your personnel.

Owner Briefing

Your managing owner or senior operations officer must attend a briefing, either virtually or at our corporate headquarters in Chicago, Illinois, within 6 months (for new construction hotels) or 3 months (for conversion hotels) after signing the Franchise Agreement. Our SVP Global Franchise Operations & Owner Relations supervises this briefing, which we hold whenever necessary. There are no instructional materials or tasks that your managing owner or senior operations officer must complete to our satisfaction. As of the date of this disclosure document, this 2-day briefing takes place in a classroom or virtual setting covers the following topics:

TRAINING PROGRAM
Owner Briefing

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
An overview of our building process and support structure	8	0	Chicago, Illinois, a Hyatt hotel location we designate, or virtually
Total Hours – Owners Briefing	**8**	**0**	

Owner/Operator Orientation

Your managing owner and senior operations officer must attend and complete to our satisfaction the owner/operator orientation program ("Orientation") within 6 months after signing the Franchise Agreement for existing Brand Hotels or within 6 months after the Hotel's opening date for new Brand Hotels. We conduct Orientation virtually, or in person at a Hyatt hotel location we designate or at our company headquarters in Chicago, Illinois approximately once per quarter. As of the date of this disclosure document, this 2-day briefing takes place in a classroom or virtual setting and covers the following topics:

TRAINING PROGRAM
Orientation

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Introduction to Hyatt brands, support functions, operational strategy, tools, and culture	8	0	Chicago, Illinois, Hyatt hotel location we designate, or virtually
Commercial Services strategy and tools, FF&E, design, F&B, brand standards and purchasing	8	0	Chicago, Illinois, Hyatt hotel location we designate, or virtually
Total Hours – Orientation	**16**	**0**	

GMU

The Hotel's proposed general manager, whether newly hired or promoted, must attend GMU, which provides an overview of Hyatt's brand requirements and the tools made available by us in support of these requirements. GMU consists of self-paced eLearning, virtual instructor-led training, in-person training, learning assessments, and a final virtual presentation to our leadership team. The Hotel's proposed general manager must complete GMU (including the final learning

assessment and a virtual presentation to our leadership team) at least 6 months before the Hotel's opening date or within 6 months after the date of hire or promotion (as applicable) for a new general manager at an existing Brand Hotel. The Hotel's proposed general manager must complete the self-paced eLearning and virtual components of GMU at least 3 months before the Hotel's opening date or within 3 months after the date of hire or promotion (as applicable) for a new general manager at an existing Brand Hotel. The required in-person training component is a 3-day workshop at our corporate headquarters in Chicago, Illinois or at a Hyatt hotel location we specify, and gives the general manager an opportunity to meet our affiliates' personnel who will be providing training. The Hotel's proposed general manager must complete the in-person training component at least 3 months before the Hotel's opening date or within 3 months after the date of hire or promotion (as applicable) for a new general manager at an existing Brand Hotel. Our SVP Global Franchise Operations & Owner Relations supervises this orientation, for which we maintain an ongoing schedule adjusting to the volume of general manager hires. General managers must consistently participate in all aspects of GMU in order to successfully complete it.

In the case of a general manager vacancy, the owner/operator must adhere to our standards related to the timing of filling the vacancy with a permanent or interim general manager. If a permanent general manager has not been identified for more than 6 months after the original vacancy, the owner/operator must identify a leader as an interim general manager to complete GMU. Once the general manager vacancy has been permanently filled, the new permanent general manager will also be required to complete GMU, unless we waive the requirement for a particular individual. If the new permanent general manager previously worked at a Hyatt Network Hotel, the general manager will be required to complete GMU knowledge assessment if the general manager has been absent from such Hyatt Network Hotel for more than 1 year as of the date of hire. Based on the results of that assessment, the general manager may be exempt from some or all of the GMU components.

As of the date of this disclosure document, this training includes the following topics:

TRAINING PROGRAM
GMU

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Hyatt history and purpose, portfolio of brands, policies and programs, brand expectations, key programs, metrics and tools	20-24	0	Self-paced eLearning and virtually

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Brand standards, World of Hyatt, Core metrics, operational tools, Commercial Services	8	0	Virtual instructor led
HySat, key operational systems, quality assurance, service skills	24	0	Virtually, or at a Chicago, Illinois Hyatt hotel or office we designate
Knowledge assessment and virtual presentation to Hyatt leadership	1-2	0	Virtually
Total Hours – GMU	**53-58**	**0**	

Operations Training and Sales/Events/Revenue Management Training

Your Hotel's Core Management team and other personnel we specify (as described in the chart below) must complete various initial mandatory brand standard training courses to our satisfaction before the Hotel's opening. We conduct some of this training at our company headquarters in Chicago, Illinois. Additionally, components of the training may take place at a Hyatt hotel we designate. We conduct this training according to an annual schedule, with some programs held quarterly or semi-annually and others held as often as necessary. In some instances, as needed to meet your Hotel's opening date, we may send our trainers to your Hotel to conduct training programs that we typically hold at our headquarters. We recommend that managers and directors who are new to their role attend the live classroom New Hire Training and complete online training within 6 months of being hired. There are some periodic requirements that your operational, sales/events/revenue managers must complete to our satisfaction, including eLearning knowledge checks and assessments, and full attendance and participation in virtually-facilitated programs.

As of the date of this disclosure document, this training includes the following topics:

TRAINING PROGRAM
Operations

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
New Hire Training (Franchise) - for hotel senior leadership positions including but not limited to: General Managers, Director of Operations, Food and Beverage Directors, Rooms Directors and/or other senior operational leaders – Topics include: the fundamentals of Hyatt hotel operations, brand standards, HySat, In-Stay Engagement, Colleague Advantage, and Guest Experience Resource Library	8-16	0	Your Hotel
Hyatt's Loyalty Program (World of Hyatt)	4	0	Your Hotel
Operations: Hyatt's brand/operations training defines service and skill standards required for hourly and management	0	24-60 (based on position help)	Your Hotel
Reservations Managers: Central reservations system training	16	0	Your Hotel, a Hyatt hotel we designate, Chicago, Illinois or Virtually
Revenue Management Systems Training	3	0	Self-paced eLearning & Facilitator-led Virtual Classroom
System Users: Property management system (various by position)	16-40	16	Your Hotel, a Hyatt hotel we designate, Chicago, Illinois or Virtually
Total Hours – Operations Training	**47-79**	**40-76**	

TRAINING PROGRAM
Sales/Events/Revenue Management

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Sales Leader: Hyatt Sales Onboarding	30 (completed within 90 days of hire)	0	Virtually-facilitated program
Sales Leader: Sales Management Self-Paced Learning Path	13	0	Self-paced eLearning & Facilitator-Led Virtual Classroom
Sales Leader: World of Hyatt How it Works	2	0	Self-paced eLearning
Hyatt Sales Skills Curriculum	10	0	Self-paced eLearning & Facilitator-Led Virtual Classroom
Sales Leader: Revenue Management Software Training for Hotel General Managers & Directors of Sales	5	0	Virtually-facilitated program
Revenue Management Orientation	2	0	Virtually-facilitated program
Revenue Systems Training for all day-to-day users	50	0	Self-paced eLearning & Facilitator-Led Virtual
Revenue Management Software Certification (All Brand Hotels are required to have 2 certified users)	1.5	0	Self-paced eLearning
Events: Systems Training	23	0	Self-paced eLearning & Facilitator-Led Virtual
Total Hours – Sales/Events/Revenue Management Training	**136.5**	**0**	

Training for Other Personnel

We also offer other brand standard training programs for various Hotel personnel that a representative from your Hotel will facilitate as often as needed. Some of these programs include instructional materials or tasks that personnel must complete to our satisfaction, as indicated below.

As of the date of this disclosure document, this training includes the following topics:

Subject	Hours of Classroom Training	Hours of On-the Job Training	Location
New Hotel Orientation	4	0	Your Hotel
Department Training – Train the Trainer	0	6-12	Your Hotel
Guest Experiences Training	8-16	4-8	Your Hotel
Guest Loyalty Training (World of Hyatt) – program completion requires 80% correct on eLearning knowledge test	1-6 (varies by position)	1-4	Your Hotel
Related position systems training – including but not limited to Opera, Reserve, Colleague Advantage, Simphony	4-8 (varies by position)	4-12 (varies by position)	Your Hotel – onsite and virtual
Total Hours – Other Personnel	**17-34**	**15-36**	

Training for Other Personnel – Required

We also require other brand standard training programs for various Hotel personnel that a representative from your Hotel will facilitate as often as needed. Instructional materials are provided, and tasks which must be completed to our satisfaction are indicated below. These requirements are routinely updated and subject to change.

In addition to the courses listed below, the Hotel's general manager must facilitate training of on-property personnel in several areas, including safety and security, ethics, de-escalation, cybersecurity and hygiene. This training does not need to take any specific format or follow a standardized curriculum. It is in the discretion of the Hotel's general manager as to the materials to utilize, which may include optional materials that we offer. The Hotel's general manager must regularly acknowledge via our learning management system that it has provided such training to Hotel staff.

As of the date of this disclosure document, this required training includes the following topics:

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Elevate Service Skills Training	2-10	0	Self-paced eLearning
World of Hyatt Host	1-6 (varies by position)	0-4	Self-paced eLearning
World of Hyatt How it Works	1	0	Self-paced eLearning
World of Hyatt Training	6	1-2	Your Hotel
Hyatt's Human Trafficking Training – this program requires annual retraining for all employees	1-3	0	Self-paced eLearning
Global Privacy Program – this program requires annual retraining for all employees	1-3	0	Your Hotel – Hotel general manager to facilitate the training and acknowledge completion
Total Hours – Other Personnel	**12-29**	**1-6**	

Pre-Opening Brand Training

For the final part of our required initial training program, we send a pre-opening team of 2 to 3 trainers (at our option) to assist with training the Hotel staff on brand standards and related issues concerning the Hotel's opening. You must pay us a fee and our trainers' travel and living expenses. The trainers arrive at or before the opening and typically stay for a minimum of 7 nights (not including virtual training), although we may (at our option) conduct this training on more than 1 visit. There are no instructional materials or tasks that you must complete to our satisfaction. As of the date of this disclosure document, there is no predetermined agenda for this on-the-job training. The trainers will generally train Hotel managers and staff with aspects of day-to-day operations, including:

- Guest services
- Housekeeping and laundry efficiencies
- Food and beverage
- Front desk
- Culinary (if applicable)
- Hyatt systems, tools, and initiatives with hotel leaders

Additional, Supplemental, and Optional Training Programs During Franchise Term

If any member of the Hotel's Core Management team or other individuals whom we required to attend training ceases to hold that position, you (or the approved management company or any F&B Operator) must have their replacement attend and successfully complete the applicable mandatory brand standard training programs that we reasonably specify, some of which we describe above, within 90 days (or a longer period we periodically designate) after assuming their position. We may charge fees for this training, and you must pay all travel and living expenses. If we determine that any Hotel personnel have failed to satisfactorily complete any training program, you (or the approved management company or F&B Operator) must immediately hire a substitute and promptly arrange for that person to complete training to our satisfaction.

We may, at the times and places we deem best, require the Hotel's Core Management and other personnel to participate in regional and national conventions, meetings and other brand standard training programs that we periodically specify. For example, we may require additional training when major concept and repositioning changes occur in a food and beverage outlet at the Hotel. These individuals must attend any supplemental training within the time period we reasonably specify after you receive notice from us. We also may periodically hold an owner convention for all or a certain group of Hyatt Hotels and/or all or certain other Hyatt Network Hotels at a location we periodically designate. You must pay our fees for these programs and conventions. You must pay all of your personnel's travel, living and other expenses (including local transportation expenses) and compensation relating to these training programs and conventions. (Sections 3.1 and 3.4 and Exhibit B of Franchise Agreement)

In addition to our mandatory initial training programs, we also offer various optional brand standard training courses for Hotel personnel during the Franchise Agreement's term. We typically update the menu of optional courses annually to address then current hotel and business needs. These optional offerings include discounted enrollment for eCornell's self-paced, facilitated courses and certificate programs specifically curated for hospitality professionals. We also make available other virtually-facilitated commercial services offerings and over 1,600 free, multi-lingual self-paced courses via our learning platform. In addition, we periodically offer optional instructor-led or virtual programs for a fee. You may, at your option, send Hotel personnel to some or all of these programs if you pay our then current fees. We typically conduct optional training programs either at our headquarters in Chicago, Illinois, at your Hotel, or at another operating Hyatt hotel. We offer optional brand standards training programs on an ongoing basis.

Item 12

TERRITORY

You must operate the Hotel only from a specific site that we first approve. Your rights under the Franchise Agreement are limited to operating the Hotel at the approved site. If all or a substantial portion of the Hotel is condemned or suffers a casualty requiring you to close all or a portion of the Hotel, you may relocate the Hotel to a location we approve.

Unless the Hotel is an operating Brand Hotel, we and you will agree on the boundaries of your "Area of Protection" before signing the Franchise Agreement. We typically define the Area of Protection's boundaries using geographic references (such as streets or rivers) or as a circle with the Hotel at its center. The Area of Protection's size will vary depending on the Hotel's size and location. It could be as small as a few blocks in densely-populated urban areas and up to about a 1- or 2-mile radius from the Hotel's entrance in less populated areas. We also will assign an "AOP Term" and list the AOP Term in the Franchise Agreement before we and you sign it. The AOP Term is the time period during which your rights in the Area of Protection will apply. The AOP Term begins on the effective date of the Franchise Agreement and typically ends from 1 to 5 years after the Hotel's opening date.

Subject to the one exception below, neither we nor any of our affiliates will open and operate during the AOP Term, nor authorize any other party to open and operate during the AOP Term, any other Brand Hotel the physical premises of which are located within the Area of Protection. One exception to this restriction is that, during the AOP Term, if we or any affiliate acquires ownership of or the right to operate, manage, franchise or license (regardless of the form of transaction) another group of at least 4 hotels, one or more of which hotels are located or are under contract or construction to be located in the Area of Protection, then we and our affiliates will have the unrestricted right to convert, or cause to be converted, the acquired hotel(s) within the Area of Protection from its (or their) original trade identity to operate under the Proprietary Marks and the Hotel System. We then may operate, or authorize any other party to operate, those hotel(s) as Brand Hotel(s), even if one or more of the other acquired hotels, whether operating within or outside the Area of Protection, are not converted to Brand Hotels.

If the Hotel is an operating Brand Hotel, you may not receive any Area of Protection or AOP Term when signing the Franchise Agreement. We will make the determination of whether to provide any Area of Protection based on the time during which the Hotel has operated under the "Hyatt" or "The StandardX" name and the market conditions under which the Hotel operates.

Your rights in the Area of Protection apply only during the AOP Term. Following the AOP Term, you will have no territorial rights or protection, whether within or outside the Area of Protection, and we and our affiliates may open and operate, and authorize any other parties to open and operate, other Brand Hotels the physical premises of which are located within the Area of Protection, including under franchise applications submitted and/or franchise agreements and other agreements signed during the AOP Term. Because we and others may establish and operate one or more Brand Hotels and other Hyatt Network Hotels within the Area of Protection after the AOP Term expires, and during the AOP Term under the exception above, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control.

Except for the limited exclusivity described above, your rights under the Franchise Agreement are nonexclusive in all respects, the Hotel has no territorial protection whatsoever, and we and our affiliates have the right without restriction to engage in all activities we and they desire (including concerning all types of lodging facilities) at any time and place, whether or not using the Proprietary Marks or any aspect of the Hotel System, and whether or not those activities compete with your Hotel. We and our affiliates may use or benefit from, among other things, common computer systems, administrative systems, reservation systems, purchasing systems, and

personnel and may provide some or all of the System Services to other Hyatt Network Hotels and other hotels, lodging facilities and other businesses, even if they compete with the Hotel. You will have no right to pursue any claims, demands, or damages as a result of these activities, whether under breach of contract, unfair competition, implied covenant of good faith and fair dealing, divided loyalty, or other theories.

You have no options, rights of first refusal or similar rights to acquire additional franchises. Continuation of your territorial rights does not depend on your achieving a certain sales volume, market penetration or other contingency. We may not alter your Area of Protection or territorial rights during the AOP Term.

There are no restrictions on where you or other Brand Hotel operators (including us and our affiliates) may solicit customers or accept orders. We and our affiliates may use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales in the Area of Protection under the Proprietary Marks and other trademarks without compensating you. You may use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to advertise and market the Hotel outside of the Area of Protection with our approval. Except for the CRS, you may not use the Internet or any other method to accept reservations for the Hotel.

As described in Item 1, Hyatt Corporation and certain of its affiliates operate and/or grant franchises for various types of hotel, resort, spa, timeshare and other lodging facilities, other accommodations and hospitality affiliations that operate under the Hyatt® name and other trade names. (We disclose the principal business addresses for Hyatt Corporation and some of these affiliates, and these other trade names, in Item 1.) We share offices and/or training locations with Hyatt Corporation and some of its other affiliates. These facilities may solicit and serve customers located near your Hotel's location. You should expect to find, now and in the future, facilities identified with the Hyatt® name and/or these other trade names, and other brands that we and our affiliates operate, franchise, or develop in the future, in your Area of Protection. These facilities will sell goods and services similar to those that you will sell. If conflicts arise between our franchisees and the franchisees and operators of these other facilities, we will analyze them and take the actions (if any) that we deem appropriate. We also may (but need not) develop internal policies for dealing with conflicts.

Item 13

TRADEMARKS

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

Mark	Registration No.	Registration Date
Hyatt	945,384	October 17, 1972
World of Hyatt	5,201,881	May 9, 2017

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

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

In addition, our affiliate, Standard International Management, LLC ("Standard International"), has filed an application for the following Proprietary Mark on the Principal Register of the PTO:

Mark	**Application No.**	**Application Date**
StandardX	98396276	February 7, 2024

Standard International's application for this trademark remains pending. We do not have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Standard International granted Hyatt Corporation the rights to use and sublicense the StandardX Proprietary Marks under a Trademark License Agreement dated October 1, 2024 (the "Standard International Trademark License Agreement"), which are subsequently sublicensed to us via the Trademark License Agreement discussed above. That agreement has a perpetual term, subject to termination by Standard International for cause. Standard International may terminate the agreement if Standard International and Hyatt Corporation are no longer under common control, if Hyatt Corporation fails to make a required payment and does not cure the failure within 7 days after notice, if Hyatt Corporation fails to maintain or require its sublicensees (including us) to maintain Standard International's prescribed standards of quality and service and does not cure the failure within 30 days after notice, if Hyatt Corporation fails to comply with any other provision of the agreement and does not cure the failure within 30 days after notice, or if Hyatt Corporation has an insolvency event and does not cure the failure within 60 days after notice. If Standard International terminates the Standard International Trademark License Agreement because Hyatt or we failed to maintain or failed to require its or our sublicensees to maintain Standard International's standards of quality and service, Standard International may enter into a license with our authorized franchisees, but only if the franchisee not in default of its franchise agreement.

No other agreements significantly limit our rights to use or license the Proprietary Marks in a manner material to the franchise.

There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, any state trademark administrator or any court, and no pending infringement, opposition or cancellation proceedings or other material federal or state court litigation, involving the Proprietary Marks. We do not know of any superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in any state.

You must follow our rules when using the Proprietary Marks. You (and any F&B Operators at the Hotel) may not use the Proprietary Marks with any Hotel restaurant operations without our prior written consent, which we will not unreasonably withhold, and complying with all related System Standards. If we discover your unauthorized use of the Proprietary Marks, we may require you to destroy (with no reimbursement from us) all offending items reflecting that unauthorized use. You must notify us immediately of any apparent infringement or challenge to your use of any Proprietary Mark, or of any person's claim of any rights in any Proprietary Mark, and not communicate with any person other than us, our affiliates, and our and their attorneys, and your attorneys, regarding any infringement, challenge, or claim. We and our affiliates may take the action we and they deem appropriate (including no action) and control exclusively any litigation, PTO proceeding, or other proceeding arising from any infringement, challenge, or claim or otherwise concerning any Proprietary Mark. You must sign any documents and take any other reasonable actions that, in the opinion of our and our affiliates' attorneys, are necessary or advisable to protect and maintain our and our affiliates' interests in any litigation or PTO or other proceeding or otherwise to protect and maintain our and our affiliates' interests in the Proprietary Marks. We will reimburse your reasonable out-of-pocket costs for taking any requested action.

If it becomes advisable at any time for us and/or you to modify, discontinue using, and/or replace any Proprietary Mark and/or to use one or more additional, substitute, or replacement trade or service marks, you must comply with our directions within a reasonable time after receiving notice. Neither we nor our affiliates will reimburse you for any costs or expenses you incur relating to these directions, including your expenses of changing the Hotel's signs, any loss of revenue due to any modified or discontinued Proprietary Mark, or your expenses of promoting a modified or substitute trademark or service mark. Our rights in this paragraph apply to any of the Proprietary Marks (and any portion of any Proprietary Mark) that we authorize you to use.

We will reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Proprietary Mark if you have timely notified us of, and comply with our directions in responding to, the proceeding. We will defend you in the proceeding and, at our option, we and/or our affiliate(s) may defend and control the defense of any proceeding arising from your use of any Proprietary Mark.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents or pending patent applications are material to the franchise. We and our affiliates claim copyright protection for the Copyrighted Materials. We have not registered these Copyrighted Materials with the United States Copyright Office but need not do so at this time in order to protect them. You must follow our rules when using the Copyrighted Materials. You may use the Copyrighted Materials only as we specify to operate the Hotel under the Franchise Agreement.

You must notify us immediately of any apparent infringement or challenge to your use of any Copyrighted Materials or Confidential Information, or of any person's claim of any rights in any Copyrighted Materials or Confidential Information, and not communicate with any person other than us, our affiliates, and our and their attorneys, and your attorneys, regarding any infringement, challenge, or claim. We and our affiliates may take the action we and they deem appropriate (including no action) and control exclusively any litigation or administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Copyrighted Materials or Confidential Information. You must sign any documents and take any other reasonable actions that, in the opinion of our and our affiliates' attorneys, are necessary or advisable to protect and maintain our and our affiliates' interests in any litigation or other proceeding or otherwise to protect and maintain our and our affiliates' interests in the Copyrighted Materials and Confidential Information. We will reimburse your reasonable out-of-pocket costs for taking any requested action.

We need not participate in your defense nor indemnify you for damages and expenses you incur if you are a party to any administrative or judicial proceeding involving any Copyrighted Materials or if the proceeding is resolved unfavorably to you. If it becomes advisable at any time in our sole judgment for you to modify or discontinue using any of the Copyrighted Materials and/or for you to use one or more additional or substitute copyrighted or copyrightable items, you must immediately comply with our directions.

There are no effective material determinations of, or pending material proceedings before, the PTO, the United States Copyright Office, or any court involving the Copyrighted Materials. We do not know of any infringement of the Copyrighted Materials that could materially affect you. No agreement significantly limits our right to use or license the Copyrighted Materials.

You will sign the Confidentiality Agreement while we and you are evaluating whether to start a franchise relationship. You must keep confidential all information concerning development plans for particular sites or markets and information concerning our plans, strategies, operations, processes, and System Standards, including any information in the PIP that we conduct or prepare for your hotel. These obligations continue even if we and you do not sign a Franchise Agreement. You must take reasonable measures to ensure that your employees, agents and advisors comply with these restrictions and are responsible if they fail to do so. You also must promise us that our and your discussions and, if applicable, your signing a Franchise Agreement do not violate any laws, breach any agreements or require any consents.

We and our affiliates possess (and will continue to develop and acquire) Confidential Information, some of which constitutes trade secrets under applicable law, relating to developing and operating Brand Hotels. "Confidential Information" includes: (1) site selection criteria; (2) the substance, design, and construction of Brand Hotels and the Design and Construction Standards; (3) training and operations materials and modules; (4) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Brand Hotels; (5) marketing, advertising and promotional programs for Brand Hotels; (6) Guest Information (defined below) and any information and data relating to guests and customers of other Brand Hotels and/or other Hyatt Network Hotels; (7) knowledge of specifications for and suppliers of FF&E and other products and supplies that are uniquely identified with Brand Hotels and/or other Hyatt Network Hotels; (8) any part of the Technology System and other computer software or other technology that is proprietary to us, our affiliates or the Hotel System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or other technology; (9) knowledge of the operating results and financial performance of Brand Hotels other than the Hotel; (10) graphic designs and related intellectual property; and (11) any negotiated provisions of the Franchise Agreement and any other agreements we sign with you.

Confidential Information is proprietary and includes our and our affiliate's trade secrets. You (a) must not use (or allow your affiliates to use) Confidential Information in any other business or capacity; (b) must keep confidential each item that is a part of Confidential Information, both during and after the Franchise Agreement's term (afterward for as long as the item is not generally known in the hotel industry); (c) must not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and (d) must adopt and implement reasonable procedures that we periodically specify to prevent unauthorized use or disclosure of Confidential Information.

Confidential Information does not include information, knowledge, or know-how that you can demonstrate lawfully came to your attention before we or our affiliate provided it to you or your affiliate directly or indirectly; that, at the time we or our affiliate disclosed it to you, already had lawfully become generally known in the hotel industry through publication or communication by others (without violating an obligation to us or our affiliate); or that, after we or our affiliate disclose it to you, lawfully becomes generally known in the hotel industry through publication or communication by others (without violating an obligation to us or our affiliate). However, if we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of these exclusions is satisfied.

All Guest Information is our property and part of Confidential Information. "Guest Information" means information and data relating to or derived from the Hotel's guests and other customers during the Franchise Agreement's term, whether obtained from the guest or customer or from any other source, including names, preferences, and other information about the guests' or customers' experiences and/or purchases, and including information stored in or provided to the CRS or the Hotel's property management system. We have the right periodically during the Franchise Agreement's term, without notice to you, to access the Hotel's property management system and other computer systems to retrieve Guest Information. We and our affiliates may use,

and allow others to use, the Guest Information in any manner that we deem appropriate (subject to applicable law).

You may use the Guest Information, and certain other information and data relating to guests and customers of other Brand Hotels and/or other Hyatt Network Hotels that we periodically specify, during the Franchise Agreement's term only to market to and provide services to the Hotel's guests and potential guests in compliance with the System Standards and all applicable laws, rules and regulations. You must ensure that your affiliates may not access, and neither you nor any of your affiliates may use, any of that Guest Information or that other information or data in any other business or capacity. However, following the Franchise Agreement's expiration or termination, , you may use, and allow your affiliates and others to use, any Guest Information that was generated at the Hotel (and that we or our affiliate did not supply to the Hotel) during the guest's stay at the Hotel and stored in the Hotel's property management system database in any manner that you deem appropriate (subject to applicable law) at your own risk, if you comply, and ensure that any recipients of that Guest Information from you comply, with our then current policies and procedures regarding the collection, storage, use, processing and transfer of personal and/or financial data. If there is an actual or suspected breach of security or unauthorized access of Guest Information or other information from the Hotel's property management system or other computer system database, you must notify us promptly and we may require you to use a third party supplier we designate, at your sole cost and expense, to review and if necessary, remediate that breach or unauthorized access. You must not take any action that could jeopardize our or our affiliate's ability to comply with, or make certifications under, any law, regulation, contract, program or policy related to Guest Information (including privacy laws, privacy notices and PCI certifications) and applicable to us or our affiliate.

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

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Hotel Management

Either a management company we approve, or you (if we approve you to manage the Hotel), must at all times retain and exercise direct management control over all aspects of the Hotel's business and be the employer of the Hotel's Core Management and other personnel, except for any members of Core Management that are overseen by an F&B Operator whom we approve. You may not enter into any lease, management agreement, or other similar arrangement with any management company for the management or other oversight of all or a part of the Hotel's operation (a "Management Arrangement") without our prior written approval of the management company, and you may not yourself manage the Hotel without our approval of you as the Hotel's operator. We will not unreasonably withhold our approval if the management company or you (as applicable) meets our minimum qualifications and ensures that its or your personnel attend and satisfactorily complete required brand standard training programs. If we approve a management company, as a condition of that approval, the management company must sign the documents we require to protect our intellectual property rights and reflect its agreement to perform its management responsibilities and operate the Hotel in compliance with the Franchise Agreement. Our current form of Management Company Rider is attached as Exhibit F to the Franchise Agreement.

We may refuse to approve a management company that is a Competing Brand Owner. "Competing Brand Owner" means any entity that (a) is either a franchisor or owner of a Competing Brand (defined below), (b) manages or otherwise operates hotels exclusively for the franchisor or owner of a Competing Brand, or (c) is an affiliate of any entity described in (a) or (b) above. A "Competing Brand" is a hotel concept that has at least 5 hotels operating under that concept's trade name anywhere in the world and that, in our reasonable opinion, competes with Brand Hotels. If the management company or you (if we approve you to manage the Hotel) at any time becomes a Competing Brand Owner, fails to meet our minimum qualifications (as we may periodically modify them) or fails to comply with the Franchise Agreement (including any System Standards and/or if the Hotel remains in any remedial or non-compliant status under our then current Quality Assurance and Compliance Program for 3 or more consecutive months), the Management Company Rider, or any conditions of operator approval that we previously imposed, then we may: (a) revoke our approval of that management company or you as the Hotel's manager; or (b) as a condition of our continued approval, we may impose on that management company or you additional requirements, including participation in remedial training and other operational programs, at the Management Company's or your expense. If we revoke our approval of the Management Company or you as the manager, then you must promptly terminate the Management Arrangement (if applicable) and either assume direct control of the Hotel's management and operation, if we approve you to manage the Hotel, or engage another management company we approve.

You must ensure that all F&B Operations operate in full compliance with all applicable laws, rules and regulations and all applicable System Standards. You must provide, or cause the

management company to provide, all brand standard training programs to the F&B Operator that we periodically specify. If the F&B Operator at any time fails to operate in full compliance with all applicable laws, rules and regulations and all applicable System Standards, or fails to comply with any agreement with us, then, without limiting our other rights and remedies under the Franchise Agreement and applicable law, we may revoke our approval of the F&B Operator. You then must promptly terminate your arrangement with the F&B Operator and either assume (if we approve you to manage the Hotel) or have your approved management company assume direct control of the Hotel's F&B Operations or engage another approved F&B Operator.

At our option, before any of the Hotel's Core Management are engaged, you must submit to us the proposed candidate's identity and qualifications. If the general manager fails to ensure that the Hotel satisfies our quality assurance requirements and other brand standards, then we may require you (or your approved management company) to hire a new general manager for the Hotel. You or the management company (as applicable) is solely responsible for hiring the Core Management and other Hotel personnel and determining the terms and conditions of their employment. You (or your approved management company or F&B Operator) must hire and properly train all Core Management personnel and have a Core Management team in place at the Hotel at all times. Also, all members of the Hotel's Core Management must spend all of their working time at the Hotel fulfilling their management and operational responsibilities and may not concurrently maintain a position at another lodging facility or in any other capacity related to the lodging industry.

If you or your approved management company choose to retain a revenue manager for the Hotel, we must certify the revenue manager within 90 days after the revenue manager's date of hire or, if already employed by you or your approved management company, within 90 days after the date the revenue manager begins providing revenue management services to the Hotel. Revenue managers must: (a) provide revenue management services to no more than 20 Brand Hotels; (b) meet our then current qualification criteria and complete all required revenue management training courses to our satisfaction; and (c) have authorized access to our reservation system and the other systems and software necessary to perform revenue management functions. Although you may retain third parties to consult on revenue management matters, only you, a management company we approve, or a certified revenue manager employed by you or your approved management company can access our revenue management systems and the data contained in our revenue management systems.

A Core Management team who has satisfactorily completed our initial training program must devote all of its business time to supervising the Hotel's day-to-day operations. Your Hotel's general manager and other Core Management personnel need not have an equity interest in the Hotel or in you.

Guaranty and Guarantor Monetary Threshold

We expect that only business entities, and not individuals, will sign our Franchise Agreement. You must cause one or more of the direct and indirect owners (whether they are individuals or business entities) of a Controlling Ownership Interest (defined below) in you which we specify to sign the form of Guaranty and Assumption of Franchisee's Obligations attached to the Franchise Agreement (the "Guaranty"). Under the Guaranty, these owners must personally

guaranty all of your obligations under the Franchise Agreement and be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement, both monetary and non-monetary, including the confidentiality and arbitration obligations.

In addition, each owner that signs the Guaranty must agree, and you must ensure, that at least one guarantor will satisfy the Guarantor Monetary Threshold at all times during the Franchise Agreement's term. The "Guarantor Monetary Threshold" means each of the following: (a) total assets less total liabilities (excluding Hotel assets and liabilities relating solely to the Hotel), each as calculated according to U.S. generally accepted accounting principles, in the minimum amount of the guarantor net worth minimum listed in Exhibit B-1 to the Franchise Agreement; and (b) liquid assets (consisting of cash, cash equivalents and marketable securities), that at least one guarantor (whether an individual or an entity) in the minimum amount of the guarantor liquidity minimum listed in Exhibit B-1 to the Franchise Agreement. We will determine the amount of the Guarantor Monetary Threshold as of the Franchise Agreement's effective date based on information we deem relevant, including the Hotel's size, the market in which the Hotel will operate, and our assessment of our risk or exposure in the transaction. We will list the initial Guarantor Monetary Threshold in Exhibit B-1 to the Franchise Agreement before we and you sign it. The Guarantor Monetary Threshold will increase automatically each year of the Franchise Agreement's term, without notice from us, effective on the first day of the calendar month during which the Franchise Agreement's effective date falls, by an amount equal to the CPI Increase. The "CPI Increase" means the amount to be adjusted multiplied by a fraction, the numerator of which is the Consumer Price Index for All Urban Consumers for All Items, which the U.S. Department of Labor, Bureau of Labor Statistics publishes (the "Base Index") as of the first day of the calendar month during which the increase is to take effect, and the denominator of which is the Base Index in effect on the Franchise Agreement's effective date or used for the most recent increase (whichever is later). If the Base Index is no longer published, we may designate another reasonably comparable index for calculating changes in the cost of living or purchasing power for consumers. Your guarantors must provide us on an annual basis financial statements or other documents that we reasonably specify, which you or the guarantor certify in the manner we specify, demonstrating that at least one guarantor satisfies the Guarantor Monetary Threshold. You and your guarantors must reasonably cooperate with all auditing and reporting requirements relating to the Guarantor Monetary Threshold.

A "Controlling Ownership Interest" in you or one of your owners (if that owner is a legal entity) means, whether directly or indirectly, either: (a) the record or beneficial ownership of, or right to control, 50% or more of the investment capital, equity, rights to receive profits or losses, or other rights to participate in your or the entity's results; or (b) the effective control of the power to direct or cause the direction of your or that entity's management and policies, including a general partnership interest (if the entity is a partnership) and a manager or managing member interest (if the entity is a limited liability company), or the power to appoint or remove any party having these powers. In addition, in the case of (a) or (b), the determination of whether a "Controlling Ownership Interest" exists is made both immediately before and immediately after a proposed transfer.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Under the Franchise Agreement, you must offer all products and provide all services that we periodically authorize for your Hotel (including F&B Operations) in compliance with all applicable laws and according to our quality standards. We may change these products and services at any time, and there is no limit on this right. You may not sell any products or perform any services at the Hotel that we have not authorized. You also must obtain our approval of your relationship with any F&B Operator, including the restaurant concept and the lease terms. The Franchise Agreement contains no restrictions on the customers to whom you may provide goods and services.

If the Hotel is or will be part of a site (whether newly constructed or adapted) that is owned or developed by you, your owner, or your affiliate ("Mixed-Use Site"), which may include, in addition to the Hotel, any residential, retail, restaurant, commercial or public space that is located on the same single, contiguous site as the Hotel but which operates separate from the Hotel ("Non-Hotel Components"), no part or portion of the Mixed-Use Site may be used to operate: (i) a pawnshop, check-cashing business, gentlemen's club, pornography retailer, or other sexually-oriented business, or (ii) a package liquor store, marijuana dispensary, or gambling business, without our prior written consent, which consent may be granted or withheld in our sole judgment, or (iii) a bar, lounge, club or similar establishment situated within 300 feet of any part of the Hotel's interior footprint, whose revenues are derived more than 50% from the sale of alcoholic beverages, without our prior written consent, which consent will not be withheld unless we reasonably determine that the establishment might have a material negative impact on guests of the Hotel.

You will establish the Hotel's room rates if those rates and your pricing policies comply with System Standards (to the maximum extent the law allows). You must comply with our "best rate guarantee" and related policies, as we periodically modify them. You may not charge any guest a rate higher than the rate that the reservations center specifies to the guest at the time the guest makes the reservation. You may not change the number of guest rooms in the Hotel without our consent.

Item 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	1.2 and 10.2 of Franchise Agreement; 2 of Confidentiality Agreement; 1 of Central Services Agreement; Field Marketing Program Schedule; Central Sales Program Schedule; Revenue Management Services Program Schedule; GPGS Program Schedule; Digital Ancillary Services Program Schedule	Franchise Agreement's term expires 20 years after the 1st day of the month in which the Hotel opens. If you acquire an existing Brand Hotel from a franchisee, the term will be the remaining term on the selling franchisee's agreement. Term extends for period during which Hotel is closed for casualty. Confidentiality Agreement's obligations continue for 5 years or indefinitely for trade secrets. Central Services Agreement expires upon the Franchise Agreement's termination or expiration. Field Marketing Program Schedule, Central Sales Program Schedule, Revenue Management Services Program, GPGS Program Schedule, and Digital Ancillary Services Program Schedule each terminate if the Franchise Agreement expires or is terminated and the Hotel no longer operates under a Hyatt brand or the Central Hotel Services by Hyatt Master Agreement expires or is terminated.
b. Renewal or extension of the term	13.1 of Franchise Agreement	If you have substantially complied with Franchise Agreement during term, are then fully complying, meet our then current standards for new franchisees, have received passing quality assurance scores during previous 3 years, and have rights to maintain possession of Hotel for at least 10 years, you may acquire successor franchise for 10 years on then current terms (which may be materially different).
c. Requirements for franchisee to renew or extend	13.1, 13.2 and 13.3 of Franchise Agreement	Under Franchise Agreement, you must renovate, remodel or expand Hotel and FF&E; give us notice; sign then current form of agreement (which may be materially different) and ancillary documents; pay PIP fee; and sign general releases (if state law allows). "Renewal" means signing our then current franchise agreement for the 10-year successor franchise term, which could contain materially different terms (including fees).
d. Termination by franchisee	1 of Central Services Agreement; Field Marketing Program	You may not terminate the Franchise Agreement or Confidentiality Agreement except as the law allows. You may

Provision	Section in franchise or other agreement	Summary
	Schedule; Central Sales Program Schedule; Revenue Management Services Program Schedule; GPGS Program Schedule; Digital Ancillary Services Program Schedule	terminate the Central Services Agreement upon our material breach if not cured within 10 days following receipt of notice. You may terminate the Field Marketing Program Schedule, Central Sales Program Schedule, Revenue Management Services Program Schedule, GPGS Program Schedule, or Digital Ancillary Services Program Schedule upon our material breach if not cured within 10 days following receipt of notice or you may terminate for any reason on 90 days' notice, but, under some circumstances, you may not terminate the applicable schedule before a certain date we specify.
e. Termination by franchisor without cause	1 of Central Services Agreement; Field Marketing Program Schedule; Central Sales Program Schedule; Revenue Management Services Program Schedule; GPGS Program Schedule; Digital Ancillary Services Program Schedule	We may not terminate the Franchise Agreement without cause. We may terminate the Central Services Agreement by providing 90 days' written notice to you. We may terminate the Field Marketing Program Schedule, Central Sales Program Schedule, Revenue Management Services Program Schedule, GPGS Program Schedule, or Digital Ancillary Services Program Schedule for any reason upon 90 days' written notice to you.
f. Termination by franchisor with cause	15.1 and 15.2 of Franchise Agreement; 1 of Central Services Agreement; Field Marketing Program Schedule; Central Sales Program Schedule; Revenue Management Services Program Schedule; GPGS Program Schedule; Digital Ancillary Services Program Schedule	We may terminate the Franchise Agreement only if you, your guarantors, or your owners commit any one of several violations. We may terminate Central Services Agreement upon your material breach if not cured within 10 days following receipt of notice. We may terminate the Field Marketing Program Schedule, Central Sales Program Schedule, Revenue Management Services Program Schedule, GPGS Program Schedule, or Digital Ancillary Services Program Schedule upon your material breach if not cured within 10 days following receipt of notice.
g. "Cause" defined – curable defaults	15.1 and 15.3 of Franchise Agreement	Under Franchise Agreement you have 24 hours to shut down if we determine there is serious threat or danger to public health or safety; 10 days to cure failures to send us real estate documents or evidence of insurance and failures to pay amounts owed to us or our affiliates; 30 days to cure

Provision	Section in franchise or other agreement	Summary
		failures to pay taxes, develop Hotel according to deadlines, pay Providers, and comply with related agreements (unless related agreement has shorter cure period) and other defaults not listed in (h) below; and 60 days to cure failure to ensure that at least one guarantor satisfies the Guarantor Monetary Threshold. Upon your default (and after any applicable cure period), we also may suspend your rights to use CRS/GDS/ADS and advertising materials, remove Hotel from advertising publications and programs, and/or the Hotel System Website, suspend or terminate fee reductions, and/or refuse to provide support.
h. "Cause" defined – non-curable defaults	15.2 of Franchise Agreement	Bankruptcy-related events, failing to discharge judgments exceeding $100,000, you stop operating Hotel or identifying Hotel with Proprietary Marks or lose possession, you or affiliate contests ownership of or tries to register our intellectual property, unauthorized transfer, conviction of felony, committing action or other offense likely to reflect adversely on us or the Proprietary Marks, knowingly maintaining false books or submitting false reports, unauthorized use or disclosure of Confidential Information, violation of law (including trade restriction laws), and repeated defaults.
i. Franchisee's obligations on termination/non-renewal	16 of Franchise Agreement; 1 of Central Services Agreement; Field Marketing Program Schedule; Central Sales Program Schedule; Revenue Management Services Program Schedule; GPGS Program Schedule; Digital Ancillary Services Program Schedule	Return confidential materials, de-identify Hotel, stop uses of Hotel System with F&B Operations, change telephone listing, stop references to association with us, stop using the Hotel website and the domain name, cancel assumed name registrations, allow inspections, pay amounts owed, allow us to contact customers, pay liquidated damages and stop using services.
j. Assignment of contract by franchisor	12.10 of Franchise Agreement; 13 of Central Services Agreement	We may transfer and change ownership or form without restriction. We have no further obligations after transfer.

Provision	Section in franchise or other agreement	Summary
k. "Transfer" by franchisee – defined	12.2 of Franchise Agreement	Includes transfer of any interest in Franchise Agreement, the Hotel or substantially all of its assets, or you or your owners.
l. Franchisor approval of transfer by franchisee	12.2 to 12.5 of Franchise Agreement; 13 of Central Services Agreement	No transfers of Franchise Agreement, the Central Services Agreement, the Hotel or its assets, or Controlling Ownership Interests without our approval. However, you may mortgage hotel to lender and your owners may transfer ownership interests for estate planning purposes. Under the Franchise Agreement, your owners may transfer non-Controlling Ownership Interests without our approval if transferee and its owners (other than a small interest public owner) are not Competing Brand Owners or sanctioned persons, you remain in compliance with laws, the transfer does not through one or a series of transactions transfer or create a Controlling Ownership Interest, and you notify us within 30 days after transfer.
m. Conditions for franchisor approval of transfer	12.4 and 12.7 of Franchise Agreement; 8(e) of Confidentiality Agreement; 13 of Central Services Agreement	Under Franchise Agreement, transferee and owners qualify, you pay transfer fee and other amounts owed and have complied with Franchise Agreement, transferee's personnel complete training, at our option, either transferee and owners sign then current franchise agreement and related documents (which may be materially different), or the agreements and related documents that we specify under which they assume all of your rights and obligations under the Franchise Agreement, you and your guarantors sign termination and release (if state law allows), transferee agrees to renovate, remodel or expand Hotel and FF&E, we determine capital structure, debt service and overall financial status after transfer will not adversely affect Hotel's operation, you remain liable, and you stop associating with us. Neither you nor your Controlling Owner may conduct a public offering. We may review and comment on offering materials for private offerings. Confidentiality Agreement is not transferable. Central Services Agreement is transferable only to an affiliate.

Provision	Section in franchise or other agreement	Summary
n. Franchisor's right of first refusal to acquire franchisee's business	1.5 and Exhibit C of Franchise Agreement	We only have right of first offer on transfers of the Hotel or a Controlling Ownership Interest in you if we and you sign Exhibit C. We will require Exhibit C only for certain markets that we determine are strategic to us.
o. Franchisor's option to purchase franchisee's business	Not applicable	Not applicable.
p. Death or disability of franchisee	12.7 of Franchise Agreement	Upon death or incompetence of owner of a Controlling Ownership Interest in you or your controlling owner, representative must transfer to approved transferee within 6 months.
q. Non-competition covenants during the term of the franchise	4.2, 4.10 and 4.11 of Franchise Agreement	No covenant not to compete, but neither you nor Hotel management company may be a Competing Brand Owner.
r. Non-competition covenants after the franchise is terminated or expires	Not applicable	Not applicable.
s. Modification of the agreement	18.5 of Franchise Agreement; 15 of Central Services Agreement	Only writing signed by duly-authorized officers may modify agreement, but we may change Hotel System, System Standards, System Services, and services (and related prices) provided under the schedules to the Central Services Agreement.
t. Integration/merger clause	18.5 of Franchise Agreement; 8(f) of Confidentiality Agreement; 14 of Central Services Agreement	Only terms of Franchise Agreement, Confidentiality Agreement and Central Services Agreement are binding (subject to state law). Any representations or promises made outside of the disclosure document and those agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	14.1 of Franchise Agreement; 11 of Central Services Agreement	We and you must arbitrate all disputes at a location the arbitrator chooses within 10 miles of our then current principal business address (currently Chicago, Illinois).
v. Choice of forum	14.3 of Franchise Agreement; 11 of Central Services Agreement	Subject to arbitration obligation and state law, litigation generally must be in our home state (currently Illinois).

Provision	Section in franchise or other agreement	Summary
w. Choice of law	14.2 of Franchise Agreement; 8C of Confidentiality Agreement; 11 of Central Services Agreement	Except for Federal Arbitration Act and other federal law, and subject to state law, Illinois law applies.

Item 18

PUBLIC FIGURES

We do not use any public figure 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 under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Dan Hansen, our Head of Americas Development, at 150 North Riverside Plaza, Chicago, Illinois 60606, (312) 750-1234, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

All numbers appearing in the tables below are as of December 31 in each year.

Table No. 1

Systemwide Outlet Summary
For years 2022 to 2024

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company- Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	**2022**	**0**	**0**	**0**
	2023	**0**	**0**	**0**
	2024	**0**	**0**	**0**

Table No. 2

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

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2022	0
	2023	0
	2024	0

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Total	**2022**	**0**
	2023	**0**
	2024	**0**

Table No. 3

Status of Franchised Outlets
For years 2022 to 2024

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations Other Reasons	Col. 9 Outlets at End of the Year
All States	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Totals	**2022**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table No. 4

Status of Company-Owned Outlets
For years 2022 to 2024

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

Table No. 5

Projected Openings As Of December 31, 2024

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

Exhibit H is a list of Brand Hotel franchisees as of December 31, 2024. Exhibit I reflects that no Brand Hotel franchisees had an outlet terminated, canceled, transferred, or not renewed or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during our most recent fiscal year, and no franchisee has failed to communicate with us within 10 weeks

before this disclosure document's issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

As of the issuance date of this disclosure document, no franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system during our last 3 fiscal years, and there are no trademark-specific franchisee organizations associated with the Brand Hotel franchise system.

Item 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit A-1 are the audited consolidated financial statements of our parent company, Hyatt Hotels Corporation, as of December 31, 2024 and 2023 and for the fiscal years ended December 31, 2024, 2023, and 2022. Attached as Exhibit A-2 are the unaudited consolidated financial statements of Hyatt Hotels Corporation as of and for the period ending March 31, 2025.

Hyatt Hotels Corporation absolutely and unconditionally guarantees the performance of our obligations to franchisees under the Franchise Agreement. The Guarantee of Performance also is included in Exhibit A-1.

Item 22

CONTRACTS

The following agreements are attached as exhibits to this disclosure document:

Exhibit B	Franchise Application
Exhibit C	Franchise Agreement
Exhibit G	Confidentiality Agreement
Exhibit J	Comfort Letter
Exhibit K	Central Hotel Services by Hyatt Master Agreement
Exhibit L	State-Specific Riders to agreements, including form of release used upon renewal or transfer

Item 23

RECEIPTS

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

EXHIBIT A

FINANCIAL STATEMENTS

EXHIBIT A-1

GUARANTEE OF PERFORMANCE

GUARANTEE OF PERFORMANCE

For value received, **HYATT HOTELS CORPORATION**, a Delaware corporation located at 150 North Riverside Plaza, Chicago, Illinois 60606 (the "Guarantor"), absolutely and unconditionally guarantees to assume the duties and obligations of **HYATT FRANCHISING, L.L.C.**, a Delaware limited liability company located at 150 North Riverside Plaza, Chicago, Illinois 60606 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2025 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Chicago, Illinois on the 11th day of June, 2025.

Guarantor:

HYATT HOTELS CORPORATION

By: _____
Peter Sears

Title: Executive Vice President,
Group President – Americas

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Hyatt Hotels Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Hyatt Hotels Corporation and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, stockholders' equity and noncontrolling interests, and cash flows, for each of the three years in the period ended December 31, 2024, and the related notes and the financial statement schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinion on the critical audit matters or on the accounts or disclosures to which they relate.

Deferred Revenue Related to the Loyalty Program – Refer to Notes 2 and 3 to the financial statements

Critical Audit Matter Description

The Company operates the loyalty program for the benefit of the Hyatt portfolio of properties during the period of their participation in the loyalty program. The Company's estimate of the value of the deferred revenue liability related to the loyalty program ("the liability") is $1,333 million as of December 31, 2024 and is actuarially determined based on the anticipated timing of future point redemptions, including an estimate of the breakage for points that will not be redeemed. Changes in the estimates used in the determination of the liability could result in a material change to the liability.

Given the subjectivity of the Company's breakage assumption, performing audit procedures to evaluate the reasonableness of this estimate involved a higher degree of auditor judgment and an increased extent of effort, including the need to involve our actuarial specialists in performing audit procedures over the liability.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the liability included the following, among others:

- We tested the effectiveness of the Company's controls related to the liability, including those over the estimation of the breakage assumption.
- We tested the underlying data that served as the basis for the actuarial estimate, including points earned and redemptions, to test that the inputs to the actuarial estimate were reasonable.
- With the assistance of our actuarial specialists, we developed independent estimates of the liability and compared our estimates to management's estimate.

Goodwill – Refer to Note 9 to the financial statements

Critical Audit Matter Description

The Company evaluates goodwill for impairment annually during the fourth quarter of each year. As a result of the impairment analyses, the Company determined that the carrying value of a reporting unit within the management and franchising segment ("the reporting unit") was in excess of the fair value and recognized $110 million of goodwill impairment charges. The Company's consolidated goodwill balance as of December 31, 2024 was $2,541 million, of which $1,116 million related to the reporting unit.

Management estimated the fair value of the reporting unit using a weighted methodology considering the output from both a discounted future cash flow model and the guideline public companies method. The fair value determination of the reporting unit required management to make significant assumptions and judgments related to the projected future cash flows, discount rate, and capitalization rate.

Given the determination of fair value of the reporting unit required management to make significant assumptions and judgments related to the projected future cash flows, discount rate, and capitalization rate, performing audit procedures to evaluate the reasonableness of these estimates and assumptions involved a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the projected future cash flows, discount rate, and capitalization rate included the following, among others:

- We tested the effectiveness of the Company's controls over management's goodwill impairment analyses, including those over management's selection of the projected future cash flows, discount rate, and capitalization rate.
- We evaluated the reasonableness of management's projected future cash flows associated with the reporting unit by comparing them to (1) historical results, (2) internal communications to management and those charged with governance of the reporting unit, and (3) forecasted information included in analyst and industry reports for the Company and its peer companies.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the discount rate and capitalization rate by (1) testing the source information underlying the determination of the discount rate and capitalization rate, (2) testing the mathematical accuracy of the calculations, (3) developing a range of independent estimates and comparing those to the discount rate selected by management, and (4) evaluating the reasonableness of inputs included in the capitalization rate.

/s/ Deloitte & Touche LLP

Chicago, Illinois
February 13, 2025

We have served as the Company's auditor since 2003.

HYATT HOTELS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
For the Years Ended December 31, 2024, December 31, 2023, and December 31, 2022
(In millions of dollars, except per share amounts)

	2024	2023	2022
REVENUES:			
Base management fees	$ 399	$ 374	$ 319
Incentive management fees	242	232	192
Franchise and other fees	458	364	297
Gross fees	1,099	970	808
Contra revenue	(69)	(47)	(31)
Net fees	1,030	923	777
Owned and leased	1,174	1,339	1,235
Distribution	1,023	1,047	986
Other revenues	69	300	273
Revenues for reimbursed costs	3,352	3,058	2,620
Total revenues	6,648	6,667	5,891
DIRECT AND GENERAL AND ADMINISTRATIVE EXPENSES:			
General and administrative	548	578	435
Owned and leased	925	1,022	916
Distribution	875	859	775
Other direct costs	94	336	280
Transaction and integration costs	42	42	35
Depreciation and amortization	333	397	426
Reimbursed costs	3,457	3,144	2,632
Total direct and general and administrative expenses	6,274	6,378	5,499
Net gains (losses) and interest income from marketable securities held to fund rabbi trusts	49	55	(75)
Equity earnings (losses) from unconsolidated hospitality ventures	31	(1)	5
Interest expense	(180)	(145)	(150)
Gains (losses) on sales of real estate and other	1,245	18	263
Asset impairments	(213)	(30)	(38)
Other income (loss), net	257	124	(34)
Income before income taxes	1,563	310	363
Benefit (provision) for income taxes	(267)	(90)	92
Net income	1,296	220	455
Net income attributable to noncontrolling interests	—	—	—
Net income attributable to Hyatt Hotels Corporation	**$ 1,296**	**$ 220**	**$ 455**
EARNINGS PER CLASS A AND CLASS B SHARE:			
Net income attributable to Hyatt Hotels Corporation—Basic	$ 12.99	$ 2.10	$ 4.17
Net income attributable to Hyatt Hotels Corporation—Diluted	$ 12.65	$ 2.05	$ 4.09

See accompanying Notes to consolidated financial statements.

HYATT HOTELS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2024, December 31, 2023, and December 31, 2022
(In millions of dollars)

	2024	2023	2022
Net income	$ 1,296	$ 220	$ 455
Other comprehensive income (loss), net of taxes:			
Foreign currency translation adjustments, net of tax of $6, $(3), and $— for the years ended December 31, 2024, December 31, 2023, and December 31, 2022, respectively	(96)	46	4
Available-for-sale debt securities unrealized fair value adjustments, net of tax of $—, $(4), and $4 for the years ended December 31, 2024, December 31, 2023, and December 31, 2022, respectively	(2)	15	(10)
Derivative instrument adjustments, net of tax of $(1) for the years ended December 31, 2024, December 31, 2023, and December 31, 2022	3	6	5
Pension liabilities adjustments, net of tax of $—, $—, and $(1) for the years ended December 31, 2024, December 31, 2023, and December 31, 2022, respectively	—	—	4
Other comprehensive income (loss)	(95)	67	3
Comprehensive income	1,201	287	458
Comprehensive loss attributable to noncontrolling interests	(1)	—	—
Comprehensive income attributable to Hyatt Hotels Corporation	$ 1,202	$ 287	$ 458

See accompanying Notes to consolidated financial statements.

HYATT HOTELS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
As of December 31, 2024 and December 31, 2023
(In millions of dollars, except share and per share amounts)

	2024	2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,011	$ 881
Restricted cash	1	34
Short-term investments	372	15
Receivables, net of allowances of $62 and $50 at December 31, 2024 and December 31, 2023, respectively	1,121	883
Inventories	8	9
Prepaids and other assets	174	195
Prepaid income taxes	46	51
Assets held for sale	—	62
Total current assets	2,733	2,130
Equity method investments	189	211
Property and equipment, net	1,689	2,340
Financing receivables, net of allowances of $36 and $42 at December 31, 2024 and December 31, 2023, respectively	368	73
Operating lease right-of-use assets	328	369
Goodwill	2,541	3,205
Intangibles, net	2,167	1,670
Deferred tax assets	466	358
Other assets	2,843	2,477
TOTAL ASSETS	$ 13,324	$ 12,833
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	$ 456	$ 751
Accounts payable	475	493
Accrued expenses and other current liabilities	565	468
Current contract liabilities	1,553	1,598
Accrued compensation and benefits	192	210
Current operating lease liabilities	33	41
Liabilities held for sale	—	17
Total current liabilities	3,274	3,578
Long-term debt	3,326	2,305
Long-term contract liabilities	843	1,759
Long-term operating lease liabilities	245	273
Other long-term liabilities	1,810	1,351
Total liabilities	9,498	9,266
Commitments and contingencies (Note 15)		
EQUITY:		
Preferred stock, $0.01 par value per share, 10,000,000 shares authorized and none outstanding at both December 31, 2024 and December 31, 2023	—	—
Class A common stock, $0.01 par value per share, 1,000,000,000 shares authorized, 42,613,090 issued and outstanding at December 31, 2024, and Class B common stock, $0.01 par value per share, 385,525,991 shares authorized, 53,531,579 shares issued and outstanding at December 31, 2024. Class A common stock, $0.01 par value per share, 1,000,000,000 shares authorized, 44,275,818 issued and outstanding at December 31, 2023, and Class B common stock, $0.01 par value per share, 390,751,535 shares authorized, 58,757,123 shares issued and outstanding at December 31, 2023	1	1
Additional paid-in capital	—	—
Retained earnings	3,815	3,738
Accumulated other comprehensive loss	(269)	(175)
Total stockholders' equity	3,547	3,564
Noncontrolling interests	279	3
Total equity	3,826	3,567
TOTAL LIABILITIES AND EQUITY	$ 13,324	$ 12,833

See accompanying Notes to consolidated financial statements.

HYATT HOTELS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024, December 31, 2023, and December 31, 2022
(In millions of dollars)

	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 1,296	$ 220	$ 455
Adjustments to reconcile net income to net cash provided by operating activities:			
(Gains) losses on sales of real estate and other	(1,245)	(18)	(263)
Depreciation and amortization	333	397	426
Amortization of share awards	64	75	61
Amortization of operating lease right-of-use assets	36	42	35
Deferred income taxes	(123)	(125)	(259)
Asset impairments	213	30	38
Equity (earnings) losses from unconsolidated hospitality ventures	(31)	1	(5)
Contra revenue	69	47	31
Unrealized (gains) losses, net	(53)	(36)	55
Contingent consideration liability fair value adjustment	(39)	9	—
Payments for key money assets	(153)	(132)	(165)
Other	78	87	98
Increase (decrease) in cash attributable to changes in assets and liabilities			
Receivables, net	(15)	—	(209)
Prepaid income taxes	65	(24)	2
Prepaids and other assets	(116)	(66)	(114)
Other long-term assets	(6)	(92)	(110)
Accounts payable, accrued expenses, and other current liabilities	56	(29)	96
Contract liabilities	48	290	378
Deferred revenue related to the loyalty program	203	202	113
Operating lease liabilities	(35)	(43)	(35)
Accrued compensation and benefits	(6)	(22)	46
Other long-term liabilities	(6)	(13)	—
Net cash provided by operating activities	$ 633	$ 800	$ 674

(Continued)

See accompanying Notes to consolidated financial statements.

HYATT HOTELS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024, December 31, 2023, and December 31, 2022
(In millions of dollars)

	2024	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of marketable securities and short-term investments	$ (1,775)	$ (483)	$ (952)
Proceeds from marketable securities and short-term investments	1,338	576	1,060
Contributions to equity method and other investments	(88)	(43)	(8)
Return of equity method and other investments	62	7	54
Acquisitions, net of cash acquired	(609)	(175)	(174)
Capital expenditures	(170)	(198)	(201)
Issuance of financing receivables	(136)	(43)	(25)
Proceeds from financing receivables	51	1	17
Proceeds from sales of real estate and other, net of cash disposed	1,421	(10)	625
Other investing activities	(13)	3	20
Net cash provided by (used in) investing activities	81	(365)	416
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from debt, net of offering expenses of $14, $4, and $—, respectively	1,424	596	—
Repayments and repurchases of debt	(750)	(660)	(711)
Repurchases of common stock	(1,190)	(453)	(369)
Dividends paid	(60)	(47)	—
Payment of withholding taxes for stock-based compensation	(43)	(16)	(15)
Other financing activities	1	2	(11)
Net cash used in financing activities	(618)	(578)	(1,106)
Effect of exchange rate changes on cash	(3)	(2)	18
Net increase (decrease) in cash, cash equivalents, and restricted cash, including cash, cash equivalents, and restricted cash classified within current assets held for sale	93	(145)	2
Net increase (decrease) in cash, cash equivalents, and restricted cash classified within assets held for sale	3	(3)	—
Net increase (decrease) in cash, cash equivalents, and restricted cash	96	(148)	2
Cash, cash equivalents, and restricted cash—Beginning of year	919	1,067	1,065
Cash, cash equivalents, and restricted cash—End of year	$ 1,015	$ 919	$ 1,067

(Continued)

See accompanying Notes to consolidated financial statements.

HYATT HOTELS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024, December 31, 2023, and December 31, 2022
(In millions of dollars)

Supplemental disclosure of cash flow information:

	2024	2023	2022
Cash and cash equivalents	$ 1,011	$ 881	$ 991
Restricted cash	1	34	39
Restricted cash included in other assets	3	4	37
Total cash, cash equivalents, and restricted cash	$ 1,015	$ 919	$ 1,067

	2024	2023	2022
Cash paid during the period for interest	$ 167	$ 115	$ 138
Cash paid during the period for income taxes, net	$ 160	$ 153	$ 101
Cash paid for amounts included in the measurement of operating lease liabilities	$ 45	$ 54	$ 47
Non-cash investing and financing activities are as follows:			
Change in accrued capital expenditures	$ (4)	$ 9	$ 1
Non-cash contributions to equity method and other investments (Note 4, Note 7, Note 15)	$ 223	$ 4	$ —
Non-cash issuance of financing receivables (Note 4, Note 7)	$ 185	$ —	$ —
Non-cash right-of-use assets obtained in exchange for operating lease liabilities	$ 19	$ 16	$ 25
Non-cash legal defeasance of Series 2005 Bonds (Note 7)	$ —	$ —	$ 166
Non-cash reduction in right-of-use assets and operating lease liabilities for lease reassessment	$ —	$ —	$ 13
Non-cash held-to-maturity debt security received (Note 7)	$ —	$ —	$ 19
Non-cash repurchases of common stock (Note 16)	$ —	$ —	$ 9
Non-cash contingent consideration liability assumed in acquisition (Note 7)	$ 141	$ 107	$ —
Non-cash contingent consideration receivable recorded in disposition (Note 4, Note 7)	$ 5	$ 28	$ —
Non-cash deferred consideration liability assumed in acquisition (Note 7)	$ 58	$ —	$ —
Non-cash redemption of HTM debt security in exchange for equity method investment (Note 4)	$ —	$ 32	$ —
Non-cash redemption of financing receivables	$ —	$ 20	$ —
Non-cash dividends declared (Note 16)	$ 1	$ 1	$ —

(Concluded)

See accompanying Notes to consolidated financial statements.

HYATT HOTELS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY AND NONCONTROLLING INTERESTS

For the Years Ended December 31, 2024, December 31, 2023, and December 31, 2022

(In millions of dollars, except share and per share amounts)

	Stockholders' equity attributable to Hyatt Hotels Corporation								
	Common Shares Outstanding		Common Stock Amount		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
	Class A	Class B	Class A	Class B					
BALANCE—January 1, 2022	50,322,050	59,653,271	$ 1	$ —	$ 640	$ 3,167	$ (245)	$ 3	$3,566
Net income	—	—	—	—	—	455	—	—	455
Other comprehensive income	—	—	—	—	—	—	3	—	3
Repurchases of common stock	(4,233,894)	—	—	—	(369)	—	—	—	(369)
Liability for repurchases of common stock (1)	—	—	—	—	(9)	—	—	—	(9)
Employee stock plan issuance	60,543	—	—	—	5	—	—	—	5
Share-based payment activity	598,566	—	—	—	51	—	—	—	51
Class share conversions	735,522	(735,522)	—	—	—	—	—	—	—
BALANCE—December 31, 2022	47,482,787	58,917,749	$ 1	$ —	$ 318	$ 3,622	$ (242)	$ 3	$3,702
Net income	—	—	—	—	—	220	—	—	220
Other comprehensive income	—	—	—	—	—	—	67	—	67
Repurchases of common stock (2)	(4,123,828)	—	—	—	(391)	(56)	—	—	(447)
Employee stock plan issuance	61,977	—	—	—	6	—	—	—	6
Share-based payment activity	694,256	—	—	—	67	—	—	—	67
Cash dividends declared of $0.15 per share (Note 16) (3)	—	—	—	—	—	(48)	—	—	(48)
Class share conversions	160,626	(160,626)	—	—	—	—	—	—	—
BALANCE—December 31, 2023	44,275,818	58,757,123	$ 1	$ —	$ —	$ 3,738	$ (175)	$ 3	$3,567
Net income	—	—	—	—	—	1,296	—	—	1,296
Other comprehensive loss	—	—	—	—	—	—	(94)	(1)	(95)
Acquisition of noncontrolling interest (Note 7)	—	—	—	—	—	—	—	277	277
Repurchases of common stock (2)	(4,362,776)	(3,629,480)	—	—	(40)	(1,158)	—	—	(1,198)
Employee stock plan issuance	53,366	—	—	—	8	—	—	—	8
Share-based payment activity	1,050,618	—	—	—	32	—	—	—	32
Cash dividends declared of $0.15 per share (Note 16) (3)	—	—	—	—	—	(61)	—	—	(61)
Class share conversions	1,596,064	(1,596,064)	—	—	—	—	—	—	—
BALANCE—December 31, 2024	42,613,090	53,531,579	$ 1	$ —	$ —	$ 3,815	$ (269)	$ 279	$3,826

(1) Represents repurchases of 106,116 shares for $9 million that were initiated prior to December 31, 2022, but settled in the first quarter of 2023. At December 31, 2022, the shares were included in shares outstanding, and the liability was recorded in accrued expenses and other current liabilities on our consolidated balance sheet.

(2) Includes a $8 million and $3 million liability recorded in accrued expenses and other current liabilities on our consolidated balance sheets at December 31, 2024 and December 31, 2023, respectively, related to the 1% U.S. federal excise tax on certain share repurchases enacted by the Inflation Reduction Act of 2022.

(3) Includes a $1 million liability recorded in accrued expenses and other current liabilities on our consolidated balance sheets to be paid upon vesting of certain stock-based compensation awards.

See accompanying Notes to consolidated financial statements.

HYATT HOTELS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in millions of dollars, unless otherwise indicated)

1. ORGANIZATION

Hyatt Hotels Corporation, a Delaware corporation, and its consolidated subsidiaries have offerings that consist of full service hotels and resorts, select service hotels, all-inclusive resorts, and other properties, including timeshare, fractional, and other forms of residential and vacation units. We also offer distribution and destination management services through ALG Vacations and distribution services through Mr & Mrs Smith, a boutique and luxury global travel platform. At December 31, 2024, our hotel portfolio included 1,442 hotels, comprising 347,301 rooms throughout the world, of which 721 hotels are located in the United States, comprising 159,829 rooms, and 149 are all-inclusive resorts, comprising 55,708 rooms. At December 31, 2024, our portfolio of properties operated in 79 countries around the world. Additionally, we provide certain reservation and/or loyalty program services to hotels that are unaffiliated with our hotel portfolio and operate under other trade names or marks owned by such hotels or licensed by third parties.

Transaction and Integration Costs—During the year ended December 31, 2024, we presented a new financial statement line item to provide enhanced visibility on our consolidated statements of income and reclassified prior-period results for comparability. Transaction and integration costs include the following:

- integration costs, which were previously recognized in integration costs during the three months ended March 31, 2024 and general and administrative expenses during the years ended December 31, 2023 and December 31, 2022 and primarily include expenses incurred related to the integration of recently acquired businesses, including certain compensation expenses, professional fees, sales and marketing expenses, and technology expenses;

- transaction costs for potential transactions, primarily related to professional fees incurred for acquisitions and dispositions, which were previously recognized in general and administrative expenses; and

- transaction costs for transactions completed during the period, primarily related to professional fees incurred for acquisitions, which were previously recognized in other income (loss), net. Transaction costs incurred during the period of a completed disposition continue to be recognized in gains (losses) on sales of real estate and other.

Segment Realignment—During the year ended December 31, 2024, we realigned our operating and reportable segments to align with our business strategy, certain organizational changes within our leadership team, and the manner in which our CODM assesses performance and makes decisions regarding the allocation of resources. The segment realignment had no impact on our consolidated financial position or results of operations. Prior-period segment results have been recast to reflect our new reportable segments. See Note 19 for a summary of our revised reportable segments and summarized consolidated financial information by segment.

In conjunction with the segment realignment, certain financial statement line item descriptions were revised within our consolidated statements of income. With the exception of the new transaction and integration costs financial statement line item described above, the composition of the accounts within these financial statement line items remains unchanged. The changes include:

New financial statement line item	Previously-used financial statement line item
Owned and leased revenues	Owned and leased hotels revenues
Franchise and other fee revenues	Franchise, license, and other fee revenues
Revenues for reimbursed costs	Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties
General and administrative expenses (1), (2)	Selling, general, and administrative expenses
Integration costs (2)	Selling, general, and administrative expenses
Owned and leased expenses	Owned and leased hotels expenses
Reimbursed costs	Costs incurred on behalf of managed and franchised properties

(1) Excludes integration costs.

(2) Transaction and integration costs are now presented within a new financial statement line item as described above, transaction and integration costs.

Additionally, distribution and destination management revenues and expenses are no longer presented as the accounts under these previously-used financial statement line items are now included in the following:

Distribution revenues—Represents revenues derived from the ALG Vacations business, which were previously recognized in distribution and destination management revenues, and commission fee revenues related to Mr & Mrs Smith, which were previously recognized in other fee revenues.

Distribution expenses—Consists of expenses related to the ALG Vacations business, which were previously recognized in distribution and destination management expenses, and general and administrative expenses related to Mr & Mrs Smith, which were previously recognized in selling, general, and administrative expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation—Our consolidated financial statements present the results of operations, financial position, and cash flows of Hyatt Hotels Corporation and its majority owned and controlled subsidiaries as well as entities consolidated under the variable interest entity ("VIE") model. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates—We are required to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying footnotes (the "Notes"). Our estimates and assumptions are subject to inherent risk and uncertainty, and actual results could differ materially from our estimated amounts.

Reclassifications—Certain prior year amounts have been reclassified to conform to the current year presentation.

Revenue Recognition—Our revenues are primarily derived from the products and services provided to our customers and are generally recognized when control of the product or service has transferred to the customer. Our customers primarily include third-party owners and franchisees, guests at owned and leased hotels, customers that use our distribution services through ALG Vacations and Mr & Mrs Smith, a third-party partner through our co-branded credit card programs, and owners and guests of residential and vacation units. A summary of our revenue streams is as follows:

- *Gross fees*—Gross fees include base management fees, incentive management fees, and franchise and other fees. Base management fees are generally calculated as a percentage of gross revenues, and incentive management fees are generally computed based on a hotel profitability measure. Included in the management fees are fees that we earn in exchange for providing the hotel access to Hyatt's intellectual property ("IP"). Franchise and other fees consist of (i) an initial franchise fee and ongoing royalty fees computed as a percentage of gross room revenues and as applicable, food and beverage revenues, (ii) termination fees, (iii) license fees associated with the licensing of the Hyatt brand names through our co-branded credit card programs and with sales of our branded residential units, (iv) management and royalty fees related to the management and licensing of certain of our brands to the Unlimited Vacation Club following the UVC Transaction, and (v) fees from hotel services provided to certain all-inclusive resorts.

- *Net fees*—Net fees represent gross fees reduced by key money assets amortization and performance cure payments, which constitute payments to customers. Consideration provided to customers related to key money assets is recorded in other assets and amortized to Contra revenue over the expected customer life, which is typically the initial term of the management and hotel services agreement or franchise agreement.

- *Owned and leased revenues*—Owned and leased revenues are derived from room rentals and services provided at our owned and leased hotels. We present revenues net of sales, occupancy, and other taxes. Taxes collected on behalf of, and remitted to, governmental taxing authorities are excluded from the transaction price of the underlying products and services.

- *Distribution revenues*—Distribution revenues include revenues from the sale of vacation packages, experiences, and charter flights through ALG Vacations, destination services and excursions offered through Amstar, and commission fees related to Mr & Mrs Smith for bookings made directly through the platform and through third-party partners.

- *Other revenues*—Other revenues include revenues from the sale of promotional awards through our co-branded credit programs as well as the paid membership program prior to the UVC Transaction (see Note 4) and the Destination Residential Management business, which was sold during the year ended December 31, 2023 (see Note 7).

- *Revenues for reimbursed costs*—Revenues for reimbursed costs represent the reimbursement of costs incurred on behalf of third-party owners and franchisees. These reimbursed costs relate primarily to payroll at managed properties where we are the employer, as well as costs associated with system-wide services and the loyalty program operated on behalf of owners.

The products and services we offer to our customers are comprised of the following performance obligations:

Management and hotel services agreements and franchise agreements

- *Access to Hyatt's IP, including the Hyatt brand names*—We receive sales-based fees from hotel owners in exchange for providing access to our IP, including the Hyatt brand names and systems, among other services. Fees are generally payable on a monthly basis as third-party owners and franchisees derive value from access to our IP. Fees are recognized over time as services are rendered. Under our franchise agreements, we also receive initial fees from third-party owners and franchisees. The initial fees do not represent a distinct performance obligation, and therefore, are combined with the royalty fees and deferred and recognized in franchise and other fees over the expected customer life, which is typically the initial term of the franchise agreement.

- *System-wide services*—We provide system-wide services on behalf of owners of managed and franchised properties. The promise to provide system-wide services is not a distinct performance obligation because it is attendant to the access to our IP. Therefore, this promise is combined with the access to our IP to form a single performance obligation.

  Hyatt's system-wide services are accounted for under a fund model whereby third-party owners and franchisees are invoiced a system-wide assessment fee on a monthly basis. We recognize the revenues over time as services are provided in revenues for reimbursed costs on our consolidated statements of income. We have discretion over how we spend program revenues, and therefore, we are the principal. Expenses related to the system-wide programs are recognized as incurred in reimbursed costs on our consolidated statements of income. Over time, we intend to manage the system-wide programs to break-even and not earn a profit on these services, but the timing of revenues received from the owners may not align with the timing of the expenses incurred to operate the programs. Therefore, any difference between the revenues and expenses will impact our net income.

- *Management and hotel services agreement services*—Under the terms of our management and hotel services agreements, we provide management and hotel services, which form a single performance obligation that qualifies as a series. In exchange, we receive variable consideration in the form of management or hotel services fees which are comprised of base and/or incentive management fees. Incentive fees are typically subject to the achievement of certain profitability targets, and therefore, we apply judgment in determining the amount of incentive management fees recognized each period. Incentive management fees are recognized to the extent it is probable that we will not reverse a significant portion of the fees in a subsequent period. We rely on internal financial forecasts and historical trends to estimate the amount of incentive management fees recognized and the probability that incentive fees will reverse in the future. Generally, base management and hotel services fees are due and payable on a monthly basis as services are provided, and incentive fees are due and payable based on the terms of the agreement, but at a minimum, incentive fees are billed and collected annually. Revenues are recognized over time as services are rendered.

  Under the terms of certain management agreements, primarily within the U.S., we are the employer of hotel employees. When we are the employer, we are reimbursed for costs incurred related to the employee management services with no added margin, and the reimbursements are recognized over time as services are rendered in revenues for reimbursed costs on our consolidated statements of income. In jurisdictions in which we are the employer, we have discretion over how employee management services are provided, and therefore, we are the principal.

- *Loyalty program administration*—We administer the loyalty program for the benefit of Hyatt's portfolio of properties during the period of their participation in the loyalty program. Under the program, members earn points based on their spend at our properties and through our experience platform; by transacting with our strategic loyalty alliances, including American Airlines and Peloton; or in connection with spend on the World of Hyatt co-branded consumer and business credit cards. Loyalty program points can be redeemed for the right to stay at participating properties, as well as for other goods and services from third parties. Points earned by loyalty program members represent a material right to free or discounted goods or services in the future.

  The loyalty program has one performance obligation that consists of marketing and managing the program and arranging for award redemptions by members. These two promises are not distinct because the promise to market and manage the program does not benefit the customer without the related arrangement for award redemptions. The costs of administering the loyalty program are charged to the properties through an assessment fee based on members' qualified expenditures. The assessment fee is billed and collected monthly, and revenues received by the program are deferred until a member redeems points. Upon redemption of points at managed and franchised properties, we recognize the previously deferred revenue in revenues for reimbursed costs on our

consolidated statements of income, net of redemption expense paid to managed and franchised hotels. We are responsible for arranging for the redemption of promotional awards, but we do not directly fulfill the award night obligation except at owned and leased hotels. Therefore, we are the agent with respect to this performance obligation for managed and franchised hotels, and we are the principal with respect to owned and leased hotels. A portion of our owned and leased revenues is deferred upon initial stay as points are earned by program members at owned or leased hotels, and revenues are recognized upon redemption at owned or leased hotels.

The revenues recognized each period are based on the number of loyalty points redeemed and the revenue per point, which includes an estimate of breakage for the loyalty points that will not be redeemed. Determining breakage involves significant judgment, and we engage third-party actuaries to assist us in estimating the ultimate redemption ratios used in the breakage calculations and the amount of revenues recognized upon redemption. Changes to the expected ultimate redemption assumptions are reflected in the current period. Any revenues in excess of the anticipated future redemptions are used to fund the other operational expenses of the program.

Room rentals and other services provided at owned and leased hotels

We provide room rentals and other services to our guests, including, but not limited to, food and beverage, spa, laundry, and parking. These products and services each represent individual performance obligations, and in exchange for these services, we receive fixed amounts based on published rates or negotiated contracts. Payment is due in full at the time the services are rendered or the goods are provided. If a guest enters into a package including multiple goods or services, the fixed price is allocated to each distinct good or service based on the standalone selling price for each item. Revenues are recognized over time when we transfer control of the good or service to the customer. Room rental revenues are recognized on a daily basis as the guest occupies the room, and revenues related to other products and services are recognized when the product or service is provided to the guest.

Hotels commonly enter into arrangements with online travel agencies, trade associations, and other entities. As part of these arrangements, we may pay the other party a commission or rebate based on the revenues generated through that channel. We recognize revenues gross or net of rebates and commissions depending on the terms of each contract.

Global travel platform bookings

Through Mr & Mrs Smith, we offer direct booking access primarily to properties that are unaffiliated with our hotel portfolio and operate under other trade names or marks owned by such hotels or licensed by third parties. Mr & Mrs Smith also has arrangements with third-party partners that market hotel offerings through their respective booking channels. In exchange for bookings made directly through Mr & Mrs Smith and through third-party partners, we receive variable consideration representing a commission fee from hotel owners, which is based on the total transaction value of the associated booking. Commission fee revenues are recognized at the time of the guest's stay in distribution revenues. Certain bookings require prepayment for travel prior to stay. These deposits are recorded as contract liabilities on our consolidated balance sheets until the stay occurs, at which point revenues are recognized in distribution revenues, net of amounts paid to hotel owners or third-party partners.

Distribution and destination management

ALG Vacations offers traditional leisure travel products and services on an individual and package basis to destinations primarily within Mexico and the Caribbean. Travel products and services include some or all of the following:

- Performance obligations in which third-party suppliers are primarily responsible for providing the services and ALG Vacations is the agent:
    - *Commercial air transportation provided by third-party air carriers*—revenues are recognized at the time of booking, net of related payments to suppliers;
    - *Hotel accommodations provided by our all-inclusive resorts and third-party branded hotels and resorts* —revenues are recognized on a net basis as the guest occupies the room;
    - *Travel insurance provided by third-party insurance companies*—revenues are recognized at the time of booking, net of related payments to suppliers;
    - *Car rental reservations provided by third-party companies*—revenues are recognized on a daily basis as the guest utilizes the rental car, net of related costs; and

- *Excursions provided by third-party companies*—revenues are recognized on the day of the excursion, net of related costs.

- Performance obligations in which ALG Vacations is primarily responsible for providing the services and is the principal:

  - *Chartered air transportation provided by ALG Vacations*—gross revenues are recognized at the time of departure and return; and

  - *Ground transportation and excursions provided by Amstar*—gross revenues are recognized at the time of departure and return.

In exchange for the products and services provided, we receive fixed and variable consideration that is allocated between the performance obligations based on relative standalone selling prices. For all performance obligations, we utilize a cost plus margin approach to determine the standalone selling price. For car rental reservations and excursions provided by third-party companies, we allocate the standalone selling price using observable transaction prices. Customers pay for travel prior to trip departure, and these deposits are recorded as contract liabilities on our consolidated balance sheets until the transfer of control of the related performance obligation occurs, at which point the related revenues are recognized in distribution revenues on our consolidated statements of income. For certain airline, hotel, and car rental transactions, we also receive fees through global distribution systems ("GDS") that provide the computer systems through which travel supplier inventory is made available and reservations are booked. Payments received through GDS are considered commissions from suppliers and are recognized as revenues at the time of booking in distribution revenues on our consolidated statements of income.

We provide advertising services to travel suppliers on our consumer websites and travel agent websites, in travel brochures, and via other media. Revenues from advertising are recognized in distribution revenues on our consolidated statements of income when the service is provided.

Co-branded credit card programs

We have co-branded credit card agreements with a third party, and under the terms of the agreements, we have various performance obligations: granting a license to the Hyatt name, arranging for the fulfillment of points issued to cardholders through the loyalty program, and awarding cardholders with free room nights upon achievement of certain program milestones. The loyalty points and free room nights represent material rights that can be redeemed for free or discounted services in the future.

In exchange for the products and services provided, we receive fixed and variable consideration which is allocated between the performance obligations based on their relative standalone selling prices. Significant judgment is involved in determining the relative standalone selling prices, and therefore, we engage a third-party valuation specialist for assistance. We utilize a relief from royalty method to determine the revenues allocated to the license, and the revenues are recognized over time as the licensee derives value from access to Hyatt's brand name in other revenues on our consolidated statements of income. We utilize observable transaction prices and adjusted market assumptions to determine the standalone selling price of a loyalty point, and we utilize a cost plus margin approach to determine the standalone selling price of the free room nights. The revenues allocated to loyalty program points and free night awards are deferred and recognized in revenues for reimbursed costs on our consolidated statements of income upon redemption or expiration of a card member's promotional awards, net of redemption expense when we are the agent. We are responsible for arranging for the redemption of promotional awards, but we do not directly fulfill the award night obligation except at owned and leased hotels. Therefore, we are the agent for managed and franchised hotels, and we are the principal with respect to owned and leased hotels.

We satisfy the following performance obligations over time: access to Hyatt's symbolic IP, services provided under management and hotel services agreements, administration of the loyalty program, and the license of our brand name through our co-branded credit card agreements. Each of these performance obligations is considered a sales-based royalty or a series of distinct services, and although the activities to fulfill each of these promises may vary from day to day, the nature of each promise is the same and the customer benefits from the services every day.

For each performance obligation satisfied over time, we recognize revenues using an output method based on the value transferred to the customer. Revenues are recognized based on the transaction price and the observable outputs related to each performance obligation. We deem the following to represent our progress in satisfying these performance obligations:

- revenues and operating profits earned by the hotels during the reporting period for access to Hyatt's IP as it is indicative of the value third-party owners and franchisees derive;
- revenues and operating profits of the hotels for the promise to provide services to the hotels under management and hotel services agreements;
- award night redemptions or point redemptions with third-party partners for the administration of the loyalty program performance obligation; and
- cardholder spend for the license to the Hyatt name through our co-branded credit card programs as it is indicative of the value our partner derives from the use of our name.

Within our management and hotel services agreements, we have two performance obligations: providing access to Hyatt's IP and providing management and hotel services. Although these constitute two separate performance obligations, both obligations represent services that are satisfied over time, and we recognize revenues using an output method based on the performance of the hotel. Therefore, we have not allocated the transaction price between these two performance obligations as the allocation would result in the same pattern of revenue recognition.

Revenues are adjusted for the effects of a significant financing component when the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year.

We have applied the practical expedient that permits the omission of prior-period information about revenues allocated to future performance obligations, and we do not estimate revenues allocated to remaining performance obligations for the following:

- deferred revenue related to the loyalty program, base management fees, and incentive management fees as the revenues are allocated to a wholly unperformed performance obligation in a series;
- revenues related to royalty fees as they are considered sales-based royalty fees;
- revenues received for free nights granted through our co-branded credit card programs as the awards have an original duration of 12 months;
- revenues related to advanced bookings at owned and leased hotels as each stay has a duration of 12 months or less; and
- revenues related to ALG Vacations and Mr & Mrs Smith distribution services as bookings are generally for travel within 12 months or less.

Contract Balances—Our payments from customers are based on the billing terms established in our contracts. Customer billings are recorded as accounts receivable when our right to consideration is unconditional. If our right to consideration is conditional on future performance under the contract, the balance is recorded as a contract asset in receivables, net on our consolidated balance sheets. Due to certain profitability hurdles in our management and hotel services agreements, incentive management fees are considered contract assets until the risk related to achieving the profitability metric no longer exists. When the profitability hurdle has been met, the incentive management fee receivable balance is recorded in accounts receivable in receivables, net on our consolidated balance sheets. Payments received in advance of performance under the contract are recorded as current or long-term contract liabilities on our consolidated balance sheets and recognized as revenues as we perform under the contract.

Costs Incurred to Obtain Contracts with Customers—Prior to the UVC Transaction (see Note 4), we incurred incremental costs to obtain membership contracts, primarily related to sales commissions. At December 31, 2023, we had $27 million of these deferred costs recorded in prepaids and other assets and $194 million recorded in other assets on our consolidated balance sheets. During the years ended December 31, 2024, December 31, 2023, and December 31, 2022, we recognized $4 million, $27 million, and $9 million, respectively, of amortization expense related to these deferred costs in other direct costs on our consolidated statements of income using the straight-line method over the same period as the associated revenues.

Foreign Currency—The functional currency of our consolidated entities located outside the U.S. is generally the local currency. The assets and liabilities of these entities are translated into U.S. dollars at period-end exchange rates, and the related

gains and losses, net of applicable deferred income taxes, are recorded in accumulated other comprehensive income (loss) on our consolidated balance sheets. Gains and losses from foreign currency transactions, including those related to intercompany receivables and payables, are recognized in other income (loss), net on our consolidated statements of income.

Fair Value—We apply the provisions of fair value measurement to various financial instruments, which we measure at fair value on a recurring basis, and to various financial and nonfinancial assets and liabilities, which we measure at fair value on a nonrecurring basis. We disclose the fair value of our financial assets and liabilities based on observable market information, where available, or market participant assumptions. These assumptions are subjective in nature and involve matters of judgment; therefore, fair values cannot always be determined with precision. When determining fair value, we maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level One—Fair values based on unadjusted quoted prices in active markets for identical assets and liabilities;
- Level Two—Fair values based on quoted market prices for similar assets and liabilities in active markets, quoted prices in inactive markets for identical assets and liabilities, and inputs other than quoted market prices that are observable for the asset or liability; and
- Level Three—Fair values based on inputs that cannot be corroborated by observable market data and reflect the use of significant management judgment. Valuation techniques may include the use of discounted future cash flow models, certain of which utilize probability weighting, and similar techniques and may be internally developed.

We recognize transfers in and transfers out of the levels of the fair value hierarchy at the end of each quarterly reporting period.

We typically utilize the market approach and income approach for valuing our financial instruments. The market approach utilizes prices and information generated by market transactions involving identical or similar assets and liabilities, and the income approach uses valuation techniques to convert future cash flows or earnings to a single, discounted present value. For instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the classification within the fair value hierarchy is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the classification of fair value assets and liabilities within the fair value hierarchy.

The carrying values of our current financial assets and current financial liabilities approximate fair values with the exception of debt and equity securities as discussed below and in Note 4 and financing receivables as discussed in Note 6. The fair value of long-term debt is discussed in Note 11, and the fair value of our guarantee liabilities and contingent consideration receivables and liabilities is discussed below and in Note 4, Note 7, and Note 15. We do not have nonfinancial assets or nonfinancial liabilities required to be measured at fair value on a recurring basis.

Cash Equivalents—We consider all highly liquid investments purchased with an original maturity of three months or less at the date of purchase to be cash equivalents. Except for time deposits as discussed below and in Note 4, cash equivalents are classified as Level One in the fair value hierarchy as we are able to obtain market pricing information on an ongoing basis.

Restricted Cash—Cash deposited or held in escrow under contractual or regulatory requirements is classified as restricted cash. Our restricted cash may include sales proceeds pursuant to like-kind exchanges, escrow deposits, deposits with banks that collateralize our obligations to certain vendors, and other arrangements.

Variable Interest Entities—We determine at the inception of each arrangement whether an entity in which we have made an investment or in which we have other variable interests is considered a VIE. We consolidate VIEs when we are the primary beneficiary. We are the primary beneficiary of a VIE when we have the power to direct activities that most significantly affect the economic performance of the VIE and have the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. If we are not the primary beneficiary of a VIE, we account for the investment or other variable interests in a VIE in accordance with the applicable GAAP. On a quarterly basis, we determine whether any changes in the interest or relationship with the entity impact the determination of whether we are still the primary beneficiary. For additional information about variable interest entities, see Note 4.

Equity Method Investments—We have investments in unconsolidated hospitality ventures accounted for under the equity method. These investments are an integral part of our business and strategically and operationally important to our overall results. When we receive a distribution from an investment, we determine whether it is a return on our investment or a return of our investment based on the underlying nature of the distribution. Certain equity method investments are reported on a

lag of up to three months. When intervening events occur during the time lag, we recognize the impact in our consolidated financial statements.

We assess investments in unconsolidated hospitality ventures for impairment quarterly, and when there is an indication that a loss in value has occurred, we may evaluate the carrying value in comparison to the estimated fair value of the investment, among other factors, to determine if the loss in value is other than temporary. Fair value is based on internally-developed discounted cash flow models, third-party appraisals, and if appropriate, pending third-party offers. Under the discounted cash flow approach, we utilize various assumptions requiring judgment, including projected future cash flows, discount rates, and capitalization rates, which are primarily Level Three assumptions. Our estimates of projected future cash flows are based on historical data, internal estimates, and/or external sources and are developed as part of our routine, long-term planning process.

We apply judgment to determine whether the decline in value is other than temporary. We consider factors including, but not limited to, the length of time and extent of the decline, loss of value as a percentage of the cost, financial condition and near-term financial projections, our intent and ability to recover the lost value, and current economic conditions. If the estimated fair value is less than the carrying value and the decline in value is deemed other than temporary, impairments are recognized in equity earnings (losses) from unconsolidated hospitality ventures on our consolidated statements of income.

For additional information about equity method investments, see Note 4.

Debt and Equity Securities—Excluding equity method investments, debt and equity securities consist of various investments:

- Equity securities consist of interest-bearing money market funds, mutual funds, exchange-traded funds, common shares, and preferred shares. Equity securities with a readily determinable fair value are recorded at fair value on our consolidated balance sheets based on listed market prices or dealer quotations where available and are classified as Level One in the fair value hierarchy as we are able to obtain pricing information on an ongoing basis. Equity securities without a readily determinable fair value are recorded at cost less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issuer. Net gains and losses, both realized and unrealized, and impairment charges on equity securities are recognized in other income (loss), net on our consolidated statements of income.

- Debt securities include preferred shares, convertible debt, time deposits, and fixed income securities, including U.S. government obligations, obligations of other government agencies, corporate debt, mortgage-backed and asset-backed securities, and municipal and provincial notes and bonds. Debt securities are classified as trading, available-for-sale ("AFS"), or HTM.

    - Trading securities are recorded at fair value based on listed market prices or dealer price quotations, where available. Net gains and losses, both realized and unrealized, on trading securities are recognized in net gains (losses) and interest income from marketable securities held to fund rabbi trusts or other income (loss), net, depending on the nature of the investment, on our consolidated statements of income.

    - AFS securities are recorded at fair value based on listed market prices or dealer price quotations, where available. Unrealized gains and losses on AFS debt securities are recorded in accumulated other comprehensive income (loss) on our consolidated balance sheets. Realized gains and losses on AFS debt securities are recognized in other income (loss), net on our consolidated statements of income. AFS securities are assessed quarterly for expected credit losses, which are recognized in other income (loss), net on our consolidated statements of income. In determining the allowance for credit losses, we evaluate AFS securities at the individual security level and consider our investment strategy, current market conditions, financial strength of the underlying investments, term to maturity, credit rating, and our intent and ability to sell the securities.

    - HTM securities are investments that we have the intent and ability to hold until maturity are recorded at amortized cost, net of expected credit losses and unamortized discounts calculated using an imputed interest rate. HTM securities are assessed for expected credit losses quarterly, and credit losses are recognized in other income (loss), net on our consolidated statements of income. In determining the allowance for credit losses, we evaluate HTM securities individually due to the unique risks associated with each security, and we consider the financial strength of the underlying assets, including the current and forecasted performance of the property, term to maturity, credit quality of the owner, and current market conditions.

    We classify debt securities as current or long-term based on their contractual maturity dates and our intent and ability to hold the investment. Our debt securities are primarily classified as Level Two in the fair value hierarchy.

Time deposits are recorded at par value, which approximates fair value, and are therefore classified as Level Two. The remaining securities, other than our investments in preferred shares, are classified as Level Two due to the use and weighting of multiple market inputs being considered in the final price of the security. Our preferred equity investments and a convertible debt security are classified as Level Three as discussed in Note 4.

Interest income on preferred equity investments that earn a return is recognized in other income (loss), net.

For additional information about debt and equity securities, including where we record these securities on our consolidated balance sheets, see Note 4.

Accounts Receivables—Our accounts receivables primarily consist of trade receivables due from the following: hotel owners with whom we have management and hotel services agreements and franchise agreements for services rendered and for reimbursed costs; guests at our owned and leased properties for services rendered; third-party financial institutions for credit and debit card transactions; customers through ALG Vacations and Mr & Mrs Smith for using our distribution services; and a third-party partner for our co-branded credit card programs. We assess all accounts receivables for credit losses quarterly and establish an allowance to reflect the net amount expected to be collected. The allowance for credit losses is based on an assessment of historical collection activity, geographic considerations, and/or the current business environment and is recognized in general and administrative expenses, owned and leased expenses, or distribution expenses on our consolidated statements of income, based on the nature of the receivable. For additional information about accounts receivables, see Note 6.

Financing Receivables—Financing receivables represent contractual rights to receive money either on demand or on fixed or determinable dates and are recorded on our consolidated balance sheets at amortized cost, net of expected credit losses and unamortized discounts calculated using an imputed interest rate. We recognize interest as earned and include accrued interest in the amortized cost basis of the asset.

We may offer seller financing as part of our dispositions. Seller financing is generally accounted for as a significant financing component and recorded as a financing receivable on our consolidated balance sheets. We estimate the fair value of the financing receivable upon sale using discounted future cash flow models. The valuation methodology includes assumptions and judgments regarding discount rates and expected timing of payments, which are primarily Level Three assumptions.

Our financing receivables represent one portfolio segment based on the level at which we develop and document a systematic methodology to determine the allowance for credit losses. Based on initial measurement attributes, risk characteristics, and our method for monitoring and assessing credit risk, we have identified the following classes of financing receivables within our portfolio segment:

- Secured financing to hotel owners—These financing receivables are junior and senior secured mortgage loans and are collateralized by underlying hotel properties.
- Unsecured financing to hotel owners or unconsolidated hospitality ventures—These financing receivables are primarily made up of individual loans and other types of unsecured financing arrangements provided to hotel owners or unconsolidated hospitality ventures. These financing receivables are generally subordinate to senior financing and have stated maturities and interest rates, but the repayment terms vary and may be dependent on future cash flows of the hotel or unconsolidated hospitality venture.

We individually assess all financing receivables for credit losses quarterly and establish an allowance to reflect the net amount expected to be collected. We estimate credit losses based on an analysis of several factors, including current economic conditions, industry trends, and/or specific risk characteristics of the financing receivable, including capital structure, loan performance, market factors, and/or the underlying hotel performance. Adjustments to credit losses are recognized in other income (loss), net on our consolidated statements of income.

We evaluate accrued interest allowances separately from the financing receivable assets. On an ongoing basis, we monitor the credit quality of our financing receivables based on historical and expected future payment activity. We determine if financing to hotel owners and unconsolidated hospitality ventures is nonperforming based on facts and circumstances of the individual financing receivables, including, but not limited to, if interest or principal is greater than 90 days past due based on the contractual terms of the individual financing receivables or if an allowance has been established for our other financing arrangements with that borrower. If we consider a financing receivable to be nonperforming, we place the financing receivable on nonaccrual status.

For financing receivables on nonaccrual status, we recognize interest income in other income (loss), net on our consolidated statements of income when cash is received. Accrual of interest income is resumed and potential reversal of any

associated allowance for credit loss occurs when the receivable becomes contractually current and collection doubts are removed.

After an allowance for credit losses has been established, we may determine the receivable balance is uncollectible when all commercially reasonable means of recovering the receivable balance have been exhausted. We write off uncollectible balances by reversing the financing receivable and the related allowance for credit losses.

Financing receivables acquired in a business combination that have experienced more-than-insignificant deterioration in credit quality since origination are considered purchased with credit deterioration ("PCD") assets. PCD assets are accounted for at the purchase price or acquisition date fair value with an estimate of expected credit losses to arrive at an initial amortized cost basis. We use certain indicators, such as past due status and specific risk characteristics of the financing receivable, including capital structure, loan performance, market factors, and/or the underlying hotel performance, in identifying and assessing whether the acquired financing receivables are considered PCD assets.

For additional information about financing receivables, see Note 6.

Inventories—Inventories are comprised of operating supplies and equipment that primarily have a period of consumption of two years or less and food and beverage items at our owned and leased hotels, which are generally valued at the lower of cost (first-in, first-out) or net realizable value.

Property and Equipment and Definite-Lived Intangible Assets—Property and equipment is stated at cost, including interest incurred during development and construction periods, less accumulated depreciation. Definite-lived intangible assets are recorded at the acquisition date fair value, less accumulated amortization. Depreciation and amortization are recognized over the estimated useful lives of the assets, primarily using the straight-line method.

Property and equipment are depreciated over the following useful lives:

Buildings and improvements	10–50 years
Leasehold improvements	The shorter of the lease term or useful life of asset
Furniture and equipment	3–20 years
Computers	3–7 years

Definite-lived intangible assets are amortized over the following useful lives:

Management and hotel services agreement and franchise agreement intangibles	4–31 years
Customer relationships intangibles	4–12 years
Other intangibles	Varies based on the nature of the asset

We assess property and equipment and definite-lived intangible assets for impairment quarterly, and when events or circumstances indicate the carrying value may not be recoverable, we evaluate the net book value of the assets by comparing it to the projected undiscounted future cash flows of the assets. Under the undiscounted cash flow approach, the primary assumption requiring judgment is our estimate of projected future operating cash flows, which are based on historical data, internal estimates, and/or external resources, which are primarily Level Three assumptions, and are developed as part of our routine, long-term planning process.

If the projected undiscounted future cash flows are less than the net book value of the assets, the fair value is determined based on internally-developed discounted cash flows of the assets, third-party appraisals or broker valuations, or if appropriate, pending third-party offers. Under the discounted cash flow approach, we utilize various assumptions requiring judgment, including projected future cash flows, discount rates, and capitalization rates. The excess of the net book value over the estimated fair value is recognized in asset impairments on our consolidated statements of income.

We evaluate the carrying value of our property and equipment and definite-lived intangible assets based on our plans, at the time, for such assets and consider qualitative factors such as future development in the surrounding area, status of local competition, and any significant adverse changes in the business climate. Changes to our plans, including a decision to dispose of or change the intended use of an asset, may have a material impact on the carrying value of the asset.

For additional information about property and equipment and definite-lived intangible assets, see Note 5 and Note 9, respectively.

Leases—We primarily lease land, buildings, office space, and equipment. We determine whether an arrangement is an operating or finance lease at inception. For our management and hotel services agreements, we apply judgment in order to determine whether the contract is accounted for as a lease or management or hotel services agreement based on the specific facts and circumstances of each agreement. In evaluating whether an agreement constitutes a lease, we review the contractual terms to determine which party obtains both the economic benefits and control of the assets. In arrangements where we control the assets and obtain substantially all of the economic benefits, we account for the contract as a lease.

Certain of our leases include options to extend the lease term at our discretion. We include lease extension options in our operating lease ROU assets and lease liabilities when it is reasonably certain that we will exercise the options. Our extension options range from approximately 1 to 25 years, and the impacts of all currently available options are recorded in our operating lease ROU assets and lease liabilities. Our lease agreements do not contain any significant residual value guarantees or restrictive covenants.

We assess operating lease ROU assets for impairment quarterly, and when events or circumstances indicate the carrying value may not be recoverable, we evaluate the net book value of the assets by comparing it to the projected undiscounted future cash flows of the assets. If the carrying value of the assets is determined to not be recoverable and is in excess of the estimated fair value, we recognize an impairment charge in asset impairments on our consolidated statements of income.

As our leases do not provide an implicit borrowing rate, we use our estimated IBR to determine the present value of our lease payments and apply a portfolio approach. We apply judgment in estimating our IBR, including assumptions related to currency risk and our credit risk. We also consider our recent debt issuances as well as publicly available data for instruments with similar characteristics when determining our IBR.

Our operating leases may include the following terms: (i) fixed minimum lease payments, (ii) variable lease payments based on a percentage of the hotel's profitability measure, as defined in the lease, (iii) lease payments equal to the greater of a fixed minimum or variable amount based on a percentage of the hotel's profitability measure, as defined in the lease, (iv) lease payments adjusted for changes in an index or market value, or (v) variable lease payments based on a percentage split of the total gross revenues, as defined in the lease. Future lease payments that are contingent are not included in the measurement of the operating lease liability or in the future maturities table (see Note 8).

For office space, land, and building leases, we do not separate the lease and nonlease components, which primarily relate to common area maintenance and utilities. We combine lease and nonlease components for those leases where we are the lessor, and we exclude all leases with terms of 12 months or less from the operating lease ROU assets and lease liabilities.

For additional information about leases, see Note 8.

Acquisitions—We evaluate the facts and circumstances of each acquisition to determine whether the transaction should be accounted for as an asset acquisition or a business combination.

Under the supervision of management, independent third-party valuation specialists estimate the fair value of the assets or businesses acquired using various recognized valuation methods, including the income approach, cost approach, relief from royalty approach, and sales comparison approach, all of which are primarily based on Level Three assumptions. Assumptions utilized in determining the fair value under these approaches include, but are not limited to, historical financial results when applicable, projected cash flows, discount rates, capitalization rates, royalty rates, current market conditions, likelihood of contract renewals, and comparable transactions. In a business combination, the fair value is allocated to tangible assets and liabilities and identifiable intangible assets, with any remaining value assigned to goodwill, if applicable. In an asset acquisition, any difference between the consideration paid and the fair value of the assets acquired is allocated across the identified assets based on the relative fair value. When we acquire the remaining ownership interest in or the property from an unconsolidated hospitality venture in a step acquisition, we estimate the fair value of our equity interest using the assumed cash proceeds we would receive from sale to a third party at a market sales price, which is determined using our fair value methodologies and assumptions.

The results of operations of properties or businesses are included in our consolidated statements of income beginning on the respective acquisition dates. Assets acquired, liabilities assumed, and any noncontrolling interest in the acquiree are recorded on our consolidated balance sheets at the respective acquisition dates based on their estimated fair values. In business combinations, purchase price allocations may be based on preliminary estimates and assumptions. Accordingly, the allocations are subject to revision when we receive and review final information, including contracts, appraisals, and/or other analyses.

Acquisition-related costs incurred in conjunction with a business combination are recognized in transaction and integration costs on our consolidated statements of income. In an asset acquisition, these costs are included in the total consideration paid and allocated to the acquired assets.

Periodically, we enter into like-kind exchange agreements upon the disposition or acquisition of certain properties. Pursuant to the terms of these agreements, the proceeds from the sales are placed into an escrow account administered by a qualified intermediary and are unavailable for our use until released. The proceeds are recorded as restricted cash on our consolidated balance sheets and released (i) if they are utilized as part of a like-kind exchange agreement, (ii) if we do not identify a suitable replacement property within 45 days after the agreement date, or (iii) when a like-kind exchange agreement is not completed within the remaining allowable time period.

For additional information about acquisitions, see Note 7.

Contingent and Non-cash Consideration—As part of our acquisitions and dispositions, we may enter into contingent consideration arrangements whereby the buyer pays the seller additional consideration after transaction close upon the achievement of certain milestones, performance-based metrics, or other objectives as prescribed per the terms of the related agreement. In conjunction with our dispositions, we may receive non-cash consideration, such as preferred shares in the buyer entity or its affiliates.

Contingent consideration payable arising from acquisitions is recorded at fair value as a liability on the acquisition date. In order to estimate the fair value, we generally utilize a Monte Carlo simulation to model the probability of possible outcomes. The valuation methodology includes assumptions and judgments regarding discount rates, estimated probability of achieving the contractual objectives, and/or expected timing of payments, which are primarily Level Three assumptions. Contingent consideration liabilities are recorded in accrued expenses and other current liabilities or other long-term liabilities on our consolidated balance sheets and are remeasured at fair value on a quarterly basis. Changes in fair value are recognized in other income (loss), net on our consolidated statements of income.

Contingent consideration receivable and non-cash consideration arising from dispositions are recorded at fair value as an asset upon sale. In order to estimate the fair value, we generally utilize a Monte Carlo simulation to model possible outcomes or a probability-based discounted future cash flow approach. The valuation methodology includes assumptions and judgments regarding probability weighting, discount rates, estimated probability of achieving the contractual objectives, operating results, and/or expected timing of payments, which are primarily Level Three assumptions. Contingent consideration receivables are recorded in receivables, net or other assets on our consolidated balance sheets. Changes in the carrying value are recognized when realizable, and if it is determined that the contingent consideration receivable is not recoverable, we recognize a loss. The corresponding offset depends on the underlying nature of the transaction and is recognized in gains (losses) on sales of real estate and other or equity earnings (losses) from unconsolidated hospitality ventures on our consolidated statements of income. Non-cash consideration is generally recorded in other assets on our consolidated balance sheets based on the underlying nature of the consideration.

For additional information about contingent and non-cash consideration, see Note 7 and Note 15.

Goodwill—Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified or separately recognized. We evaluate goodwill for impairment annually during the fourth quarter of each year using balances at October 1 and at interim dates if a triggering event occurs. Goodwill impairment is determined by comparing the fair value of a reporting unit to its carrying amount.

We evaluate the fair value of the reporting unit by performing a qualitative or quantitative assessment. In any given year, we can elect to perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If it is more likely than not that the fair value is less than the carrying value, or we elect to bypass the qualitative assessment, we proceed to the quantitative assessment.

When determining fair value, we utilize internally-developed discounted future cash flow models, third-party valuation specialist models, which may include income-based and/or market-based approaches, third-party appraisals or broker valuations, and if appropriate, pending third-party offers. Under an income-based approach, we utilize various assumptions requiring judgment, including projected future cash flows, discount rates, and capitalization rates. Our estimates of projected future cash flows are based on historical data, internal estimates, and/or external sources, which are primarily Level Three assumptions, and are developed as part of our routine, long-term planning process. For certain reporting units, we apply a weighting of an income-based approach and a market-based approach, which utilizes the guideline public companies method and is based on earnings multiple data derived from publicly traded peer group companies. We then compare the estimated fair value to our carrying value. If the carrying value is in excess of the fair value, we recognize an impairment charge in asset impairments on our consolidated statements of income based on the amount by which the carrying value of the reporting unit exceeded the fair value, limited to the carrying amount of goodwill. For additional information about goodwill, see Note 9.

Indefinite-Lived Intangible Assets—We have certain brand and other indefinite-lived intangible assets that were acquired through various asset acquisitions and business combinations. We evaluate indefinite-lived intangible assets for

impairment annually during the fourth quarter of each year using balances at October 1 and at interim dates if indicators of impairment exist. We use the relief from royalty method to estimate the fair value. When determining fair value, we utilize internally-developed discounted future cash flow models and third-party valuation specialist models, which include various assumptions requiring judgment, including projected future cash flows, discount rates, and market royalty rates. Our estimates of projected cash flows are based on historical data, internal estimates, and/or external sources, which are primarily Level Three assumptions, and are developed as part of our routine, long-term planning process. We then compare the estimated fair value to our carrying value. If the carrying value is in excess of the fair value, we recognize an impairment charge in asset impairments on our consolidated statements of income. For additional information about indefinite-lived intangible assets, see Note 9.

Guarantees—We enter into performance guarantees related to certain hotels we manage. We also enter into debt repayment and other guarantees with respect to certain unconsolidated hospitality ventures, certain hospitality venture partners, certain managed or franchised hotels, and indemnifications provided as a result of certain dispositions for liabilities incurred prior to sale. We record a liability for the fair value of these guarantees at their inception date. In order to estimate the fair value, we generally use either scenario-based weighting, which utilizes a Monte Carlo simulation or a probability-based weighting approach to model the probability of possible outcomes, or the with and without method under the income approach, which calculates the difference in present value of anticipated cash flows with and without the guarantee. The valuation methodology includes assumptions and judgments regarding probability weighting, discount rates, volatility, hotel operating results, hotel property sales prices, and timing of expected cash flows, which are primarily Level Three assumptions. The fair value is not revalued due to future changes in assumptions. The non-cash corresponding offset depends on the circumstances in which the guarantee was issued and is generally recorded to equity method investments or key money assets. We amortize the liability for the fair value of a guarantee into income over the term of the guarantee using a systematic and rational, risk-based approach. Guarantees related to our managed or franchised hotels, hospitality venture partners, and indemnifications for liabilities incurred prior to sale are amortized into income in other income (loss), net on our consolidated statements of income. Guarantees related to our unconsolidated hospitality ventures are amortized into income in equity earnings (losses) from unconsolidated hospitality ventures on our consolidated statements of income.

- Performance and other guarantees—On a quarterly basis, we evaluate the likelihood of funding under a guarantee. To the extent we determine an obligation to fund is both probable and estimable based on performance during the period or facts and circumstances of the underlying indemnification liability, we record a separate contingent liability and recognize expense in other income (loss), net on our consolidated statements of income.

- Debt repayment guarantees—At guarantee inception and on a quarterly basis, we evaluate the risk of funding under a guarantee. We assess credit risk based on the current and forecasted performance of the underlying property, whether the property owner is current on debt service, the historical performance of the underlying property, and the current market, and we record a separate liability and recognize expense in other income (loss), net or equity earnings (losses) from unconsolidated hospitality ventures on our consolidated statements of income based on the nature of the guarantee.

For additional information about guarantees, see Note 4 and Note 15.

Income Taxes—We account for income taxes to recognize the amount of taxes payable or refundable for the current year and the amount of deferred tax assets and liabilities resulting from the future tax consequences of differences between the financial statements and tax basis of the respective assets and liabilities. We assess the realizability of our deferred tax assets and record a valuation allowance when it is more likely than not that some or all of our deferred tax assets are not realizable. This assessment is completed by tax jurisdiction and relies on the weight of both positive and negative evidence available with significant weight placed on recent financial results. When necessary, we use systematic and logical methods to estimate when deferred tax liabilities will reverse and generate taxable income and when deferred tax assets will reverse and generate tax deductions.

We recognize the financial statement effect of a tax position when, based on the technical merits of the uncertain tax position, it is more likely than not to be sustained on a review by taxing authorities. We review these estimates and make changes to recorded amounts of uncertain tax positions as facts and circumstances warrant. For additional information about income taxes, see Note 14.

Stock-Based Compensation—As part of our LTIP, we award time-vested stock appreciation rights ("SARs"), time-vested restricted stock units ("RSUs"), and performance-vested restricted stock units ("PSUs") to certain employees and non-employee directors. In addition, non-employee directors may elect to receive their annual fees and/or annual equity retainers in the form of shares of our Class A common stock. Under the LTIP, we are authorized to issue up to 28,025,000 shares:

- *SARs*—Each vested SAR gives the holder the right to the difference between the value of one share of our Class A common stock at the exercise date and the value of one share of our Class A common stock at the grant date. The

value of the SARs is determined using the fair value of our common stock at the grant date based on the closing stock price of our Class A common stock. SARs generally vest 25% annually over four years, beginning on the first anniversary of the grant date. Vested SARs can be exercised over their life as determined in accordance with the LTIP. All SARs have a 10-year contractual term, are settled in shares of our Class A common stock, and are accounted for as equity instruments.

We recognize compensation expense on a straight-line basis from the date of grant through the requisite service period, which is generally the vesting period, unless the employee meets applicable retirement eligibility criteria resulting in immediate recognition. We recognize the effect of forfeitures as they occur.

- *RSUs*—Each vested RSU will generally be settled by delivery of a single share of our Class A common stock and therefore is accounted for as an equity instrument. In certain situations, we grant a limited number of cash-settled RSUs, which are recorded as liability instruments. The cash-settled RSUs represent an insignificant portion of previous grants.

  The value of the RSUs is determined using the fair value of our common stock at the grant date based on the closing stock price of our Class A common stock. Awards are generally settled as each individual tranche vests under the relevant agreements. We recognize compensation expense over the requisite service period of the individual grant, which is generally a vesting period of one to four years, unless the employee meets retirement eligibility criteria resulting in immediate recognition. We recognize the effect of forfeitures as they occur.

  Under certain circumstances, we have issued time-vested RSUs with performance requirements, which vest based on the satisfaction of a continued employment requirement and the attainment of specified performance-vesting conditions that are established annually and eligible to be earned in tranches. Generally, these RSUs fully vest and settle in Class A common stock to the extent performance requirements for the applicable tranche are achieved, and if the requisite service period, which is generally three to five years, is satisfied. The value of the RSUs is set at award issuance or is determined using the fair value of our common stock at the grant date based on the closing stock price of our Class A common stock. Due to the fact that the performance conditions are established annually, each tranche typically has its own grant date. We issued $15 million of these RSUs during the year ended December 31, 2024, of which $12 million have not met the grant date criteria and were therefore not deemed granted at December 31, 2024. We did not issue any such RSUs during the years ended December 31, 2023 and December 31, 2022.

- *PSUs*—PSUs vest and are settled in Class A common stock based on the performance of the Company through the end of the applicable performance period relative to the applicable performance target and are generally subject to a continued employment requirement through the applicable performance period. The PSUs are eligible to vest at the end of the performance period only to the extent the performance threshold is met and continued service requirements are satisfied; there is no interim performance metric, except in the case of certain change in control transactions.

  The value of the PSUs is determined using the fair value of our common stock at the grant date based on the closing stock price of our Class A common stock. PSUs may include a relative total shareholder return ("TSR") modifier to determine the number of shares earned at the end of the performance period. Under the supervision of management, independent third-party valuation specialists estimate the fair value of the PSUs that include the TSR modifier using a Monte Carlo simulation to model the probability of possible outcomes. The Monte Carlo simulation uses the grant date stock price as a key input and includes assumptions and judgments regarding the risk-free interest rate, expected volatility, and annual dividend yield. Generally, the fair value of the PSUs estimated using a Monte Carlo simulation does not significantly differ from the fair value based on the grant date stock price.

  We recognize compensation expense over the requisite performance period, which is generally a vesting period of approximately three to six years. Compensation expense recognized is dependent on management's quarterly assessment of the expected achievement relative to the applicable performance targets. We recognize the effect of forfeitures as they occur.

For additional information about stock-based compensation, including where we recognize compensation expense on our consolidated statements of income, see Note 17.

Loyalty Program—The loyalty program is funded through contributions from participating properties and third-party loyalty alliances based on eligible revenues from loyalty program members and returns on marketable securities. The funds are used for the redemption of member awards and payment of operating expenses. Operating costs are expensed as incurred and recognized in reimbursed costs on our consolidated statements of income.

The program invests amounts received from the participating properties and third-party loyalty alliances in marketable securities, which are included in cash and cash equivalents, short-term investments, and other assets on our consolidated balance sheets (see Note 4). Additionally, from time to time, the program may loan excess funds to the Company and receive market-rate interest in return. Any such loans are due on demand, if needed to fund expenses of the program. Deferred revenue related to the loyalty program is classified as current and long-term contract liabilities on our consolidated balance sheets (see Note 3). The costs of administering the loyalty program, including the estimated cost of award redemption, are charged to the participating properties and third-party loyalty alliances based on members' qualified expenditures.

Advertising Costs—We expense costs to produce advertising in the period incurred and costs to communicate advertising as the communication occurs. Advertising costs are generally reimbursed by our third-party owners and franchisees and are recognized in revenues for reimbursed costs and reimbursed costs on our consolidated statements of income. Certain advertising costs associated with our distribution segment are not reimbursable. During each of the years ended December 31, 2024, December 31, 2023, and December 31, 2022, we recognized $67 million of advertising costs in distribution expenses on our consolidated statements of income.

Government Assistance—We receive government subsidies, primarily in the form of cash, related to expenses such as salaries, wages, and taxes. The subsidies are recorded when there is reasonable assurance the conditions of the subsidies will be met and the subsidies will be received. The subsidies are recognized as a benefit against the related expense on our consolidated statements of income over the period that the subsidies are intended to compensate. Our subsidies primarily relate to the Coronavirus Aid, Relief, and Economic Security ("CARES") Act and the American Rescue Plan Act of 2021 ("ARPA"). The CARES Act, enacted in March 2020, as well as subsequently enacted legislation, including ARPA, provided economic support due to the COVID-19 pandemic. The CARES Act included an employee retention credit, which is a refundable tax credit against certain employment taxes. ARPA provided a refundable subsidy tax credit to employers to offset the costs of COBRA coverage for certain qualified employees from April 1, 2021 through September 30, 2021. During the years ended December 31, 2024, December 31, 2023, and December 31, 2022, we received $2 million, $19 million, and $6 million, respectively, of government assistance related to these programs in the form of cash. The benefit from the government subsidies was primarily recognized against the related expenses in prior periods. At December 31, 2024 and December 31, 2023, we had $5 million and $7 million, respectively, related to these programs recorded in receivables, net on our consolidated balance sheets.

Adopted Accounting Standards

Reference Rate Reform—In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2020-04 ("ASU 2020-04"), *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. ASU 2020-04 provides optional expedients and exceptions that we can elect to adopt, subject to meeting certain criteria, regarding contract modifications, hedging relationships, and other transactions that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued because of reference rate reform. In December 2022, the FASB issued Accounting Standards Update No. 2022-06 ("ASU 2022-06"), *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*. ASU 2022-06 was effective upon issuance and defers the sunset date of Topic 848 by two years, extending the provisions of ASU 2020-04 through December 31, 2024. During the year ended December 31, 2023, we adopted the provisions of ASU 2020-04. We amended certain LIBOR-based contracts during the years ended December 31, 2024 and December 31, 2023. ASU 2020-04 did not materially impact our consolidated financial statements upon adoption.

Segment Reporting—In November 2023, the FASB issued Accounting Standards Update No. 2023-07 ("ASU 2023-07"), *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. ASU 2023-07 improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses and information used to evaluate segment performance. The provisions of ASU 2023-07 are effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. We adopted the provisions of ASU 2023-07 for the year ended December 31, 2024 on a retrospective basis and included enhanced disclosures in Note 19.

Future Adoption of Accounting Standards

Disclosure Improvements—In October 2023, the FASB issued Accounting Standards Update No. 2023-06 ("ASU 2023-06"), *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*. ASU 2023-06 modifies the disclosure and presentation requirements for certain FASB Accounting Standards Codification topics to align with the SEC's regulation. The effective date for each amendment will be the date on which the SEC's removal of that related disclosure from its regulations becomes effective, if the SEC removes the disclosure by June 30, 2027. The provisions of ASU 2023-06 are to be applied prospectively, with early adoption prohibited. We do not expect the adoption of ASU 2023-06 to have a material impact on our consolidated financial statements and accompanying Notes.

Income Taxes—In December 2023, the FASB issued Accounting Standards Update No. 2023-09 ("ASU 2023-09"), *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. ASU 2023-09 requires enhanced annual income tax disclosures including (1) disaggregation of effective tax rate reconciliation categories, (2) additional information for reconciling items that meet a quantitative threshold, and (3) incomes taxes paid by jurisdiction. The provisions of ASU 2023-09 are effective for fiscal years beginning after December 15, 2024, with early adoption permitted, and may be applied either prospectively or retrospectively for all prior periods presented. We are currently assessing the impact of adopting ASU 2023-09.

Expense Disaggregation Disclosures—In November 2024, the FASB issued Accounting Standards Update No. 2024-03 ("ASU 2024-03"), *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. ASU 2024-03 requires disclosure of disaggregated information about certain costs and expenses presented on the consolidated statements of income, including purchases of inventory, employee compensation, depreciation, and intangible asset amortization. The provisions of ASU 2024-03 are effective for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted, and may be applied either prospectively or retrospectively for any or all prior periods presented. We are currently assessing the impact of adopting ASU 2024-03.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregated Revenues

See Note 19 for our revenues disaggregated by the nature of the product or service.

Contract Balances

Contract assets were insignificant at both December 31, 2024 and December 31, 2023.

Contract liabilities were comprised of the following:

	December 31, 2024	December 31, 2023
Deferred revenue related to the loyalty program	$ 1,333	$ 1,130
Deferred revenue related to distribution and destination management services	705	719
Deferred revenue related to insurance programs	112	75
Deferred revenue related to co-branded credit card programs	66	49
Advanced deposits	53	57
Initial fees received from franchise owners	47	45
Deferred revenue related to the paid membership program (1)	—	1,204
Other deferred revenue	80	78
Total contract liabilities	$ 2,396	$ 3,357

(1) The change from December 31, 2023 is due to balances written off to gains (losses) on sales of real estate and other on our consolidated statements of income during the year ended December 31, 2024 as a result of the UVC Transaction (see Note 4).

Revenue recognized during the years ended December 31, 2024 and December 31, 2023 included in the contract liabilities balance at the beginning of each year was $1,208 million and $1,224 million, respectively. This revenue primarily relates to distribution and destination management services and the loyalty program.

Revenue Allocated to Remaining Performance Obligations

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized, which includes deferred revenue and amounts that will be invoiced and recognized as revenue in future periods. Contracted revenue expected to be recognized in future periods was approximately $125 million at December 31, 2024, approximately 10% of which we expect to recognize over the next 12 months, with the remainder to be recognized thereafter.

4. DEBT AND EQUITY SECURITIES

We invest in debt and equity securities that we believe are strategically and operationally important to our business. These investments take the form of (i) investments in variable interest entities, (ii) equity method investments where we have the ability to significantly influence the operations of the entity, (iii) marketable securities held to fund operating programs and for investment purposes, and (iv) other types of investments.

Variable Interest Entities

Bahia Principe—During the year ended December 31, 2024, we entered into a shareholders' agreement with an unrelated third-party and acquired 50% of the outstanding shares of Management Hotelero Piñero, S.L. The joint venture, which is a VIE, owns the Bahia Principe brand and manages Bahia Principe Hotels & Resorts-branded properties (see Note 7). Through our variable interest, we have the power to direct the activities that most significantly affect the economic performance of the VIE and have the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE and therefore, we are the primary beneficiary. We consolidate the operating results and financial position of this VIE in our consolidated financial statements within our management and franchising segment.

The following table summarizes the VIE's assets and liabilities, including the effect of foreign currency translation, recorded on our consolidated balance sheet at December 31, 2024. The assets may only be used to settle obligations of the consolidated VIE, if any. In addition, there is no recourse to us for the consolidated VIE's liabilities.

Cash and cash equivalents	$	2
Receivables		15
Total current assets		17
Operating lease right-of-use assets		1
Goodwill		147
Intangibles, net		515
Other assets		50
Total assets	$	730
Accounts payable	$	15
Accrued expenses and other current liabilities		1
Total current liabilities		16
Long-term operating lease liabilities		1
Other long-term liabilities		161
Total liabilities	$	178

The joint venture increases our all-inclusive portfolio giving guests and loyalty program members more opportunities to experience all-inclusive travel. In conjunction with the transaction, we entered into various agreements with the joint venture and its related parties to provide certain commercial and management support services to the joint venture and to support the growth of the Bahia Principe brand and the operation of the Bahia Principe Hotels & Resorts-branded properties.

UVC Transaction—During the year ended December 31, 2024, we completed the UVC Transaction and accounted for the sale of our controlling financial interest in the entity as a business disposition. We received $41 million of proceeds, net of $39 million of cash disposed; recorded a $20 million equity method investment representing the fair value of our retained investment in the entity; and recorded $86 million of guarantee liabilities as described below. The transaction resulted in a $231 million pre-tax gain, which was recognized in gains (losses) on sales of real estate and other on our consolidated statements of income during the year ended December 31, 2024. We continue to manage the Unlimited Vacation Club business under a long-term management agreement and license and royalty agreement. The operating results of the Unlimited Vacation Club business prior to the UVC Transaction are reported within our distribution segment.

The fair value of our retained investment in the entity was determined using a Black-Scholes-Merton option-pricing model of our common shares in the entity. The valuation methodology includes assumptions and judgments regarding volatility and discount rates, which are primarily Level Three assumptions.

In conjunction with the transaction, we agreed to guarantee up to $70 million of our hospitality venture partner's investment upon the occurrence of certain events, and we recorded a $25 million guarantee liability at fair value in other long-term liabilities on our consolidated balance sheet. The fair value was estimated using the with and without method, which includes projected cash flows based on contract terms. The valuation methodology includes assumptions and judgments regarding discount rates and length of time, which are primarily Level Three assumptions.

Additionally, we agreed to indemnify the unconsolidated hospitality venture, the primary obligor to the foreign taxing authorities, for obligations the entity may incur as a result of pre-existing uncertain tax positions as of the date of the transaction. Following the transaction, we accounted for the indemnification as a guarantee. We derecognized the long-term

income taxes payable related to the uncertain tax positions and recorded a $61 million guarantee liability at fair value in other long-term liabilities on our consolidated balance sheet. The fair value of the indemnification was estimated using a probability-based weighting approach to determine the likelihood of payment of the tax liability, penalties, and interest related to the 2013 through 2018 tax years. The valuation methodology includes assumptions and judgments regarding probability weighting, discount rates, and expected timing of cash flows, which are primarily Level Three assumptions. At December 31, 2024, the indemnification for open tax years had a maximum exposure of $72 million.

The entity that owns the Unlimited Vacation Club business is a VIE in which we hold a variable interest but are not the primary beneficiary, and we account for our common ownership interest as an equity method investment. At December 31, 2024, we had $68 million recorded in other long-term liabilities (see Note 13) on our consolidated balance sheet related to our guaranteed obligations of this unconsolidated VIE. At December 31, 2024, our maximum exposure to loss was $142 million, which includes the maximum exposure under the aforementioned guarantee and indemnification (see Note 15).

Equity Method Investments

The carrying values and ownership interests of our investments in unconsolidated hospitality ventures accounted for under the equity method were as follows:

		Carrying value	
Investee	**Ownership interest**	**December 31, 2024**	**December 31, 2023**
Juniper Hotels Limited	38.8 %	$ 76	$ 28
HP Boston Partners, LLC	50.0 %	20	22
Hotel am Belvedere Holding GmbH & Co KG	50.0 %	15	13
HRM HoldCo, LLC	50.0 %	15	13
HC Lenox JV Holdings LLC	50.0 %	15	9
Atona Impact Fund LP	49.8 %	12	—
Hotel Hoyo Uno, S. de R.L. de C.V.	40.0 %	7	7
Denver Downtown Hotel Partners LLC	50.0 %	5	5
H.E. Philadelphia HC Hotel, L.L.C.	40.0 %	5	7
Hyatt of Baja, S. de. R.L. de C.V.	— %	—	74
Other		19	33
Total equity method investments		$ 189	$ 211

During the year ended December 31, 2024, we recognized $15 million of impairment charges, primarily related to two of our unconsolidated hospitality ventures in equity earnings (losses) from unconsolidated hospitality ventures on our consolidated statements of income as the estimated fair values were less than the carrying values, and the impairments were deemed other than temporary. We estimated the fair values of our investments, which are classified as Level Three in the hierarchy, using an internally-developed cash flow model, which included assumptions and judgments regarding projected future cash flows, discount rate, and capitalization rate.

Juniper Hotels Limited—During the year ended December 31, 2023, we acquired 50% of the outstanding shares of a third-party entity that owns three of our managed properties in India in exchange for the non-cash redemption of a HTM debt security. Upon completion, Juniper Hotels Limited acquired 100% of the outstanding shares of the entity, and we recorded a $32 million equity method investment.

On September 28, 2023, our unconsolidated hospitality venture publicly filed a draft red herring prospectus with the Securities and Exchange Board of India in conjunction with a proposed initial public offering ("IPO") of equity shares, subject to market conditions and regulatory approvals. On February 28, 2024, Juniper Hotels Limited completed its IPO on the BSE Limited and National Stock Exchange of India Limited stock exchanges and issued 50,000,000 equity shares. Both prior and subsequent to the IPO, we hold 86,251,192 equity shares in the entity. At December 31, 2024, the aggregate value of our equity shares was $354 million based on the price per share of the principal market.

As a result of the IPO, our ownership interest in the unconsolidated hospitality venture was diluted from 50.0% to 38.8%. As we maintain the ability to significantly influence the operations of the entity, we recorded an increase to our equity method investment and recognized a $79 million non-cash pre-tax dilution gain in equity earnings (losses) from unconsolidated hospitality ventures on our consolidated statements of income during the year ended December 31, 2024.

Hyatt of Baja, S. de. R.L. de C.V.—During the year ended December 31, 2024, we received $21 million of proceeds related to the sale of our ownership interest in an equity method investment and recognized an $8 million pre-tax gain in equity earnings (losses) from unconsolidated hospitality ventures on our consolidated statements of income, net of a $2 million reclassification from accumulated other comprehensive loss (see Note 16). At the time of sale, we had $28 million of outstanding financing receivables related to the unconsolidated hospitality venture, which were repaid in conjunction with the sale. Additionally, we retained long-term management and licensing agreements for the related hotel and residential units, respectively, upon sale.

We provided $10 million of seller financing with a maturity date of two years. Upon sale, we estimated the fair value of the seller financing to be approximately $8 million and recorded an unsecured financing receivable on our consolidated balance sheet. The fair value was estimated using a discounted future cash flow model and includes assumptions and judgments regarding the discount rate, which is primarily a Level Three assumption.

As part of total consideration, we may earn up to $13 million of contingent consideration. The contingent consideration will be earned upon the achievement of certain performance-based metrics subsequent to hotel opening. Upon sale, we recorded a $5 million contingent consideration receivable at fair value in other assets on our consolidated balance sheet. The fair value of the contingent consideration receivable was estimated using a Monte Carlo simulation to model the likelihood of achieving the performance-based metrics. The valuation methodology includes assumptions and judgments regarding discount rates and operating results, which are primarily Level Three assumptions.

Other—During the year ended December 31, 2024, we received $16 million of proceeds related to the sale of our ownership interest in an equity method investment and recognized a $12 million pre-tax gain in equity earnings (losses) from unconsolidated hospitality ventures on our consolidated statements of income. Following the sale, we continue to manage the related property under a long-term management agreement.

During the year ended December 31, 2023, we did not have any other activity.

During the year ended December 31, 2022, we received $23 million of proceeds related to the sale of our ownership interest in an equity method investment and recognized a $4 million pre-tax gain in equity earnings (losses) from unconsolidated hospitality ventures on our consolidated statements of income, net of a $5 million reclassification from accumulated other comprehensive loss. Following the sale, we continue to manage the related property under a long-term management agreement. Additionally, during the year ended December 31, 2022, an equity method investment, in which we hold an ownership interest, sold the underlying hotel to a third party, and we received $16 million of proceeds. We recognized a $15 million net gain in equity earnings (losses) from unconsolidated hospitality ventures on our consolidated statements of income. Upon sale, we entered into a long-term franchise agreement for the property.

Marketable Securities

We hold marketable securities with readily determinable fair values to fund certain operating programs and for investment purposes. We periodically transfer available cash and cash equivalents to purchase marketable securities for investment purposes.

Marketable Securities Held to Fund Operating Programs—Marketable securities held to fund operating programs, which are recorded at fair value on our consolidated balance sheets, were as follows:

	December 31, 2024	December 31, 2023
Loyalty program (Note 10)	$ 642	$ 807
Deferred compensation plans held in rabbi trusts (Note 10 and Note 13)	548	489
Captive insurance company (Note 10)	86	94
Total marketable securities held to fund operating programs	$ 1,276	$ 1,390
Less: current portion of marketable securities held to fund operating programs included in cash and cash equivalents and short-term investments	(55)	(320)
Marketable securities held to fund operating programs included in other assets	$ 1,221	$ 1,070

At December 31, 2024 and December 31, 2023, marketable securities held to fund operating programs included:

- $473 million and $330 million, respectively, of AFS debt securities with contractual maturity dates ranging from 2025 through 2069. The amortized cost of our AFS debt securities approximates fair value;

- $25 million, in both periods, of time deposits classified as HTM debt securities with a contractual maturity date in 2025. The amortized cost of our time deposits approximates fair value;
- $17 million and $15 million, respectively, of equity securities with a readily determinable fair value.

Net unrealized and realized gains (losses) from marketable securities held to fund operating programs recognized on our consolidated financial statements were as follows:

	Year Ended December 31,		
	2024	2023	2022
Unrealized gains (losses), net			
Net gains (losses) and interest income from marketable securities held to fund rabbi trusts (1)	$ 6	$ 42	$ (89)
Revenues for reimbursed costs (2)	2	21	(42)
Other income (loss), net (Note 21)	4	10	(37)
Other comprehensive income (loss) (Note 16)	(5)	10	(14)
Realized gains (losses), net			
Net gains (losses) and interest income from marketable securities held to fund rabbi trusts (1)	$ 43	$ 13	$ 14
Revenues for reimbursed costs (2)	21	6	7
Other income (loss), net (Note 21)	1	(2)	—

(1) Unrealized and realized gains and losses recognized in net gains (losses) and interest income from marketable securities held to fund rabbi trusts are offset by amounts recognized in general and administrative expenses and owned and leased expenses with no impact on net income.

(2) Unrealized and realized gains and losses recognized in revenues for reimbursed costs related to investments held to fund rabbi trusts are offset by amounts recognized in reimbursed costs with no impact on net income.

Marketable Securities Held for Investment Purposes—Marketable securities held for investment purposes, which are recorded at cost or fair value, depending on the nature of the investment, on our consolidated balance sheets, were as follows:

	December 31, 2024	December 31, 2023
Interest-bearing money market funds	$ 600	$ 284
Common shares in Playa N.V. (Note 10)	154	105
Time deposits (1)	379	11
Total marketable securities held for investment purposes	$ 1,133	$ 400
Less: current portion of marketable securities held for investment purposes included in cash and cash equivalents and short-term investments	(975)	(294)
Marketable securities held for investment purposes included in other assets	$ 158	$ 106

(1) Time deposits have contractual maturities on various dates through 2027. The amortized cost of our time deposits approximates fair value.

We hold common shares in Playa Hotels & Resorts N.V. ("Playa N.V."), which are accounted for as an equity security with a readily determinable fair value as we do not have the ability to significantly influence the operations of the entity. We did not sell any of these common shares during the years ended December 31, 2024 or December 31, 2023. Net unrealized gains (losses) recognized on our consolidated statements of income were as follows:

	Year Ended December 31,		
	2024	2023	2022
Other income (loss), net (Note 21)	$ 49	$ 26	$ (18)

Fair Value—We measure marketable securities at fair value on a recurring basis:

	December 31, 2024	Cash and cash equivalents	Short-term investments	Other assets
Level One—Quoted Prices in Active Markets for Identical Assets				
Interest-bearing money market funds	$ 638	$ 638	$ —	$ —
Mutual funds and exchange-traded funds	555	—	—	555
Common shares	164	—	—	164
Level Two—Significant Other Observable Inputs				
Time deposits	404	20	355	29
U.S. government obligations	307	—	5	302
U.S. government agencies	21	—	—	21
Corporate debt securities	249	—	12	237
Mortgage-backed securities	29	—	—	29
Asset-backed securities	38	—	—	38
Municipal and provincial notes and bonds	4	—	—	4
Total	$ 2,409	$ 658	$ 372	$ 1,379

	December 31, 2023	Cash and cash equivalents	Short-term investments	Other assets
Level One—Quoted Prices in Active Markets for Identical Assets				
Interest-bearing money market funds	$ 599	$ 599	$ —	$ —
Mutual funds and exchange-traded funds	495	—	—	495
Common shares	114	—	—	114
Level Two—Significant Other Observable Inputs				
Time deposits	36	—	10	26
U.S. government obligations	250	—	—	250
U.S. government agencies	37	—	—	37
Corporate debt securities	212	—	5	207
Mortgage-backed securities	19	—	—	19
Asset-backed securities	24	—	—	24
Municipal and provincial notes and bonds	4	—	—	4
Total	$ 1,790	$ 599	$ 15	$ 1,176

During the years ended December 31, 2024 and December 31, 2023, there were no transfers between levels of the fair value hierarchy.

Other Investments

HTM Debt Securities—We hold investments in third-party entities associated with certain of our hotels. The investments are redeemable on various dates through 2062 and recorded as HTM debt securities within other assets on our consolidated balance sheets:

	December 31, 2024	December 31, 2023
HTM debt securities (1)	$ 276	$ 53
Less: allowance for credit losses	(9)	(13)
Total HTM debt securities, net of allowances	$ 267	$ 40

(1) At December 31, 2024, HTM debt securities included a $194 million preferred equity investment, net of a $35 million unamortized discount based on an imputed interest rate of approximately 8.9% and a probability-weighted fair value adjustment related to our investment in the third-party entity that owns Hyatt Regency Orlando (see Note 7).

The following table summarizes the activity in our HTM debt securities allowance for credit losses:

	2024	2023
Allowance at January 1	$ 13	$ 31
Provisions (reversals), net (1)	(2)	(15)
Write-offs	(2)	(3)
Allowance at December 31	$ 9	$ 13

(1) Provisions for credit losses were partially or fully offset by interest income recognized in the same periods (see Note 21).

We estimated the fair value of these HTM debt securities to be approximately $270 million and $41 million at December 31, 2024 and December 31, 2023, respectively. The fair values of our preferred equity investments, which are classified as Level Three in the fair value hierarchy, are estimated using probability-based discounted future cash flow models based on current market inputs for similar types of arrangements. The primary sensitivity in these models is the selection of appropriate discount rates and probability weighting. Fluctuations in these assumptions could result in different estimates of fair value. The remaining HTM debt securities are classified as Level Two in the fair value hierarchy due to the use and weighting of multiple market inputs being considered in the final price of the security.

Convertible Debt Security—During the year ended December 31, 2023, we invested in a $30 million convertible debt security associated with a franchised property, which is classified as AFS and recorded in other assets on our consolidated balance sheets. The investment has a contractual maturity date in 2029. The convertible debt investment is remeasured at fair value on a recurring basis and is classified as Level Three in the fair value hierarchy. We estimated the fair value of this investment to be $42 million and $39 million at December 31, 2024 and December 31, 2023, respectively. The fair value is estimated using a discounted future cash flow model, and the primary sensitivity in the model is the selection of an appropriate discount rate. Fluctuations in our assumptions could result in different estimates of fair value. Net unrealized gains recognized on our consolidated financial statements were as follows:

	Year Ended December 31,		
	2024	2023	2022
Other comprehensive income (loss) (Note 16)	$ 3	$ 9	$ —

Equity Securities Without a Readily Determinable Fair Value—At December 31, 2024 and December 31, 2023, we held $12 million and $16 million, respectively, of investments in equity securities without a readily determinable fair value, which are recorded within other assets on our consolidated balance sheets and represent investments in entities where we do not have the ability to significantly influence the operations of the entity.

Due to ongoing operating cash flow shortfalls in the business underlying an equity security during the year ended December 31, 2024, we recognized a $5 million impairment charge of our full investment balance in other income (loss), net on our consolidated statements of income (see Note 21) as the carrying value was in excess of the fair value.

5. PROPERTY AND EQUIPMENT, NET

	December 31, 2024	December 31, 2023
Land	$ 482	$ 564
Buildings and improvements	1,591	2,645
Leasehold improvements	209	191
Furniture, equipment, and computers	891	1,166
Construction in progress	44	23
Total property and equipment	3,217	4,589
Less: accumulated depreciation	(1,528)	(2,249)
Total property and equipment, net	$ 1,689	$ 2,340

	Year Ended December 31,		
	2024	2023	2022
Depreciation expense	$ 202	$ 219	$ 216

During the year ended December 31, 2024, we identified changes in circumstances that indicated that the carrying values of certain asset groups, inclusive of property and equipment and operating lease ROU assets (see Note 8), may not be recoverable. We assessed the recoverability of the net book values and determined that the carrying values of certain asset groups were not fully recoverable. We then estimated the fair values of these assets, which are classified as Level Three in the hierarchy, using pending third-party offers or internally-developed cash flow models, which incorporated cash flow assumptions based on current economic trends, historical experience, and future growth projections. We determined that the carrying values of certain asset groups were in excess of the fair values, and we allocated the impairment charges to the long-lived assets within the asset group. We recognized $21 million of impairment charges related to property and equipment. The impairment charges were recognized in asset impairments on our consolidated statements of income during the year ended December 31, 2024 within our owned and leased segment.

For additional information about acquisition and disposition activity impacting property and equipment, see Note 7.

6. RECEIVABLES

Receivables

At December 31, 2024 and December 31, 2023, we had $1,121 million and $883 million, respectively, of net receivables recorded on our consolidated balance sheets.

The following table summarizes the activity in our receivables allowance for credit losses:

	2024	2023
Allowance at January 1	$ 50	$ 63
Provisions (reversals), net	19	(5)
Write-offs	(7)	(8)
Allowance at December 31	$ 62	$ 50

Financing Receivables

	December 31, 2024	December 31, 2023
Secured financing to hotel owners (1)	$ 150	$ —
Unsecured financing to hotel owners and unconsolidated hospitality ventures (2)	295	137
Total financing receivables	$ 445	$ 137
Less: current portion of financing receivables included in receivables, net	(41)	(22)
Less: allowance for credit losses (3)	(36)	(42)
Total long-term financing receivables, net of allowances	$ 368	$ 73

(1) Includes an $85 million loan purchased, a CHF 41 million loan issued in conjunction with the sale of Park Hyatt Zurich, and a $20 million loan issued in conjunction with the sale of Hyatt Regency O'Hare Chicago (see Note 7).

(2) At December 31, 2024, unsecured financing included a $35 million loan, net of a $15 million unamortized discount based on an imputed interest rate of approximately 9.5%, related to the seller financing issued in conjunction with the sale of an undeveloped land parcel (see Note 7).

(3) At December 31, 2024, there was no allowance for credit losses recorded for secured financing to hotel owners.

Allowance for Credit Losses—The following table summarizes the activity in our unsecured financing receivables allowance for credit losses:

	2024	2023
Allowance at January 1	$ 42	$ 44
Write-offs	(6)	(2)
Foreign currency exchange, net	(2)	—
Provisions (reversals), net	2	—
Allowance at December 31	$ 36	$ 42

Credit Monitoring—Our unsecured financing receivables were as follows:

	December 31, 2024			
	Gross loan balance (principal and interest)	Related allowance	Net financing receivables	Gross receivables on nonaccrual status
Loans	$ 259	$ (33)	$ 226	$ 20
Other financing arrangements	36	(3)	33	—
Total unsecured financing receivables	$ 295	$ (36)	$ 259	$ 20

	December 31, 2023			
	Gross loan balance (principal and interest)	Related allowance	Net financing receivables	Gross receivables on nonaccrual status
Loans	$ 128	$ (39)	$ 89	$ 22
Other financing arrangements	9	(3)	6	—
Total unsecured financing receivables	$ 137	$ (42)	$ 95	$ 22

Fair Value—We estimated the fair value of financing receivables to be approximately $440 million and $133 million at December 31, 2024 and December 31, 2023, respectively. The fair values, which are classified as Level Three in the fair value hierarchy, are estimated using discounted future cash flow models. The principal inputs used are projected future cash flows and the discount rate, which is generally the effective interest rate of the loan.

7. ACQUISITIONS AND DISPOSITIONS

Acquisitions

Bahia Principe—During the year ended December 31, 2024, we completed the Bahia Principe Transaction (see Note 4) for €419 million of base consideration, subject to customary adjustments related to working capital, cash, and indebtedness, and including €60 million of deferred consideration payable at future dates. We may pay additional variable contingent consideration through 2034 primarily related to the achievement of certain milestones for the development of additional hotels to be managed by the joint venture. The contingent consideration is payable at each hotel opening and is based on a multiple of stabilized base and incentive management fee revenues, and therefore, we are unable to reasonably estimate our maximum potential future consideration.

We closed on the transaction on December 27, 2024, paid cash of €359 million (approximately $374 million) and accounted for the transaction as a business combination as we are the primary beneficiary of the VIE (see Note 4). Upon acquisition, we recorded a $58 million deferred consideration liability at fair value, of which $20 million is recorded in accrued expenses and other current liabilities and $38 million is recorded in other long-term liabilities on our consolidated balance sheet. The fair value was estimated using a discounted future cash flow model and includes assumptions and judgments regarding the discount rate, which is primarily a Level Three assumption. We also recorded a $33 million contingent consideration liability at fair value in other long-term liabilities on our consolidated balance sheet. The fair value was estimated using a discounted future cash flow model and includes assumptions and judgments regarding the discount rate, estimated probability of achieving the hotel development milestones, and expected amount and timing of payments, which are primarily Level Three assumptions. Total purchase consideration was determined as follows:

Cash paid, net of cash acquired	$ 372
Cash acquired	2
Fair value of deferred consideration	58
Fair value of contingent consideration	33
Total purchase consideration	$ 465

The acquisition includes management and hotel services agreements for operating hotels and the Bahia Principe trade name. In addition, the acquisition contemplates the future management of undeveloped Bahia Principe Hotels & Resorts-branded properties. For the period from the acquisition date through December 31, 2024, total revenues and net income attributable to Bahia Principe were insignificant.

Our consolidated balance sheet at December 31, 2024 reflects preliminary estimates of the fair value of the assets acquired, liabilities assumed, and noncontrolling interest in the entity based on available information as of the acquisition date. The fair values of intangible assets acquired were estimated using either discounted future cash flow models or the relief from royalty method, both of which include revenue projections based on the expected contract terms and long-term growth rates, which are primarily Level Three assumptions. The fair value of the noncontrolling interest related to the equity interests in the VIE held by our venture partner was estimated based on 50% of enterprise value of the entity. The remaining assets and liabilities were recorded at their carrying values, which approximate their fair values.

We will continue to evaluate the contracts acquired and the underlying inputs and assumptions used in our valuation of assets acquired, liabilities assumed, and the noncontrolling interest in the entity. Accordingly, these estimates, along with any related tax impacts, are subject to change during the measurement period, which is up to one year from the date of acquisition.

The following table summarizes the preliminary fair value of the identifiable net assets acquired at the acquisition date:

Cash and cash equivalents	$	2
Receivables (1)		15
Operating lease right-of-use assets		1
Goodwill (2)		336
Indefinite-lived intangibles (3)		84
Management and hotel services agreement intangibles (4)		433
Other assets (5)		50
Total assets acquired	$	921
Accounts payable (1)	$	15
Accrued expenses and other current liabilities		1
Long-term operating lease liabilities		1
Other long-term liabilities (5)		162
Total liabilities assumed		179
Noncontrolling interest		277
Total net assets acquired attributable to Hyatt Hotels Corporation	$	465

(1) Relates to value added taxes. We recorded an offsetting payable as amounts to be received are due to a third-party.
(2) The goodwill is attributable to the growth opportunities we expect to realize by expanding our all-inclusive resort offerings and destination management services as well as synergies we expect to realize in the future through our management of and licensing of the Bahia Principe brand to the Unlimited Vacation Club business. Goodwill is not tax deductible. At December 31, 2024, we have not completed the assignment of goodwill to reporting units due to the close proximity of the closing date and our year end (see Note 9).
(3) Relates to the Bahia Principe brand name.
(4) Amortized over useful lives of approximately 25 to 31 years, with a weighted-average useful life of approximately 28 years.
(5) Includes $50 million of prior year tax liabilities relating to certain foreign filing positions, including interest. We recorded an offsetting indemnification asset in other assets that we expect to collect under contractual agreements (see Note 10 and Note 14).

During the year ended December 31, 2024, we recognized $11 million of transaction costs, primarily related to regulatory, financial advisory, and legal fees, in transaction and integration costs on our consolidated statements of income.

Alua Portfolio—During the year ended December 31, 2024, we completed an asset acquisition of Alua Atlántico Golf Resort, Alua Tenerife, and AluaSoul Orotava Valley through a locked box structure. The enterprise value of €117 million was subject to customary adjustments related to indebtedness and net working capital as of the locked box date, as well as a value accrual representing the economic value of the locked box date through the acquisition date. At closing, we paid €61 million of cash (approximately $65 million), including $4 million of cash acquired. Assets acquired primarily include $123 million of property and equipment, and liabilities assumed primarily include $53 million of long-term debt (see Note 11). All assets acquired and liabilities assumed are recorded within our owned and leased segment on our consolidated balance sheet.

Standard International—During the year ended December 31, 2024, we acquired 100% of the issued and outstanding equity interests of certain entities collectively doing business as Standard International for $150 million of base consideration, subject to customary adjustments related to working capital, cash, and indebtedness, and up to an additional $185 million of contingent consideration to be paid upon the achievement of certain milestones related to the development of additional hotels and/or potential new hotels identified by the sellers through 2028.

We closed on the transaction on October 1, 2024 and paid $151 million of cash. Upon acquisition, we recorded a $108 million contingent consideration liability at fair value in other long-term liabilities on our consolidated balance sheet. The fair value was estimated using a Monte Carlo simulation to model the likelihood of achieving the agreed-upon milestones based on available information as of the acquisition date. The valuation methodology includes assumptions and judgments regarding the discount rate, estimated probability of achieving the milestones, and expected timing of payments, which are primarily Level Three assumptions. Total purchase consideration was determined as follows:

Cash paid, net of cash acquired	$	148
Cash acquired		3
Fair value of contingent consideration		108
Total purchase consideration	$	259

The acquisition includes management, franchise, and license agreements for both operating and additional hotels that are expected to open in the future and the affiliated trade names. Following the acquisition date, fee revenues and operating expenses of Standard International were recognized on our consolidated statements of income. For the period from the acquisition date through December 31, 2024, total revenues and net loss attributable to Standard International were $6 million and $5 million, respectively.

Our consolidated balance sheet at December 31, 2024 reflects preliminary estimates of the fair value of the assets acquired and liabilities assumed based on available information as of the acquisition date. The fair values of intangible assets acquired were estimated using either discounted future cash flow models or the relief from royalty method, both of which include revenue projections based on the expected contract terms and long-term growth rates, which are primarily Level Three assumptions. The fair values of performance guarantee liabilities assumed were estimated using Monte Carlo simulations to model the probability of possible outcomes. The valuation methodology includes assumptions and judgments regarding discount rates, volatility, and hotel operating results, which are primarily Level Three assumptions (see Note 15). The remaining assets and liabilities were recorded at their carrying values, which approximate their fair values.

We will continue to evaluate the contracts acquired and the underlying inputs and assumptions used in our valuation of assets acquired and liabilities assumed. Accordingly, these estimates, along with any related tax impacts, are subject to change during the measurement period, which is up to one year from the date of acquisition.

The following table summarizes the preliminary fair value of the identifiable net assets acquired at the acquisition date:

Cash and cash equivalents	$	3
Receivables		4
Operating lease right-of-use assets		6
Goodwill (1)		86
Indefinite-lived intangibles (2)		96
Management and franchise agreement intangibles (3)		84
Total assets acquired	$	279
Accounts payable	$	1
Accrued expenses and other current liabilities		1
Accrued compensation and benefits		3
Current operating lease liabilities		1
Long-term operating lease liabilities		5
Other long-term liabilities		9
Total liabilities assumed	$	20
Total net assets acquired attributable to Hyatt Hotels Corporation	$	259

(1) The goodwill, which is primarily tax deductible and recorded on the management and franchising segment, is attributable to the growth opportunities we expect to realize by enhancing our lifestyle portfolio and offering immersive brand experiences.
(2) Includes intangible assets related to The Standard, Bunkhouse Hotels, and The Manner brand names.
(3) Amortized over useful lives of approximately 5 to 25 years, with a weighted-average useful life of approximately 19 years.

During the year ended December 31, 2024, we recognized $10 million of transaction costs, primarily related to financial advisory and legal fees, in transaction and integration costs on our consolidated statements of income.

Me and All Hotels—During the year ended December 31, 2024, we acquired the Me and All Hotels brand name from an unrelated third party for approximately $28 million, inclusive of closing costs. Upon completion of the asset acquisition, we recorded an indefinite-lived brand intangible within intangibles, net on our consolidated balance sheet (see Note 9).

Mr & Mrs Smith—During the year ended December 31, 2023, we acquired 100% of the outstanding shares of Smith Global Limited, doing business as Mr & Mrs Smith, in a business combination through a locked box structure. The enterprise value of £53 million was subject to customary adjustments related to indebtedness and net working capital as of the locked box date, as well as a value accrual representing the economic value from the locked box date through the acquisition date.

We closed on the transaction on June 2, 2023 and paid cash of £58 million (approximately $72 million). Total purchase consideration was determined as follows:

Cash paid, net of cash acquired	$	50
Cash acquired		22
Total purchase consideration	$	72

The acquisition includes technology related to a boutique and luxury global travel platform, brand name, and relationships with affiliated hotel owners. Following the acquisition date, fee revenues and operating expenses of Mr & Mrs Smith were recognized on our consolidated statements of income. For the period from the acquisition date through December 31, 2023, total revenues and net income attributable to Mr & Mrs Smith were $15 million and $2 million, respectively.

Our consolidated balance sheet at December 31, 2023 reflected estimates of the fair value of the assets acquired and liabilities assumed based on available information as of the acquisition date. The fair values of intangible assets acquired were estimated using discounted future cash flow models, the relief from royalty method, or a cost-based approach. Depending on the valuation method, these estimates include revenue projections based on long-term growth rates, expected attrition, historical cost information, and/or an obsolescence factor, all of which are primarily Level Three assumptions. The remaining assets and liabilities were recorded at their carrying values, which approximate their fair values.

We finalized the fair values of the assets acquired and liabilities assumed in the second quarter of 2024, which resulted in insignificant measurement period adjustments.

The following table summarizes the fair value of the identifiable net assets acquired at the acquisition date:

Cash and cash equivalents	$	22
Receivables		6
Prepaids and other assets		1
Goodwill (1)		38
Indefinite-lived intangibles (2)		12
Customer relationships intangibles (3)		12
Other intangibles (4)		16
Total assets acquired	$	107
Accounts payable	$	1
Accrued expenses and other current liabilities		5
Current contract liabilities		19
Long-term contract liabilities		3
Other long-term liabilities		7
Total liabilities assumed	$	35
Total net assets acquired attributable to Hyatt Hotels Corporation	$	72

(1) The goodwill, which is recorded on the distribution segment, is attributable to growth opportunities we expect to realize through direct booking access to properties within the Mr & Mrs Smith platform through our distribution channels. Goodwill is not tax deductible.
(2) Relates to the Mr & Mrs Smith brand name.
(3) Amortized over a useful life of 12 years.
(4) Amortized over a useful life of 10 years.

During the year ended December 31, 2023, we recognized $5 million of transaction costs, primarily related to financial advisory and legal fees, in transaction and integration costs on our consolidated statements of income.

Dream Hotel Group—During the year ended December 31, 2023, we acquired 100% of the limited liability company interests of each of Chatwal Hotels & Resorts, LLC, DHG Manager, LLC, and each of the subsidiaries of DHG Manager, LLC (collectively, Dream Hotel Group) for $125 million of base consideration, subject to customary adjustments related to working capital and indebtedness, and up to an additional $175 million of contingent consideration to be paid upon the achievement of certain milestones related to the development of additional hotels and/or potential new hotels previously identified by the sellers.

We closed on the transaction on February 2, 2023 and paid $125 million of cash. Upon acquisition, we recorded a $107 million contingent consideration liability at fair value in other long-term liabilities on our consolidated balance sheet. The fair value was estimated using a Monte Carlo simulation to model the likelihood of achieving the agreed-upon milestones based on available information as of the acquisition date. The valuation methodology includes assumptions and judgments regarding the discount rate, estimated probability of achieving the milestones, and expected timing of payments, which are primarily Level Three assumptions. Total purchase consideration was determined as follows:

Cash paid	$	125
Fair value of contingent consideration		107
Total purchase consideration	$	232

The acquisition includes management and license agreements for both operating and additional hotels that are expected to open in the future, primarily across North America, and the affiliated trade names. Following the acquisition date, fee revenues and operating expenses of Dream Hotel Group were recognized on our consolidated statements of income. For the period from the acquisition date through December 31, 2023, total revenues and net income attributable to Dream Hotel Group were $7 million and $4 million, respectively.

During the year ended December 31, 2023, the fair values of certain assets acquired and liabilities assumed, which were estimated based on available information as of the acquisition date, were finalized. The fair values of intangible assets acquired were estimated using either discounted future cash flow models or the relief from royalty method, both of which include revenue projections based on the expected contract terms and long-term growth rates, which are primarily Level Three assumptions. The remaining assets and liabilities were recorded at their carrying values, which approximate their fair values. During the measurement period, we recorded adjustments to the intangible assets acquired with a corresponding offset to goodwill as a result of the refinement of certain assumptions, including contract terms and useful lives, which affected the underlying cash flows in the valuation and were based on facts and circumstances that existed at the acquisition date.

The following table summarizes the fair value of the identifiable net assets acquired at the acquisition date:

Receivables	$	1
Goodwill (1)		62
Indefinite-lived intangibles (2)		20
Management agreement intangibles (3)		143
Other intangibles (2)		7
Total assets acquired	$	233
Long-term contract liabilities	$	1
Total liabilities assumed	$	1
Total net assets acquired attributable to Hyatt Hotels Corporation	$	232

(1) The goodwill, which is tax deductible and recorded on the management and franchising segment, is attributable to the growth opportunities we expect to realize by expanding our lifestyle offerings and providing global travelers with an increased number of elevated hospitality experiences.
(2) Includes intangible assets related to the Dream Hotels, The Chatwal, and Unscripted Hotels brand names. Certain brand names are amortized over useful lives of 20 years.
(3) Amortized over useful lives of approximately 9 to 22 years, with a weighted-average useful life of approximately 17 years.

During the year ended December 31, 2023, we recognized $7 million of transaction costs, primarily related to regulatory, financial advisory, and legal fees, in transaction and integration costs on our consolidated statements of income.

Hyatt Regency Irvine—During the year ended December 31, 2022, we acquired Hyatt Regency Irvine from an unrelated third party for $135 million, net of closing costs and proration adjustments. Upon completion of the asset acquisition, we recorded $135 million of property and equipment within our owned and leased segment on our consolidated balance sheet.

Dispositions

Hyatt Regency O'Hare Chicago—During the year ended December 31, 2024, we sold Hyatt Regency O'Hare Chicago to an unrelated third party and accounted for the transaction as an asset disposition. We received $11 million of proceeds, net of closing costs and proration adjustments, issued a $20 million secured financing receivable with a maturity date of five years (see Note 6), and committed to loan up to $45 million for a future renovation. Upon sale, we entered into a long-term franchise agreement for the property. The sale resulted in a $5 million pre-tax loss, which was recognized in gains (losses) on sales of real estate and other on our consolidated statements of income during the year ended December 31, 2024. The operating results and financial position of this hotel prior to the sale remain within our owned and leased segment.

Hyatt Regency Orlando—During the year ended December 31, 2024, we sold Hyatt Regency Orlando and an adjacent undeveloped land parcel to an unrelated third party. We received $723 million of cash consideration, net of cash disposed, closing costs, and proration adjustments, and accounted for the transaction as an asset disposition.

In conjunction with the sale, we received a $265 million preferred equity investment in the parent of the third-party entity that owns the property. Upon sale, we estimated the fair value of our preferred equity investment, which is redeemable at our option on various dates starting in 2030, to be approximately $188 million and recorded a HTM debt security within other assets on our consolidated balance sheet (see Note 4). The fair value was estimated using a probability-based discounted future cash flow model and includes assumptions and judgments regarding the probability weighting, discount rates, and expected timing of payments, which are primarily Level Three assumptions.

Additionally, we provided $50 million of seller financing with an initial maturity date of five years for the adjacent undeveloped land parcel. Upon sale, we estimated the fair value of the seller financing to be approximately $34 million and recorded an unsecured financing receivable on our consolidated balance sheet (see Note 6). The fair value was estimated using a discounted future cash flow model and includes assumptions and judgments regarding the discount rate and expected timing of payments, which are primarily Level Three assumptions.

Upon sale, we entered into a long-term management agreement for the property and a development agreement for the adjacent undeveloped land parcel. The sale resulted in a $514 million pre-tax gain, which was recognized in gains (losses) on sales of real estate and other on our consolidated statements of income during the year ended December 31, 2024. The operating results and financial position of this hotel prior to the sale remain within our owned and leased segment.

Park Hyatt Zurich—During the year ended December 31, 2024, we sold Park Hyatt Zurich to an unrelated third party and accounted for the transaction as an asset disposition. We received proceeds of CHF 220 million (approximately $244 million), net of closing costs and proration adjustments, and issued a CHF 41 million (approximately $45 million) secured financing receivable with an initial maturity date of five years (see Note 6). Upon sale, we entered into a long-term management agreement for the property. The sale resulted in a $257 million pre-tax gain, including the reclassification of $6 million of currency translation gains from accumulated other comprehensive loss (see Note 16), which was recognized in gains (losses) on sales of real estate and other on our consolidated statements of income during the year ended December 31, 2024. The operating results and financial position of this hotel prior to the sale remain within our owned and leased segment.

Hyatt Regency San Antonio Riverwalk—During the year ended December 31, 2024, we sold Hyatt Regency San Antonio Riverwalk to an unrelated third party for $226 million, net of closing costs and proration adjustments, and accounted for the transaction as an asset disposition. Upon sale, we entered into a long-term management agreement for the property. The sale resulted in a $100 million pre-tax gain, which was recognized in gains (losses) on sales of real estate and other on our consolidated statements of income during the year ended December 31, 2024. The operating results and financial position of this hotel prior to the sale remain within our owned and leased segment.

Hyatt Regency Green Bay—During the year ended December 31, 2024, we sold Hyatt Regency Green Bay to an unrelated third party for $3 million, net of closing costs and proration adjustments, and accounted for the transaction as an asset disposition. Upon sale, we entered into a long-term franchise agreement for the property. The sale resulted in a $4 million pre-tax loss, which was recognized in gains (losses) on sales of real estate and other on our consolidated statements of income during the year ended December 31, 2024. The operating results and financial position of this hotel prior to the sale remain within our owned and leased segment.

Hyatt Regency Aruba Resort Spa and Casino—During the year ended December 31, 2024, we sold the shares of the entities that own Hyatt Regency Aruba Resort Spa and Casino to an unrelated third party and accounted for the transaction as

an asset disposition. We received $173 million of proceeds, net of cash disposed, closing costs, and proration adjustments, and issued a $41 million unsecured financing receivable with an initial maturity date of five years (see Note 6). Upon sale, we entered into a long-term management agreement for the property. The sale resulted in a $172 million pre-tax gain, which was recognized in gains (losses) on sales of real estate and other on our consolidated statements of income during the year ended December 31, 2024. In connection with the disposition, we recognized a $15 million goodwill impairment charge in asset impairments on our consolidated statements of income during the year ended December 31, 2024 (see Note 9). The assets disposed represented the entirety of the reporting unit and therefore, no business operations remained to support the related goodwill, which was therefore impaired. The operating results and financial position of this hotel prior to the sale remain within our owned and leased segment. At December 31, 2023, we classified the assets and liabilities as held for sale on our consolidated balance sheet.

Destination Residential Management—During the year ended December 31, 2023, we sold our interests in the entities that own the Destination Residential Management business to an unrelated third party for $2 million of base consideration, subject to customary adjustments related to working capital and indebtedness, and up to an additional $48 million of contingent consideration. The contingent consideration can be earned within two years following the sale upon the achievement of certain performance-based metrics and the extensions of certain contracts related to the rental programs and/or homeowner associations. Upon sale, we recorded a $28 million contingent consideration receivable at fair value in other assets on our consolidated balance sheet.

The fair value of the contingent consideration receivable was estimated using a Monte Carlo simulation to model the likelihood of achieving the performance-based metrics and a probability-based weighting approach to determine the likelihood of extending certain contracts. The valuation methodology includes assumptions and judgments regarding probability weighting, discount rates, operating results, and expected timing of payments, which are primarily Level Three assumptions. During the year ended December 31, 2024, we recorded a $17 million decrease in the carrying value of the contingent consideration receivable and recognized the offset in gains (losses) on sales of real estate and other on our consolidated statements of income. We did not recognize any changes in the carrying value of the contingent consideration receivable during the year ended December 31, 2023.

The transaction was accounted for as a business disposition, and we recognized a $19 million pre-tax gain in gains (losses) on sales of real estate and other on our consolidated statements of income during the year ended December 31, 2023. In conjunction with the disposition, we transferred $10 million of cash to the buyer related to advanced deposits. The operating results and financial position of this business prior to the sale remain within our management and franchising segment.

Hyatt Regency Greenwich—During the year ended December 31, 2022, we sold Hyatt Regency Greenwich to an unrelated third party for approximately $38 million, net of closing costs and proration adjustments, and accounted for the transaction as an asset disposition. Upon sale, we entered into a long-term management agreement for the property. The sale resulted in a $14 million pre-tax gain, which was recognized in gains (losses) on sales of real estate and other on our consolidated statements of income during the year ended December 31, 2022. The operating results and financial position of this hotel prior to the sale remain within our owned and leased segment.

Hyatt Regency Mainz—During the year ended December 31, 2022, we sold the share of the entity that is the operating lessee of Hyatt Regency Mainz to an unrelated third party for a nominal amount, net of closing costs, and accounted for the transaction as an asset disposition. Upon sale, we entered into a long-term franchise agreement for the property. The sale resulted in an insignificant pre-tax loss, which was recognized in gains (losses) on sales of real estate and other on our consolidated statements of income during year ended December 31, 2022. The operating results and financial position of this hotel prior to the sale remain within our owned and leased segment.

The Confidante Miami Beach—During the year ended December 31, 2022, we sold The Confidante Miami Beach to an unrelated third party for approximately $227 million, net of closing costs and proration adjustments, and accounted for the transaction as an asset disposition. Upon sale, we entered into a long-term management agreement for the property. The sale resulted in a $24 million pre-tax gain, which was recognized in gains (losses) on sales of real estate and other on our consolidated statements of income during the year ended December 31, 2022. The operating results and financial position of this hotel prior to the sale remain within our owned and leased segment.

The Driskill—During the year ended December 31, 2022, we sold The Driskill to an unrelated third party for approximately $119 million, net of closing costs and proration adjustments, and accounted for the transaction as an asset disposition. Upon sale, we entered into a long-term management agreement for the property. The sale resulted in a $51 million pre-tax gain, which was recognized in gains (losses) on sales of real estate and other on our consolidated statements of income during the year ended December 31, 2022. The operating results and financial position of this hotel prior to the sale remain within our owned and leased segment.

Grand Hyatt San Antonio River Walk—During the year ended December 31, 2022, we sold Grand Hyatt San Antonio River Walk to an unrelated third party and accounted for the transaction as an asset disposition. We received approximately $109 million of cash consideration, net of closing costs; a $19 million HTM debt security as additional consideration; and $18 million from the release of restricted cash held for debt service related to the Series 2005 Bonds. At the time of sale, we had $166 million of outstanding debt related to the Series 2005 Bonds, inclusive of accrued interest and net of $4 million of unamortized discounts, which was legally defeased in conjunction with the sale (see Note 11). Upon sale, we entered into a long-term management agreement for the property.

The sale resulted in a $137 million pre-tax gain, which was recognized in gains (losses) on sales of real estate and other on our consolidated statements of income during the year ended December 31, 2022. In connection with the disposition, we recognized a $7 million goodwill impairment charge in asset impairments on our consolidated statements of income during the year ended December 31, 2022 (see Note 9). The assets disposed represented the entirety of the reporting unit and therefore, no business operations remained to support the related goodwill, which was therefore impaired. The operating results and financial position of this hotel prior to the sale remain within our owned and leased segment.

Hyatt Regency Indian Wells Resort & Spa—During the year ended December 31, 2022, we sold Hyatt Regency Indian Wells Resort & Spa, which was subsequently rebranded to Grand Hyatt Indian Wells Resort & Villas in 2024, to an unrelated third party for approximately $136 million, net of closing costs and proration adjustments, and accounted for the transaction as an asset disposition. Upon sale, we entered into a long-term management agreement for the property. The sale resulted in a $40 million pre-tax gain, which was recognized in gains (losses) on sales of real estate and other on our consolidated statements of income during the year ended December 31, 2022. The operating results and financial position of this hotel prior to the sale remain within our owned and leased segment.

8. LEASES

Lessee

A summary of operating lease expenses, net of insignificant sublease income, was as follows:

	Year Ended December 31,		
	2024	2023	2022
Minimum rentals	$ 45	$ 49	$ 44
Contingent rentals	29	98	111
Total operating lease expenses	$ 74	$ 147	$ 155

Total lease expenses related to short-term leases and finance leases were insignificant for the years ended December 31, 2024, December 31, 2023, and December 31, 2022.

During the year ended December 31, 2024, certain operating ROU assets were included in asset groups deemed not fully recoverable (see Note 5). We recognized $5 million of impairment charges related to these operating ROU assets in asset impairments on our consolidated statements of income within our owned and leased segment.

Supplemental balance sheet information related to finance leases was as follows:

	December 31, 2024	December 31, 2023
Property and equipment, net (1)	$ 3	$ 5
Current maturities of long-term debt	$ 2	$ 2
Long-term debt	2	4
Total finance lease liabilities	$ 4	$ 6

(1) Finance lease assets are net of $18 million and $14 million of accumulated amortization at December 31, 2024 and December 31, 2023, respectively.

Weighted-average remaining lease terms and discount rates were as follows:

	December 31, 2024	December 31, 2023
Weighted-average remaining lease term in years		
Operating leases (1)	14	15
Finance leases	2	3
Weighted-average discount rate		
Operating leases	3.8 %	3.7 %
Finance leases	2.0 %	1.2 %

(1) Certain of our hotel and land leases have nominal or contingent rental payments and are excluded from the weighted-average remaining lease term calculation resulting in a lower weighted-average term.

The maturities of lease liabilities for the next five years and thereafter are as follows:

Year Ending December 31,	Operating leases (1)	Finance leases
2025	$ 41	$ 2
2026	37	2
2027	34	—
2028	34	—
2029	33	—
Thereafter	174	—
Total minimum lease payments	$ 353	$ 4
Less: amount representing interest	(75)	—
Present value of minimum lease payments	$ 278	$ 4

(1) Operating lease payments have not been reduced by $55 million of future sublease receipts.

Lessor—We lease retail space under operating leases at certain of our owned hotels. Rental payments are primarily fixed with certain variable payments based on a contractual percentage of revenues. Rental income recognized in owned and leased revenues on our consolidated statements of income was follows:

	Year Ended December 31,		
	2024	2023	2022
Rental income	$ 8	$ 11	$ 12

The future minimum lease receipts scheduled to be received for the next five years and thereafter are as follows:

Year Ending December 31,	
2025	$ 5
2026	3
2027	3
2028	1
2029	1
Thereafter	5
Total minimum lease receipts	$ 18

9. GOODWILL AND INTANGIBLES, NET

Goodwill

	Management and franchising	Owned and leased	Distribution (1)	Overhead	Unallocated (2)	Total
Balance at January 1, 2023						
Goodwill	$ 1,465	$ 210	$ 1,589	$ 2	$ —	$ 3,266
Accumulated impairment losses	(4)	(161)	—	—	—	(165)
Goodwill, net	$ 1,461	$ 49	$ 1,589	$ 2	$ —	$ 3,101
Activity during the year						
Additions	62	—	39	—	—	101
Foreign currency translation adjustments	3	—	—	—	—	3
Balance at December 31, 2023						
Goodwill	1,530	210	1,628	2	—	3,370
Accumulated impairment losses	(4)	(161)	—	—	—	(165)
Goodwill, net	$ 1,526	$ 49	$ 1,628	$ 2	$ —	$ 3,205
Activity during the year						
Additions	86	—	—	—	336	422
Disposals	—	—	(914)	—	—	(914)
Impairment losses	(110)	(15)	(38)	—	—	(163)
Measurement period adjustments (Note 7)	—	—	(1)	—	—	(1)
Foreign currency translation adjustments	(7)	—	—	—	(1)	(8)
Balance at December 31, 2024						
Goodwill	1,609	210	713	2	335	2,869
Accumulated impairment losses	(114)	(176)	(38)	—	—	(328)
Goodwill, net	$ 1,495	$ 34	$ 675	$ 2	$ 335	$ 2,541

(1) At December 31, 2023, one of our reporting units with $914 million of allocated goodwill had a negative carrying value.

(2) At December 31, 2024, we have not completed the assignment of goodwill attributed to the Bahia Principe Transaction to reporting units (see Note 7).

During the years ended December 31, 2024, December 31, 2023, and December 31, 2022, we recognized goodwill impairment charges of $15 million, $0 million, and $7 million, respectively, related to the sales of certain hotels. These goodwill impairment charges were recognized in asset impairments on our consolidated statements of income within our owned and leased segment (see Note 7). During the year ended December 31, 2024, as a result of our annual impairment analyses (see Note 2), we determined that the carrying values of two of our reporting units were in excess of the fair values, and we recognized $148 million of goodwill impairment charges in asset impairments on our consolidated statements of income within our management and franchising and distribution segments. We estimated the fair values of the goodwill allocated to the reporting units, which are classified as Level Three in the fair value hierarchy, using a weighted methodology considering the output from both a discounted future cash flow model and the guideline public companies method. The assumptions and judgments included projected future cash flows, discount rate, and capitalization rate. For the reporting unit within our management and franchising segment, changes in projected business performance expectations or specific valuation factors outside of our control, such as the discount rate, may significantly impact the estimated fair value of the reporting unit. A 5% decline in the underlying cash flows or a 1% increase in the discount rate or capitalization rate would result in a material impairment charge.

Intangibles

	Weighted-average useful lives in years	December 31, 2024		
		Gross carrying value	Accumulated amortization	Net carrying value
Management and hotel services agreement and franchise agreement intangibles	19	$ 1,368	$ (290)	$ 1,078
Brand and other indefinite-lived intangibles	—	806	—	806
Customer relationships intangibles	10	410	(153)	257
Other intangibles	10	35	(9)	26
Total		$ 2,619	$ (452)	$ 2,167

	December 31, 2023		
	Gross carrying value	Accumulated amortization	Net carrying value
Management and hotel services agreement and franchise agreement intangibles	$ 906	$ (248)	$ 658
Brand and other indefinite-lived intangibles	608	—	608
Customer relationships intangibles	620	(243)	377
Other intangibles	33	(6)	27
Total	$ 2,167	$ (497)	$ 1,670

	Year Ended December 31,		
	2024	2023	2022
Amortization expense	$ 131	$ 178	$ 210

We estimate amortization expense for definite-lived intangibles for the next five years and thereafter as follows:

Year Ending December 31,	
2025	$ 141
2026	119
2027	117
2028	113
2029	108
Thereafter	763
Total amortization expense	$ 1,361

During the years ended December 31, 2024, December 31, 2023, and December 31, 2022, we recognized $8 million, $17 million, and $21 million, respectively, of impairment charges related to brand intangibles, as we determined that the carrying values of certain assets were in excess of the fair values, and $16 million, $12 million, and $10 million, respectively, of impairment charges related to management and franchise agreement intangibles, primarily as a result of contract terminations. The impairment charges were recognized in asset impairments on our consolidated statements of income, primarily within our management and franchising segment. The judgments and assumptions used in determining the impairment charges are classified as Level Three in the fair value hierarchy.

For additional information about acquisition and disposition activity impacting goodwill and intangibles, see Note 7.

10. OTHER ASSETS

	December 31, 2024	December 31, 2023
Key money assets	$ 994	$ 896
Marketable securities held to fund the loyalty program (Note 4)	608	495
Marketable securities held to fund rabbi trusts (Note 4)	548	489
Long-term investments (Note 4)	325	96
Common shares in Playa N.V. (Note 4)	154	105
Marketable securities held for captive insurance company (Note 4)	65	86
Indemnification asset (Note 7)	50	—
Deferred costs related to the paid membership program	—	194
Other	99	116
Total other assets	$ 2,843	$ 2,477

11. DEBT

	December 31, 2024	December 31, 2023
$750 million senior unsecured notes maturing in 2024—1.800%	$ —	$ 746
$450 million senior unsecured notes maturing in 2025—5.375%	450	450
$400 million senior unsecured notes maturing in 2026—4.850%	400	400
$600 million senior unsecured notes maturing in 2027—5.750%	600	600
$400 million senior unsecured notes maturing in 2028—4.375%	399	399
$600 million senior unsecured notes maturing in 2029—5.250%	600	—
$450 million senior unsecured notes maturing in 2030—5.750%	440	440
$450 million senior unsecured notes maturing in 2031—5.375%	450	—
$350 million senior unsecured notes maturing in 2034—5.500%	350	—
Variable rate mortgage loan	52	—
Variable rate term loan	45	—
Floating average rate loan	19	28
Total debt before finance lease obligations	3,805	3,063
Finance lease obligations (Note 8)	4	6
Total debt	3,809	3,069
Less: current maturities	(456)	(751)
Less: unamortized discounts and deferred financing fees (1)	(27)	(13)
Total long-term debt	$ 3,326	$ 2,305

(1) Includes an insignificant amount and $1 million of unamortized discounts and deferred financing fees related to current maturities at December 31, 2024 and December 31, 2023, respectively.

Under existing agreements, maturities of debt for the next five years and thereafter are as follows:

Year Ending December 31,	
2025	$ 454
2026	405
2027	605
2028	405
2029	651
Thereafter	1,285
Total maturities of debt (1)	$ 3,805

(1) Excludes $4 million of finance lease obligations and $27 million of unamortized discounts and deferred financing fees.

Senior Notes—Interest on the outstanding Senior Notes is payable semi-annually. We may redeem some or all of the Senior Notes at any time prior to their maturity at a redemption price equal to 100% of the principal amount of the Senior Notes

redeemed plus accrued and unpaid interest, if any, to the date of redemption plus a make-whole amount, if any. The amount of any make-whole payment depends, in part, on the yield of U.S. Treasury securities with a comparable maturity to the Senior Notes at the date of redemption. A summary of the terms of our outstanding Senior Notes, by year of issuance, is as follows:

- In 2013, we issued $350 million of 3.375% senior notes due 2023 at an issue price of 99.498% (the "2023 Notes").
- In 2016, we issued $400 million of 4.850% senior notes due 2026 at an issue price of 99.920% (the "2026 Notes").
- In 2018, we issued $400 million of 4.375% senior notes due 2028 at an issue price of 99.866% (the "2028 Notes").
- In 2020, we issued $450 million of 5.375% senior notes due 2025 (the "2025 Notes") and $450 million of 5.750% senior notes due 2030 (the "2030 Notes").
- In 2021, we issued $700 million of 1.300% senior notes due 2023 at an issue price of 99.941% (the "2023 Fixed Rate Notes"), $300 million of floating rate senior notes due 2023 (the "2023 Floating Rate Notes"), and $750 million of 1.800% senior notes due 2024 at an issue price of 99.994% (the "2024 Fixed Rate Notes").
- In 2023, we issued $600 million of 5.750% senior notes due 2027 at an issue price of 99.975% (the "2027 Notes"). We received approximately $596 million of net proceeds from the sale, after deducting $4 million of underwriting discounts and other offering expenses. We used the net proceeds from the senior notes issuance, together with cash on hand, to repay the outstanding balance on the 2023 Fixed Rate Notes, as described below.
- In 2024, we issued an aggregate $600 million of 5.250% senior notes due 2029 at an aggregate issue price of 99.693% (the "2029 Notes"), $450 million of 5.375% senior notes due 2031 at an issue price of 99.745% (the "2031 Notes"), and $350 million of 5.500% senior notes due 2034 at an issue price of 98.860% (the "2034 Notes"). We received approximately $1,380 million of net proceeds, after deducting $20 million of underwriting discounts and other offering expenses. We used the net proceeds from a portion of 2029 Notes and the 2034 Notes to repay the outstanding balance on the 2024 Fixed Rate Notes, as described below. We temporarily invested the net proceeds from the remaining portion of the 2029 Notes and 2031 Notes in marketable securities (see Note 4), and we intend to use the net proceeds to repay the outstanding balance on the 2025 Notes at or prior to maturity and for general corporate purposes.

Senior Notes Redemptions, Repayments, and Repurchases—During the year ended December 31, 2024, we repaid the 2024 Fixed Rate Notes, of which there was $746 million outstanding, at maturity for approximately $753 million, inclusive of $7 million of accrued interest.

During the year ended December 31, 2023, we repaid the 2023 Fixed Rate Notes, of which there was $638 million outstanding, at maturity for approximately $642 million, inclusive of $4 million of accrued interest. Additionally, we repurchased approximately $18 million of principal on the 2023 Fixed Rate Notes in the open market.

During the year ended December 31, 2022, we redeemed the 2023 Floating Rate Notes, of which there was $300 million of aggregate principal outstanding, at a redemption price of approximately $302 million, which included principal and $2 million of accrued interest. We also redeemed the 2023 Notes, of which there was $350 million of aggregate principal outstanding, at a redemption price of approximately $353 million, which included principal and $3 million of accrued interest. Additionally, we paid approximately $58 million to repurchase $44 million of principal on the 2023 Fixed Rate Notes, $4 million of principal on the 2024 Fixed Rate Notes, $1 million of principal on the 2028 Notes, and $10 million of principal on the 2030 Notes in the open market. During the year ended December 31, 2022, we incurred an insignificant net loss on extinguishment of debt recognized in other income (loss), net on our consolidated statements of income related to this activity.

Variable Rate Mortgage Loan—During the year ended December 31, 2024, we assumed a €50 million secured mortgage loan through a facility agreement with Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA") in conjunction with the acquisition of the Alua Portfolio (see Note 7). The variable rate loan, which had approximately $52 million outstanding at December 31, 2024, matures in 2031. Additionally, we assumed €38 million of interest rate swaps with BBVA that expire in 2029 and reduce our exposure to fluctuations in EURIBOR. The interest rate swaps are remeasured at fair value on a recurring basis and are classified as Level Two in the fair value hierarchy. The fair value is estimated using an income approach based on the terms of the interest rate swap contracts and inputs corroborated by observable market data including interest rates and yield curves. At December 31, 2024, the fair value of the interest rate swaps was insignificant.

Variable Rate Term Loan—During the year ended December 31, 2024, we entered into a credit agreement with Bank of America to correspond with the total amount of the secured financing receivable we issued to the buyer in conjunction with the sale of Park Hyatt Zurich (see Note 7) for a CHF 41 million (approximately $45 million outstanding at December 31, 2024) variable rate term loan, which matures in 2029.

Series 2005 Bonds—During the year ended December 31, 2022, the Series 2005 Bonds were legally defeased in conjunction with the sale of Grand Hyatt San Antonio River Walk (see Note 7). The Series 2005 Bonds had $166 million outstanding prior to defeasance, inclusive of accrued interest and net of $4 million of unamortized discounts, and we recognized an $8 million loss on extinguishment of debt related to restricted cash utilized to defease the debt. The loss was recognized in other income (loss), net on our consolidated statements of income during the year ended December 31, 2022.

Floating Average Rate Loan—During the year ended December 31, 2012, we obtained a secured construction loan with Banco Nacional de Desenvolvimento Econômico e Social - BNDES ("BNDES") in order to develop Grand Hyatt Rio de Janeiro. The loan was split into four separate sub-loans. Sub-loans (a) and (b) mature in 2031 and bear interest at the Brazilian Long Term Interest Rate - TJLP plus 2.02%, and when the TJLP rate exceeds 6%, the amount corresponding to the TJLP portion above 6% is required to be capitalized daily. Sub-loans (c) and (d) matured during the year ended December 31, 2023. At December 31, 2024, the weighted-average interest rates for the sub-loans we have drawn upon is 8.02%. At December 31, 2024 and December 31, 2023, we had Brazilian Real ("BRL") 119 million, or $19 million, and BRL 136 million, or $28 million, outstanding, respectively.

Revolving Credit Facility—During the year ended December 31, 2022, we entered into a credit agreement with a syndicate of lenders that provides for a $1.5 billion senior unsecured revolving credit facility that matures in May 2027. The credit agreement refinanced and replaced in its entirety our Second Amended and Restated Credit Agreement dated January 6, 2014, as amended. The revolving credit facility provides for the making of revolving loans to us in U.S. dollars and, subject to a sublimit of $250 million, certain other currencies, and the issuance of up to $300 million of letters of credit for our own account or for the account of our subsidiaries. We have the option during the term of the revolving credit facility to increase the revolving credit facility by an aggregate amount of up to an additional $500 million provided that, among other things, new and/or existing lenders agree to provide commitments for the increased amount. We may prepay any outstanding aggregate principal amount, in whole or in part, at any time, subject to customary breakage costs and upon proper notice. The credit agreement contains customary affirmative, negative, and financial covenants; representations and warranties; and default provisions.

During the years ended December 31, 2024 and December 31, 2023, we had no borrowings or repayments on our revolving credit facility. At both December 31, 2024 and December 31, 2023, we had no balance outstanding. At December 31, 2024, we had $1,497 million of borrowing capacity available under our revolving credit facility, net of letters of credit outstanding.

At December 31, 2024 and December 31, 2023, we had $105 million and $256 million, respectively, of letters of credit outstanding, excluding letters of credit outstanding that reduce our borrowing capacity under our revolving credit facility (see Note 15).

Fair Value—We estimated the fair value of debt, which consists of our Senior Notes and other long-term debt, excluding finance leases. Our Senior Notes are classified as Level Two due to the use and weighting of multiple market inputs in the final price of the security. We estimated the fair value of other debt instruments using a discounted cash flow analysis based on current market inputs for similar types of arrangements. Based on the lack of available market data, we have classified our other debt instruments and revolving credit facility, if applicable, as Level Three in the fair value hierarchy. The primary sensitivity in these models is based on the selection of appropriate discount rates. Fluctuations in our assumptions will result in different estimates of fair value.

	December 31, 2024				
	Carrying value	Fair value	Quoted prices in active markets for identical assets (Level One)	Significant other observable inputs (Level Two)	Significant unobservable inputs (Level Three)
Debt (1)	$ 3,805	$ 3,813	$ —	$ 3,695	$ 118

(1) Excludes $4 million of finance lease obligations and $27 million of unamortized discounts and deferred financing fees.

	December 31, 2023				
	Carrying value	Fair value	Quoted prices in active markets for identical assets (Level One)	Significant other observable inputs (Level Two)	Significant unobservable inputs (Level Three)
Debt (2)	$ 3,063	$ 3,062	$ —	$ 3,032	$ 30

(2) Excludes $6 million of finance lease obligations and $13 million of unamortized discounts and deferred financing fees.

12. EMPLOYEE BENEFIT PLANS

Defined Benefit Plans—We sponsor supplemental executive retirement plans consisting of funded and unfunded defined benefit plans for certain former executives. Retirement benefits are based primarily on the former employees' salary, as defined, and are payable upon satisfaction of certain service and age requirements as defined by the plans. At December 31, 2024 and December 31, 2023, the accumulated benefit obligation related to the unfunded U.S. plan was $14 million and $16 million, respectively, of which $13 million and $15 million were recorded in other long-term liabilities on our consolidated balance sheets (see Note 13). At December 31, 2024, we expect $1 million of benefits to be paid annually over the next 10 years.

Defined Contribution Plans—We provide retirement benefits to certain eligible employees under the Retirement Savings Plan (a qualified plan under Internal Revenue Code Section 401(k)), the FRP, and other similar plans. During the years ended December 31, 2024, December 31, 2023, and December 31, 2022, we recognized $48 million, $43 million, and $38 million, respectively, of expenses related to the Retirement Savings Plan based on a percentage of eligible employee contributions on stipulated amounts. The majority of these contributions relate to property-level employees, which are reimbursable to us, and are recognized in revenues for reimbursed costs and reimbursed costs on our consolidated statements of income.

Deferred Compensation Plans—We provide nonqualified deferred compensation for certain employees. Contributions and investment elections are determined by the employees, and we provide contributions to certain eligible employees according to pre-established formulas. The DCP is fully funded through a rabbi trust, and therefore changes in the underlying securities impact the deferred compensation liability, which is recorded in other long-term liabilities (see Note 13), and the corresponding marketable securities, which are recorded in other assets (see Note 10), on our consolidated balance sheets.

Employee Stock Purchase Program—We provide the ESPP, which is intended to qualify under Section 423 of the Internal Revenue Code. The ESPP provides eligible employees the opportunity to purchase shares of our Class A common stock on a quarterly basis through payroll deductions at a price equal to 95% of the fair value on the last trading day of each quarter. We issued 53,366, 61,977, and 60,543 shares under the ESPP during the years ended December 31, 2024, December 31, 2023, and December 31, 2022, respectively.

Foreign Labor Liabilities—We provide post-employment benefits to certain eligible employees primarily in Mexico based on their seniority and the nature and timing of their departure, as required by labor laws. At December 31, 2024 and December 31, 2023, we had $7 million and $15 million, respectively, of total liabilities related to the benefits, which included $6 million and $11 million recorded in other long-term liabilities (see Note 13) and $1 million and $4 million recorded in accrued expenses and other current liabilities, respectively, on our consolidated balance sheets.

13. OTHER LONG-TERM LIABILITIES

	December 31, 2024	December 31, 2023
Deferred compensation plans funded by rabbi trusts (Note 4)	$ 548	$ 489
Income taxes payable	464	407
Guarantee liabilities (Note 15)	229	142
Contingent consideration liabilities (Note 15)	214	115
Deferred income taxes (Note 14)	171	66
Self-insurance liabilities (Note 15)	83	73
Deferred consideration liability (Note 7)	38	—
Other	63	59
Total other long-term liabilities	$ 1,810	$ 1,351

14. TAXES

Our tax provision includes federal, state, local, and foreign income taxes.

	Year Ended December 31,		
	2024	2023	2022
U.S. income before income taxes	$ 742	$ 188	$ 349
Foreign income before income taxes	821	122	14
Income before income taxes	$ 1,563	$ 310	$ 363

The provision (benefit) for income taxes was comprised of the following:

	Year Ended December 31,		
	2024	2023	2022
Current:			
Federal	$ 202	$ 106	$ 100
State	47	21	10
Foreign	141	88	57
Total current	$ 390	$ 215	$ 167
Deferred:			
Federal	$ (41)	$ (62)	$ (184)
State	(9)	(4)	(77)
Foreign	(73)	(59)	2
Total deferred	$ (123)	$ (125)	$ (259)
Provision (benefit) for income taxes	$ 267	$ 90	$ (92)

The following is a reconciliation of the statutory federal income tax rate to the effective tax rate:

	Year Ended December 31,		
	2024	2023	2022
Statutory U.S. federal income tax rate	21.0 %	21.0 %	21.0 %
State income taxes—net of federal tax benefit	2.1	4.2	5.2
Impact of foreign operations (1)	2.0	15.3	6.6
Impact of foreign transactions	(7.0)	—	—
Foreign asset restructuring	—	(15.3)	—
Change in valuation allowances	(3.1)	(7.7)	(58.6)
Tax contingencies	2.0	9.4	6.2
U.S. foreign tax credits valuation allowance	—	—	(4.7)
Other	0.1	2.0	(0.9)
Effective income tax rate	17.1 %	28.9 %	(25.2)%

(1) Excludes unconsolidated hospitality ventures losses.

During the year ended December 31, 2024, significant items affecting the effective tax rate included the benefit of gains on the sale of the shares of the entities that own Hyatt Regency Aruba Resort Spa and Casino and the UVC Transaction that carry a low effective tax rate and a non-cash tax benefit as a result of the release of a valuation allowance on certain foreign deferred tax assets. These benefits were partially offset by the impact of foreign operations, tax contingencies, and state income taxes. Further, during the year ended December 31, 2024, we purchased $69 million of Investment Tax Credits from a third party, and we recognized a $4 million benefit as a reduction to income tax expense.

During the year ended December 31, 2023, significant items affecting the effective tax rate included the rate differential on foreign operations and the impact of tax contingencies. These expenses were partially offset by a non-cash tax benefit from the foreign asset restructuring undertaken related to the ALG integration and the release of a valuation allowance on U.S. federal and state deferred tax assets.

During the year ended December 31, 2022, significant items affecting the effective tax rate included a $250 million non-cash benefit as a result of the release of a valuation allowance on U.S. federal and state deferred tax assets and U.S. foreign tax credit carryforwards. This benefit was partially offset by the impact of tax contingencies and the impact of foreign operations.

The components of the net deferred tax assets and deferred tax liabilities were comprised of the following:

	December 31, 2024	December 31, 2023
Deferred tax assets related to:		
Loyalty program	$ 288	$ 238
Employee benefits	155	146
Foreign net operating losses and credit carryforwards	120	144
Long-term operating lease liabilities	89	88
Interest deduction limitations	65	66
Deferred revenues	31	115
Federal and state net operating losses and credit carryforwards	28	34
Allowance for uncollectible assets	23	24
Investments	16	10
Unrealized losses	10	11
Other	76	72
Valuation allowance	(90)	(253)
Total deferred tax assets	$ 811	$ 695
Deferred tax liabilities related to:		
Intangibles	$ (277)	$ (169)
Operating lease ROU assets	(95)	(95)
Investments	(69)	(18)
Property and equipment	(43)	(74)
Prepaid expenses	(8)	(24)
Unrealized gains	(5)	(5)
Other	(19)	(18)
Total deferred tax liabilities	$ (516)	$ (403)
Net deferred tax assets	$ 295	$ 292
Recorded on our consolidated balance sheets as:		
Deferred tax assets—noncurrent	$ 466	$ 358
Deferred tax liabilities—noncurrent	(171)	(66)
Total	$ 295	$ 292

During the year ended December 31, 2024, significant changes to our deferred tax assets included an increase of $50 million related to the loyalty program deferred tax asset as a result of changes in the loyalty program's deferred revenue liability and a $62 million reduction of valuation allowance balance due to the release of a valuation allowance on certain foreign deferred tax assets. Further, the deferred tax asset on the deferred revenue liability related to the paid membership program decreased $84 million with a corresponding decrease to the valuation allowance as a result of the UVC Transaction. Significant changes to our deferred tax liabilities during the year ended December 31, 2024 included a $108 million increase in intangibles driven by the Bahia Principe Transaction.

At December 31, 2024, we had $144 million of deferred tax assets for future tax benefits related to federal, state, and foreign net operating losses and $4 million of benefits related to federal and state credits. Of these deferred tax assets, $44 million related to net operating losses and federal and state credits that expire in 2025 through 2044 and $104 million related to federal, state, and foreign net operating losses that have no expiration date and may be carried forward indefinitely. A $90 million valuation allowance was recorded on deferred tax assets that we do not believe are more likely than not to be realized.

At December 31, 2024, we had $645 million of accumulated undistributed earnings generated by our foreign subsidiaries, the majority of which have been subject to U.S. tax. Any potential additional taxes due with respect to such earnings or the excess of book basis over tax basis of our foreign investments would generally be limited to an insignificant amount of foreign withholding and/or U.S. state income taxes. We continue to assert that undistributed net earnings with respect to certain foreign subsidiaries that have not previously been taxed in the U.S. are indefinitely reinvested.

At December 31, 2024, December 31, 2023, and December 31, 2022, total unrecognized tax benefits recorded in other long-term liabilities on our consolidated balance sheets were $366 million, $301 million, and $253 million, of which $137 million, $120 million, and $102 million, respectively, would impact the effective tax rate, if recognized. It is reasonably possible that a reduction of up to $5 million of unrecognized tax benefits could occur within 12 months resulting from the expiration of certain tax statutes of limitations. Further, while it is reasonably possible that the amount of uncertain tax benefits associated with the U.S. treatment of the loyalty program discussed below could significantly change within the next 12 months, at this time, we are not able to estimate the range by which the reasonably possible outcomes of the pending litigation could impact our uncertain tax benefits within the next 12 months.

A reconciliation of unrecognized tax benefits is as follows:

	2024	2023	2022
Unrecognized tax benefits—January 1	$ 301	$ 253	$ 205
Total increases—current-period tax positions	67	54	38
Total increases (decreases)—prior-period tax positions	11	(3)	22
Lapse of statute of limitations	(8)	(9)	(5)
Foreign currency translation adjustments	(5)	6	(7)
Unrecognized tax benefits—December 31	$ 366	$ 301	$ 253

In 2024, the $65 million net increase in uncertain tax positions was primarily related to an accrual for the U.S. treatment of the loyalty program. The increase in prior-period tax positions includes a $38 million increase related to foreign tax filing positions recorded as part of the Bahia Principe Transaction offset by a $32 million reduction related to foreign tax filing positions as a result of the UVC Transaction.

In 2023, the $48 million net increase in uncertain tax positions was primarily related to foreign tax filing positions and an accrual for the U.S. treatment of the loyalty program.

In 2022, the $48 million net increase in uncertain tax positions was primarily related to foreign tax filing positions identified as a result of the ALG Acquisition and an accrual for the U.S. treatment of the loyalty program.

We recognize accrued interest and penalties related to unrecognized tax benefits as a component of income tax expense. Total gross accrued interest and penalties were $103 million, $133 million, and $111 million at December 31, 2024, December 31, 2023, and December 31, 2022, respectively.

The amount of interest and penalties recognized as a component of our income tax expense in 2024 and 2023 was $42 million and $23 million, respectively, primarily related to interest accrued on the U.S. treatment of the loyalty program and foreign tax matters. The amount of interest and penalties recognized as a component of our income tax expense in 2022 was a $21 million expense, primarily related to foreign tax matters.

We are subject to audits by federal, state, and foreign tax authorities. U.S. tax years 2018 through 2020 are currently under field exam. U.S. tax years 2009 through 2011 have been subject to a U.S. Tax Court case concerning the tax treatment of the loyalty program in which the IRS is asserting that loyalty program contributions are taxable income to the Company. U.S. tax years 2012 through 2017 are pending the outcome of the U.S. Tax Court.

The Tax Court issued an opinion on October 2, 2023 related to the aforementioned case and determined that the Company must recognize approximately $12 million in net taxable income for the tax years 2009 through 2011, but that the Company need not recognize approximately $228 million in net taxable income related to tax years that preceded 2009. The Tax Court entered its decision on September 13, 2024. The Company filed a Notice of Appeal to the U.S. Court of Appeals on December 9, 2024. As part of the appeal, the Company will pay the tax liability and interest related to the 2009 through 2011 tax years as determined by the Tax Court, which is estimated to be $2 million. If the Tax Court's opinion is upheld on appeal, the estimated income tax payment due for the subsequent years 2012 through 2024 is $280 million, including $46 million of estimated interest, net of federal benefit. We believe we have an adequate uncertain tax liability recorded in accordance with Accounting Standards Codification 740, *Income Taxes*, for this matter and believe that the ultimate outcome of this matter will not have a material effect on our consolidated financial position, results of operations, or liquidity.

Through a prior acquisition, we assumed an assessment of additional corporate income tax from the Mexican tax authorities, which was in the process of being appealed, primarily related to disallowed deductions taken on historical tax returns. During the year ended December 31, 2024, our request for appeal to a higher court for one of the tax years was denied, and the assessment was finalized. At December 31, 2024, we had an $18 million tax liability recorded in other long-term

liabilities on our consolidated balance sheet in connection with this matter. Our filing position for the additional tax years and matters assessed is more likely than not to be sustained. As the tax benefit that is more than 50% likely of being realized upon settlement is zero, we recorded a $13 million uncertain tax liability in other long-term liabilities on our consolidated balance sheet at December 31, 2024.

Further, the Mexican tax authorities disallowed credits taken on historical tax returns and applied value added taxes to certain transactions. In accordance with Accounting Standards Codification 450, *Contingencies*, we have not recorded a liability associated with the additional value added tax as we do not believe a loss is probable. At December 31, 2024, our maximum exposure is not expected to exceed $12 million.

We have several state audits pending, including in California and Illinois. State income tax returns are generally subject to examination for a period of three to five years after filing of the return. However, the state impact of any federal changes remains subject to examination by various states for a period generally up to one year after formal notification to the states of the federal changes. We also have several foreign audits pending. The statutes of limitations for the foreign jurisdictions ranges from three to ten years after filing the applicable tax return.

15. COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, we enter into various commitments, guarantees, surety and other bonds, and letter of credit agreements.

Commitments—At December 31, 2024, we are committed, under certain conditions, to lend, provide certain consideration to, or invest in various business ventures up to $659 million, net of any related letters of credit.

Performance Guarantees—Certain of our contractual agreements with third-party owners require us to guarantee payments to the owners if specified levels of operating profit are not achieved by their hotels. Except as described below, at December 31, 2024, our performance guarantees had $150 million of remaining maximum exposure and expire between 2025 and 2042.

Through acquisitions, we acquired certain management and hotel services agreements with performance guarantees based on annual performance levels and with expiration dates between 2027 and 2045. Contract terms within certain management and hotel services agreements limit our exposure, and therefore, we are unable to reasonably estimate our maximum potential future payments.

At December 31, 2024 and December 31, 2023, we had $113 million and $99 million, respectively, of total performance guarantee liabilities, which included $104 million and $91 million, respectively, recorded in other long-term liabilities and $9 million and $8 million, respectively, recorded in accrued expenses and other current liabilities on our consolidated balance sheets.

Additionally, we enter into certain management and hotel services agreements where we have the right, but not an obligation, to make payments to certain third-party owners if their hotels do not achieve specified levels of operating profit. If we choose not to fund the shortfall, the hotel owner has the option to terminate the contract. At December 31, 2024 and December 31, 2023, we had no amount and an insignificant amount, respectively, recorded in accrued expenses and other current liabilities on our consolidated balance sheets related to these performance cure payments.

Debt Repayment Guarantees—We enter into various debt repayment guarantees in order to assist third-party owners, franchisees, and unconsolidated hospitality ventures in obtaining third-party financing or to obtain more favorable borrowing terms.

Geographical region	Maximum potential future payments (1)	Maximum exposure net of recoverability from third parties (1)	Other long-term liabilities recorded at December 31, 2024	Other long-term liabilities recorded at December 31, 2023	Year of guarantee expiration (2)
United States (3), (4)	$ 125	$ 25	$ 51	$ 30	various, through 2030
All foreign (3)	29	18	7	21	various, through 2026
Total	$ 154	$ 43	$ 58	$ 51	

(1) Our maximum exposure is generally based on a specified percentage of the total principal due upon borrower default.
(2) Certain underlying debt agreements have extension periods which are not reflected in the year of guarantee expiration.
(3) We have agreements with our unconsolidated hospitality venture partners or the respective third-party owners or franchisees to recover certain amounts funded under the debt repayment guarantee; the recoverability mechanism may be in the form of cash or HTM debt security.
(4) Certain agreements give us the ability to assume control of the property if defined funding thresholds are met or if certain events occur.

At December 31, 2024, we are not aware, nor have we received any notification, that our third-party owners, franchisees, or unconsolidated hospitality ventures are not current on their debt service obligations where we have provided a debt repayment guarantee.

Other Guarantees—We may be obligated to fund up to $142 million related to certain guarantees as a result of the UVC Transaction (see Note 4). At December 31, 2024, we had $67 million of guarantee liabilities recorded in other long-term liabilities on our consolidated balance sheet associated with these guarantees.

Guarantee Liabilities Fair Value—We estimated the fair value of our guarantees to be $213 million and $148 million at December 31, 2024 and December 31, 2023, respectively. Based on the lack of available market data, we have classified our guarantees as Level Three in the fair value hierarchy.

Contingent Consideration Fair Value—As part of acquisitions, we have entered into various contingent consideration arrangements. At December 31, 2024, we have $359 million of potential future consideration remaining under these arrangements. However, we are unable to reasonably estimate our maximum potential future consideration remaining related to the Bahia Principe Transaction (see Note 7).

At December 31, 2024 and December 31, 2023, we had $214 million and $115 million, respectively, recorded in other long-term liabilities, and $3 million and no amount, respectively, recorded in accrued expenses and other current liabilities on our consolidated balance sheets related to contingent consideration. Our contingent consideration liabilities are remeasured at fair value on a recurring basis and are classified as Level Three in the fair value hierarchy. The following table summarizes the change in fair value recognized in other income (loss), net on our consolidated statements of income:

	2024	2023
Fair value at January 1	$ 115	$ —
Fair value as of acquisition dates (Note 7)	141	107
Change in fair value (1) (Note 21)	(39)	9
Payments	—	(1)
Fair value at December 31	$ 217	$ 115

(1) During the year ended December 31, 2024, we amended certain terms of the Dream Hotel Group contingent consideration arrangement, including an extension through 2031.

Insurance—We obtain insurance for potential losses from general liability, property, automobile, aviation, environmental, workers' compensation, employment practices, crime, cyber, and other miscellaneous risks. A portion of these risks is retained through a U.S.-based and licensed captive insurance company that is a wholly owned subsidiary of Hyatt and generally insures our deductibles and retentions. Reserve requirements are established based on actuarial projections of ultimate losses. Reserves for losses in our captive insurance company to be paid within 12 months are $46 million and $41 million at December 31, 2024 and December 31, 2023, respectively, and are recorded in accrued expenses and other current liabilities on our consolidated balance sheets. Reserves for losses in our captive insurance company to be paid in future periods are $83 million and $73 million at December 31, 2024 and December 31, 2023, respectively, and are recorded in other long-term liabilities on our consolidated balance sheets (see Note 13).

Collective Bargaining Agreements—At December 31, 2024, approximately 21% of our U.S.-based employees were covered by various collective bargaining agreements, generally providing for basic pay rates, working hours, other conditions of employment, and orderly settlement of labor disputes. Certain employees are covered by union-sponsored, multi-employer pension and health plans pursuant to agreements between various unions and us. Generally, labor relations have been maintained in a normal and satisfactory manner, and we believe our employee relations are good.

Surety and Other Bonds—Surety and other bonds issued on our behalf were $268 million at December 31, 2024 and primarily relate to our insurance programs, litigation, customer deposits associated with ALG Vacations, taxes, licenses, liens, and utilities for our lodging operations.

Letters of Credit—Letters of credit outstanding on our behalf at December 31, 2024 were $108 million, which primarily relate to our ongoing operations, collateral for customer deposits associated with ALG Vacations, collateral for estimated insurance claims, and securitization of our performance under certain debt repayment guarantees, which are only called on if the borrower defaults on its obligations. Of the letters of credit outstanding, $3 million reduces the available capacity under our revolving credit facility (see Note 11).

Capital Expenditures—As part of our ongoing business operations, expenditures are required to complete renovation projects that have been approved.

Other—We act as general partner of various partnerships owning hotel properties that are subject to mortgage indebtedness. These mortgage agreements generally limit the lender's recourse to security interests in assets financed and/or other assets of the partnership(s) and/or the general partner(s) thereof.

In conjunction with financing obtained for our unconsolidated hospitality ventures and certain managed or franchised hotels, we may provide standard indemnifications to the lender for loss, liability, or damage occurring as a result of our actions or actions of the other unconsolidated hospitality venture partners or the respective third-party owners or franchisees.

As a result of certain dispositions, we have agreed to provide customary indemnifications to third-party purchasers for certain liabilities incurred prior to sale and for breach of certain representations and warranties made during the sales process, such as representations of valid title, authority, and environmental issues that may not be limited by a contractual monetary amount. These indemnification agreements survive until the applicable statutes of limitation expire or until the agreed-upon contract terms expire.

We are subject to various claims and contingencies arising in the normal course of business, which are primarily related to lawsuits and taxes (see Note 14), as well as commitments under contractual obligations. Many of these claims are covered under our current insurance programs, subject to deductibles. We record a liability when the loss is probable and reasonably estimable, and if the loss is recoverable from third parties, we record a receivable when the realization of the claim is probable. Based on information currently available, we do not expect the ultimate resolution of such claims and litigation to have a material effect on our consolidated financial statements.

During the year ended December 31, 2024, the Missouri Court of Appeals issued an opinion affirming a previous verdict awarding damages to a guest at one of our managed hotels. We have requested the Missouri Supreme Court exercise jurisdiction over the appeal, which remains pending. In connection with this matter, we have recorded an estimated liability in accrued expenses and other current liabilities with an offsetting receivable from insurance recorded in receivables, net on our consolidated balance sheet. At December 31, 2024, our maximum exposure, which is fully insured, is not expected to exceed $177 million.

During the year ended December 31, 2018, we received a notice from the Indian tax authorities assessing additional service tax on our operations in India. We appealed this decision and do not believe a loss is probable, and therefore, we have not recorded a liability in connection with this matter. At December 31, 2024, our maximum exposure is not expected to exceed $19 million.

16. STOCKHOLDERS' EQUITY AND COMPREHENSIVE LOSS

Common Stock—At December 31, 2024, Pritzker family business interests beneficially owned, in the aggregate, approximately 95.8% of our Class B common stock and approximately 1.8% of our Class A common stock, representing approximately 54.1% of the outstanding shares of our common stock and approximately 88.8% of the total voting power of our outstanding common stock. As a result, consistent with the voting agreements contained in the Amended and Restated Global Hyatt Agreement and Amended and Restated Foreign Global Hyatt Agreement, Pritzker family business interests are able to exert a significant degree of influence or actual control over our management and affairs and over matters requiring stockholder approval, including the election of directors and other significant corporate transactions. While the voting agreements are in effect, they may provide our board of directors with effective control over matters requiring stockholder approval. Because of our dual class ownership structure, Pritzker family business interests will continue to exert a significant degree of influence or actual control over matters requiring stockholder approval, even if they own less than 50% of the outstanding shares of our common stock. Pursuant to the Amended and Restated Global Hyatt Agreement and Amended and Restated Foreign Global Hyatt Agreement, the Pritzker family business interests have agreed to certain voting agreements and to certain limitations with respect to the sale of shares of our common stock. In addition, other stockholders beneficially own, in the aggregate, approximately 4.2% of our outstanding Class B common stock representing approximately 2.4% of the outstanding shares of our common stock and approximately 3.9% of the total voting power of our outstanding common stock. Pursuant to the 2007 Stockholders' Agreement, these entities have also agreed to certain voting agreements and to certain limitations with respect to the sale of shares of our common stock.

Share Repurchase—On December 18, 2019, May 10, 2023, and May 8, 2024 our board of directors authorized repurchases of up to $750 million, $1,055 million, and $1,000 million, respectively, of our common stock. These repurchases may be made from time to time in the open market, in privately negotiated transactions, or otherwise, including pursuant to a Rule 10b5-1 plan or an ASR transaction, at prices we deem appropriate and subject to market conditions, applicable law, and other factors deemed relevant in our sole discretion. The common stock repurchase program applies to our Class A and Class B

common stock. The share repurchase program does not obligate us to repurchase any dollar amount or number of shares, and the program may be suspended or discontinued at any time and does not have an expiration date.

	Year Ended December 31,		
	2024	2023	2022
Total number of shares repurchased (1)	7,992,256	4,123,828	4,233,894
Weighted-average price per share	$ 148.90	$ 109.86	$ 87.07
Aggregate purchase price (2)	$ 1,190	$ 453	$ 369
Shares repurchased as a percentage of total common stock outstanding (3)	8%	4%	4%

(1) The year ended December 31, 2023 includes repurchases of 106,116 shares that were initiated prior to December 31, 2022, but settled in the first quarter of 2023. At December 31, 2022, a $9 million share repurchase liability was recorded in accrued expenses and other current liabilities on our consolidated balance sheet.

(2) Excludes related insignificant expenses.

(3) Calculated based on the total common stock outstanding as of December 31 of the prior year.

The shares of Class A common stock repurchased in the open market were retired and returned to the status of authorized and unissued shares, while the shares of Class B common stock repurchases were retired and the total number of authorized Class B shares was thereby reduced by the number of shares returned (see Note 18). At December 31, 2024, we had $971 million remaining under the total share repurchase authorization.

Dividend—The following tables summarize dividends declared to Class A and Class B stockholders of record:

	Year Ended December 31,		
	2024	2023	2022
Class A common stock	$ 27	$ 21	$ —
Class B common stock	34	27	—
Total cash dividends declared	$ 61	$ 48	$ —

Date declared	Dividend per share amount for Class A and Class B	Date of record	Date paid
February 14, 2024	$ 0.15	February 28, 2024	March 12, 2024
May 9, 2024	$ 0.15	May 29, 2024	June 11, 2024
August 6, 2024	$ 0.15	August 27, 2024	September 10, 2024
October 31, 2024	$ 0.15	November 22, 2024	December 6, 2024
May 11, 2023	$ 0.15	May 30, 2023	June 12, 2023
August 3, 2023	$ 0.15	August 25, 2023	September 8, 2023
November 2, 2023	$ 0.15	November 22, 2023	December 6, 2023

Accumulated Other Comprehensive Loss—The components of accumulated other comprehensive loss, net of tax impacts, were as follows:

	Balance at January 1, 2024	Other comprehensive income (loss) before reclassification	Amounts reclassified from accumulated other comprehensive loss	Balance at December 31, 2024
Foreign currency translation adjustments (1)	$ (156)	$ (94)	$ (1)	$ (251)
AFS debt securities unrealized fair value adjustments	4	(2)	—	2
Pension liabilities adjustments (2)	—	2	(2)	—
Derivative instrument adjustments (3)	(23)	(2)	5	(20)
Accumulated other comprehensive loss	$ (175)	$ (96)	$ 2	$ (269)

(1) Amounts reclassified from accumulated other comprehensive loss included realized losses recognized in equity earnings (losses) from unconsolidated hospitality ventures related to the dilution of our ownership interest in an unconsolidated hospitality venture in India (see Note 4), realized gains recognized in equity earnings (losses) from unconsolidated hospitality ventures related to the sale of our ownership interest in an unconsolidated hospitality venture (see Note 4), and realized gains recognized in gains (losses) on sales of real estate and other related to the sale of Park Hyatt Zurich (see Note 7).

(2) Amounts reclassified from accumulated other comprehensive loss primarily included realized gains recognized in gains (losses) on sales of real estate and other related to the UVC Transaction (see Note 4) and the sale of Park Hyatt Zurich (see Note 7).

(3) Amounts reclassified from accumulated other comprehensive loss included realized losses recognized in interest expense related to the settlement of interest rate locks. We expect to reclassify $5 million of losses, net of insignificant tax impacts, over the next 12 months.

	Balance at January 1, 2023	Other comprehensive income (loss) before reclassification	Amounts reclassified from accumulated other comprehensive loss	Balance at December 31, 2023
Foreign currency translation adjustments	$ (202)	$ 46	$ —	$ (156)
AFS debt securities unrealized fair value adjustments (4)	(11)	12	3	4
Derivative instrument adjustments (5)	(29)	1	5	(23)
Accumulated other comprehensive loss	$ (242)	$ 59	$ 8	$ (175)

(4) Amounts reclassified from accumulated other comprehensive loss included realized losses recognized in other income (loss), net related to marketable securities held for our captive insurance company (see Note 21).

(5) Amounts reclassified from accumulated other comprehensive loss included realized losses recognized in interest expense related to the settlement of interest rate locks.

17. STOCK-BASED COMPENSATION

Compensation expense and unearned compensation presented below exclude (i) amounts related to employees of our managed hotels and other employees whose payroll is reimbursed, as these expenses have been, and will continue to be, reimbursed by our third-party owners and are recognized in revenues for reimbursed costs and reimbursed costs on our consolidated statements of income and (ii) insignificant amounts related to employees of our owned and leased hotels recognized in owned and leased expenses on our consolidated statements of income. Stock-based compensation expense recognized in general and administrative expenses, distribution expenses, and transaction and integration costs on our consolidated statements of income related to our awards was as follows:

	Year Ended December 31,		
	2024	2023	2022
SARs	$ 15	$ 13	$ 12
RSUs	34	40	36
PSUs	15	22	13
Total	$ 64	$ 75	$ 61

The income tax benefit recognized at the time of vest related to our awards was as follows:

	Year Ended December 31,		
	2024	2023	2022
SARs	$ 1	$ 1	$ —
RSUs	7	5	5
PSUs	1	2	1
Total	$ 9	$ 8	$ 6

SARs—A summary of SAR activity is presented below:

	SARs	Weighted-average exercise price	Weighted-average remaining contractual term
Outstanding at December 31, 2023	3,883,347	$ 67.20	5.68
Granted	223,410	156.97	
Exercised	(864,715)	55.19	
Forfeited or expired	—	—	
Outstanding at December 31, 2024	3,242,042	$ 76.59	5.68
Exercisable at December 31, 2024	2,541,081	$ 65.23	5.03

The weighted-average grant date fair value for the awards granted in 2024, 2023, and 2022 was $68.77, $48.54, and $37.56, respectively.

The fair value of each SAR was estimated on the date of grant using the Black-Scholes-Merton option-pricing model with the following weighted-average assumptions:

	2024	2023	2022
Exercise price	$ 156.97	$ 111.71	$ 94.60
Expected life in years	6.24	6.24	6.24
Risk-free interest rate	4.31 %	3.70 %	2.40 %
Expected volatility	38.60 %	37.37 %	36.07 %
Annual dividend yield	0.38 %	— %	— %

Due to a lack of historical exercise activity, the expected life was estimated based on the midpoint between the vesting period and the contractual life of each SAR. The risk-free interest rate was based on U.S. Treasury instruments with similar expected life. We calculate volatility using our trading history over a time period consistent with our expected term assumption. The dividend yield assumption is based on the expected annualized dividend payment at the date of grant.

During the years ended December 31, 2024, December 31, 2023, and December 31, 2022, the intrinsic value of exercised SARs was $85 million, $47 million, and $21 million, respectively. The total intrinsic value of SARs outstanding at December 31, 2024 was $261 million, and the total intrinsic value for exercisable SARs at December 31, 2024 was $233 million.

RSUs—A summary of the status of the nonvested RSU awards outstanding under the LTIP, including certain RSUs with a performance component, is presented below:

	RSUs	Weighted-average grant date fair value
Nonvested at December 31, 2023	1,140,535	$ 93.01
Granted	327,657	156.75
Vested	(561,679)	86.81
Forfeited or canceled	(32,834)	112.47
Nonvested at December 31, 2024	873,679	$ 120.17

The weighted-average grant date fair value for the awards granted in 2024, 2023, and 2022 was $156.75, $111.26, and $91.95, respectively. The liability and related expense for granted cash-settled RSUs are insignificant at and for the year ended December 31, 2024. The fair value of RSUs vested during the years ended December 31, 2024, December 31, 2023, and December 31, 2022 was $49 million, $55 million, and $41 million, respectively.

At December 31, 2024, the total intrinsic value of nonvested RSUs was $137 million.

PSUs—A summary of the status of the nonvested PSU awards outstanding under the LTIP is presented below:

	PSUs	Weighted-average grant date fair value
Nonvested at December 31, 2023	555,401	$ 91.45
Granted	177,795	159.69
Vested	(226,038)	119.56
Forfeited or canceled	—	—
Nonvested at December 31, 2024	507,158	$ 102.84

The weighted-average grant date fair value for the awards granted in 2024, 2023, and 2022 was $159.69, $120.64, and $83.58, respectively. During the year ended December 31, 2024, $27 million of PSUs vested. During the year ended December 31, 2023, no PSUs vested. During the year December 31, 2022, $10 million of PSUs vested.

At December 31, 2024, the total intrinsic value of nonvested PSUs was $80 million, if target performance is achieved.

Unearned Compensation—Our total unearned compensation for our stock-based compensation programs at December 31, 2024 was $2 million for SARs, $33 million for RSUs, and $13 million for PSUs, which will be recognized in general and administrative expenses, distribution expenses, and transaction and integration costs over a weighted-average period of one year with respect to PSUs, two years with respect to SARs, and three years with respect to RSUs.

On May 15, 2024, our stockholders approved the Fifth Amended and Restated Hyatt Hotels Corporation Long-Term Incentive Plan (the "2024 LTIP") subsequent to the adoption of such amended plan by our board of directors. The 2024 LTIP (i) increased the share limit by 5,650,000 shares, (ii) was updated to reflect market practices with respect to broker-assisted sales and data privacy, and (iii) extended the term of the 2024 LTIP by 10 years until the 10th anniversary of May 15, 2024, the date on which the 2024 LTIP was approved by our stockholders.

18. RELATED-PARTY TRANSACTIONS

In addition to those included elsewhere in the Notes to our consolidated financial statements, related-party transactions entered into by us are summarized as follows:

Legal Services—A partner in a law firm that provided services to us throughout 2024, 2023, and 2022 is the brother-in-law of our Executive Chairman. During the years ended December 31, 2024, December 31, 2023, and December 31, 2022, we incurred $23 million, $15 million, and $14 million, respectively, of legal fees with this firm. At both December 31, 2024 and December 31, 2023, we had $2 million due to the law firm.

Equity Method Investments—We have equity method investments in entities that own, operate, manage, or franchise properties or other hospitality-related businesses, including the Unlimited Vacation Club paid membership program, for which we receive management, franchise, license, or royalty fees. We recognized $83 million, $23 million, and $22 million of fee revenues during the years ended December 31, 2024, December 31, 2023, and December 31, 2022, respectively. In addition, in some cases we provide loans or guarantees to these entities (see Note 4, Note 6, and Note 15). During the years ended December 31, 2024, December 31, 2023, and December 31, 2022, we recognized $2 million, $6 million, and $7 million, respectively, of income related to these guarantees. At December 31, 2024 and December 31, 2023, we had $112 million and $43 million, respectively, due from these entities, inclusive of $67 million and $22 million, respectively, recorded in receivables, net and $45 million and $21 million, respectively, recorded in financing receivables, net on our consolidated balance sheets. During the years ended December 31, 2024, December 31, 2023, and December 31, 2022, we recognized $5 million, $3 million, and $4 million, respectively, of interest income related to these receivables. Our ownership interest in these unconsolidated hospitality ventures varies from 20% to 50%.

In addition to the aforementioned fees, we provide system-wide services on behalf of owners of managed and franchised properties and administer the loyalty program for the benefit of Hyatt's portfolio of properties. These expenses have been, and

will continue to be, reimbursed by our third-party owners and franchisees and are recognized in revenues for reimbursed costs and reimbursed costs on our consolidated statements of income.

Class B Share Conversion—During the years ended December 31, 2024, December 31, 2023, and December 31, 2022, 1,596,064 shares, 160,626 shares, and 735,522 shares, respectively, of Class B common stock were converted on a share-for-share basis into shares of Class A common stock, $0.01 par value per share. The shares of Class B common stock that were converted into shares of Class A common stock have been retired, thereby reducing the shares of Class B common stock authorized and outstanding.

Class B Share Repurchase—During the year ended December 31, 2024, we repurchased 3,629,480 shares of Class B common stock at a weighted-average price of $154.66 per share, for an aggregate purchase price of approximately $561 million. The shares of Class B common stock were repurchased in privately negotiated transactions from a limited liability company owned directly and indirectly by trusts for the benefit of certain Pritzker family members, a private foundation affiliated with certain Pritzker family members, and a charitable trust affiliated with certain Pritzker family members, and were retired, thereby reducing the shares of Class B common stock authorized and outstanding by the repurchased share amount.

Charitable Contribution—During the year ended December 31, 2022, we contributed $5 million to the Hyatt Hotels Foundation. The charitable contribution was recognized in general and administrative expenses on our consolidated statements of income.

19. SEGMENT AND GEOGRAPHIC INFORMATION

Our reportable segments are components of the business which are managed discretely and for which discrete financial information is reviewed regularly by the CODM to assess performance and make decisions regarding the allocation of resources. Our CODM is our President and Chief Executive Officer. We define our operating and reportable segments as follows:

- **Management and franchising**—This segment derives its earnings primarily from the provision of management, franchising, and hotel services, or the licensing of our intellectual property to, (i) our property portfolio, (ii) our co-branded credit card programs, and (iii) other hospitality-related businesses, including the Unlimited Vacation Club following the UVC Transaction. This segment also includes revenues for reimbursed costs primarily related to payroll at managed properties where we are the employer, as well as costs associated with system-wide services and the loyalty program operated on behalf of owners of managed and franchised properties. The intersegment revenues relate to management fees earned from our owned and leased hotels and commission fees earned from certain ALG Vacations bookings, both of which are eliminated in consolidation.

- **Owned and leased**—This segment derives its earnings from owned and leased hotel properties located predominantly in the United States but also in certain international locations, and for purposes of segment Adjusted EBITDA, includes our pro rata share of unconsolidated hospitality ventures' Adjusted EBITDA, based on our ownership percentage of each venture. Adjusted EBITDA includes intercompany management fee expenses paid to our management and franchising segment, which are eliminated in consolidation. Intersegment revenues relate to promotional award redemptions earned by our owned and leased hotels related to our co-branded credit card programs and are eliminated in consolidation.

- **Distribution**—This segment derives its earnings from distribution and destination management services offered through ALG Vacations and the boutique and luxury global travel platform offered through Mr & Mrs Smith. Prior to the UVC Transaction, this segment also included earnings from a paid membership program offering benefits exclusively at certain all-inclusive resorts primarily in Latin America and the Caribbean. Adjusted EBITDA includes intercompany commission fee expenses paid to our management and franchising segment, which are eliminated in consolidation.

Within overhead, we include unallocated corporate expenses.

During the year ended December 31, 2024, we revised our definition of Adjusted EBITDA to exclude transaction and integration costs (see Note 1), and we recast prior-period results to provide comparability. The revised definition excludes integration costs, which were previously recognized in integration costs during the three months ended March 31, 2024 and general and administrative expenses during the years ended December 31, 2023 and December 31, 2022, and transaction costs, which were previously recognized in general and administrative expenses during the three months ended March 31, 2024 and the years ended December 31, 2023 and December 31, 2022. Previously, only transaction costs recognized in gains (losses) on sales of real estate and other and other income (loss), net were excluded from Adjusted EBITDA. As these costs may vary in frequency or magnitude, we believe the revised definition presents a more representative measure of our core operations, assists

in the comparability of results, and provides information consistent with how our management evaluates operating performance.

Our CODM evaluates performance based on gross fee revenues, owned and leased revenues, distribution revenues, other revenues, and Adjusted EBITDA. Our CODM uses these measures to evaluate trends and assess segment operating performance as compared to our industry and competitors in order to determine how to allocate resources to each segment. Significant segment expenses include Adjusted general and administrative expenses, owned and leased expenses, and distribution expenses. Our CODM does not evaluate our operating segments using discrete asset information.

We define Adjusted EBITDA as net income (loss) attributable to Hyatt Hotels Corporation plus net income (loss) attributable to noncontrolling interests and our pro rata share of unconsolidated owned and leased hospitality ventures' Adjusted EBITDA based on our ownership percentage of each owned and leased venture, adjusted to exclude Contra revenue; revenues for reimbursed costs; stock-based compensation expense; transaction and integration costs; depreciation and amortization; reimbursed costs that we intend to recover over the long term; equity earnings (losses) from unconsolidated hospitality ventures; interest expense; gains (losses) on sales of real estate and other; asset impairments; other income (loss), net; and benefit (provision) for income taxes.

Adjusted general and administrative expenses exclude the impact of deferred compensation plans funded through rabbi trusts and stock-based compensation expense. Adjusted general and administrative expenses assist us in comparing our performance over various reporting periods on a consistent basis because it removes from our operating results the impact of items that do not reflect our core operations, both on a segment and consolidated basis.

The following tables present revenues disaggregated by the nature of the product or service and by segment:

	Year Ended December 31, 2024					
	Management and franchising	Owned and leased	Distribution	Segment Total	Eliminations	Total
Base management fees	$ 432	$ —	$ —	$ 432	$ (33)	$ 399
Incentive management fees	252	—	—	252	(10)	242
Franchise and other fees	465	—	—	465	(7)	458
Gross fees	1,149	—	—	1,149	(50)	1,099
Rooms and packages	—	777	—	777	(23)	754
Food and beverage	—	279	—	279	—	279
Other	—	141	—	141	—	141
Owned and leased	—	1,197	—	1,197	(23)	1,174
Distribution	—	—	1,023	1,023	—	1,023
Other revenues	42	—	26	68	1	69
Segment revenues	1,191	1,197	1,049	3,437	(72)	3,365
Contra revenue	(69)	—	—	(69)	—	(69)
Revenues for reimbursed costs	3,352	—	—	3,352	—	3,352
Total revenues	$ 4,474	$ 1,197	$ 1,049	$ 6,720	$ (72)	$ 6,648
Intersegment revenues	$ 49	$ 23	$ —	$ 72		

	Year Ended December 31, 2023					
	Management and franchising	Owned and leased	Distribution	Segment Total	Eliminations	Total
Base management fees	$ 414	$ —	$ —	$ 414	$ (40)	$ 374
Incentive management fees	248	—	—	248	(16)	232
Franchise and other fees	371	—	—	371	(7)	364
Gross fees	1,033	—	—	1,033	(63)	970
Rooms and packages	—	874	—	874	(29)	845
Food and beverage	—	333	—	333	—	333
Other	—	161	—	161	—	161
Owned and leased	—	1,368	—	1,368	(29)	1,339
Distribution	—	—	1,047	1,047	—	1,047
Other revenues	110	—	189	299	1	300
Segment revenues	1,143	1,368	1,236	3,747	(91)	3,656
Contra revenue	(47)	—	—	(47)	—	(47)
Revenues for reimbursed costs	3,058	—	—	3,058	—	3,058
Total revenues	$ 4,154	$ 1,368	$ 1,236	$ 6,758	$ (91)	$ 6,667
Intersegment revenues	$ 62	$ 29	$ —	$ 91		

	Year Ended December 31, 2022					
	Management and franchising	Owned and leased	Distribution	Segment Total	Eliminations	Total
Base management fees	$ 356	$ —	$ —	$ 356	$ (37)	$ 319
Incentive management fees	205	—	—	205	(13)	192
Franchise and other fees	307	—	—	307	(10)	297
Gross fees	868	—	—	868	(60)	808
Rooms and packages	—	800	—	800	(28)	772
Food and beverage	—	305	—	305	—	305
Other	—	158	—	158	—	158
Owned and leased	—	1,263	—	1,263	(28)	1,235
Distribution	—	—	986	986	—	986
Other revenues	134	—	137	271	2	273
Segment revenues	1,002	1,263	1,123	3,388	(86)	3,302
Contra revenue	(31)	—	—	(31)	—	(31)
Revenues for reimbursed costs	2,620	—	—	2,620	—	2,620
Total revenues	$ 3,591	$ 1,263	$ 1,123	$ 5,977	$ (86)	$ 5,891
Intersegment revenues	$ 58	$ 28	$ —	$ 86		

The following tables provide a reconciliation of segment revenues to segment Adjusted EBITDA:

	Year Ended December 31, 2024			
	Management and franchising	Owned and leased	Distribution	Segment Total
Segment revenues	$ 1,191	$ 1,197	$ 1,049	$ 3,437
Significant segment expenses:				
Adjusted general and administrative expenses	(268)	(10)	(6)	(284)
Owned and leased expenses (1)	—	(991)	—	(991)
Distribution expenses (2)	—	—	(882)	(882)
Other segment items:				
Other income (expenses) (3)	(69)	3	(21)	(87)
Pro rata share of unconsolidated owned and leased hospitality ventures' Adjusted EBITDA	—	62	—	62
Segment Adjusted EBITDA	$ 854	$ 261	$ 140	$ 1,255

(1) Includes intercompany management fee expenses paid to our management and franchising segment and promotional award redemptions earned by our owned and leased hotels related to our co-branded credit card programs, which are eliminated in consolidation.

(2) Includes intercompany commission fee expenses paid to our management and franchising segment, which are eliminated in consolidation.

(3) Primarily includes direct costs associated with our co-branded credit card programs and the paid membership program prior to the UVC Transaction recognized in other direct costs. Owned and leased includes the change in market performance of the underlying invested assets recognized in net gains (losses) and interest income from marketable securities held to fund rabbi trusts.

	Year Ended December 31, 2023			
	Management and franchising	Owned and leased	Distribution	Segment Total
Segment revenues	$ 1,143	$ 1,368	$ 1,236	$ 3,747
Significant segment expenses:				
Adjusted general and administrative expenses	(218)	(11)	(51)	(280)
Owned and leased expenses (1)	—	(1,107)	—	(1,107)
Distribution expenses (2)	—	—	(866)	(866)
Other segment items:				
Other income (expenses) (3)	(143)	6	(190)	(327)
Pro rata share of unconsolidated owned and leased hospitality ventures' Adjusted EBITDA	—	64	—	64
Segment Adjusted EBITDA	$ 782	$ 320	$ 129	$ 1,231

(1) Includes intercompany management fee expenses paid to our management and franchising segment and promotional award redemptions earned by our owned and leased hotels related to our co-branded credit card programs, which are eliminated in consolidation.

(2) Includes intercompany commission fee expenses paid to our management and franchising segment, which are eliminated in consolidation.

(3) Primarily includes direct costs associated with our co-branded credit card programs, the Unlimited Vacation Club paid membership program, and the Destination Residential Management business prior to sale recognized in other direct costs. Owned and leased includes the change in market performance of the underlying invested assets recognized in net gains (losses) and interest income from marketable securities held to fund rabbi trusts.

	Year Ended December 31, 2022			
	Management and franchising	Owned and leased	Distribution	Segment Total
Segment revenues	$ 1,002	$ 1,263	$ 1,123	$ 3,388
Significant segment expenses:				
Adjusted general and administrative expenses	(216)	(11)	(45)	(272)
Owned and leased expenses (1)	—	(991)	—	(991)
Distribution expenses (2)	—	—	(785)	(785)
Other segment items:				
Other income (expenses) (3)	(157)	(8)	(125)	(290)
Pro rata share of unconsolidated owned and leased hospitality ventures' Adjusted EBITDA	—	55	—	55
Segment Adjusted EBITDA	$ 629	$ 308	$ 168	$ 1,105

(1) Includes intercompany management fee expenses paid to our management and franchising segment and promotional award redemptions earned by our owned and leased hotels related to our co-branded credit card programs, which are eliminated in consolidation.

(2) Includes intercompany commission fee expenses paid to our management and franchising segment, which are eliminated in consolidation.

(3) Primarily includes direct costs associated with our co-branded credit card programs, the Unlimited Vacation Club paid membership program, and the Destination Residential Management business recognized in other direct costs. Owned and leased includes the change in market performance of the underlying invested assets recognized in net gains (losses) and interest income from marketable securities held to fund rabbi trusts.

The following table provides a reconciliation of segment Adjusted EBITDA to income before income taxes:

	Year Ended December 31,		
	2024	2023	2022
Segment Adjusted EBITDA	**$ 1,255**	**$ 1,231**	**$ 1,105**
Unallocated overhead expenses	(160)	(177)	(170)
Eliminations	1	1	1
Contra revenue	(69)	(47)	(31)
Revenues for reimbursed costs	3,352	3,058	2,620
Stock-based compensation expense (Note 17) (1)	(62)	(75)	(60)
Transaction and integration costs	(42)	(42)	(35)
Depreciation and amortization	(333)	(397)	(426)
Reimbursed costs	(3,457)	(3,144)	(2,632)
Equity earnings (losses) from unconsolidated hospitality ventures	31	(1)	5
Interest expense	(180)	(145)	(150)
Gains (losses) on sales of real estate and other	1,245	18	263
Asset impairments	(213)	(30)	(38)
Other income (loss), net	257	124	(34)
Pro rata share of unconsolidated owned and leased hospitality ventures' Adjusted EBITDA	(62)	(64)	(55)
Income before income taxes	**$ 1,563**	**$ 310**	**$ 363**

(1) Includes amounts recognized in general and administrative expenses and distribution expenses.

The following tables present revenues and long-lived assets, including property and equipment, net and operating lease ROU assets, by geographical region:

	Year Ended December 31,		
	2024	2023	2022
Revenues:			
United States	$ 5,036	$ 5,074	$ 4,560
All foreign	1,612	1,593	1,331
Total	$ 6,648	$ 6,667	$ 5,891

	December 31, 2024	December 31, 2023
Long-lived assets:		
United States	$ 1,316	$ 2,001
All foreign	701	708
Total	$ 2,017	$ 2,709

20. EARNINGS PER SHARE

The calculation of basic and diluted earnings per Class A and Class B share, including a reconciliation of the numerator and denominator, is as follows:

	Year Ended December 31,		
	2024	2023	2022
Numerator:			
Net income	$ 1,296	$ 220	$ 455
Net income attributable to noncontrolling interests	—	—	—
Net income attributable to Hyatt Hotels Corporation	$ 1,296	$ 220	$ 455
Denominator:			
Basic weighted-average shares outstanding (1)	99,791,270	104,861,037	109,093,790
Stock-based compensation	2,632,830	2,865,924	2,171,149
Diluted weighted-average shares outstanding (1)	102,424,100	107,726,961	111,264,939
Basic Earnings Per Class A and Class B Share:			
Net income	$ 12.99	$ 2.10	$ 4.17
Net income attributable to noncontrolling interests	—	—	—
Net income attributable to Hyatt Hotels Corporation	$ 12.99	$ 2.10	$ 4.17
Diluted Earnings Per Class A and Class B Share:			
Net income	$ 12.65	$ 2.05	$ 4.09
Net income attributable to noncontrolling interests	—	—	—
Net income attributable to Hyatt Hotels Corporation	$ 12.65	$ 2.05	$ 4.09

(1) The computations reflect a reduction in shares outstanding at December 31, 2022 for the repurchases of 106,116 shares that were initiated prior to December 31, 2022, but settled in the first quarter of 2023.

The computations of diluted earnings per Class A and Class B share do not include the following shares of Class A common stock assumed to be issued as stock-settled SARs and RSUs because they are anti-dilutive.

	Year Ended December 31,		
	2024	2023	2022
SARs	100	57,200	9,800
RSUs	1,500	2,400	3,200

21. OTHER INCOME (LOSS), NET

	Year Ended December 31,		
	2024	2023	2022
Interest income	$ 123	$ 74	$ 44
Unrealized gains (losses), net (Note 4)	53	36	(55)
Guarantee amortization income (Note 15)	49	17	20
Contingent consideration liability fair value adjustment (Note 15)	39	(9)	—
Depreciation recovery	23	21	15
Foreign currency exchange, net	7	(10)	(12)
Credit loss reversals, net (Note 4 and Note 6)	1	17	16
Impairment of an equity security without a readily determinable fair value (Note 4)	(5)	—	—
Restructuring costs	(5)	(4)	(39)
Guarantee expense (Note 15)	(11)	(19)	(13)
Other, net	(17)	1	(10)
Other income (loss), net	$ 257	$ 124	$ (34)

During the year ended December 31, 2022, we recognized $39 million of restructuring expenses for severance costs related to the planned future redevelopment of an owned hotel, net of $10 million reimbursed by the developer.

HYATT HOTELS CORPORATION AND SUBSIDIARIES

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS
For the Years Ended December 31, 2024, December 31, 2023, and December 31, 2022
(In millions of dollars)

Description	Balance at beginning of period	Additions charged to revenues, costs, and expenses	Additions charged to other accounts	Deductions		Balance at end of period
Year Ended December 31, 2024:						
Deferred tax assets—valuation allowance	$ 253	$ 17	$ (15)	$ (165)	**A**	$ 90
Year Ended December 31, 2023:						
Deferred tax assets—valuation allowance	262	28	13	(50)		253
Year Ended December 31, 2022:						
Deferred tax assets—valuation allowance	478	31	3	(250)	**B**	262

A—This amount relates to a reduction due to the impacts of the UVC Transaction and the release of the valuation allowance recorded on certain foreign deferred tax assets.
B—This amount primarily relates to the release of the valuation allowance recorded on U.S. federal and state deferred tax assets.

See Note 6 to our Consolidated Financial Statements for a summary of our receivables and financing receivables allowance for credit losses.

EXHIBIT A-2

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements.***

HYATT HOTELS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In millions of dollars, except per share amounts)
(Unaudited)

	Three Months Ended	
	March 31, 2025	March 31, 2024
REVENUES:		
Base management fees	$ 114	$ 98
Incentive management fees	76	64
Franchise and other fees	117	100
Gross fees	307	262
Contra revenue	(20)	(13)
Net fees	287	249
Owned and leased	219	309
Distribution	315	319
Other revenues	11	35
Revenues for reimbursed costs	886	802
Total revenues	1,718	1,714
DIRECT AND GENERAL AND ADMINISTRATIVE EXPENSES:		
General and administrative	126	169
Owned and leased	194	250
Distribution	266	274
Other direct costs	24	45
Transaction and integration costs	23	8
Depreciation and amortization	80	92
Reimbursed costs	902	836
Total direct and general and administrative expenses	1,615	1,674
Net gains (losses) and interest income from marketable securities held to fund rabbi trusts	(12)	24
Equity earnings (losses) from unconsolidated hospitality ventures	(12)	75
Interest expense	(66)	(38)
Gains on sales of real estate and other	—	403
Asset impairments	(4)	(17)
Other income (loss), net	43	54
Income before income taxes	52	541
Provision for income taxes	(28)	(19)
Net income	$ 24	$ 522
Net income attributable to noncontrolling interests	$ 4	$ —
Net income attributable to Hyatt Hotels Corporation	**$ 20**	**$ 522**
EARNINGS PER CLASS A AND CLASS B SHARE:		
Net income attributable to Hyatt Hotels Corporation—Basic	$ 0.20	$ 5.08
Net income attributable to Hyatt Hotels Corporation—Diluted	$ 0.19	$ 4.93

See accompanying Notes to condensed consolidated financial statements.

HYATT HOTELS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions of dollars)
(Unaudited)

	Three Months Ended	
	March 31, 2025	March 31, 2024
Net income	$ 24	$ 522
Other comprehensive income (loss), net of taxes:		
Foreign currency translation adjustments, net of tax of $(1) and $4 for the three months ended March 31, 2025 and March 31, 2024, respectively	61	(18)
Derivative instrument adjustments, net of tax of $— for both the three months ended March 31, 2025 and March 31, 2024	1	—
Available-for-sale debt securities unrealized fair value adjustments, net of tax of $1 and $1 for the three months ended March 31, 2025 and March 31, 2024, respectively	(4)	(3)
Pension liabilities adjustments, net of tax of $— for both the three months ended March 31, 2025 and March 31, 2024	—	(1)
Other comprehensive income (loss)	58	(22)
Comprehensive income	$ 82	$ 500
Comprehensive income attributable to noncontrolling interests	$ 17	$ —
Comprehensive income attributable to Hyatt Hotels Corporation	$ 65	$ 500

See accompanying Notes to condensed consolidated financial statements.

HYATT HOTELS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions of dollars, except share and per share amounts)
(Unaudited)

	March 31, 2025	December 31, 2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,735	$ 1,011
Restricted cash	1	1
Short-term investments	70	372
Receivables, net of allowances of $64 and $62 at March 31, 2025 and December 31, 2024, respectively	1,239	1,121
Inventories	8	8
Prepaids and other assets	168	174
Prepaid income taxes	62	46
Total current assets	3,283	2,733
Equity method investments	209	189
Property and equipment, net	1,701	1,689
Financing receivables, net of allowances of $42 and $36 at March 31, 2025 and December 31, 2024, respectively	359	368
Operating lease right-of-use assets	330	328
Goodwill	2,462	2,541
Intangibles, net	2,295	2,167
Deferred tax assets	494	466
Other assets	2,869	2,843
TOTAL ASSETS	$ 14,002	$ 13,324
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	$ 406	$ 456
Accounts payable	560	475
Accrued expenses and other current liabilities	629	565
Current contract liabilities	1,565	1,553
Accrued compensation and benefits	151	192
Current operating lease liabilities	34	33
Total current liabilities	3,345	3,274
Long-term debt	3,922	3,326
Long-term contract liabilities	854	843
Long-term operating lease liabilities	245	245
Other long-term liabilities	1,874	1,810
Total liabilities	10,240	9,498
Commitments and contingencies (Note 12)		
EQUITY:		
Preferred stock, $0.01 par value per share, 10,000,000 shares authorized and none outstanding at both March 31, 2025 and December 31, 2024	—	—
Class A common stock, $0.01 par value per share, 1,000,000,000 shares authorized, 41,917,721 issued and outstanding at March 31, 2025, and Class B common stock, $0.01 par value per share, 385,506,990 shares authorized, 53,512,578 shares issued and outstanding at March 31, 2025. Class A common stock, $0.01 par value per share, 1,000,000,000 shares authorized, 42,613,090 issued and outstanding at December 31, 2024, and Class B common stock, $0.01 par value per share, 385,525,991 shares authorized, 53,531,579 shares issued and outstanding at December 31, 2024	1	1
Additional paid-in capital	—	—
Retained earnings	3,684	3,815
Accumulated other comprehensive loss	(224)	(269)
Total stockholders' equity	3,461	3,547
Noncontrolling interests	301	279
Total equity	3,762	3,826
TOTAL LIABILITIES AND EQUITY	$ 14,002	$ 13,324

See accompanying Notes to condensed consolidated financial statements.

HYATT HOTELS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions of dollars)
(Unaudited)

	Three Months Ended	
	March 31, 2025	March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 24	$ 522
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	80	92
Gains on sales of real estate and other	—	(403)
Amortization of share awards	31	31
Amortization of operating lease right-of-use assets	8	10
Deferred income taxes	(24)	(87)
Asset impairments	4	17
Equity (earnings) losses from unconsolidated hospitality ventures	12	(75)
Contra revenue	20	13
Unrealized gains, net	(10)	(13)
Payments for key money assets	(18)	(25)
Deferred revenue related to the loyalty program	90	84
Working capital changes and other	(64)	76
Net cash provided by operating activities	153	242
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of marketable securities and short-term investments	(172)	(310)
Proceeds from marketable securities and short-term investments	481	175
Contributions to equity method and other investments	(46)	(6)
Return of equity method and other investments	8	—
Capital expenditures	(30)	(34)
Proceeds from sales of real estate and other, net of cash disposed (1)	(9)	214
Other investing activities	7	3
Net cash provided by investing activities	239	42
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from debt, net of issuance costs of $9 and $—, respectively	990	—
Repayments and repurchases of debt	(451)	(1)
Repurchases of common stock	(149)	(388)
Dividends paid	(14)	(15)
Payment of withholding taxes for stock-based compensation	(23)	(40)
Other financing activities	(13)	—
Net cash provided by (used in) financing activities	340	(444)
Effect of exchange rate changes on cash	(8)	(2)
Net increase (decrease) in cash, cash equivalents, and restricted cash, including cash, cash equivalents, and restricted cash classified within current assets held for sale	724	(162)
Net increase in cash, cash equivalents, and restricted cash classified within assets held for sale	—	3
Net increase (decrease) in cash, cash equivalents, and restricted cash	724	(159)
Cash, cash equivalents, and restricted cash—Beginning of period	1,015	919
Cash, cash equivalents, and restricted cash—End of period	$ 1,739	$ 760

(1) Represents a $9 million payment for proration adjustments during the three months ended March 31, 2025 related to the sale of Hyatt Regency Orlando and an adjacent undeveloped land parcel. At December 31, 2024, the liability was recorded in accrued expenses and other current liabilities on our condensed consolidated balance sheet.

See accompanying Notes to condensed consolidated financial statements.

HYATT HOTELS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions of dollars)
(Unaudited)

Supplemental disclosure of cash flow information:

	March 31, 2025	March 31, 2024
Cash and cash equivalents	$ 1,735	$ 740
Restricted cash	1	16
Restricted cash included in other assets	3	4
Total cash, cash equivalents, and restricted cash	$ 1,739	$ 760

	Three Months Ended	
	March 31, 2025	March 31, 2024
Cash paid during the period for interest	$ 47	$ 39
Cash paid during the period for income taxes	$ 134	$ 15
Cash paid for amounts included in the measurement of operating lease liabilities	$ 11	$ 12
Non-cash investing and financing activities:		
Non-cash contributions to equity method and other investments (Note 4)	$ —	$ 20
Non-cash issuance of financing receivables (Note 6)	$ —	$ 41

See accompanying Notes to condensed consolidated financial statements.

HYATT HOTELS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY AND NONCONTROLLING INTERESTS
(In millions of dollars, except share and per share amounts)
(Unaudited)

	Stockholders' equity attributable to Hyatt Hotels Corporation								
	Common Shares Outstanding		Common Stock Amount		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
	Class A	Class B	Class A	Class B					
BALANCE—January 1, 2024	44,275,818	58,757,123	$ 1	$ —	$ —	$ 3,738	$ (175)	$ 3	$ 3,567
Net income	—	—	—	—	—	522	—	—	522
Other comprehensive loss	—	—	—	—	—	—	(22)	—	(22)
Repurchases of common stock (1)	(528,427)	(1,987,229)	—	—	(2)	(387)	—	—	(389)
Employee stock plan issuance	13,475	—	—	—	2	—	—	—	2
Share-based payment activity	635,482	—	—	—	—	(5)	—	—	(5)
Cash dividends declared of $0.15 per share (Note 13)	—	—	—	—	—	(15)	—	—	(15)
Class share conversions	766,296	(766,296)	—	—	—	—	—	—	—
BALANCE—March 31, 2024	45,162,644	56,003,598	$ 1	$ —	$ —	$ 3,853	$ (197)	$ 3	$ 3,660
BALANCE—January 1, 2025	42,613,090	53,531,579	$ 1	$ —	$ —	$ 3,815	$ (269)	$ 279	$ 3,826
Net income	—	—	—	—	—	20	—	4	24
Other comprehensive income	—	—	—	—	—	—	45	13	58
Measurement period adjustment for noncontrolling interest (Note 6)	—	—	—	—	—	—	—	5	5
Repurchases of common stock (1)	(1,078,511)	—	—	—	(13)	(137)	—	—	(150)
Employee stock plan issuance	12,982	—	—	—	2	—	—	—	2
Share-based payment activity	351,159	—	—	—	11	—	—	—	11
Cash dividends declared of $0.15 per share (Note 13)	—	—	—	—	—	(14)	—	—	(14)
Class share conversions	19,001	(19,001)	—	—	—	—	—	—	—
BALANCE—March 31, 2025	41,917,721	53,512,578	$ 1	$ —	$ —	$ 3,684	$ (224)	$ 301	$ 3,762

(1) Includes a $1 million liability recorded in accrued expenses and other current liabilities on our condensed consolidated balance sheets at both March 31, 2024 and March 31, 2025 related to the 1% U.S. federal excise tax on certain share repurchases enacted by the Inflation Reduction Act of 2022.

See accompanying Notes to condensed consolidated financial statements.

HYATT HOTELS CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in millions of dollars, unless otherwise indicated)
(Unaudited)

1. ORGANIZATION

Hyatt Hotels Corporation, a Delaware corporation, and its consolidated subsidiaries have offerings that consist of full service hotels and resorts, select service hotels, all-inclusive resorts, and other properties, including timeshare, fractional, and other forms of residential and vacation units. We also offer distribution and destination management services through ALG Vacations and distribution services through Mr & Mrs Smith, a boutique and luxury global travel platform. At March 31, 2025, our hotel portfolio included 1,460 hotels (357,336 rooms) throughout the world, of which 726 hotels (167,036 rooms) are located in the United States, and 148 are all-inclusive resorts (55,422 rooms). At March 31, 2025, our portfolio of properties operated in 79 countries around the world. Additionally, we provide certain reservation and/or loyalty program services to hotels that are unaffiliated with our hotel portfolio and operate under other trade names or marks owned by such hotels or licensed by third parties.

Unless otherwise specified or required by the context, references in this Quarterly Report on Form 10-Q ("Quarterly Report") to "we," "our," "us," "Hyatt," or the "Company" refer to Hyatt Hotels Corporation and its consolidated subsidiaries. As used in this Quarterly Report:

- "hospitality ventures" refer to entities in which we own less than a 100% equity interest;
- "hotel portfolio" refers to our full service hotels, our select service hotels, and our all-inclusive resorts;
- "loyalty program" refers to the World of Hyatt loyalty program that is operated for the benefit of participating properties and generates substantial repeat guest business by rewarding frequent stays with points that can be redeemed for hotel nights and other valuable rewards;
- "properties," "portfolio of properties," or "property portfolio" refer to our hotel portfolio and residential and vacation units that we operate, manage, franchise, own, lease, develop, license, or to which we provide services or license our trademarks, including under the Park Hyatt, Alila, Miraval, Impression by Secrets, The Unbound Collection by Hyatt, Andaz, Thompson Hotels, The Standard, Dream Hotels, The StandardX, Breathless Resorts & Spas, JdV by Hyatt, Bunkhouse Hotels, Me and All Hotels, Zoëtry Wellness & Spa Resorts, Hyatt Ziva, Hyatt Zilara, Secrets Resorts & Spas, Dreams Resorts & Spas, Hyatt Vivid Hotels & Resorts, Sunscape Resorts & Spas, Alua Hotels & Resorts, Bahia Principe Hotels & Resorts, Grand Hyatt, Hyatt Regency, Destination by Hyatt, Hyatt Centric, Hyatt Vacation Club, Hyatt, Caption by Hyatt, Hyatt Place, Hyatt House, Hyatt Studios, Hyatt Select, and UrCove brands;
- "residential units" refer to residential units that we manage, own, or to which we provide services or license our trademarks (such as serviced apartments and Hyatt-branded residential units) that are typically part of a mixed-use project and located either adjacent to or near a full service hotel that is a member of our portfolio of properties or in unique leisure locations; and
- "vacation units" refer to the fractional and timeshare vacation properties we license our trademarks to and that are part of the Hyatt Vacation Club.

The unaudited condensed consolidated financial statements and accompanying footnotes (the "Notes") have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information, the instructions to Form 10-Q, and Article 10 of Regulation S-X. Accordingly, they do not include all information or footnotes required by GAAP for complete annual financial statements. As a result, this Quarterly Report should be read in conjunction with the consolidated financial statements and accompanying footnotes in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (the "2024 Form 10-K").

We have eliminated all intercompany accounts and transactions in our condensed consolidated financial statements. We consolidate entities under our control, including entities where we are deemed to be the primary beneficiary.

Management believes the accompanying condensed consolidated financial statements reflect all adjustments, which are all of a normal recurring nature, considered necessary for a fair presentation of the interim periods.

Transaction and Integration Costs—During the year ended December 31, 2024, we presented a new financial statement line item to provide enhanced visibility on our condensed consolidated statements of income and reclassified prior-period results for comparability. Transaction and integration costs include the following:

- integration costs, which were recognized in integration costs during the three months ended March 31, 2024 and primarily include expenses incurred related to the integration of recently acquired businesses, including certain compensation expenses, professional fees, sales and marketing expenses, and technology expenses;
- transaction costs for potential transactions, primarily related to professional fees incurred for acquisitions and dispositions, which were recognized in general and administrative expenses during the three months ended March 31, 2024; and
- transaction costs for transactions completed during the period, primarily related to professional fees incurred for acquisitions, which were recognized in other income (loss), net during the three months ended March 31, 2024. Transaction costs incurred during the period of a completed disposition continue to be recognized in gains on sales of real estate and other.

2. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Future Adoption of Accounting Standards

Disclosure Improvements—In October 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2023-06 ("ASU 2023-06"), *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*. ASU 2023-06 modifies the disclosure and presentation requirements for certain FASB Accounting Standards Codification topics to align with Securities and Exchange Commission ("SEC") regulations. The effective date for each amendment will be the date on which the SEC's removal of that related disclosure from its regulations becomes effective, if the SEC removes the disclosure by June 30, 2027. The provisions of ASU 2023-06 are to be applied prospectively, with early adoption prohibited. We do not expect the adoption of ASU 2023-06 to have a material impact on our condensed consolidated financial statements and accompanying Notes.

Income Taxes—In December 2023, the FASB issued Accounting Standards Update No. 2023-09 ("ASU 2023-09"), *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. ASU 2023-09 requires enhanced annual income tax disclosures including (1) disaggregation of effective tax rate reconciliation categories, (2) additional information for reconciling items that meet a quantitative threshold, and (3) income taxes paid by jurisdiction. The provisions of ASU 2023-09 are effective for fiscal years beginning after December 15, 2024, with early adoption permitted, and may be applied either prospectively or retrospectively for all prior periods presented. We are currently assessing the impact of adopting ASU 2023-09.

Expense Disaggregation Disclosures—In November 2024, the FASB issued Accounting Standards Update No. 2024-03 ("ASU 2024-03"), *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses.* ASU 2024-03 requires disclosure of disaggregated information about certain costs and expenses presented on the consolidated statements of income, including purchases of inventory, employee compensation, depreciation, and intangible asset amortization. The provisions of ASU 2024-03 are effective for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted, as clarified by Accounting Standards Update No. 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*, and may be applied either prospectively or retrospectively for any or all prior periods presented. We are currently assessing the impact of adopting ASU 2024-03.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregated Revenues

See Note 16 for our revenues disaggregated by the nature of the product or service.

Contract Balances

Contract assets, included in receivables, net on our condensed consolidated balance sheets, were $4 million and insignificant at March 31, 2025 and December 31, 2024, respectively. As our profitability hurdles are generally calculated on a full-year basis, we expect our contract assets to be insignificant at year end.

Contract liabilities were comprised of the following:

	March 31, 2025	December 31, 2024
Deferred revenue related to the loyalty program	$ 1,423	$ 1,333
Deferred revenue related to distribution and destination management services	649	705
Deferred revenue related to insurance programs	78	112
Deferred revenue related to co-branded credit card programs	75	66
Advanced deposits	65	53
Initial fees received from franchise owners	47	47
Other deferred revenue	82	80
Total contract liabilities	$ 2,419	$ 2,396

Revenue recognized during the three months ended March 31, 2025 and March 31, 2024 included in the contract liabilities balance at the beginning of each year was $661 million and $623 million, respectively. This revenue primarily relates to distribution and destination management services and the loyalty program.

Revenue Allocated to Remaining Performance Obligations

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized, which includes deferred revenue and amounts that will be invoiced and recognized as revenue in future periods. Contracted revenue expected to be recognized in future periods was approximately $125 million at March 31, 2025, approximately 10% of which we expect to recognize over the next 12 months, with the remainder to be recognized thereafter.

4. DEBT AND EQUITY SECURITIES

We invest in debt and equity securities that we believe are strategically and operationally important to our business. These investments take the form of (i) investments in variable interest entities, (ii) equity method investments where we have the ability to significantly influence the operations of the entity, (iii) marketable securities held to fund operating programs and for investment purposes, and (iv) other types of investments.

Variable Interest Entities

Bahia Principe—During the year ended December 31, 2024, we entered into a shareholders' agreement with an unrelated third-party and acquired 50% of the outstanding shares of Management Hotelero Piñero, S.L. (the "Bahia Principe Transaction"). The joint venture, which is a variable interest entity ("VIE"), owns the Bahia Principe brand and manages Bahia Principe Hotels & Resorts-branded properties (see Note 6). Through our variable interest, we have the power to direct the activities that most significantly affect the economic performance of the VIE and have the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE and therefore, we are the primary beneficiary. We consolidate the operating results and financial position of this VIE in our condensed consolidated financial statements within our management and franchising segment.

The following table summarizes the VIE's assets and liabilities, including the effect of foreign currency translation, recorded on our condensed consolidated balance sheets at March 31, 2025 and December 31, 2024. The assets may only be used to settle obligations of the consolidated VIE, if any. In addition, there is no recourse to us for the consolidated VIE's liabilities.

	March 31, 2025	December 31, 2024
Cash and cash equivalents	$ 1	$ 2
Receivables	30	15
Total current assets	31	17
Operating lease right-of-use assets	1	1
Goodwill	163	147
Intangibles, net	534	515
Other assets	53	50
Total assets	$ 782	$ 730
Accounts payable	$ 16	$ 15
Accrued expenses and other current liabilities	1	1
Total current liabilities	17	16
Long-term operating lease liabilities	1	1
Other long-term liabilities	169	161
Total liabilities	$ 187	$ 178

The joint venture increases our all-inclusive portfolio and provides guests and loyalty program members more opportunities to experience all-inclusive travel. In conjunction with the transaction, we entered into various agreements with the joint venture and its related parties to provide certain commercial and management support services to the joint venture and to support the growth of the Bahia Principe brand and the operation of the Bahia Principe Hotels & Resorts-branded properties.

UVC Transaction—During the three months ended March 31, 2024, we completed a restructuring of the entity that owns the Unlimited Vacation Club paid membership program business and sold 80% of the entity to an unrelated third party for $80 million (the "UVC Transaction"). As a result of the transaction, we deconsolidated the entity as we no longer have a controlling financial interest, and we account for our remaining 20% ownership interest as an equity method investment in an unconsolidated hospitality venture. We received $41 million of proceeds, net of $39 million of cash disposed; recorded a $20 million equity method investment representing the fair value of our retained investment in the entity; and recorded $86 million of guarantee liabilities as described below. The transaction was accounted for as a business disposition and resulted in a $231 million pre-tax gain, which was recognized in gains on sales of real estate and other on our condensed consolidated statements of income during the three months ended March 31, 2024. We continue to manage the Unlimited Vacation Club business under a long-term management agreement and license and royalty agreement. The operating results of the Unlimited Vacation Club business prior to the UVC Transaction are reported within our distribution segment.

The fair value of our retained investment in the entity was determined using a Black-Scholes-Merton option-pricing model of our common shares in the entity. The valuation methodology includes assumptions and judgments regarding volatility and discount rates, which are primarily Level Three assumptions.

In conjunction with the transaction, we agreed to guarantee up to $70 million of our hospitality venture partner's investment upon the occurrence of certain events, and we recorded a $25 million guarantee liability at fair value in other long-term liabilities on our condensed consolidated balance sheet. The fair value was estimated using the with and without method, which includes projected cash flows based on contract terms. The valuation methodology includes assumptions and judgments regarding discount rates and length of time, which are primarily Level Three assumptions.

Additionally, we agreed to indemnify the unconsolidated hospitality venture, the primary obligor to the foreign taxing authorities, for obligations the entity may incur as a result of uncertain tax positions. Following the transaction, we accounted for the indemnification as a guarantee. We derecognized the long-term income taxes payable related to the uncertain tax positions and recorded a $61 million guarantee liability at fair value in other long-term liabilities on our condensed consolidated balance sheet. The fair value of the indemnification was estimated using a probability-based weighting approach to determine the likelihood of payment of the tax liability, penalties, and interest related to the 2013 through 2018 tax years. The valuation methodology includes assumptions and judgments regarding probability weighting, discount rates, and expected timing of cash flows, which are primarily Level Three assumptions. At March 31, 2025, the indemnification for open tax years had a maximum exposure of $76 million.

The entity that owns the Unlimited Vacation Club business is classified as a VIE in which we hold a variable interest but are not the primary beneficiary, and we account for our common ownership interest as an equity method investment. At March 31, 2025 and December 31, 2024, we had $70 million and $68 million, respectively, recorded in other long-term liabilities (see Note 10) on our condensed consolidated balance sheets related to our guaranteed obligations of this unconsolidated VIE. At March 31, 2025 and December 31, 2024, our maximum exposure to loss was $146 million and $142 million, respectively, which includes the maximum exposure under the guarantee and indemnification (see Note 12).

Equity Method Investments

Equity method investments were $209 million and $189 million at March 31, 2025 and December 31, 2024, respectively.

Juniper Hotels Limited—On February 28, 2024, Juniper Hotels Limited completed its initial public offering ("IPO") and issued 50,000,000 equity shares on the BSE Limited and National Stock Exchange of India Limited stock exchanges. Both prior and subsequent to the IPO, we hold 86,251,192 equity shares in the entity. At March 31, 2025, the aggregate value of our equity shares was $253 million based on the price per share of the principal market.

As a result of the IPO, our ownership interest in the unconsolidated hospitality venture was diluted from 50.0% to 38.8%. As we maintain the ability to significantly influence the operations of the entity, we recorded an increase to our equity method investment and recognized a $79 million non-cash pre-tax dilution gain in equity earnings (losses) from unconsolidated hospitality ventures on our condensed consolidated statements of income during the three months ended March 31, 2024.

Marketable Securities

We hold marketable securities with readily determinable fair values to fund certain operating programs and for investment purposes. We periodically transfer available cash and cash equivalents to purchase marketable securities for investment purposes.

Marketable Securities Held to Fund Operating Programs—Marketable securities held to fund operating programs, which are recorded at fair value on our condensed consolidated balance sheets, were as follows:

	March 31, 2025	December 31, 2024
Loyalty program (Note 8)	$ 669	$ 642
Deferred compensation plans held in rabbi trusts (Note 8 and Note 10)	523	548
Captive insurance company (Note 8)	162	86
Total marketable securities held to fund operating programs	$ 1,354	$ 1,276
Less: current portion of marketable securities held to fund operating programs included in cash and cash equivalents and short-term investments	(147)	(55)
Marketable securities held to fund operating programs included in other assets	$ 1,207	$ 1,221

At March 31, 2025 and December 31, 2024, marketable securities held to fund operating programs included:

- $555 million and $473 million, respectively, of available-for-sale ("AFS") debt securities with contractual maturity dates ranging from 2025 through 2069. The amortized cost of our AFS debt securities approximates fair value;
- $25 million, in both periods, of time deposits classified as held-to-maturity ("HTM") debt securities with a contractual maturity date in 2025. The amortized cost of our time deposits approximates fair value;
- $17 million, in both periods, of equity securities with a readily determinable fair value.

Net unrealized and realized gains (losses) from marketable securities held to fund operating programs recognized on our condensed consolidated financial statements were as follows:

	Three Months Ended March 31,	
	2025	2024
Unrealized gains (losses), net		
Net gains (losses) and interest income from marketable securities held to fund rabbi trusts (1)	$ (14)	$ 22
Revenues for reimbursed costs (2)	(7)	11
Other income (loss), net (Note 18)	2	—
Other comprehensive income (loss) (Note 13)	7	(4)
Realized gains, net		
Net gains (losses) and interest income from marketable securities held to fund rabbi trusts (1)	$ 2	$ 2
Revenues for reimbursed costs (2)	1	1

(1) Unrealized and realized gains and losses recognized in net gains (losses) and interest income from marketable securities held to fund rabbi trusts are offset by amounts recognized in general and administrative expenses and owned and leased expenses with no impact on net income.

(2) Unrealized and realized gains and losses recognized in revenues for reimbursed costs related to investments held to fund rabbi trusts are offset by amounts recognized in reimbursed costs with no impact on net income.

Marketable Securities Held for Investment Purposes—Marketable securities held for investment purposes, which are recorded at cost or fair value, depending on the nature of the investment, on our condensed consolidated balance sheets, were as follows:

	March 31, 2025	December 31, 2024
Interest-bearing money market funds	$ 447	$ 600
Common shares in Playa Hotels (Note 8)	162	154
Time deposits (1)	617	379
Total marketable securities held for investment purposes	$ 1,226	$ 1,133
Less: current portion of marketable securities held for investment purposes included in cash and cash equivalents and short-term investments	(1,058)	(975)
Marketable securities held for investment purposes included in other assets	$ 168	$ 158

(1) Time deposits have contractual maturities on various dates through 2027. The amortized cost of our time deposits approximates fair value.

We hold common shares in Playa Hotels & Resorts N.V. ("Playa Hotels"), which are accounted for as an equity security with a readily determinable fair value as we do not have the ability to significantly influence the operations of the entity. We did not sell any of these common shares during the three months ended March 31, 2025 or March 31, 2024. Net unrealized gains recognized on our condensed consolidated statements of income were as follows:

	Three Months Ended March 31,	
	2025	2024
Other income (loss), net (Note 18)	$ 8	$ 13

Fair Value—We measure marketable securities at fair value on a recurring basis:

March 31, 2025		Cash and cash equivalents		Short-term investments		Other assets	
Level One—Quoted Prices in Active Markets for Identical Assets							
Interest-bearing money market funds	$	525	$	525	$	—	$ —
Mutual funds and exchange-traded funds		529		—		—	529
Common shares		173		—		—	173
Level Two—Significant Other Observable Inputs							
Time deposits		642		605		6	31
U.S. government obligations		314		5		22	287
U.S. government agencies		20		—		—	20
Corporate debt securities		307		—		42	265
Mortgage-backed securities		28		—		—	28
Asset-backed securities		38		—		—	38
Municipal and provincial notes and bonds		4		—		—	4
Total	$	2,580	$	1,135	$	70	$ 1,375

December 31, 2024		Cash and cash equivalents		Short-term investments		Other assets	
Level One—Quoted Prices in Active Markets for Identical Assets							
Interest-bearing money market funds	$	638	$	638	$	—	$ —
Mutual funds and exchange-traded funds		555		—		—	555
Common shares		164		—		—	164
Level Two—Significant Other Observable Inputs							
Time deposits		404		20		355	29
U.S. government obligations		307		—		5	302
U.S. government agencies		21		—		—	21
Corporate debt securities		249		—		12	237
Mortgage-backed securities		29		—		—	29
Asset-backed securities		38		—		—	38
Municipal and provincial notes and bonds		4		—		—	4
Total	$	2,409	$	658	$	372	$ 1,379

During the three months ended March 31, 2025 and March 31, 2024, there were no transfers between levels of the fair value hierarchy. We do not have nonfinancial assets or nonfinancial liabilities required to be measured at fair value on a recurring basis.

Other Investments

HTM Debt Securities—We hold investments in third-party entities associated with certain of our hotels. The investments are redeemable on various dates through 2062 and recorded as HTM debt securities within other assets on our condensed consolidated balance sheets:

	March 31, 2025	December 31, 2024
HTM debt securities (1)	$ 296	$ 276
Less: allowance for credit losses	(9)	(9)
Total HTM debt securities, net of allowances	$ 287	$ 267

(1) Includes a $194 million preferred equity investment in a third-party entity that owns a managed hotel. The investment was net of $34 million and $35 million of unamortized discounts at March 31, 2025 and December 31, 2024, respectively. Accretion of the discount is recognized as interest income in other income (loss), net on our condensed consolidated statements of income (see Note 18) and is based on an imputed interest rate of approximately 8.9%.

The following table summarizes the activity in our HTM debt securities allowance for credit losses:

	2025	2024
Allowance at January 1	$ 9	$ 13
Provisions, net (1)	—	—
Allowance at March 31	$ 9	$ 13

(1) Provisions for credit losses were partially or fully offset by interest income recognized in the same periods (see Note 18).

We estimated the fair value of these HTM debt securities to be approximately $287 million and $270 million at March 31, 2025 and December 31, 2024, respectively. The fair values of our preferred equity investments, which are classified as Level Three in the fair value hierarchy, are estimated using probability-based discounted future cash flow models based on current market inputs for similar types of arrangements. The primary sensitivity in these models is the selection of appropriate discount rates and probability weighting. Fluctuations in these assumptions could result in different estimates of fair value. The remaining HTM debt securities are classified as Level Two in the fair value hierarchy due to the use and weighting of multiple market inputs being considered in the final price of the security.

Convertible Debt Security—We hold a convertible debt investment associated with one of our franchised properties. Our investment is classified as AFS and remeasured at fair value on a recurring basis. The fair value of our investment, which is classified as Level Three in the fair value hierarchy, was estimated using a discounted future cash flow model. The model includes assumptions and judgments regarding projected future cash flows and discount rate, and fluctuations in our assumptions could result in different estimates of fair value.

The convertible debt security has a contractual maturity date in 2029 and is recorded within other assets on our condensed consolidated balance sheets.

	March 31, 2025				
	Amortized cost	Allowance for credit losses (1)	Gross unrealized gains	Gross unrealized losses	Fair value
AFS debt security	$ 30	$ (5)	$ 12	$ (12)	$ 25

(1) During the three months ended March 31, 2025, we recognized a $5 million credit loss provision in other income (loss), net on our condensed consolidated statements of income (see Note 18).

	December 31, 2024				
	Amortized cost	Allowance for credit losses	Gross unrealized gains	Gross unrealized losses	Fair value
AFS debt security	$ 30	$ —	$ 12	$ —	$ 42

Net unrealized gains (losses) recognized on our condensed consolidated financial statements were as follows:

	Three Months Ended March 31,	
	2025	2024
Other comprehensive income (loss) (Note 13)	$ (12)	$ —

Equity Securities Without a Readily Determinable Fair Value—At March 31, 2025 and December 31, 2024, we held $11 million and $12 million, respectively, of investments in equity securities without a readily determinable fair value, which are recorded within other assets on our condensed consolidated balance sheets and represent investments in entities where we do not have the ability to significantly influence the operations of the entity.

5. RECEIVABLES

Receivables

At March 31, 2025 and December 31, 2024, we had $1,239 million and $1,121 million, respectively, of net receivables recorded on our condensed consolidated balance sheets.

The following table summarizes the activity in our receivables allowance for credit losses:

	2025	2024
Allowance at January 1	$ 62	$ 50
Provisions (reversals), net	4	3
Write-offs	(2)	(2)
Allowance at March 31	$ 64	$ 51

Financing Receivables

	March 31, 2025	December 31, 2024
Secured financing to hotel owners	$ 151	$ 150
Unsecured financing to hotel owners and unconsolidated hospitality ventures (1)	310	295
Total financing receivables	$ 461	$ 445
Less: current portion of financing receivables included in receivables, net	(60)	(41)
Less: allowance for credit losses (2)	(42)	(36)
Total long-term financing receivables, net of allowances	$ 359	$ 368

(1) Includes a $36 million and $35 million loan, net of $14 million and $15 million of unamortized discounts at March 31, 2025 and December 31, 2024, respectively, related to seller financing issued in conjunction with the sale of an undeveloped land parcel. Accretion of the discount is recognized as interest income in other income (loss), net on our condensed consolidated statements of income (see Note 18) and is based on an imputed interest rate of approximately 9.5%.

(2) At both March 31, 2025 and December 31, 2024, there was no allowance for credit losses recorded for secured financing to hotel owners.

Allowance for Credit Losses—The following table summarizes the activity in our unsecured financing receivables allowance for credit losses:

	2025	2024
Allowance at January 1	$ 36	$ 42
Provisions (reversals), net	6	(1)
Foreign currency exchange, net	—	(1)
Allowance at March 31	$ 42	$ 40

Credit Monitoring—Our unsecured financing receivables were as follows:

	March 31, 2025			
	Gross loan balance (principal and interest)	Related allowance	Net financing receivables	Gross receivables on nonaccrual status
Loans	$ 256	$ (38)	$ 218	$ 20
Other financing arrangements	54	(4)	50	—
Total unsecured financing receivables	$ 310	$ (42)	$ 268	$ 20

	December 31, 2024			
	Gross loan balance (principal and interest)	Related allowance	Net financing receivables	Gross receivables on nonaccrual status
Loans	$ 259	$ (33)	$ 226	$ 20
Other financing arrangements	36	(3)	33	—
Total unsecured financing receivables	$ 295	$ (36)	$ 259	$ 20

Fair Value—We estimated the fair value of financing receivables to be approximately $441 million and $440 million at March 31, 2025 and December 31, 2024, respectively. The fair values, which are classified as Level Three in the fair value hierarchy, are estimated using discounted future cash flow models. The principal inputs used are projected future cash flows and the discount rate, which is generally the effective interest rate of the loan.

6. ACQUISITIONS AND DISPOSITIONS

Acquisitions

Bahia Principe—During the year ended December 31, 2024, we completed the Bahia Principe Transaction (see Note 4) for €419 million of base consideration, including €60 million of deferred consideration payable at future dates. The consideration was subject to customary adjustments related to working capital, cash, and indebtedness, and we may pay additional variable contingent consideration through 2034 primarily related to the achievement of certain milestones for the development of additional hotels to be managed by the joint venture. The contingent consideration is payable at each hotel opening and is based on a multiple of stabilized base and incentive management fee revenues, and therefore, we are unable to reasonably estimate our maximum potential future consideration.

We closed on the transaction on December 27, 2024, paid cash of €359 million (approximately $374 million), and accounted for the transaction as a business combination as we are the primary beneficiary of the VIE (see Note 4). Upon acquisition, we recorded a $58 million deferred consideration liability at fair value, of which $20 million was recorded in accrued expenses and other current liabilities and $38 million was recorded in other long-term liabilities on our condensed consolidated balance sheet. The fair value was estimated using a discounted future cash flow model and includes assumptions and judgments regarding the discount rate, which is primarily a Level Three assumption. We also recorded a $33 million contingent consideration liability at fair value in other long-term liabilities on our condensed consolidated balance sheet. The fair value was estimated using a discounted future cash flow model and includes assumptions and judgments regarding the discount rate, estimated probability of achieving the hotel development milestones, and expected amount and timing of payments, which are primarily Level Three assumptions. Total purchase consideration was determined as follows:

Cash paid, net of cash acquired	$	372
Cash acquired		2
Fair value of deferred consideration		58
Fair value of contingent consideration		33
Total purchase consideration	$	465

The acquisition includes management and hotel services agreements for operating hotels and the Bahia Principe trade name. In addition, the acquisition contemplates the future management of undeveloped Bahia Principe Hotels & Resorts-branded properties. Following the acquisition date, fee revenues and operating expenses of Bahia Principe were recognized on our condensed consolidated statements of income.

Our condensed consolidated balance sheets at both March 31, 2025 and December 31, 2024 reflect preliminary estimates of the fair value of the assets acquired, liabilities assumed, and the noncontrolling interest in the entity based on available information as of the acquisition date. The fair values of intangible assets acquired were estimated using either discounted future cash flow models or the relief from royalty method, both of which include revenue projections based on the expected contract terms and long-term growth rates, which are primarily Level Three assumptions. The fair value of the noncontrolling interest related to the equity interests in the VIE held by our venture partner was estimated based on 50% of the enterprise value of the entity. The remaining assets and liabilities were recorded at their carrying values, which approximate their fair values.

During the three months ended March 31, 2025, the fair values of certain assets acquired and liabilities assumed as well as the noncontrolling interest in the entity were revised. The measurement period adjustments primarily resulted from further evaluation of the contracts entered into upon acquisition and included the recognition of additional intangibles that were separately identifiable from goodwill as well as the related tax impacts that existed at the acquisition date. Measurement period adjustments recorded on our condensed consolidated balance sheet at March 31, 2025 include a $183 million increase in intangibles, net, a $47 million increase in other long-term liabilities, and a $5 million increase in the noncontrolling interest, all of which resulted in a corresponding $131 million decrease in goodwill. During the three months ended March 31, 2025, we recognized an insignificant amount of amortization expense on our condensed consolidated statements of income that would have been recognized during the year ended December 31, 2024, if the measurement period adjustments would have been made as of the acquisition date.

We will continue to evaluate the contracts acquired and the underlying inputs and assumptions used in our valuation of assets acquired, liabilities assumed, and the noncontrolling interest in the entity. Accordingly, these

estimates, along with any related tax impacts, are subject to change during the measurement period, which is up to one year from the date of acquisition.

The following table summarizes the preliminary fair value of the acquired VIE (see Note 4) and other separately identifiable net assets acquired at the acquisition date:

Cash and cash equivalents	$	2
Receivables (1)		15
Operating lease right-of-use assets		1
Goodwill (2)		205
Indefinite-lived intangibles (3)		84
Management and hotel services agreement intangibles (4)		616
Other assets (5)		50
Total assets acquired	$	973
Accounts payable (1)	$	15
Accrued expenses and other current liabilities		1
Long-term operating lease liabilities		1
Other long-term liabilities (5)		209
Total liabilities assumed	$	226
Noncontrolling interest	$	282
Total net assets acquired attributable to Hyatt Hotels Corporation	$	465

(1) Relates to value added taxes. We recorded an offsetting payable as amounts to be received are due to a third-party.
(2) The goodwill is attributable to the growth opportunities we expect to realize by expanding our all-inclusive resort offerings. Goodwill is not tax deductible. At March 31, 2025, we have not completed the assignment of goodwill to reporting units.
(3) Relates to the Bahia Principe brand name.
(4) Amortized over useful lives of approximately 25 to 31 years, with a weighted-average useful life of approximately 28 years.
(5) Represents an indemnification asset that we expect to collect under contractual agreements for $50 million of pre-acquisition tax liabilities, which were recorded in other long-term liabilities, related to certain foreign filing positions, including interest (see Note 8 and Note 10).

Standard International—During the year ended December 31, 2024, we acquired 100% of the issued and outstanding equity interests of certain entities collectively doing business as Standard International for $150 million of base consideration, subject to customary adjustments related to working capital, cash, and indebtedness, and up to an additional $185 million of contingent consideration to be paid upon the achievement of certain milestones related to the development of additional hotels and/or potential new hotels identified by the sellers through 2028.

We closed on the transaction on October 1, 2024 and paid $151 million of cash. Upon acquisition, we recorded a $108 million contingent consideration liability at fair value in other long-term liabilities on our condensed consolidated balance sheet. The fair value was estimated using a Monte Carlo simulation to model the likelihood of achieving the agreed-upon milestones based on available information as of the acquisition date. The valuation methodology includes assumptions and judgments regarding the discount rate, estimated probability of achieving the milestones, and expected timing of payments, which are primarily Level Three assumptions. Total purchase consideration was determined as follows:

Cash paid, net of cash acquired	$	148
Cash acquired		3
Fair value of contingent consideration		108
Total purchase consideration	$	259

The acquisition includes management, franchise, and license agreements for both operating and additional hotels that are expected to open in the future and the affiliated trade names. Following the acquisition date, fee revenues and operating expenses of Standard International were recognized on our condensed consolidated statements of income.

Our condensed consolidated balance sheets at both March 31, 2025 and December 31, 2024 reflect preliminary estimates of the fair value of the assets acquired and liabilities assumed based on available information

as of the acquisition date. The fair values of intangible assets acquired were estimated using either discounted future cash flow models or the relief from royalty method, both of which include revenue projections based on the expected contract terms and long-term growth rates, which are primarily Level Three assumptions. The fair values of performance guarantee liabilities assumed were estimated using Monte Carlo simulations to model the probability of possible outcomes (see Note 12). The valuation methodology includes assumptions and judgments regarding discount rates, volatility, and hotel operating results, which are primarily Level Three assumptions. The remaining assets and liabilities were recorded at their carrying values, which approximate their fair values.

During the three months ended March 31, 2025, the fair values of certain assets acquired and liabilities assumed were revised. The measurement period adjustments primarily resulted from the refinement of certain assumptions, including contract terms, renewal periods, and useful lives, which affected the underlying cash flows in the valuation, and were based on facts and circumstances that existed at the acquisition date. Measurement period adjustments recorded on our condensed consolidated balance sheet at March 31, 2025 include a $41 million decrease in intangibles, net with a corresponding increase in goodwill. During the three months ended March 31, 2025, we recognized an insignificant reduction of amortization expense on our condensed consolidated statements of income for the amount that would have not been recognized during the year ended December 31, 2024, if the measurement period adjustments would have been made as of the acquisition date.

We will continue to evaluate the contracts acquired and the underlying inputs and assumptions used in our valuation of assets acquired and liabilities assumed. Accordingly, these estimates, along with any related tax impacts, are subject to change during the measurement period, which is up to one year from the date of acquisition.

The following table summarizes the preliminary fair value of the identifiable net assets acquired at the acquisition date:

Cash and cash equivalents	$	3
Receivables		4
Operating lease right-of-use assets		6
Goodwill (1)		127
Indefinite-lived intangibles (2)		88
Management and franchise agreement intangibles (3)		51
Total assets acquired	$	279
Accounts payable	$	1
Accrued expenses and other current liabilities		1
Accrued compensation and benefits		3
Current operating lease liabilities		1
Long-term operating lease liabilities		5
Other long-term liabilities		9
Total liabilities assumed	$	20
Total net assets acquired attributable to Hyatt Hotels Corporation	$	259

(1) The goodwill, which is primarily tax deductible and recorded on the management and franchising segment, is attributable to the growth opportunities we expect to realize by enhancing our lifestyle portfolio and offering immersive brand experiences.
(2) Relates to The Standard, Bunkhouse Hotels, and The Manner brand names.
(3) Amortized over useful lives of approximately 5 to 25 years, with a weighted-average useful life of approximately 18 years.

Planned Acquisition

Playa Hotels—On February 9, 2025, we agreed to acquire all of the outstanding shares of Playa Hotels, a leading owner, operator, and developer of all-inclusive resorts in prime beachfront locations in popular vacation destinations. Pursuant to the purchase agreement, Hyatt has commenced a tender offer to purchase all of the issued and outstanding ordinary shares at a cash price of $13.50 per share, for an enterprise value of approximately $2,600 million, including approximately $900 million of debt, net of cash acquired (the "Playa Hotels Acquisition"). We are currently the beneficial owner of 9.4% of Playa Hotels' outstanding shares (see Note 4). We intend to finance the acquisition using net proceeds from the 2028 Notes and 2032 Notes (see Note 9) and from a $1,700 million delayed draw term loan facility provided by a credit agreement with a syndicate of lenders that we entered into on April 11, 2025.

Dispositions

Hyatt Regency Aruba Resort Spa and Casino—During the three months ended March 31, 2024, we sold the shares of the entities that own Hyatt Regency Aruba Resort Spa and Casino to an unrelated third party and accounted for the transaction as an asset disposition. We received $173 million of proceeds, net of cash disposed, closing costs, and proration adjustments, and issued a $41 million unsecured financing receivable with an initial maturity date of five years (see Note 5). Upon sale, we entered into a long-term management agreement for the property. The sale resulted in a $172 million pre-tax gain, which was recognized in gains on sales of real estate and other on our condensed consolidated statements of income during the three months ended March 31, 2024. In connection with the disposition, we recognized a $15 million goodwill impairment charge in asset impairments on our condensed consolidated statements of income during the three months ended March 31, 2024. The assets disposed represented the entirety of the reporting unit and therefore, no business operations remained to support the related goodwill, which was therefore impaired. The operating results and financial position of this hotel prior to the sale remain within our owned and leased segment.

7. INTANGIBLES, NET

		March 31, 2025		
	Weighted-average useful lives in years	Gross carrying value	Accumulated amortization	Net carrying value
Management and hotel services agreement and franchise agreement intangibles	21	$ 1,536	$ (313)	$ 1,223
Brand and other indefinite-lived intangibles	—	803	—	803
Customer relationships intangibles	10	410	(165)	245
Other intangibles	10	35	(11)	24
Total		$ 2,784	$ (489)	$ 2,295

	December 31, 2024		
	Gross carrying value	Accumulated amortization	Net carrying value
Management and hotel services agreement and franchise agreement intangibles	$ 1,368	$ (290)	$ 1,078
Brand and other indefinite-lived intangibles	806	—	806
Customer relationships intangibles	410	(153)	257
Other intangibles	35	(9)	26
Total	$ 2,619	$ (452)	$ 2,167

	Three Months Ended March 31,	
	2025	2024
Amortization expense	$ 36	$ 36

8. OTHER ASSETS

	March 31, 2025	December 31, 2024
Key money assets	$ 1,013	$ 994
Marketable securities held to fund the loyalty program (Note 4)	604	608
Marketable securities held to fund rabbi trusts (Note 4)	523	548
Long-term investments (Note 4)	329	325
Common shares in Playa Hotels (Note 4)	162	154
Marketable securities held for captive insurance company (Note 4)	80	65
Indemnification asset (Note 6)	53	50
Other	105	99
Total other assets	$ 2,869	$ 2,843

9. DEBT

At March 31, 2025 and December 31, 2024, we had $4,328 million and $3,782 million, respectively, of total debt, which included $406 million and $456 million, respectively, recorded in current maturities of long-term debt on our condensed consolidated balance sheets.

Senior Notes Issuances—During the three months ended March 31, 2025, we issued $500 million of 5.050% senior notes due 2028 at an issue price of 99.905% (the "2028 Notes") and $500 million of 5.750% senior notes due 2032 at an issue price of 99.936% (the "2032 Notes"). We received approximately $990 million of net proceeds from the sale, after deducting $10 million of underwriting discounts and other offering expenses. We temporarily invested the net proceeds from the issuance in marketable securities (see Note 4), and we intend to use the net proceeds to fund a portion of the purchase price for the Playa Hotels Acquisition (see Note 6). Interest is payable semi-annually on March 30 and September 30 of each year, beginning on September 30, 2025.

Senior Notes Repayment—During the three months ended March 31, 2025, we repaid the outstanding $450 million of 5.375% senior notes due 2025 (the "2025 Notes") at maturity for approximately $460 million, inclusive of $10 million of accrued interest.

Variable Rate Mortgage Loan—During the year ended December 31, 2024, we assumed a €50 million secured mortgage loan through a facility agreement with Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA") in conjunction with the acquisition of three Alua hotels. The variable rate loan, which had approximately $54 million and $52 million outstanding at March 31, 2025 and December 31, 2024, respectively, matures in 2031. Additionally, we assumed €38 million of interest rate swaps with BBVA that expire in 2029 and reduce our exposure to fluctuations in the Euro Interbank Offered Rate. The interest rate swaps are remeasured at fair value on a recurring basis and are classified as Level Two in the fair value hierarchy. The fair values of the interest rate swaps are estimated using an income approach based on the terms of the interest rate swap contracts and inputs corroborated by observable market data including interest rates and yield curves. At both March 31, 2025 and December 31, 2024, the fair values of the interest rate swaps were insignificant.

Variable Rate Term Loan—During the year ended December 31, 2024, we entered into a credit agreement with Bank of America to correspond with the total amount of the secured financing receivable we issued to the buyer in conjunction with the sale of Park Hyatt Zurich for a CHF 41 million variable rate term loan, which matures in 2029. At March 31, 2025 and December 31, 2024, we had approximately $46 million and $45 million, respectively, outstanding.

Revolving Credit Facility—During both the three months ended March 31, 2025 and March 31, 2024, we had no borrowings or repayments on our revolving credit facility. At both March 31, 2025 and December 31, 2024, we had no balance outstanding. At March 31, 2025, we had $1,497 million of borrowing capacity available under our revolving credit facility, net of letters of credit outstanding.

Fair Value—We estimated the fair value of debt, which consists of the senior unsecured notes below (collectively, the "Senior Notes") and other long-term debt, excluding finance leases.

- $400 million of 4.850% senior notes due 2026
- $600 million of 5.750% senior notes due 2027
- $400 million of 4.375% senior notes due 2028
- $500 million of 5.050% senior notes due 2028
- $600 million of 5.250% senior notes due 2029
- $450 million of 5.750% senior notes due 2030
- $450 million of 5.375% senior notes due 2031
- $500 million of 5.750% senior notes due 2032
- $350 million of 5.500% senior notes due 2034

Our Senior Notes are classified as Level Two due to the use and weighting of multiple market inputs in the final price of the security. We estimated the fair value of other debt instruments using a discounted cash flow

analysis based on current market inputs for similar types of arrangements. Based on the lack of available market data, we have classified our other debt instruments and revolving credit facility, if applicable, as Level Three in the fair value hierarchy. The primary sensitivity in these models is based on the selection of appropriate discount rates. Fluctuations in our assumptions will result in different estimates of fair value.

	March 31, 2025				
	Carrying value	Fair value	Quoted prices in active markets for identical assets (Level One)	Significant other observable inputs (Level Two)	Significant unobservable inputs (Level Three)
Debt (1)	$ 4,359	$ 4,386	$ —	$ 4,263	$ 123

(1) Excludes $4 million of finance lease obligations and $35 million of unamortized discounts and deferred financing fees.

	December 31, 2024				
	Carrying value	Fair value	Quoted prices in active markets for identical assets (Level One)	Significant other observable inputs (Level Two)	Significant unobservable inputs (Level Three)
Debt (2)	$ 3,805	$ 3,813	$ —	$ 3,695	$ 118

(2) Includes the 2025 Notes and excludes $4 million of finance lease obligations and $27 million of unamortized discounts and deferred financing fees.

10. OTHER LONG-TERM LIABILITIES

	March 31, 2025	December 31, 2024
Deferred compensation plans funded by rabbi trusts (Note 4)	$ 523	$ 548
Income taxes payable	488	464
Guarantee liabilities (Note 12)	231	229
Deferred income taxes (Note 11)	225	171
Contingent consideration liabilities (Note 12)	208	214
Self-insurance liabilities (Note 12)	88	83
Deferred consideration liability (Note 6) (1)	40	38
Other	71	63
Total other long-term liabilities	$ 1,874	$ 1,810

(1) Relates to the Bahia Principe Transaction and was net of a $4 million unamortized discount at both March 31, 2025 and December 31, 2024. Accretion of the discount is recognized in interest expense and is based on an imputed interest rate of approximately 4.8%.

11. TAXES

	Three Months Ended March 31,	
	2025	2024
Provision for income taxes	$ 28	$ 19

The increase in the provision for income taxes during the three months ended March 31, 2025, compared to the three months ended March 31, 2024, was primarily driven by an increase in uncertain tax positions in 2025 related to foreign tax filings, combined with a benefit related to employee compensation in 2024.

We are subject to audits by federal, state, and foreign tax authorities. U.S. tax years 2018 through 2020 are currently under field exam. U.S. tax years 2009 through 2011 have been subject to a U.S. Tax Court case concerning the tax treatment of the loyalty program in which the Internal Revenue Service is asserting that loyalty program contributions are taxable income to the Company. U.S. tax years 2012 through 2017 are pending the outcome of the U.S. Tax Court.

The Tax Court issued an opinion on October 2, 2023 related to the aforementioned case and determined that the Company must recognize approximately $12 million in net taxable income for the tax years 2009 through 2011, but that the Company need not recognize approximately $228 million in net taxable income related to tax years that preceded 2009. The Tax Court entered its decision on September 13, 2024. The Company filed a Notice of Appeal to the U.S. Court of Appeals on December 9, 2024. As part of the appeal, the Company will pay the tax liability and

interest related to the 2009 through 2011 tax years as determined by the Tax Court, which is estimated to be $2 million. If the Tax Court's opinion is upheld on appeal, the estimated income tax payment due for the subsequent years 2012 through 2025 would be $301 million, including $49 million of estimated interest, net of federal benefit. We believe we have an adequate uncertain tax liability recorded in accordance with Accounting Standards Codification 740, *Income Taxes*, for this matter and believe that the ultimate outcome of this matter will not have a material effect on our consolidated financial position, results of operations, or liquidity.

At March 31, 2025 and December 31, 2024, total unrecognized tax benefits recorded in other long-term liabilities on our condensed consolidated balance sheets were $388 million and $366 million, respectively, of which $143 million and $137 million, respectively, would impact the effective tax rate, if recognized. While it is reasonably possible that the amount of uncertain tax benefits associated with the U.S. treatment of the loyalty program could significantly change within the next 12 months, at this time, we are not able to estimate the range by which the reasonably possible outcomes of the pending litigation could impact our uncertain benefits within the next 12 months.

Through a prior acquisition, we assumed an assessment of additional corporate income tax from the Mexican tax authorities, which was in the process of being appealed, primarily related to disallowed deductions taken on historical tax returns. Our request for appeal to a higher court for one of the tax years was denied on May 15, 2024, and the assessment was finalized. At both March 31, 2025 and December 31, 2024, we had an $18 million tax liability recorded in other long-term liabilities on our condensed consolidated balance sheets in connection with this matter. Our filing position for the additional tax years and matters assessed is more likely than not to be sustained. As the tax benefit that is more than 50% likely of being realized upon settlement is zero, we had a $13 million uncertain tax liability recorded in other long-term liabilities on our condensed consolidated balance sheets at both March 31, 2025 and December 31, 2024.

Further, the Mexican tax authorities disallowed credits taken on historical tax returns and applied value added taxes to certain transactions. In accordance with Accounting Standards Codification 450, *Contingencies*, we have not recorded a liability associated with the additional value added tax as we do not believe a loss is probable. At March 31, 2025, our maximum exposure is not expected to exceed $12 million.

During the year ended December 31, 2018, we received a notice from the Indian tax authorities assessing additional service tax on our operations in India. We appealed this decision and do not believe a loss is probable, and therefore, in accordance with Accounting Standards Codification 450, *Contingencies*, we have not recorded a liability in connection with this matter. At March 31, 2025, our maximum exposure is not expected to exceed $19 million, including $14 million of estimated penalties and interest.

12. COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, we enter into various commitments, guarantees, surety and other bonds, and letter of credit agreements.

Commitments—At March 31, 2025, we are committed, under certain conditions, to lend, provide certain consideration to, or invest in various business ventures up to $587 million, net of any related letters of credit.

Performance Guarantees and Performance Cure Payments—Certain of our contractual agreements with third-party owners require us to guarantee payments to the owners if specified levels of operating profit are not achieved by their hotels. Except as described below, at March 31, 2025, our performance guarantees had $149 million of remaining maximum exposure and expire between 2025 and 2042.

Through acquisitions, we acquired certain management and hotel services agreements with performance guarantees based on annual performance levels and with expiration dates between 2027 and 2045. Contract terms within certain of these management and hotel services agreements limit our exposure, and therefore, we are unable to reasonably estimate our maximum potential future payments.

At March 31, 2025 and December 31, 2024, we had $114 million and $113 million, respectively, of total performance guarantee liabilities, which included $103 million and $104 million, respectively, recorded in other long-term liabilities and $11 million and $9 million, respectively, recorded in accrued expenses and other current liabilities on our condensed consolidated balance sheets.

Additionally, we enter into certain management and hotel services agreements where we have the right, but not an obligation, to make payments to certain third-party owners if their hotels do not achieve specified levels of operating profit. If we choose not to fund the shortfall, the hotel owner has the option to terminate the contract. At March 31, 2025 and December 31, 2024, we had $3 million and no amount, respectively, recorded in accrued expenses and other current liabilities on our condensed consolidated balance sheets related to these performance cure payments.

Debt Repayment Guarantees—We enter into various debt repayment guarantees, as summarized below, in order to assist third-party owners, franchisees, and unconsolidated hospitality ventures in obtaining third-party financing or to obtain more favorable borrowing terms.

Geographical region	Maximum potential future payments (1)	Maximum exposure net of recoverability from third parties (1)	Other long-term liabilities recorded at March 31, 2025	Other long-term liabilities recorded at December 31, 2024	Year of guarantee expiration (2)
United States (3), (4)	$ 124	$ 25	$ 52	$ 51	various, through 2030
All foreign (3)	30	18	14	7	various, through 2028
Total	$ 154	$ 43	$ 66	$ 58	

(1) Our maximum exposure is generally based on a specified percentage of the total principal due upon borrower default.
(2) Certain underlying debt agreements have extension periods which are not reflected in the year of guarantee expiration.
(3) We have agreements with our unconsolidated hospitality venture partners or the respective third-party owners or franchisees to recover certain amounts funded under the debt repayment guarantee; the recoverability mechanism may be in the form of cash or HTM debt security.
(4) Certain agreements give us the ability to assume control of the property if defined funding thresholds are met or if certain events occur.

At March 31, 2025, we are not aware, nor have we received any notification, that our third-party owners, franchisees, or unconsolidated hospitality ventures are not current on their debt service obligations where we have provided a debt repayment guarantee.

Other Guarantees—We may be obligated to fund up to $146 million related to certain guarantees as a result of the UVC Transaction (see Note 4). At March 31, 2025 and December 31, 2024, we had $62 million and $67 million, respectively, of guarantee liabilities recorded in other long-term liabilities on our condensed consolidated balance sheets associated with these guarantees.

Guarantee Liabilities Fair Value—We estimated the fair value of our guarantees to be $220 million and $213 million at March 31, 2025 and December 31, 2024, respectively. Based on the lack of available market data, we have classified our guarantees as Level Three in the fair value hierarchy.

Contingent Consideration Fair Value—As part of acquisitions, we have entered into various contingent consideration arrangements. At March 31, 2025, we had $356 million of potential future consideration remaining under these arrangements. However, we are unable to reasonably estimate our maximum potential future consideration remaining related to the Bahia Principe Transaction (see Note 6).

At March 31, 2025 and December 31, 2024, we had $208 million and $214 million, respectively, recorded in other long-term liabilities, and $1 million and $3 million, respectively, recorded in accrued expenses and other current liabilities on our condensed consolidated balance sheets related to contingent consideration. Our contingent consideration liabilities are remeasured at fair value on a recurring basis and are classified as Level Three in the fair value hierarchy. The following table summarizes the change in fair value recognized in other income (loss), net on our condensed consolidated statements of income:

	2025	2024
Fair value at January 1	$ 217	$ 115
Change in fair value (Note 18)	(5)	(4)
Payments	(3)	—
Fair value at March 31	$ 209	$ 111

Insurance—We obtain insurance for potential losses from general liability, property, automobile, aviation, environmental, workers' compensation, employment practices, crime, cyber, and other miscellaneous risks. A portion of these risks is retained through a U.S.-based and licensed captive insurance company that is a wholly

owned subsidiary of Hyatt and generally insures our deductibles and retentions. Reserve requirements are established based on actuarial projections of ultimate losses. Reserves for losses in our captive insurance company to be paid within 12 months are $48 million and $46 million at March 31, 2025 and December 31, 2024, respectively, and are recorded in accrued expenses and other current liabilities on our condensed consolidated balance sheets. Reserves for losses in our captive insurance company to be paid in future periods are $88 million and $83 million at March 31, 2025 and December 31, 2024, respectively, and are recorded in other long-term liabilities on our condensed consolidated balance sheets (see Note 10).

Collective Bargaining Agreements—At March 31, 2025, approximately 21% of our U.S.-based employees were covered by various collective bargaining agreements, generally providing for basic pay rates, working hours, other conditions of employment, and orderly settlement of labor disputes. Certain employees are covered by union-sponsored, multi-employer pension and health plans pursuant to agreements between various unions and us. Generally, labor relations have been maintained in a normal and satisfactory manner, and we believe our employee relations are good.

Surety and Other Bonds—Surety and other bonds issued on our behalf were $268 million at March 31, 2025 and primarily relate to our insurance programs, litigation, customer deposits associated with ALG Vacations, taxes, licenses, liens, and utilities for our lodging operations.

Letters of Credit—Letters of credit outstanding on our behalf at March 31, 2025 were $108 million, which primarily relate to our ongoing operations, collateral for customer deposits associated with ALG Vacations, collateral for estimated insurance claims, and securitization of our performance under a certain debt repayment guarantee, which is only called on if the borrower defaults on its obligations. Of the letters of credit outstanding, $3 million reduces the available capacity under our revolving credit facility (see Note 9).

Capital Expenditures—As part of our ongoing business operations, expenditures are required to complete renovation projects that have been approved.

Other—We act as general partner of various partnerships owning hotel properties that are subject to mortgage indebtedness. These mortgage agreements generally limit the lender's recourse to security interests in assets financed and/or other assets of the partnership(s) and/or the general partner(s) thereof.

In conjunction with financing obtained for our unconsolidated hospitality ventures and certain managed or franchised properties, we may provide standard indemnifications to the lender for loss, liability, or damage occurring as a result of our actions or actions of the other unconsolidated hospitality venture partners or the respective third-party owners or franchisees.

As a result of certain dispositions, we have agreed to provide customary indemnifications to third-party purchasers for certain liabilities incurred prior to sale and for breach of certain representations and warranties made during the sales process, such as representations of valid title, authority, and environmental issues that may not be limited by a contractual monetary amount. These indemnification agreements survive until the applicable statutes of limitation expire or until the agreed-upon contract terms expire.

We are subject to various claims and contingencies arising in the normal course of business, which are primarily related to lawsuits and taxes (see Note 11), as well as commitments under contractual obligations. Many of these claims are covered under our current insurance programs, subject to deductibles. We record a liability when the loss is probable and reasonably estimable, and if the loss is recoverable from third parties, we record a receivable when the realization of the claim is probable. Based on information currently available, we do not expect the ultimate resolution of such claims and litigation to have a material effect on our condensed consolidated financial statements.

During the year ended December 31, 2024, the Missouri Court of Appeals issued an opinion affirming a previous verdict awarding damages to a guest at one of our managed hotels. We requested the Missouri Supreme Court exercise jurisdiction over the appeal, and our petition was denied on April 1, 2025. In connection with this matter, we recorded an estimated liability in accrued expenses and other current liabilities with an offsetting receivable from insurance recorded in receivables, net on our condensed consolidated balance sheets at both March 31, 2025 and December 31, 2024. At March 31, 2025, our maximum exposure, which is fully insured, is not expected to exceed $213 million, including $36 million of estimated interest.

13. EQUITY

Accumulated Other Comprehensive Loss—The components of accumulated other comprehensive loss, net of tax impacts, were as follows:

	Balance at January 1, 2025	Other comprehensive income (loss) before reclassification	Amounts reclassified from accumulated other comprehensive loss	Balance at March 31, 2025
Foreign currency translation adjustments	$ (251)	$ 48	$ —	$ (203)
AFS debt securities unrealized fair value adjustments	2	(4)	—	(2)
Derivative instrument adjustments (1)	(20)	—	1	(19)
Accumulated other comprehensive loss	$ (269)	$ 44	$ 1	$ (224)

(1) Amounts reclassified from accumulated other comprehensive loss included realized losses recognized in interest expense on our condensed consolidated statements of income related to the settlement of interest rate locks. We expect to reclassify $5 million of losses, net of insignificant tax impacts, over the next 12 months.

	Balance at January 1, 2024	Other comprehensive income (loss) before reclassification	Amounts reclassified from accumulated other comprehensive loss	Balance at March 31, 2024
Foreign currency translation adjustments (1)	$ (156)	$ (21)	$ 3	$ (174)
AFS debt securities unrealized fair value adjustments	4	(3)	—	1
Pension liabilities adjustments (2)	—	—	(1)	(1)
Derivative instrument adjustments (3)	(23)	(1)	1	(23)
Accumulated other comprehensive loss	$ (175)	$ (25)	$ 3	$ (197)

(1) Amounts reclassified from accumulated other comprehensive loss included realized losses recognized in equity earnings (losses) from unconsolidated hospitality ventures on our condensed consolidated statements of income related to the dilution of our ownership interest in an unconsolidated hospitality venture (see Note 4).

(2) Amounts reclassified from accumulated other comprehensive loss primarily included realized gains recognized in gains on sales of real estate and other on our condensed consolidated statements of income related to the UVC Transaction (see Note 4).

(3) Amounts reclassified from accumulated other comprehensive loss included realized losses recognized in interest expense on our condensed consolidated statements of income related to the settlement of interest rate locks.

Share Repurchases—On December 18, 2019, May 10, 2023, and May 8, 2024, our board of directors authorized repurchases of up to $750 million, $1,055 million, and $1,000 million, respectively, of our common stock. These repurchases may be made from time to time in the open market, in privately negotiated transactions, or otherwise, including pursuant to a Rule 10b5-1 plan or an accelerated share repurchase ("ASR") transaction, at prices we deem appropriate and subject to market conditions, applicable law, and other factors deemed relevant in our sole discretion. The common stock repurchase program applies to our Class A and Class B common stock. The share repurchase program does not obligate us to repurchase any dollar amount or number of shares, and the program may be suspended or discontinued at any time and does not have an expiration date.

	Three Months Ended March 31,	
	2025	2024
Total number of shares repurchased	1,078,511	2,515,656
Weighted-average price per share	$ 138.50	$ 154.09
Aggregate purchase price (1)	$ 149	$ 388

(1) Excludes related insignificant expenses.

The shares of Class A common stock repurchased in the open market were retired and returned to the status of authorized and unissued shares, while the shares of Class B common stock repurchased were retired and the total number of authorized Class B shares was reduced by the number of shares returned (see Note 15). At March 31, 2025, we had $822 million remaining under the total share repurchase authorization.

Dividends—The following tables summarize dividends declared to Class A and Class B stockholders of record:

	Three Months Ended March 31,	
	2025	2024
Class A common stock	$ 6	$ 6
Class B common stock	8	9
Total cash dividends declared	$ 14	$ 15

Date declared	Dividend per share amount for Class A and Class B	Date of record	Date paid
February 13, 2025	$ 0.15	February 28, 2025	March 12, 2025
February 14, 2024	$ 0.15	February 28, 2024	March 12, 2024

14. STOCK-BASED COMPENSATION

As part of our Long-Term Incentive Plan (as amended from time to time, "LTIP"), we award time-vested stock appreciation rights ("SARs"), time-vested restricted stock units ("RSUs"), and performance-vested restricted stock units ("PSUs") to certain employees and non-employee directors. In addition, non-employee directors may elect to receive their annual fees and/or annual equity retainers in the form of shares of our Class A common stock. Compensation expense and unearned compensation presented below exclude (i) amounts related to employees of our managed hotels and other employees whose payroll is reimbursed, as these expenses have been, and will continue to be, reimbursed by our third-party owners and are recognized in revenues for reimbursed costs and reimbursed costs on our condensed consolidated statements of income and (ii) insignificant amounts related to employees of our owned and leased hotels recognized in owned and leased expenses on our condensed consolidated statements of income. Stock-based compensation expense recognized in general and administrative expenses, distribution expenses, and transaction and integration costs on our condensed consolidated statements of income related to our awards was as follows:

	Three Months Ended March 31,	
	2025	2024
SARs	$ 13	$ 12
RSUs	17	16
PSUs	1	3
Total	$ 31	$ 31

SARs—During the three months ended March 31, 2025, we granted 302,439 SARs to employees with a weighted-average grant date fair value of $53.08. During the three months ended March 31, 2024, we granted 219,570 SARs to employees with a weighted-average grant date fair value of $68.83.

RSUs—During the three months ended March 31, 2025, we granted 402,172 RSUs to employees and non-employee directors with a weighted-average grant date fair value of $122.68. During the three months ended March 31, 2024, we granted 280,081 RSUs to employees and non-employee directors with a weighted-average grant date fair value of $156.91.

PSUs—During the three months ended March 31, 2025, we granted 61,714 PSUs to employees and non-employee directors with a weighted-average grant date fair value of $146.00. During the three months ended March 31, 2024, we did not grant any PSUs.

Our total unearned compensation for our stock-based compensation programs at March 31, 2025 was $4 million for SARs, $53 million for RSUs, and $10 million for PSUs, which will be recognized in general and administrative expenses, distribution expenses, and transaction and integration costs over a weighted-average period of three years with respect to SARs and RSUs and one year with respect to PSUs.

15. RELATED-PARTY TRANSACTIONS

In addition to those included elsewhere in the Notes to our condensed consolidated financial statements, related-party transactions entered into by us are summarized as follows:

Legal Services—A partner in a law firm that provided services to us throughout 2025 and 2024 is the brother-in-law of our Executive Chairman. During the three months ended March 31, 2025 and March 31, 2024, we incurred $14 million and $6 million, respectively, of legal fees with this firm. At March 31, 2025 and December 31, 2024, we had $9 million and $2 million, respectively, due to the law firm.

Equity Method Investments—We have equity method investments in entities that own, operate, manage, or franchise properties or other hospitality-related businesses, including the Unlimited Vacation Club paid membership program, for which we receive management, franchise, license, or royalty fees. We recognized $24 million and $15 million of fee revenues during the three months ended March 31, 2025 and March 31, 2024, respectively. In addition, in some cases we provide loans or guarantees to these entities (see Note 4, Note 5, and Note 12). During both the three months ended March 31, 2025 and March 31, 2024, we recognized an insignificant amount of income related to these guarantees. At March 31, 2025 and December 31, 2024, we had $124 million and $112 million, respectively, due from these entities, inclusive of $91 million and $67 million, respectively, recorded in receivables, net and $33 million and $45 million, respectively, recorded in financing receivables, net on our condensed consolidated balance sheets. During both the three months ended March 31, 2025 and March 31, 2024, we recognized an insignificant amount of interest income related to these receivables. Our ownership interest in these unconsolidated hospitality ventures varies from 20% to 50%.

In addition to the above fees, we provide services related to sales and revenue management, marketing, global care centers (including reservation and customer support), digital and technology, and digital media (collectively, "system-wide services") on behalf of owners of managed and franchised properties and administer the loyalty program for the benefit of Hyatt's portfolio of properties. These expenses have been, and will continue to be, reimbursed by our third-party owners and franchisees and are recognized in revenues for reimbursed costs and reimbursed costs on our condensed consolidated statements of income.

Class B Share Conversion—During the three months ended March 31, 2025 and March 31, 2024, 19,001 shares and 766,296 shares, respectively, of Class B common stock were converted on a share-for-share basis into shares of Class A common stock, $0.01 par value per share. The shares of Class B common stock that were converted into shares of Class A common stock have been retired, thereby reducing the shares of Class B common stock authorized and outstanding.

Class B Share Repurchase—During the three months ended March 31, 2024, we repurchased 1,987,299 shares of Class B common stock at a weighted-average price of $156.67 per share, for an aggregate purchase price of approximately $312 million. The shares of Class B common stock were repurchased in privately negotiated transactions from a limited liability company owned directly and indirectly by trusts for the benefit of certain Pritzker family members and a private foundation affiliated with certain Pritzker family members, and were retired, thereby reducing the shares of Class B common stock authorized and outstanding by the repurchased share amount.

16. SEGMENT INFORMATION

Our reportable segments are components of the business which are managed discretely and for which discrete financial information is reviewed regularly by the chief operating decision maker ("CODM") to assess performance and make decisions regarding the allocation of resources. Our CODM is our President and Chief Executive Officer. We define our operating and reportable segments as follows:

- **Management and franchising**—This segment derives its earnings primarily from the provision of management, franchising, and hotel services, or the licensing of our intellectual property to, (i) our property portfolio, (ii) our co-branded credit card programs, and (iii) other hospitality-related businesses, including the Unlimited Vacation Club following the UVC Transaction. Intersegment revenues relate to management fees earned from our owned and leased hotels and commission fees earned from certain ALG Vacations bookings, both of which are eliminated in consolidation. Additionally, we recognize revenues for reimbursed costs in this segment primarily related to payroll at managed properties where we are the employer, as well as costs associated with system-wide services and the loyalty program operated on behalf of owners of managed and franchised properties.

- **Owned and leased**—This segment derives its earnings from owned and leased hotel properties located predominantly in the United States but also in certain international locations, and for purposes of segment Adjusted EBITDA, includes our pro rata share of unconsolidated hospitality ventures' Adjusted EBITDA, primarily based on our ownership percentage of each venture. Adjusted EBITDA includes intercompany management fee expenses paid to our management and franchising segment, which are eliminated in consolidation. Intersegment revenues relate to promotional award redemptions earned by our owned and leased hotels related to our co-branded credit card programs and are eliminated in consolidation.

- **Distribution**—This segment derives its earnings from distribution and destination management services offered through ALG Vacations and the boutique and luxury global travel platform offered through Mr & Mrs Smith. Prior to the UVC Transaction, this segment also included earnings from a paid membership program offering benefits exclusively at certain all-inclusive resorts primarily in Latin America and the Caribbean. Adjusted EBITDA includes intercompany commission fee expenses paid to our management and franchising segment, which are eliminated in consolidation.

Within overhead, we include unallocated corporate expenses.

During the year ended December 31, 2024, we revised our definition of Adjusted EBITDA to exclude transaction and integration costs (see Note 1), and we recast prior-period results to provide comparability. The revised definition excludes integration costs, which were recognized in integration costs during the three months ended March 31, 2024 and transaction costs, which were recognized in general and administrative expenses during the three months ended March 31, 2024. Previously, only transaction costs recognized in gains on sales of real estate and other and other income (loss), net were excluded from Adjusted EBITDA. As transaction and integration costs may vary in frequency or magnitude, we believe the revised definition presents a more representative measure of our core operations, assists in the comparability of results, and provides information consistent with how our management evaluates operating performance.

Our CODM evaluates performance based on segment revenues and Adjusted EBITDA. Our CODM uses these measures to evaluate trends and assess segment operating performance as compared to our prior-period and forecasted results as well as our industry and competitors in order to determine how to allocate resources to each segment. Significant segment expenses include Adjusted general and administrative expenses, owned and leased expenses, and distribution expenses. Our CODM does not evaluate our operating segments using discrete asset information.

We define Adjusted EBITDA as net income (loss) attributable to Hyatt Hotels Corporation plus net income (loss) attributable to noncontrolling interests and our pro rata share of unconsolidated owned and leased hospitality ventures' Adjusted EBITDA, primarily based on our ownership percentage of each owned and leased venture, adjusted to exclude amortization of management and hotel services agreement and franchise agreement assets ("key money assets") and performance cure payments, which constitute payments to customers ("Contra revenue"); revenues for reimbursed costs; stock-based compensation expense; transaction and integration costs; depreciation and amortization; reimbursed costs that we intend to recover over the long term; equity earnings (losses) from unconsolidated hospitality ventures; interest expense; gains (losses) on sales of real estate and other; asset impairments; other income (loss), net; and benefit (provision) for income taxes.

Adjusted general and administrative expenses exclude the impact of deferred compensation plans funded through rabbi trusts and stock-based compensation expense. Adjusted general and administrative expenses assist us in comparing our performance over various reporting periods on a consistent basis because it removes from our operating results the impact of items that do not reflect our core operations, both on a segment and consolidated basis.

The following tables present revenues disaggregated by the nature of the product or service and by segment and a reconciliation of segment revenues to segment Adjusted EBITDA:

	Three Months Ended March 31, 2025					
	Management and franchising	Owned and leased	Distribution	Segment Total	Eliminations	Total
Base management fees	$ 120	$ —	$ —	$ 120	$ (6)	$ 114
Incentive management fees	77	—	—	77	(1)	76
Franchise and other fees	119	—	—	119	(2)	117
Gross fees	316	—	—	316	(9)	307
Rooms and packages	—	148	—	148	(4)	144
Food and beverage	—	46	—	46	—	46
Other	—	29	—	29	—	29
Owned and leased	—	223	—	223	(4)	219
Distribution	—	—	315	315	—	315
Other revenues	11	—	—	11	—	11
Segment revenues	327	223	315	865	(13)	852
Contra revenue	(20)	—	—	(20)	—	(20)
Revenues for reimbursed costs	886	—	—	886	—	886
Total revenues	$ 1,193	$ 223	$ 315	$ 1,731	$ (13)	$ 1,718
Intersegment revenues	$ 9	$ 4	$ —	$ 13		

	Three Months Ended March 31, 2025			
	Management and franchising	Owned and leased	Distribution	Segment Total
Segment revenues	$ 327	$ 223	$ 315	$ 865
Significant segment expenses:				
Adjusted general and administrative expenses	(67)	(2)	—	(69)
Owned and leased expenses (1)	—	(206)	—	(206)
Distribution expenses (2)	—	—	(268)	(268)
Other segment items:				
Other income (expenses) (3)	(24)	—	2	(22)
Pro rata share of unconsolidated owned and leased hospitality ventures' Adjusted EBITDA	—	12	—	12
Segment Adjusted EBITDA	$ 236	$ 27	$ 49	$ 312

(1) Includes intercompany management fee expenses paid to our management and franchising segment and promotional award redemptions earned by our owned and leased hotels related to our co-branded credit card programs, both of which are eliminated in consolidation.

(2) Includes intercompany commission fee expenses paid to our management and franchising segment, which are eliminated in consolidation.

(3) Management and franchising primarily includes direct costs associated with our co-branded credit card programs recognized in other direct costs. Distribution includes stock-based compensation expense recognized in distribution expenses.

	Three Months Ended March 31, 2024					
	Management and franchising	Owned and leased	Distribution	Segment Total	Eliminations	Total
Base management fees	$ 107	$ —	$ —	$ 107	$ (9)	$ 98
Incentive management fees	68	—	—	68	(4)	64
Franchise and other fees	102	—	—	102	(2)	100
Gross fees	277	—	—	277	(15)	262
Rooms and packages	—	194	—	194	(7)	187
Food and beverage	—	83	—	83	—	83
Other	—	39	—	39	—	39
Owned and leased	—	316	—	316	(7)	309
Distribution	—	—	319	319	—	319
Other revenues	9	—	26	35	—	35
Segment revenues	286	316	345	947	(22)	925
Contra revenue	(13)	—	—	(13)	—	(13)
Revenues for reimbursed costs	802	—	—	802	—	802
Total revenues	$ 1,075	$ 316	$ 345	$ 1,736	$ (22)	$ 1,714
Intersegment revenues	$ 15	$ 7	$ —	$ 22		

	Three Months Ended March 31, 2024			
	Management and franchising	Owned and leased	Distribution	Segment Total
Segment revenues	$ 286	$ 316	$ 345	$ 947
Significant segment expenses:				
Adjusted general and administrative expenses	(63)	(3)	(6)	(72)
Owned and leased expenses (1)	—	(270)	—	(270)
Distribution expenses (2)	—	—	(276)	(276)
Other segment items:				
Other income (expenses) (3)	(20)	2	(24)	(42)
Pro rata share of unconsolidated owned and leased hospitality ventures' Adjusted EBITDA	—	17	—	17
Segment Adjusted EBITDA	$ 203	$ 62	$ 39	$ 304

(1) Includes intercompany management fee expenses paid to our management and franchising segment and promotional award redemptions earned by our owned and leased hotels related to our co-branded credit card programs, both of which are eliminated in consolidation.

(2) Includes intercompany commission fee expenses paid to our management and franchising segment, which are eliminated in consolidation.

(3) Management and franchising primarily includes direct costs associated with our co-branded credit card programs recognized in other direct costs. Owned and leased includes the change in market performance of the underlying invested assets recognized in net gains (losses) and interest income from marketable securities held to fund rabbi trusts. Distribution includes stock-based compensation expense recognized in distribution expenses and the paid membership program prior to the UVC Transaction recognized in other direct costs.

The following table provides a reconciliation of segment Adjusted EBITDA to income before income taxes:

	Three Months Ended March 31,	
	2025	2024
Segment Adjusted EBITDA	**$ 312**	**$ 304**
Unallocated overhead expenses	(40)	(46)
Eliminations	1	1
Contra revenue	(20)	(13)
Revenues for reimbursed costs	886	802
Reimbursed costs	(902)	(836)
Stock-based compensation expense (Note 14) (1)	(31)	(31)
Transaction and integration costs	(23)	(8)
Depreciation and amortization	(80)	(92)
Equity earnings (losses) from unconsolidated hospitality ventures	(12)	75
Interest expense	(66)	(38)
Gains on sales of real estate and other	—	403
Asset impairments	(4)	(17)
Other income (loss), net	43	54
Pro rata share of unconsolidated owned and leased hospitality ventures' Adjusted EBITDA	(12)	(17)
Income before income taxes	**$ 52**	**$ 541**

(1) Includes amounts recognized in general and administrative expenses and distribution expenses.

17. EARNINGS PER SHARE

The calculation of basic and diluted earnings per Class A and Class B share, including a reconciliation of the numerator and denominator, is as follows:

	Three Months Ended March 31,	
	2025	2024
Numerator:		
Net income	$ 24	$ 522
Net income attributable to noncontrolling interests	$ 4	$ —
Net income attributable to Hyatt Hotels Corporation	$ 20	$ 522
Denominator:		
Basic weighted-average shares outstanding	95,980,414	102,777,418
Stock-based compensation	2,083,442	3,126,173
Diluted weighted-average shares outstanding	98,063,856	105,903,591
Basic Earnings Per Class A and Class B Share:		
Net income	$ 0.24	$ 5.08
Net income attributable to noncontrolling interests	$ 0.04	$ —
Net income attributable to Hyatt Hotels Corporation	$ 0.20	$ 5.08
Diluted Earnings Per Class A and Class B Share:		
Net income	$ 0.23	$ 4.93
Net income attributable to noncontrolling interests	$ 0.04	$ —
Net income attributable to Hyatt Hotels Corporation	$ 0.19	$ 4.93

The computations of diluted earnings per Class A and Class B share do not include the following shares of Class A common stock assumed to be issued as stock-settled SARs and RSUs because they are anti-dilutive.

	Three Months Ended March 31,	
	2025	2024
SARs	3,700	1,800
RSUs	1,700	2,800

18. OTHER INCOME (LOSS), NET

	Three Months Ended March 31,	
	2025	2024
Interest income	$ 35	$ 22
Guarantee amortization income (Note 12)	13	11
Unrealized gains, net (Note 4)	10	13
Contingent consideration liabilities fair value adjustments (Note 12)	5	4
Foreign currency exchange, net	2	1
Guarantee expense (Note 12)	(6)	(3)
Credit loss provisions, net (Note 4 and Note 5)	(10)	—
Other, net	(6)	6
Other income (loss), net	$ 43	$ 54

EXHIBIT B

FRANCHISE APPLICATION

Hyatt

To: Hyatt Franchising, L.L.C., Hyatt Place Franchising, L.L.C.,
Hyatt House Franchising, L.L.C. (as applicable, "Franchisor")
150 North Riverside Plaza
Chicago, Illinois 60606

This Franchise Application ("Application") is submitted to Franchisor by the undersigned applicant, and its officers, directors, and shareholders as applicable ("Applicant") to induce Franchisor to grant a franchise to Applicant or an entity owned and controlled by Applicant (in either case, "Franchisee" or "Franchisee Entity"), on the terms and conditions set forth in Franchisor's standard Franchise Agreement, for a proposed Hotel under the Hyatt-affiliated brand and at the address or location listed below (the "Hotel").

HOTEL SITE

Brand and Proposed Name of the Hotel	
Address of the intended site of the Hotel (the "Site") If no address exists, state the nearest intersection or other information regarding the Site	Click here to enter text.
Will the Site be leased or owned by Applicant's organization?	Click here to enter text.
If Site will be owned, but the sale has not yet taken place, what is the expected closing date of the sale?	Click here to enter text.
If Site will be owned, will Franchisee Entity or an affiliated entity hold title? (If an affiliate will hold title, the Franchisee Entity must lease the Site)	
If Site will be leased, state name and relationship of the lessor to Applicant and Franchisee Entity (parent, affiliated party, third party, etc.). (**NOTE**: leases must be for at least the term of the franchise agreement)	Click here to enter text.

APPLICANT

Company Name	Click here to enter text.	
Principal Owners of Company		
Any Previous Name[s] used in the Past Five Year	Click here to enter text.	
Address	Click here to enter text.	
Telephone	Click here to enter text.	
Applicant is:	☐ corporation	☐ partnership
	☐ limited liability company	☐ other Click here to enter text.
Jurisdiction of organization	Click here to enter text.	
Name of primary contact during the Franchise Application process	Click here to enter text.	
Telephone	Click here to enter text.	
Email	Click here to enter text.	

APPLICANT'S EXPERIENCE

Has Applicant (or any other parent or affiliated entity of the intended Franchisee Entity) conducted business (whether or not in the lodging industry) for at least five (5) years? ☐ yes ☐ no

Does Applicant (or any other parent or affiliated entity of the intended Franchisee Entity) have a net worth of at least seven million three hundred forty-eight thousand dollars ($7,348,000)? ☐ yes ☐ no

FRANCHISEE ENTITY (IF DIFFERENT THAN APPLICANT & IF KNOWN)

Legal Name	Click here to enter text.	
Any Previous Name[s] used in the Past Five Year	Click here to enter text.	
Address	Click here to enter text.	
Telephone	Click here to enter text.	
Franchisee Entity is:	☐ corporation	☐ partnership
	☐ limited liability company	☐ other Click here to enter text.
Jurisdiction of organization	Click here to enter text.	

GUARANTOR

(The Franchise Agreement must be guaranteed by an individual or entity other than the Franchisee Entity, meeting Franchisor's net worth requirements as described in Franchisor's Franchise Disclosure Document (FDD) and/or the term sheet, if any)

Legal Name	Click here to enter text.	
Any Previous Name[s] used in the Past Five Year	Click here to enter text.	
Address	Click here to enter text.	
Telephone	Click here to enter text.	
Guarantor is:	☐ individual(s)	☐ limited liability company
	☐ corporation	☐ partnership
	☐ other Click here to enter text.	
Jurisdiction of organization (if applicable)	Click here to enter text.	
List any properties, other than the Hotel, that the guarantor has an ownership interest in or for which the guarantor guarantees obligations under a franchise agreement or management agreement.	Click here to enter text.	

GUARANTOR FINANCIAL STATEMENTS

Please upload current financial statements (including balance sheet and profit and loss or income statement) for each Guarantor. If Guarantor is a partnership, corporation, or limited liability company, the statements should be submitted for the partnership, corporation or limited liability company, and for each partner, stockholder, or member.

GOVERNING DOCUMENTS

Please attach any relevant corporate formation and governance documents and operating agreements relating to the Applicant and the Franchisee Entity. Franchisor may require you to submit these documents for Guarantor and any other entities within the ownership structure for the Hotel, at a later time.

FINANCING

Please describe how you intend to finance the acquisition of the land and the construction of the Hotel. Describe how you will source both the equity and debt that will be needed and if it has already been secured

Click here to enter text.

PUBLIC FACILITIES

Describe any public facilities that will be located within the same building as the proposed hotel (e.g. brand unaffiliated restaurant, bar, health club, retail, expanded meeting space, structure parking):

Click here to enter text.

PROJECTED TIMELINE

Projected construction start date	Click here to enter text.
Projected hotel opening date	Click here to enter text.

CREDIT INFORMATION

Has Applicant, Franchisee, Guarantor, or any partner, shareholder, member, officer, or director of any of them ever been adjudged bankrupt? ☐ yes ☐ no

If yes, state name of court, case number, and date when adjudication was made:

Click here to enter text.

OWNERSHIP STRUCTURE

ORGANIZATION STRUCTURE CHART

Please upload an ownership structure chart showing the names of all shareholders/members (whether an individual or an entity) of the franchisee and (if different) the Hotel. For each entity listed in the chart, include the complete name of the entity as it appears in the certificate of incorporation (or equivalent document), the state of incorporation, and the percent interest that the entity holds in the franchisee entity (or the Hotel).

For each entity included in the ownership structure, list names of all shareholders that have a greater than 10% ownership interest in the entity, the right to control the entity, or that would be otherwise be considered a true owner regardless of their ownership percentage. Identify any entity that is a public company or a municipality or other form of governmental entity.

SHAREHOLDERS/MEMBERS OF APPLICANT

COMPLETE A SEPARATE ROW WITHIN "TABLE A" BELOW FOR EACH SHAREHOLDER OR MEMBER IDENTIFIED IN APPLICANT'S OWNERSHIP STRUCTURE CHART THAT IS AN INDIVIDUAL.

TABLE A - Individuals

INDIVIDUAL SHAREHOLDER/MEMBERS OF APPLICANT AND FRANCHISEE				
NAME	DATE OF BIRTH	COUNTRY OF RESIDENCE [AND NATIONALITY, IF DIFFERENT]	GOVERNMENT OFFICIAL [Y/N]	Related Entity Name from organization structure chart

COMPLETE A SEPARATE "TABLE B" FOR EACH SHAREHOLDER OR MEMBER IDENTIFIED IN APPLICANT'S OWNERSHIP STRUCTURE CHART THAT IS AN ENTITY.

TABLE B Officers/Directors

LIST OF DIRECTORS AND OFFICERS FOR THE ENTITY that will control the franchisee entity.				
DIRECTOR NAME & TITLE	**DATE OF BIRTH**	**COUNTRY OF RESIDENCE [AND NATIONALITY, IF DIFFERENT]**	**GOVERNMENT OFFICIAL [Y/N]**	**TITLE AND EMPLOYER**
OFFICER NAME & TITLE	**DATE OF BIRTH**	**COUNTRY OF RESIDENCE [AND NATIONALITY, IF DIFFERENT]**	**GOVERNMENT OFFICIAL [Y/N]**	**TITLE AND EMPLOYER**
Chief Executive Officer or Equivalent: **Name:**				
Chief Financial Officer or Equivalent: **Name:**				
Responsible Person [if not identified above] **Name:**				
Person with day-to-day operational responsibility for the Hotel [if not identified above] **Name:**				

If the Applicant maintains an official list of shareholders, or is required to file such a list with the government, provide a copy of that list if different from the structure chart.

PAYMENT INSTRUCTIONS

Please send the application fee via wire transfer according to the wiring instructions below. If you are unable to pay the application fee via wire transfer, please send a check to the business address listed below and include the property/project name in the memo field.

Wire Transfer Information:		Check Payment Information:
Account Number:	87652-61131	Hyatt Corporation
Swift Code:	BOFAUS3N	16417 Collections Center Drive
Bank Address:	New York, New York	Chicago, Illinois 60693
Account Name:	Hyatt Corporation	
Bank Routing Number:	026009593	
Bank Name:	Bank of America	
You must indicate property/project name in memo field regardless of whether payment is by wire transfer or check.		

REPRESENTATIONS AND WARRANTIES

Applicant and Franchisee represent and warrant that the information and materials contained in this Application (including the documents submitted with this Application to Hyatt before the date of this Application or later supplemented to this Application,) are or will be true, complete and current. Franchisor shall not be deemed to have knowledge of any facts not contained in this Application or in the attached documents.

Included with this Application is the application fee in the amount specified in the FDD or letter of intent. Applicant hereby expressly acknowledges that acceptance and deposit of the application fee by Franchisor does not, in any respect, bind or obligate Franchisor to enter into a Franchise Agreement granting Applicant a franchise. This Application is neither an offer of a franchise by Franchisor nor a contract for the acquisition of a franchise or any other rights to operate a Hyatt-affiliated Hotel. Applicant further acknowledges that the research, investigation, review and approval process and similar administrative functions of Franchisor constitute the sole and only consideration for the application fee submitted herewith. If Applicant withdraws this Application before Franchisor approves it, or if Franchisor does not approve this Application for any reason, Franchisor will refund Applicant's application fee less a $5,000 fee to cover Franchisor's costs associated with evaluating this Application; however, after Franchisor approves this Application, Applicant's application fee is not refundable, even if Franchisor and Applicant do not sign a Franchise Agreement.

Applicant, Franchisee and any partner, stockholder, member, officer or director further represents and warrants that:

a) Applicant and its controlling shareholders have not been involved in an investigation by a court or government agency regarding a potential violation of any applicable law prohibiting fraud, bribery or other corrupt activity, except as disclosed in an attachment submitted herewith;

b) No Government Official is entitled to compensation or benefits in relation to the acquisition, development, construction or operation of the Hotel, except as disclosed in an attachment submitted herewith;

Applicant, its controlling shareholders and their officers, and directors (including any authorized agents) have complied with all applicable anti-corruption laws in connection with the acquisition, construction, development, operation and ownership of the Hotel, and the formation of the Applicant and its affiliates, if applicable;

c) Applicant has or will have an Anti-Corruption Policy, Code of Conduct, or similar corporate compliance program regarding compliance with applicable anti-corruption laws (including bribery of Government Officials) and/or the prevention of unlawful conduct;

d) Neither Applicant nor its affiliates are party to a binding agreement with a third party for branding of the Hotel, other than agreement that may be unilaterally terminated by Applicant or its affiliate or that will expire by prior to a franchise agreement with Hyatt taking effect; and

e) Applicant hereby releases Hyatt, its respective officers, employees, and agents from any liability for any damage whatsoever as a result of any investigative inquiry, consumer report, or investigative consumer report necessary to confirm the information in this Application which is received by Hyatt, its representatives, and designees.

SIGNATURE PAGE

Please upload a signed pdf copy of the signature.

APPLICANT:

_____

By:_____

Name: _____

Title: _____

Date: _____

EXHIBIT C

FRANCHISE AGREEMENT

BRAND HOTEL
FRANCHISE AGREEMENT

DATED: _____, 2025

TABLE OF CONTENTS

Page

ARTICLE I GRANT OF FRANCHISE, TERM AND AREA OF PROTECTION 1

1.1 Grant of Franchise..... 1
1.2 Term. 1
1.3 Rights in Area of Protection During AOP Term. 1
1.4 No Other Restrictions. 2
1.5 Right of First Offer. 2

ARTICLE II DEVELOPMENT AND OPENING OF THE HOTEL 2

2.1 Hotel Development. 2
2.2 IT Project Management Services. 3
2.3 F&B Operations and Spa Operations. 4
2.4 Pre-Opening Sales Office. 5
2.5 Opening the Hotel. 5
2.6 Hyatt's Role in Pre-Opening Phase. 5
2.7 Comfort Letter Parties..... 6
2.8 Hotel System Variations. 6

ARTICLE III TRAINING, GUIDANCE AND ASSISTANCE..... 6

3.1 Training. 6
3.2 Providing System Standards. 8
3.3 CRS, GDS, ADS and IT Services. 8
3.4 General Guidance and Assistance. 8
3.5 Other Arrangements and Delegation. 8

ARTICLE IV OPERATION OF THE HOTEL..... 9

4.1 System Services. 9
4.2 Management of the Hotel..... 9
4.3 System Standards. 10
4.4 Sources of Products and Services. 11
4.5 CRS, GDS and ADS. 11
4.6 F&B Operations and Spa Operations. 12
4.7 Upgrading the Hotel and CapEx Account. 12
4.8 Inspections/Compliance Assistance and Quality Assurance and Compliance Program. 13
4.9 Compliance With Laws..... 13
4.10 No Diverting Business. 13
4.11 No Competing Brand Owners. 13
4.12 Restrictions on Use of the Site. 14

ARTICLE V ADVERTISING AND MARKETING 14

5.1 Pre-Opening Marketing. 14

TABLE OF CONTENTS
(continued)

Page

5.2 Participation in Advertising and Marketing. 14
5.3 Approval of Marketing Programs and Materials. 15
5.4 Websites and Electronic Media. 15
5.5 Cooperative Advertising Programs. 16

ARTICLE VI FEES AND PAYMENTS 16

6.1 Initial Fees. 16
6.2 Monthly Fees to Hyatt. 17
6.3 Payments to Other Parties. 17
6.4 Electronic Funds Transfer. 18
6.5 Late Fee and Late Payment Interest. 18
6.6 Application of Payments. 18
6.7 Taxes on Franchisee's Payments. 18
6.8 Non-Refundability. 18

ARTICLE VII BOOKS AND RECORDS, AUDITS AND REPORTING 19

7.1 Reports. 19
7.2 Lender and Ground Lessor Information. 19
7.3 Other Actions or Events. 19
7.4 Preparation and Maintenance of Books and Records. 19
7.5 Audit. 19

ARTICLE VIII RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION 20

8.1 Relationship of the Parties. 20
8.2 Franchisee's Notices to Public Concerning Independent Status 20
8.3 Franchisee's Indemnification and Defense of Hyatt. 20
8.4 Hyatt's Indemnification and Defense of Franchisee. 21
8.5 Survival and Mitigation. 22

ARTICLE IX INSURANCE 22

ARTICLE X CONDEMNATION AND DAMAGE 23

10.1 Condemnation. 23
10.2 Damage. 23

ARTICLE XI PROPRIETARY RIGHTS 24

11.1 Ownership and Goodwill of Proprietary Marks, Copyrighted Materials, and Confidential Information. 24
11.2 Limitations on Franchisee's Use of Proprietary Marks. 24
11.3 Notification of Infringements and Claims. 25
11.4 Discontinuing Use of Proprietary Marks. 25
11.5 Confidential Information. 26

TABLE OF CONTENTS
(continued)

Page

11.6 Guest Information. 26
11.7 Innovations. 26
11.8 Hotel IP. 27

ARTICLE XII OWNERSHIP OF FRANCHISEE AND TRANSFER 27

12.1 Ownership of Franchisee and Guarantors. 27
12.2 Transfer by Franchisee – Defined. 28
12.3 Non-Control Transfers. 28
12.4 Control Transfers. 28
12.5 Permitted Control Transfers. 30
12.6 Security Interests. 30
12.7 Transfers of Equity Interest Upon Death. 30
12.8 Public Offerings and Disclosures. 31
12.9 Non-Waiver of Claims. 31
12.10 Transfer by Hyatt. 31

ARTICLE XIII SUCCESSOR FRANCHISE 32

13.1 Right to a Successor Franchise Agreement. 32
13.2 Successor Franchise Notice and PIP. 32
13.3 Agreements/Releases. 33

ARTICLE XIV DISPUTE RESOLUTION 33

14.1 Arbitration. 33
14.2 Governing Law. 34
14.3 Consent to Jurisdiction. 34
14.4 Attorneys' Fees. 35
14.5 Waiver Of Punitive Damages And Jury Trial. 35
14.6 Limitations of Claims. 35

ARTICLE XV DEFAULT AND TERMINATION 35

15.1 Termination by Hyatt After Opportunity to Cure. 35
15.2 Termination by Hyatt Without Opportunity to Cure. 36
15.3 Suspension of Rights and Services. 38
15.4 General Provisions Concerning Default and Termination. 38

ARTICLE XVI RIGHTS AND OBLIGATIONS UPON EXPIRATION OR TERMINATION 39

16.1 De-Identification. 39
16.2 Pay Amounts Owed. 40
16.3 Contacting Customers. 40
16.4 Survival. 40
16.5 Liquidated Damages. 40

TABLE OF CONTENTS
(continued)

Page

16.6 System Services. 41

ARTICLE XVII NOTICES 41

ARTICLE XVIII GENERAL 42

18.1 The Exercise of Hyatt's Judgment. 42
18.2 Severability and Interpretation. 42
18.3 Waiver of Obligations and Force Majeure 43
18.4 Binding Effect. 43
18.5 Entire Agreement and Construction 43
18.6 Cumulative Remedies. 44

ARTICLE XIX ACKNOWLEDGEMENTS 44

19.1 Franchisee Acknowledgements. 44
19.2 Franchisee Acknowledgements in Certain States. 45
19.3 No Waiver or Disclaimer of Reliance in Certain States. 45

EXHIBITS

Exhibit A – DEFINED TERMS
Exhibit B-1 – HOTEL AND BRAND SPECIFIC TERMS
Exhibit B-2 – AREA OF PROTECTION AND AOP TERM
Exhibit B-3 – DEVELOPMENT OR RENOVATION SCHEDULE & HOTEL ELEMENTS
Exhibit C – RIGHT OF FIRST OFFER FOR STRATEGIC MARKETS
Exhibit D – PROPERTY IMPROVEMENT PLAN (if applicable)
Exhibit E – IT PROJECT MANAGEMENT SERVICES
Exhibit F – MANAGEMENT COMPANY DOCUMENTS
Exhibit G – FRANCHISEE'S OWNERSHIP
Exhibit H – GUARANTY AND ASSUMPTION OF OBLIGATIONS

BRAND HOTEL
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT is made and entered into as of _____, 2025 (this "**Agreement**") by and between _____, a _____ ("**Franchisee**") and the franchisor entity set forth in Exhibit B-1 ("**Hyatt**").

PRELIMINARY STATEMENT

Franchisee is the owner of, or has the right to occupy, certain real property located at the Site identified in Exhibit B-1. Hyatt has the right to grant franchises for Brand Hotels. Franchisee wishes to enter into this Agreement to obtain a franchise to use the Hotel System to operate a Brand Hotel located at the Site. In addition to other terms defined in this Agreement, the initial capitalized terms shall have the meanings set forth in Exhibit A or Exhibit B-1 (as applicable).

NOW, THEREFORE, Franchisee and Hyatt agree as follows:

ARTICLE I

GRANT OF FRANCHISE, TERM AND AREA OF PROTECTION

1.1 **Grant of Franchise**. Hyatt grants Franchisee, and Franchisee accepts, the non-exclusive right and obligation to use the Hotel System during the Term (defined below in Section 1.2) to build or convert, and operate, the Hotel at the Site in affiliation with the Proprietary Marks in accordance with this Agreement's terms.

1.2 **Term**. The term of this Agreement (the "**Term**") will commence on the Effective Date and expire without notice at the end of the twentieth Year, subject to its earlier termination as set forth in this Agreement.

1.3 **Rights in Area of Protection During AOP Term**. Subject to the one exception below, neither Hyatt nor any of its Affiliates will open and operate during the AOP Term, nor authorize any other party to open and operate during the AOP Term, any other Brand Hotels the physical premises of which are located within the Area of Protection. The one exception to this restriction is that, during the AOP Term, if Hyatt or any Affiliate acquires ownership of or the right to operate, manage, franchise or license (regardless of the form of transaction) another group of at least four (4) hotels, one (1) or more of which hotels are located or are under contract or construction to be located in the Area of Protection, then Hyatt and/or its Affiliates will have the unrestricted right to convert, or cause to be converted, the acquired hotel(s) within the Area of Protection from its (or their) original trade identity to operate in affiliation with the Proprietary Marks and the Hotel System, and thereafter to operate or authorize any other party to operate such hotel(s) as Brand Hotels, even if one (1) or more of the other acquired hotels, whether operating within or outside the Area of Protection, are not converted to Brand Hotels.

Franchisee's rights in the Area of Protection apply only during the AOP Term. Following the AOP Term, Franchisee will have no territorial rights or protection whatsoever, whether within or outside the Area of Protection, and Hyatt and its Affiliates may open and operate, and authorize

any other parties to open and operate, other Brand Hotels the physical premises of which are located within the Area of Protection, including pursuant to franchise applications submitted and/or franchise agreements and other agreements signed during the AOP Term.

1.4 **No Other Restrictions**. Except for the limited exclusivity provided in Section 1.3, Franchisee's rights under this Agreement are nonexclusive in all respects, the Hotel has no territorial protection whatsoever, and Hyatt and its Affiliates have the right without restriction to engage in any and all activities Hyatt and they desire (including with respect to any and all types of lodging facilities), at any time and place, whether or not using the Proprietary Marks or any aspect of the Hotel System, and whether or not those activities compete with the Hotel. Without limiting the foregoing, Franchisee acknowledges that Hyatt and its Affiliates currently operate other franchised and non-franchised systems for lodging facilities and other accommodations and hospitality affiliations that use different brand names, trademarks, and service marks, including those with the "Hyatt" name as part of their brand name, some of which might operate and have facilities in the Area of Protection during the AOP Term, that will compete directly with Franchisee. Hyatt and its Affiliates may use or benefit from, among other things, common computer systems, administrative systems, reservation systems, purchasing systems and personnel, and may provide some or all System Services to other Hyatt Network Hotels and other hotels, lodging facilities and other businesses, even if they compete with the Hotel. Franchisee will have no right to pursue any claims, demands, or damages as a result of these activities, whether under breach of contract, unfair competition, implied covenant of good faith and fair dealing, divided loyalty, or other theories.

1.5 **Right of First Offer**. If Hyatt determines that the Site is located in a strategic market for Hyatt and its Affiliates, then simultaneously with signing this Agreement, Hyatt and Franchisee shall sign and deliver to each other the Right of First Offer attached as Exhibit C. Hyatt and Franchisee acknowledge that, unless they sign and deliver to each other the Right of First Offer, the terms of the Right of First Offer and Exhibit C shall not apply to the Hotel or Franchisee.

ARTICLE II

DEVELOPMENT AND OPENING OF THE HOTEL

2.1 **Hotel Development**. Franchisee shall, at its expense and with all reasonable diligence, develop or renovate the Hotel at the Site in accordance with the provisions of Exhibit B-3 and the Hotel System, including the Design and Construction Standards, as well as applicable law. Franchisee acknowledges and agrees that the selection of the Site for the Hotel or the failure of Hyatt to object to the Site, does not constitute an assurance, representation or warranty by Hyatt of any kind, express or implied, as to the suitability (commercially or otherwise) of the Site for the Hotel or for any other purpose. Hyatt shall not be responsible for the failure of the Site approved by Hyatt to meet expectations as to revenue, income or operational criteria. Franchisee further acknowledges and agrees that approval of the Site for the Hotel is based on Franchisee's own independent investigation of the suitability of the Site. Franchisee may not make any material changes to plans approved by Hyatt (including any changes to any structural or life safety equipment or systems, the number and/or type of guest rooms or common areas, or any architectural features) without Hyatt's prior written consent.

2.2 **IT Project Management Services**.

(a) **IT Project Management Services**. Franchisee shall install information technology system(s) for the Hotel in accordance with the System Standards. To assist Franchisee and Franchisee's consultants in installing and implementing information technology system(s) that meet Hyatt's requirements and in consideration of the IT Project Management Services Fee, Hyatt will provide the IT Project Management Services in connection with the opening of the Hotel in accordance with this Section 2.2. Hyatt will staff the IT Project Management Services using its employees or third party contractors, as Hyatt determines.

(b) **Franchisee Responsibilities**. Franchisee agrees to perform, in a timely manner, the tasks identified as Franchisee's responsibilities in Exhibit E. Franchisee acknowledges that Hyatt's performance of the IT Project Management Services is dependent on Franchisee's timely, accurate, and effective performance of all Franchisee's responsibilities set forth in Exhibit E, including providing written notice to Hyatt of Franchisee's designated representative. Franchisee further acknowledges and agrees that its failure to perform may prevent or delay Hyatt's performance of the IT Project Management Services and/or require modifications to the services performed, including an adjustment to the scope of work, completion schedule or fees.

(c) **Site Preparation**. Franchisee will be responsible for all site preparation at the Hotel in connection with the IT Project Management Services. Without limitation, Franchisee is responsible for all climate control, physical safety and security, provision of adequate electric and telecommunications utilities, and wiring for all equipment and devices. Franchisee will also provide such workspace, supplies, hardware and software as are reasonably required for each assignment.

(d) **Hyatt Limited Warranty**. Hyatt warrants that the IT Project Management Services will be performed in substantial accordance with the specifications set forth in Exhibit E. If any IT Project Management Services do not comply with this warranty, Franchisee must notify Hyatt in writing within thirty (30) days after completion of the IT Project Management Services. As to any valid warranty claim, Hyatt will at its option: (i) repair the defect; (ii) re-perform the defective IT Project Management Services; or (iii) refund sums paid by Franchisee to Hyatt for the defective IT Project Management Services. Following expiration of the warranty period, Franchisee accepts the IT Project Management Services in their "AS-IS" condition. The foregoing constitutes Franchisee's sole and exclusive remedies in response to a warranty claim. Hyatt makes no representation or warranty with respect to: (1) software, equipment, or goods manufactured, developed or provided by others, including Franchisee; (2) use of the IT Project Management Services in a manner contrary to instructions from Hyatt; (3) use of the IT Project Management Services in combination with goods or IT Project Management Services not delivered by Hyatt; (4) defects caused by Franchisee; or (5) other events outside the control of Hyatt. EXCEPT AS STATED ABOVE, HYATT MAKES NO OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO IT PROJECT MANAGEMENT SERVICES, GOODS OR SOFTWARE DELIVERED,

INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, QUALITY, PERFORMANCE, INTEGRATION, SECURITY, SYSTEM UPTIME, DATA INTEGRITY, OR TITLE. HYATT MAKES NO REPRESENTATIONS OR WARRANTIES THAT SYSTEM DISRUPTIONS, SECURITY BREACHES OR IMPAIRMENTS WILL NOT OCCUR AND DISCLAIMS ALL RELATED EXPRESS AND IMPLIED WARRANTIES. HYATT SHALL NOT BE LIABLE FOR ANY LOSS OF DATA, CORRUPTION OF DATA, OR NETWORK INSECURITY.

(e) **Franchisee Limited Warranty**. Franchisee represents and warrants that access by Hyatt to software licensed or controlled by Franchisee is permitted under the applicable third party license agreements. Except with respect to systems owned or controlled by Hyatt or a vendor selected by Hyatt, Franchisee represents and warrants that Hyatt's performance of the IT Project Management Services will not constitute a misappropriation of any intellectual property or other proprietary or contractual rights of any third party or a violation of any applicable law, regulation, rule or order.

(f) **Procurement of Third Party Components**. All software, equipment, and other goods required for Franchisee's use in connection with its business operations will be procured directly by Franchisee from the appropriate third party vendor. Hyatt will not be responsible for procuring any third party deliverables for use by Franchisee unless otherwise agreed to by Hyatt in a separate writing approved by an authorized officer of Hyatt. Franchisee will comply with the terms of all underlying third party agreements, including all third party software license agreements. Franchisee shall also engage a third party service provider in accordance with this Agreement to support all third party hardware and software installed at the Hotel, and such engagement shall be in place as of the date Hyatt completes all Services.

(g) **Data Back-Up & Disaster Recovery**. Franchisee will maintain in accordance with this Agreement and the System Standards: (i) appropriate data back-up and storage procedures to minimize any harm occurring from loss or corruption of data whatever the cause and (ii) an appropriate disaster recovery and business continuance plan to be activated in response to a technology crisis or system downtime.

(h) **Changes in Scope, Fees**. Hyatt and Franchisee acknowledge and agree that the scope of the IT Project Management Services may change between the Effective Date and the date that the IT Project Management Services are provided, as a result of modifications to the technology systems required under the Hotel System. If any such changes result in an increase to Hyatt's costs in providing the IT Project Management Services, Hyatt shall have the right to charge a reasonable additional fee in connection therewith.

2.3 **F&B Operations and Spa Operations**.

(a) **F&B Operations Plan**. At Hyatt's option, Franchisee must prepare and deliver to Hyatt for its approval the F&B Operations Plan describing Franchisee's proposal for conducting F&B Operations at the Hotel. Franchisee shall make such modifications to

the F&B Operations Plan that Hyatt reasonably specifies and ensure that the Hotel and its F&B Operations operate in accordance with the approved F&B Operations Plan. Franchisee may not make any material changes to the F&B Operations Plan (including any changes to the proposed restaurant concept(s) and/or F&B Operator(s)) without Hyatt's prior written approval. Before the Hotel begins operating in affiliation with the Proprietary Marks, Franchisee shall require each F&B Operator (if any) to sign such documents as Hyatt reasonably specifies to protect Hyatt's (and its Affiliates') intellectual property and other rights. At Hyatt's option, Franchisee must submit to Hyatt for its prior approval any proposed lease or other agreement between Franchisee (or its Affiliate or the Management Company) and the F&B Operator pursuant to which the F&B Operator will conduct F&B Operations, in which case Franchisee may not sign (or permit its Affiliate or the Management Company to sign) any such lease or other agreement that Hyatt has not approved.

(b) **Spa Operations**. If the Hotel has Spa Operations, Franchisee may subcontract the management of the Spa Operations to a Spa Operator only if (i) Hyatt (in its sole judgment) approves of the Spa Operator, the spa concept and the terms of the lease or other arrangement between Franchisee and the Spa Operator; (ii) the Spa Operator complies with all applicable System Standards; and (iii) the spa does not use the Proprietary Marks in any manner (unless Hyatt authorizes such use in writing).

2.4 **Pre-Opening Sales Office**. Promptly after the Technology System is installed at the Hotel, at Hyatt's option, Franchisee must open and begin operating a Pre-Opening Sales Office at the Site, staffed by the Hotel's director of sales.

2.5 **Opening the Hotel**. Franchisee may not open or begin operating the Hotel in affiliation with the Proprietary Marks until Hyatt has notified Franchisee in writing that Franchisee has satisfied all of the pre-opening conditions set forth in the System Standards or otherwise in writing. Franchisee must open and begin operating the Hotel under the Hotel System and in affiliation with the Proprietary Marks on or before the Opening Deadline. Franchisee may request an extension of the Opening Deadline by submitting to Hyatt, at least three (3) months before the Opening Deadline, a written request for extension and an extension fee in the amount set forth in Exhibit B-1. If Hyatt approves the extension, Hyatt will set a new Opening Deadline, the extension fee will be non-refundable, and Hyatt may (at its option) require Franchisee to modify any previously-approved plans, construction documents, or the PIP (as applicable), to comply with the then current design, equipment and other aspects of the Hotel System. If Hyatt denies the extension, Hyatt will refund the extension fee. Franchisee shall indemnify Hyatt for all costs and expenses that Hyatt incurs directly or indirectly as a result of Franchisee's failure to open the Hotel on or before the anticipated Opening Date specified by Franchisee or the Opening Deadline, whichever is earlier, including any amounts that Hyatt pays with respect to customers whose reservations at the Hotel are cancelled.

2.6 **Hyatt's Role in Pre-Opening Phase**. Hyatt agrees to use commercially reasonable efforts in connection with its review and approval of plans and its approval to open the Hotel in affiliation with the Proprietary Marks, including by making a reasonable number of visits to the Site and providing reasonable guidance and advice relating to the Hotel's development or

conversion. Franchisee must pay Hyatt's then current fees (if any) for any additional guidance, services or assistance (beyond what Hyatt typically provides to similarly situated Brand Hotels, subject to Reasonable Deviations) that Franchisee requests, and that Hyatt (at its option) agrees to provide, in connection with the Hotel's development or conversion. Hyatt's review and approval of plans, its providing construction, design, architectural, planning and/or related services in connection with the Hotel (whether before or after signing this Agreement), and its approval to open the Hotel in affiliation with the Proprietary Marks are intended only to determine compliance with Hyatt's pre-opening requirements. Hyatt's determination that Franchisee has met all of Hyatt's pre-opening requirements will not constitute a representation or warranty, express or implied, that the Hotel complies with any laws or is safe for occupancy, nor shall such determination act as a waiver of Franchisee's non-compliance, or of Hyatt's right to demand full compliance, with such pre-opening requirements or any other provision of this Agreement. Hyatt will have no liability to Franchisee for the Hotel's construction or renovation. It is Franchisee's responsibility to ensure that the Hotel (a) complies with Hyatt's requirements as communicated to Franchisee by Hyatt, (b) complies with all Accessibility Laws and other applicable ordinances, building codes, and permit requirements, and (c) is safe for occupancy.

2.7 **Comfort Letter Parties**. Franchisee must cause each Comfort Letter Party to sign a comfort letter or other agreement that Hyatt reasonably specifies under which such Comfort Letter Party agrees, among other things, to assume Franchisee's obligations under this Agreement (subject to Hyatt's rights under ARTICLE XII) if the Comfort Letter Party or any of its Affiliates acquires title or otherwise assumes possession, or the right to sell or direct the disposition of, the Hotel's real property or building and improvements. Franchisee shall pay Hyatt its then current comfort letter fee for each comfort letter that Hyatt negotiates relating to the Hotel. In addition, upon Hyatt's request from time to time, Franchisee must cause each Comfort Letter Party to sign and deliver to Hyatt an estoppel in the form that Hyatt reasonably specifies concerning the status of Franchisee's contractual relationship with that Comfort Letter Party.

2.8 **Hotel System Variations**. Franchisee acknowledges that Hyatt and its Affiliates may operate, and authorize others to operate, Brand Hotels within or outside the United States providing additional, fewer and/or different amenities and services to guests than the Hotel provides or that otherwise operate in a manner that is substantially different from the manner in which the Hotel operates. Hyatt may establish and periodically modify the Hotel System and System Standards for certain Brand Hotels in a manner that is different from the Hotel System and System Standards that apply to some or all Brand Hotels.

ARTICLE III

TRAINING, GUIDANCE AND ASSISTANCE

3.1 **Training**.

(a) **Owner and Management Company Orientation**. Within the time period that Hyatt reasonably specifies after the Effective Date, (i) Franchisee's managing owner and senior operations officer must attend an owner orientation program, and (ii) a senior operations officer for Franchisee's initial Management Company must attend an operator

orientation program, in each case virtually, at Hyatt's headquarters in Chicago, Illinois or at another location Hyatt designates, unless such person has previously attended Hyatt's owner orientation program or operator orientation program (as applicable) within the two (2) year period immediately prior to the Effective Date.

(b) **General Manager Orientation**. Within the time period that Hyatt reasonably specifies before the Hotel's anticipated Opening Date, the Hotel's proposed general manager must attend an orientation program virtually, at Hyatt's headquarters in Chicago, Illinois, or at another location Hyatt designates. If Franchisee or the Management Company replaces the Hotel's general manager during the Term (subject to Section 4.2), the replacement general manager must attend the orientation program within thirty (30) days (or such longer period that Hyatt periodically designates) after assuming that position. Franchisee must pay Hyatt's then current fee for this orientation program and any additional programs that the Hotel's personnel attend.

(c) **Initial Training Programs**. Before opening the Hotel for business in affiliation with the Proprietary Marks, members of the Core Management team and other Hotel personnel whom Hyatt specifies must attend and successfully complete Hyatt's brand standard training programs and curriculum for their respective positions. During the Term, if Franchisee, the Management Company or the approved F&B Operator (if any) replaces any member of its Core Management team or any other individual whom Hyatt required to attend training, that person's replacement must attend and successfully complete the applicable brand standard training programs that Hyatt reasonably specifies within ninety (90) days (or such longer period that Hyatt periodically designates) after assuming that position. Hyatt will designate the dates, locations, and duration of training.

(d) **Pre-Opening Training**. Hyatt will provide pre-opening training to the Hotel staff on the System Standards and related issues in connection with the Hotel's opening in affiliation with the Proprietary Marks. Hyatt may conduct this training via remote learning, in one or more visits to the Hotel, or both, as Hyatt determines in its sole option. Franchisee must pay Hyatt's then current fee and the trainers' travel and living expenses associated with any training that Hyatt provides on-site at the Hotel. If Hyatt provides on-site training, the trainers will arrive at or before the Hotel's opening in affiliation with the Proprietary Marks and stay for the period that Hyatt specifies.

(e) **Supplemental and Optional Training**. Hyatt may, at such times and places as it deems best, require the Core Management and/or other Hotel personnel that Hyatt reasonably specifies to participate in regional and national conventions, meetings, and other brand standard training programs that Hyatt periodically specifies. Hyatt also may, at its option, offer various optional training programs from time to time during the Term.

(f) **Training Fees and Expenses**. Franchisee must pay Hyatt's then current fees for any conventions, meetings and other initial, supplemental and optional training programs that the Hotel's personnel attend. Franchisee also is responsible for all related compensation, and travel and living expenses that Hotel personnel incur. If Hyatt holds

any training at the Hotel, Franchisee must provide free lodging for Hyatt's representatives, subject to availability.

3.2 **Providing System Standards**. Hyatt shall provide Franchisee access to the System Standards during the Term. Franchisee must comply with the System Standards, as Hyatt periodically modifies them, except for any employment-related or other policies and procedures which are clearly indicated in the System Standards as being for Franchisee's optional use. Hyatt may communicate the System Standards to Franchisee using various means that Hyatt may periodically establish, including electronic media and/or written materials, and Franchisee agrees continuously to monitor and access any updates to the System Standards or other aspects of the Hotel System. Franchisee agrees to restrict (and ensure the Management Company restricts) access to the System Standards in accordance with Hyatt's policies, as Hyatt periodically modifies them. If there is a dispute over their contents, Hyatt's master version of the System Standards controls. Franchisee agrees that the System Standards and any passwords or other digital identifications necessary to access the System Standards are part of the Confidential Information.

3.3 **CRS, GDS, ADS and IT Services**. During the period before the Hotel's Opening Date that Hyatt reasonably specifies and continuing for the remainder of the Term, Hyatt shall provide Franchisee access to the CRS and listings in advertising publications that Hyatt periodically specifies. Hyatt also may, at its option, provide IT project management implementation services and other services relating to the computing equipment and other technology at the Hotel during the Term. Franchisee must pay Hyatt's reasonable fees and reimburse Hyatt's expenses in connection with such assistance.

3.4 **General Guidance and Assistance**. During the Term, Hyatt may advise Franchisee from time to time regarding the Hotel's operation, for example, with respect to System Standards and advertising and marketing materials and programs. If Franchisee requests, and Hyatt agrees to provide, additional or special guidance, assistance, or training, Franchisee agrees to pay Hyatt's then applicable charges and travel and living expenses. Any specific training, guidance or assistance that Hyatt provides does not create an obligation (whether by course of dealing or otherwise) to continue providing that specific training, guidance or assistance, all of which Hyatt may periodically modify.

3.5 **Other Arrangements and Delegation**. Hyatt may make arrangements with its Affiliates or other third parties to provide development, marketing, operations, administration, technical, and support functions, facilities, services, and/or personnel related to the Hotel System. Hyatt may delegate the performance of any portion or all of its obligations under this Agreement to third party designees, whether these designees are its Affiliates, agents, or independent contractors with whom Hyatt contracts to perform these obligations. If Hyatt does so, the third party designees will be obligated to perform the delegated functions for Franchisee in compliance with this Agreement.

ARTICLE IV

OPERATION OF THE HOTEL

4.1 **System Services**. If Franchisee is in full compliance with its obligations under this Agreement, Hyatt or one or more members of the Hyatt Group will provide to Franchisee those System Services periodically specified by Hyatt for Brand Hotels. Franchisee must participate in all Mandatory Services and related programs, and may (at Franchisee's option) participate in any or all Non-Mandatory Services and related programs, in the manner that Hyatt periodically specifies. Hyatt may from time to time add to, delete from, and otherwise modify these System Services, and the scope of and manner of providing System Services, upon notice to Franchisee. Also, due to the differences in products, services, markets and hospitality experiences among Brand Hotels and other Hyatt Network Hotels, Hyatt may, where it deems appropriate in its judgment: (a) classify certain System Services as Mandatory Services under this Agreement which Hyatt classifies as Non-Mandatory Services or does not offer to other Brand Hotels and/or other Hyatt Network Hotels; (b) not provide to the Hotel certain System Services that Hyatt provides to other Brand Hotels and/or other Hyatt Network Hotels; and (c) limit the scope of those System Services provided to franchised Brand Hotels, including, by way of example and without limitation, by limiting the access that franchised Brand Hotels have to certain customer and other proprietary information for Hyatt Network Hotels other than the Hotel.

4.2 **Management of the Hotel**.

(a) **Franchisee or Management Company as Manager**. Either a Management Company that Hyatt approves in writing or Franchisee (if Hyatt approves Franchisee to manage the Hotel) must at all times retain and exercise direct management control over all aspects of the Hotel's business and must be the employer of the Hotel's Core Management and other personnel, except for any members of Core Management that are overseen by an F&B Operator whom Hyatt approves. At Hyatt's option, before any of the Hotel's Core Management are engaged, Franchisee must submit to Hyatt the identity and qualifications of the proposed candidates. These personnel must be in place and working on behalf of the Hotel by the time period Hyatt specifies. Franchisee may not enter into a Management Arrangement without Hyatt's prior written approval of the Management Company, and Franchisee may not itself manage the Hotel without Hyatt's approval of Franchisee as the Hotel's operator. Hyatt will not unreasonably withhold its approval if the Management Company or Franchisee (as applicable) meets Hyatt's minimum qualifications, including Hyatt's then current operator approval fee, and ensures that its personnel attend and satisfactorily complete required brand standard training programs.

(b) **Management Company Documents**. As a condition of Hyatt's approval of any Management Company, the Management Company must (i) sign the documents Hyatt requires to protect its intellectual property rights and to reflect the Management Company's agreement to perform its management responsibilities and otherwise operate the Hotel in compliance with this Agreement (collectively, the "**Management Company Documents**"); and (ii) attend and successfully complete Hyatt's designated then current operator training programs for Brand Hotels, if any. The current version of the

Management Company Documents is attached as Exhibit F. Hyatt may refuse to approve a Management Company that is a Competing Brand Owner. If Hyatt has approved a Management Company as of the Effective Date, or if Hyatt has approved Franchisee to manage the Hotel as of the Effective Date, then the approved Management Company (if applicable) is listed on Exhibit B-1.

(c) **Revocation of Management Company Approval**. If an approved Management Company or Franchisee (if Hyatt approves Franchisee to manage the Hotel) at any time becomes a Competing Brand Owner, fails to attend and successfully complete mandatory training program(s), fails to meet Hyatt's minimum qualifications (as Hyatt may periodically modify them), or fails to comply with this Agreement (including any System Standards and/or, without limiting the terms of Section 4.8 below, if the Hotel remains in any remedial or non-compliant status under Hyatt's then-current Quality Assurance and Compliance Program for three (3) or more consecutive months), the Management Company Documents, or any conditions of operator approval previously imposed by Hyatt, then, without limiting Hyatt's other rights and remedies under this Agreement and applicable law, Hyatt may (i) revoke its approval of the Management Company (or of Franchisee) as the manager of the Hotel or (ii) as a condition of its continued approval, Hyatt may impose on the Management Company (or Franchisee) additional requirements, including participation in remedial training and other operational programs, at the Management Company's or Franchisee's expense. If Hyatt revokes its approval of the Management Company or of Franchisee as manager, then Franchisee must promptly terminate the Management Arrangement with that Management Company (if applicable) and either assume direct control of the Hotel's management and operation, if Hyatt approves Franchisee to manage the Hotel, or engage another Management Company that Hyatt has approved in writing.

(d) **Core Management Staffing**. Franchisee, the Management Company or the approved F&B Operator (as applicable) is solely responsible for hiring the Core Management and other Hotel personnel and determining the terms and conditions of their employment. Franchisee, the Management Company or the approved F&B Operator (as applicable) must hire and properly train all Core Management and have a Core Management team in place at the Hotel at all times. Franchisee must ensure that all members of the Hotel's Core Management whom Franchisee or the Management Company employ spend all of their working time at the Hotel fulfilling their management and operational responsibilities and do not concurrently maintain a position at another lodging facility or in any other capacity related to the lodging industry.

4.3 **System Standards**. Subject to ARTICLE X, Franchisee must operate the Hotel twenty-four (24) hours a day, every day, and use the Hotel and its premises solely for the business franchised under this Agreement. Franchisee, and not Hyatt, shall be responsible for providing a safe and secure environment at the Hotel and the Site for guests, employees, and members of the public. Franchisee must at all times ensure that the Hotel is operated in compliance with the Hotel System and all other mandatory System Standards Hyatt periodically communicates to Franchisee, as Hyatt may periodically modify them. System Standards may regulate any aspect of the Hotel's operation and the products and services that the Hotel uses and offers to guests and other customers, including participation in and compliance with the terms of all of Hyatt's mandatory

marketing, reservation service, rate and room inventory management, advertising, guest frequency and loyalty, social responsibility, discount or promotional, training and operating programs, including a property management system that interfaces with the CRS. Franchisee must sign and comply with any license, participation and other agreements Hyatt periodically specifies relating to these programs.

Despite Hyatt's right to establish and periodically to modify System Standards for the Hotel and modify the Hotel System as Hyatt deems best, Franchisee retains the right to control, and responsibility for, the Hotel's day-to-day management and operation and implementing and maintaining System Standards at the Hotel. Because complete and detailed uniformity under many varying conditions might not be possible or practical, Hyatt reserves the right, as Hyatt deems best, to vary the Hotel System and System Standards for any Brand Hotel based upon the peculiarities of any condition or factors that Hyatt considers important to that hotel's successful operation. Franchisee has no right to require Hyatt to grant Franchisee a similar variation or accommodation.

Hyatt and Franchisee agree that any materials, guidance or assistance that Hyatt provides with respect to employment-related policies or procedures are solely for Franchisee's (and/or the Management Company's) optional use. Those materials, guidance and assistance do not form part of the mandatory System Standards. Franchisee (or the Management Company) will determine to what extent, if any, these materials, guidance or assistance should apply to the Hotel's employees. Franchisee acknowledges that Hyatt does not dictate or control labor or employment matters for franchisees and their employees. Franchisee (or the Management Company) is solely responsible for determining the terms and conditions of employment for all Hotel employees (including Core Management), for all decisions concerning the hiring, firing and discipline of Hotel employees, and for all other aspects of the Hotel's labor relations and employment practices.

4.4 **Sources of Products and Services**. Hyatt may require Franchisee to acquire FF&E, supplies, and other goods and services only from Hyatt (or its Affiliate) or from one or more sources that Hyatt periodically designates or approves. If Franchisee wishes to obtain any FF&E, supplies, or other goods and services from a source that Hyatt has not previously approved as a supplier of the particular item or service, Franchisee must comply with Hyatt's then current supplier approval standards. Upon Hyatt's request, Franchisee must reimburse Hyatt's costs in reviewing Franchisee's request and evaluating the product, service and/or source. Hyatt may designate a particular source for, or model or brand of, FF&E, supplies or other goods or services that Hyatt (in its sole judgment) determines to be critical to the Hotel System. Hyatt and its Affiliates have the right to receive rebates, commissions, and other consideration from suppliers on account of their actual or prospective dealings with Franchisee and other franchisees and owners of Brand Hotels, but (subject to Section 4.1) neither Hyatt nor its Affiliates will receive rebates from suppliers based solely on the volume of Franchisee's purchases from those suppliers unless Hyatt either forwards those rebates to Franchisee, uses them to cover System Services Costs, or otherwise uses those rebates for the benefit of the Hotel System or the Brand Hotel network.

4.5 **CRS, GDS and ADS**. Franchisee must participate in, connect with, and use the authorized CRS, GDS and ADS (and only the authorized CRS, GDS and ADS) in the manner Hyatt periodically designates for offering, booking, modifying, and communicating guest room reservations for the Hotel. Franchisee must honor and give first priority on available rooms to all

confirmed reservations that the CRS, GDS or ADS refers to the Hotel. The CRS and approved GDS and ADS are the only reservation systems or services that the Hotel may use for reservations. Franchisee will establish the Hotel's room rates, provided that those rates and Franchisee's pricing policies comply with System Standards (to the maximum extent the law allows). Franchisee may not charge any guest a rate higher than the rate that the reservations center specifies to the guest when the guest makes the reservation.

4.6 **F&B Operations and Spa Operations**. Franchisee is responsible for ensuring that all F&B Operations and all Spa Operations (if the Hotel has Spa Operations) operate in full compliance with all applicable laws, rules and regulations and all applicable System Standards. Franchisee agrees to provide, or cause the Management Company to provide, all training programs to the F&B Operator and Spa Operator (as applicable) that Hyatt periodically specifies. If the F&B Operator or Spa Operator at any time fails to operate in full compliance with all applicable laws, rules and regulations and all applicable System Standards, or fails to comply with any agreement with Hyatt, then, without limiting Hyatt's other rights and remedies under this Agreement and applicable law, Hyatt may revoke its approval of the F&B Operator or Spa Operator (as applicable). If Hyatt does so, then Franchisee must promptly terminate its arrangement with the F&B Operator or Spa Operator and either assume direct control of the Hotel's F&B Operations or Spa Operations (as applicable), if Hyatt has approved Franchisee to manage the Hotel, or engage another approved F&B Operator or Spa Operator that Hyatt has approved in writing.

4.7 **Upgrading the Hotel and CapEx Account**. Franchisee may not make any material changes to the Hotel's construction, including any changes to any structural or life safety equipment or systems, the number and/or type of guest rooms or common areas, or any architectural features, without Hyatt's prior written consent and complying with such conditions and procedures that Hyatt periodically establishes for such changes. Without limiting Hyatt's rights and Franchisee's obligations under Section 4.3, Hyatt may require Franchisee at any time and from time to time during the Term to upgrade or renovate the Hotel, including by altering the Hotel's appearance and/or replacing a material portion of improvements and/or FF&E, to comply with then current building décor, appearance, trade dress standards and other aspects of the Hotel System that Hyatt has established and then requires for new similarly situated Brand Hotels (subject to Reasonable Deviations). This upgrading or renovation may obligate Franchisee to invest additional capital in the Hotel and/or incur higher operating costs. Franchisee agrees to implement such upgrading and renovation within the time period Hyatt requests, provided that all such upgrades and renovations apply to similarly situated Brand Hotels (subject to Reasonable Deviations).

In order to assist Franchisee in having funds available to make any necessary capital expenditures at the Hotel and comply with its obligations under this Section 4.7 (but without limiting those obligations), each month Franchisee shall deposit into a separate account that Franchisee controls (the "**CapEx Account**") the amount set forth in Exhibit B-1. Upon Hyatt's reasonable request, Franchisee will periodically provide Hyatt information concerning the funds in and expenditures from the CapEx Account. Franchisee shall use the funds in the CapEx Account only for the purpose of making approved capital expenditures and complying with its upgrade and

other obligations under this Section 4.7, although such obligations may require Franchisee to spend more than the amount then in the CapEx Account.

4.8 **Inspections/Compliance Assistance and Quality Assurance and Compliance Program**. Hyatt may inspect the Hotel at any time, with or without notice to Franchisee, to determine whether Franchisee and the Hotel are complying with the Hotel System, System Standards, and other provisions of this Agreement. Franchisee must give Hyatt's representatives free lodging (subject to availability) during the inspection period. The Hotel also must participate in and pay its allocable share of all fees and other costs associated with the Quality Assurance and Compliance Program. If Hyatt determines that the Hotel is failing to comply with the System Standards or any other terms and conditions of this Agreement, then, without limiting Hyatt's other rights or remedies under this Agreement, any other agreement or applicable law, Franchisee must: (a) reimburse Hyatt for its costs related to that non-compliance, including fees, travel and living expenses, guest satisfaction payments or expenses, and other costs for administering any necessary actions, follow-up inspections, audits or re-evaluation visits until the failures to comply have been fully corrected, and (b) ensure that applicable Hotel personnel attend meetings and additional brand standard training programs that Hyatt specifies, at Franchisee's sole expense, relating to that non-compliance.

4.9 **Compliance With Laws**. Franchisee must strictly comply with all laws, rules, regulations and other legal and governmental requirements concerning the Hotel's development and operation, including by (a) ensuring that the Hotel is at all times in full compliance with the Accessibility Laws; (b) paying all taxes when due; and (c) obtaining and maintaining (or ensuring that the Management Company, F&B Operator and/or Spa Operator, as applicable, obtains and maintains) all licenses (including all liquor licenses) and permits necessary to operate the Hotel, including the F&B Operations and Spa Operations (if the Hotel has Spa Operations). Franchisee agrees to comply, and to assist Hyatt to the fullest extent possible in its efforts to comply, with the Trade Restriction Laws, Anti-Corruption Laws and Privacy Laws. In connection with that compliance, Franchisee (on behalf of itself and its Owners, excluding any Public Owners) certifies, represents, and warrants as of the Effective Date that none of Franchisee's nor any such Owner's property or interests is subject to being blocked under, and that Franchisee and such Owners otherwise are not in violation of, any of the Trade Restriction Laws. Franchisee represents and warrants that as of the Effective Date it has in place, and covenants to maintain in place throughout the Term, commercially reasonable compliance programs, policies and procedures designed to prevent any violations of, and promptly to detect any risks of violation or potential violation of, any Trade Restriction Laws, Anti-Corruption Laws or Privacy Laws, including procedures for conducting background checks on Owners and prospective Owners (other than Public Owners).

4.10 **No Diverting Business**. Franchisee must refer guests and customers, wherever reasonably possible, only to Brand Hotels or other Hyatt Network Hotels, not use the Hotel or the Hotel System to promote a competing business or other lodging facility, and not divert business from the Hotel to a competing business.

4.11 **No Competing Brand Owners**. Franchisee represents and warrants to Hyatt that neither Franchisee nor any of its Owners (other than a Public Owner) is a Competing Brand Owner

and agrees that neither Franchisee nor any of its Owners (other than a Public Owner) at any time during the Term shall be or become a Competing Brand Owner.

4.12 **Restrictions on Use of the Site**. If the Hotel is or will be part of a Mixed-Use Site:

(a) Franchisee agrees to ensure that no part or portion of the Mixed-Use Site is used to operate (i) a pawnshop, check-cashing business, gentleman's club, pornography retailer, or other sexually-oriented business, or (ii) a package liquor store, marijuana dispensary, or gambling business, without Hyatt's prior written consent, which consent may be granted or withheld in Hyatt's sole judgment, or (iii) a bar, lounge, club or similar establishment situated within three hundred (300) feet of any part of the Hotel's interior footprint, whose revenues are derived more than fifty percent (50%) from the sale of alcoholic beverages, without Hyatt's prior written consent, which consent will not be withheld unless Hyatt reasonably determines that the establishment might have a material negative impact on guests of the Hotel.

(b) Franchisee shall and shall cause its lessees and its Affiliates and their respective lessees to: (i) develop, maintain and operate all Non-Hotel Components within the Mixed-Use Site in accordance with quality, design and operational standards consistent with the quality, design and operational standards applicable to the Hotel, (ii) refrain from advertising, marketing or promoting the Non-Hotel Components as being associated with or part of the Hotel, the Brand, the Brand Hotels, or any other Proprietary Marks, except in connection with Hotel, advertisement and promotion approved pursuant to ARTICLE V of this Agreement; and (iii) operate the Non-Hotel Components in a way that, in Hyatt's reasonable judgment, does not damage or reflect adversely on the goodwill associated with any Proprietary Mark.

(c) Franchisee shall and shall cause its lessees and its Affiliates and their respective lessees to, obtain and maintain throughout the Term, with respect to the Non-Hotel Components, the insurance coverages meeting then-current industry standards.

(d) Hyatt shall have the right to review the applicable provisions of agreements between Franchisee or its Affiliates and operators of the Non-Hotel Components to determine compliance with this Section 4.12.

ARTICLE V

ADVERTISING AND MARKETING

5.1 **Pre-Opening Marketing**. At least one hundred twenty (120) days before the Hotel's Opening Date, Franchisee must prepare and submit to Hyatt for its approval a written pre-opening marketing program that satisfies Hyatt's requirements and contemplates spending at least the amount set forth in Exhibit B-1. Franchisee must change the program as Hyatt specifies and implement the approved program.

5.2 **Participation in Advertising and Marketing**. Franchisee acknowledges that promoting Brand Hotels as a single chain in the United States is an important part of the Hotel System. Franchisee must participate in and use, in the manner that Hyatt specifies, all advertising,

marketing and promotional activities, materials and programs that Hyatt periodically requires for similarly-situated Brand Hotels (subject to Reasonable Deviations).

5.3 **Approval of Marketing Programs and Materials**. Subject to Hyatt's requirements and at Franchisee's expense, Franchisee may conduct local and regional marketing, advertising and promotional programs for the Hotel. Franchisee must ensure that all advertising, marketing and promotional materials, all public relations plans and programs, and all uses of the Proprietary Marks are conducted in a dignified manner and in accordance with the System Standards, including the use of Hyatt's standard templates where applicable, and which may, at Hyatt's option, require Hyatt's prior approval of materials not previously approved by Hyatt in the manner Hyatt specifies. Franchisee must discontinue using any materials, including previously-approved materials, and cease engaging in any plans and programs, including previously-approved plans and programs, within the timeframe Hyatt specifies after Franchisee receives written notice from Hyatt. Franchisee may not use Guest Information in conducting marketing, advertising and promotional programs for the Hotel unless conducted by or through Hyatt or with Hyatt's supervision in each instance. Franchisee shall pay Hyatt the reasonable fees that Hyatt periodically establishes for optional marketing, advertising and promotional materials and programs that Franchisee chooses to acquire from Hyatt or its Affiliates or in which Franchisee chooses to participate.

5.4 **Websites and Electronic Media**.

(a) Hyatt may maintain (or authorize any other entity to maintain) the Hotel System Website to advertise, market and promote all or a certain group of Brand Hotels that Hyatt periodically specifies (and, at Hyatt's option, other Hyatt Network Hotels). Franchisee must comply with all System Standards relating to the Hotel System Website, including by providing Hyatt (or its designee) all information and other materials concerning the Hotel that Hyatt periodically requests and promptly notifying Hyatt whenever any information concerning the Hotel on the Hotel System Website is no longer accurate. By providing Hotel-related information and materials, Franchisee is representing to Hyatt that they are accurate and not misleading and do not infringe any third party's intellectual property or other rights. Hyatt shall have the final decision about all information or materials appearing on the Hotel System Website. As between Hyatt and Franchisee, Hyatt owns all intellectual property rights and other rights in and to the Hotel System Website, including data that visitors supply or the Hotel System Website obtains. Hyatt may discontinue the Hotel System Website and/or any of its content (including separate webpages for participating Brand Hotels) at any time.

(b) Franchisee may not develop, maintain or authorize any website or other electronic medium (other than the Hotel System Website) that either has the word "hyatt" or any similar word, or any of the Proprietary Marks, as part of its domain name or URL or that accepts reservations for the Hotel (other than through an approved link to a Hotel System Website) or otherwise sells any products or services associated with the Hotel or any of the Proprietary Marks. In addition, except for the Hotel System Website, approved ADS, and as otherwise provided in this Section 5.4, Franchisee may not develop, maintain or authorize any other website, other online presence or other electronic medium that

describes or in any other way promotes the Hotel or displays any of the Proprietary Marks. Franchisee may, with Hyatt's approval (which it will not unreasonably withhold) and subject to compliance with System Standards, authorize any Travel Services Website or Franchisee Organization Website to list and promote the Hotel together with other hotels.

5.5 **Cooperative Advertising Programs**. Hyatt may identify a region in which two (2) or more Brand Hotels are located in order to establish a local or regional advertising cooperative (a "**Cooperative**"). Hyatt may form, change, dissolve and merge Cooperatives. The Cooperative's purpose will be to collect funds from its members and to plan, discuss, organize, develop, utilize, produce, disseminate, and implement marketing, advertising and promotional programs and materials on a collective basis (and to cover related expenses) for participating Brand Hotels. Hyatt will not require Franchisee to participate in a Cooperative. However, if Franchisee chooses to participate in the Cooperative, Franchisee must do so according to the Cooperative's rules, including paying the Hotel's allocable share of any advertising, marketing, promotional and other programs that the Cooperative conducts. All restrictions under this Agreement relating to any advertising, marketing or promotional programs that Franchisee conducts also apply to any such programs that the Cooperative conducts.

ARTICLE VI

FEES AND PAYMENTS

6.1 **Initial Fees**.

(a) The initial Application Fee was fully earned by Hyatt and non-refundable upon Hyatt's approval of Franchisee's franchise application before Hyatt and Franchisee signed this Agreement. If Hyatt and Franchisee agree to add guest rooms to the Hotel above the number of rooms stated in Exhibit B-3 before the Hotel opens, then Franchisee must pay Hyatt, when Hyatt approves the additional guest rooms, an additional Application Fee in an amount equal to the amount set forth in Exhibit B-1. After the Hotel opens, if Franchisee wants to add any guest rooms to the Hotel, Franchisee must pay Hyatt's then current PIP fee (currently the amount set forth in Exhibit B-1 when Franchisee requests Hyatt's approval of Franchisee's plans. This PIP fee is non-refundable. Hyatt will apply this PIP fee toward the additional Application Fee of the amount set forth in Exhibit B-1 if Hyatt approves Franchisee's plans. If the PIP fee exceeds the additional Application Fee, Hyatt may keep the excess. The remaining portion of the additional Application Fee is due, fully earned by Hyatt, and non-refundable on the date Hyatt approves Franchisee's plans to develop the additional guest rooms.

(b) Franchisee shall pay Hyatt the "**IT Project Management Services Fee**" set forth in Exhibit B-1, plus any applicable taxes thereon. The IT Project Management Services Fee is non-refundable. Franchisee shall reimburse Hyatt's or its Affiliate's reasonable expenses in connection with rendering the IT Project Management Services, including any necessary transportation, lodging and meals, plus applicable taxes thereon. The IT Project Management Services Fee (including expenses) will be invoiced by Hyatt no earlier than: (i) Hyatt's completion of the IT Project Management Services or (ii) upon Franchisee's termination of the Hotel development project or the IT Project Management

Services, for any reason, in either event regardless of whether Hyatt has approved the Hotel for opening.

(c) If Franchisee is constructing a new Hotel, adapting a non-hotel space for use as a Hotel, or conducting a significant renovation of an existing hotel in connection with conversion to a Brand Hotel, Franchisee shall pay Hyatt a design services review fee (the "**Design Services Review Fee**") as set forth in Exhibit B-1. In addition, if Franchisee requests Hyatt's review of alternative plans, design or products other than those prescribed by Hyatt's prototype plans, Franchisee must pay Hyatt an alternative design review fee (the "**Alternative Design Review Fee**") as set forth in Exhibit B-1. The Design Services Review Fee and the Alternative Design Review Fee are non-refundable.

6.2 **Monthly Fees to Hyatt**. On or before the tenth (10^{th}) day of each month or such later day of the month that Hyatt periodically specifies, Franchisee shall pay Hyatt:

(a) a "**Royalty Fee**" equal to the amount set forth in Exhibit B-1;

(b) the System Services Charges for the previous month. Franchisee acknowledges that System Services Charges will include an allocable proportion of certain System Services Costs incurred during the period before the Hotel opens in accordance with this Agreement. System Services Charges shall be determined on the same basis as such amounts are determined for other Participating Hotels. Any allocation of shared costs that the Hyatt Group makes in good faith and with the intention of fairly allocating such costs to System Services shall be binding on the parties hereto. System Services Costs shall include the actual costs incurred by the Hyatt Group and shall not be subject to any mark-up, premium or profit on any Mandatory Services, but may include a profit or mark-up component on Non-Mandatory Services as described above or as determined by the Hyatt Group. The Hyatt Group may in its reasonable judgment periodically change its method of allocation of the System Services Costs among Participating Hotels, and the categories of Brand Hotels and/or other Hyatt Network Hotels that are classified as Participating Hotels, provided that such method of allocation and categories of Participating Hotels shall at all times be determined on a reasonable, equitable and non-discriminatory basis; and

(c) all fees and other amounts that Hyatt (or its Affiliates) then has paid or has agreed to pay on Franchisee's behalf to any Providers. If any Provider assesses a single or group fee or other charge that covers all or a group of Brand Hotels or other Hyatt Network Hotels to which that Provider provides products or services, Franchisee agrees that Hyatt's allocation of that fee or other charge among the Hotel and other participating hotels is final. The Providers may periodically increase the fees and other charges they impose. At Hyatt's option, Franchisee must begin paying these fees and other charges directly to the applicable Provider(s).

6.3 **Payments to Other Parties**. Franchisee agrees to pay on a timely basis, as and when due, all amounts owed to third parties (including Hyatt's Affiliates) arising out of the Hotel's operation (excluding only amounts owed which are reasonably in dispute), including: (a) applicable commissions to travel agents and third party reservation service charges and

otherwise participate in any Hotel System travel agent commission payment program, as Hyatt periodically modifies it; (b) all commissions and fees for reservations Franchisee accepts through any sources (including the Internet), whether processed through Hyatt, the CRS, or any Provider's reservation system or billed directly to Franchisee; (c) all fees and assessments due for guest frequency programs and other marketing programs Hyatt periodically initiates that are attributable to the Hotel; and (d) all contributions for cooperative advertising programs in which Franchisee agrees to participate, as required in Section 5.5.

6.4 **Electronic Funds Transfer**. Franchisee must make all payments for Royalty Fees, System Services Charges and other amounts due to Hyatt or any member of the Hyatt Group under this Agreement or otherwise in connection with the Hotel by electronic funds transfer ("**EFT**") in compliance with System Standards. Hyatt periodically may change the procedure for payments hereunder. Funds must be available in Franchisee's account to cover payments when due. Franchisee may not change its bank, financial institution, or account used in connection with the operation of the Hotel without first telling Hyatt.

6.5 **Late Fee and Late Payment Interest**. Franchisee agrees to pay Hyatt a late fee of Two Hundred Twenty-Five Dollars ($225) for each required payment not made on or before its original due date and for each required payment or authorized automatic debit not honored by Franchisee's financial institution. The late fee is not interest or a penalty but compensates Hyatt for increased administrative and management costs due to Franchisee's late payment. In addition, all amounts that Franchisee owes Hyatt that are more than seven (7) days late, or that are not available for withdrawal by automatic debit when due (if the amounts are payable by automatic debit), will bear interest accruing as of their original due date at one and one-half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. Franchisee acknowledges that this Section 6.5 is not Hyatt's agreement to accept any payments after they are due or Hyatt's commitment to extend credit to, or otherwise finance Franchisee's operation of, the Hotel.

6.6 **Application of Payments**. Despite any designation Franchisee makes, Hyatt may apply any of Franchisee's payments to any of Franchisee's past due indebtedness to Hyatt or its Affiliates. Hyatt may set off any amounts Franchisee or its Affiliates owe Hyatt or its Affiliates against any amounts that Hyatt or its Affiliates owe Franchisee or its Affiliates. Franchisee may not withhold payment of any amounts Franchisee owes Hyatt or its Affiliates due to Hyatt's alleged nonperformance of any of its obligations under this Agreement.

6.7 **Taxes on Franchisee's Payments**. In addition to any sales, use and other taxes that applicable law requires or permits Hyatt to collect from Franchisee for providing goods or services under this Agreement, Franchisee shall pay to Hyatt all Transaction Taxes in an amount necessary to provide Hyatt with after-tax receipts (taking into account any additional payments required hereunder) equal to the same amounts that Hyatt would have received under this Agreement if such Transaction Taxes had not been imposed.

6.8 **Non-Refundability**. Unless otherwise specified, all fees that Franchisee paid to Hyatt or its Affiliates before or simultaneously with the execution of this Agreement, or pays to Hyatt or its Affiliates during the Term, are non-refundable.

ARTICLE VII

BOOKS AND RECORDS, AUDITS AND REPORTING

7.1 **Reports**. Franchisee must prepare and deliver to Hyatt the operating statements, financial statements and other reports relating to the Hotel that Hyatt periodically requires, prepared in the form, by the methods, and within the timeframes that Hyatt periodically specifies in the System Standards. Hyatt may use such information for all reasonable purposes. Hyatt may require Franchisee to have audited financial statements prepared annually during the Term.

7.2 **Lender and Ground Lessor Information**. Franchisee must send Hyatt current contact information for each Lender and Ground Lessor upon Hyatt's request. Without limiting Section 2.7 of this Agreement, Franchisee must promptly provide notice to Hyatt if Franchisee or any Affiliate of Franchisee enters into any arrangement with a Lender and such arrangement has not been previously disclosed to Hyatt, including any refinancing with a new or existing Lender. Franchisee must provide Hyatt copies of all ground leases, subleases and other arrangements with any Ground Lessor. Franchisee must promptly send Hyatt a copy of any notices of default, termination, or other exercise of any default rights or remedies that Franchisee receives from or delivers to any Lender or Ground Lessor, together with all other information that Hyatt reasonably requests relating to any such defaults or termination. Franchisee agrees that Hyatt may, at its option and without breaching any rights of or obligations to Franchisee, have discussions and share information with any Lender, Ground Lessor, supplier or other vendor concerning the Hotel or Franchisee.

7.3 **Other Actions or Events**. Franchisee must notify Hyatt in writing within ten (10) days after Franchisee receives information or documentation about any lawsuit, action, or proceeding, or the issuance of any injunction, award, or decree of any court, quasi-judicial body, or governmental agency, that might adversely affect the Hotel, Franchisee's ability to perform its obligations under this Agreement, or Franchisee's financial condition.

7.4 **Preparation and Maintenance of Books and Records**. Franchisee agrees to: (a) prepare on a current basis in a form satisfactory to Hyatt, and thereafter maintain in accordance with System Standards, complete and accurate records concerning all financial (including revenue and expenses), operating, marketing, and other aspects of the Hotel; and (b) maintain an accounting system that fully and accurately reflects all financial aspects of the Hotel. Hyatt reserves the right to access Franchisee's computer system independently to obtain sales information, occupancy information, and other data and information relating to the Hotel.

7.5 **Audit**. Hyatt may at any time during Franchisee's regular business hours, and with prior notice to Franchisee, examine Franchisee's and the Hotel's business and accounting records, tax records and returns, and other records. Franchisee agrees to cooperate fully in any examination. If any examination discloses an understatement of the revenue, Franchisee agrees to pay Hyatt, within fifteen (15) days after receiving the examination report, the Royalty Fees, System Services Charges and other fees due on the amount of the understatement, together with the late fee and interest in accordance with Section 6.5. Furthermore, if Hyatt determines that an examination is

necessary due to Franchisee's failure to furnish reports or other information when required, or if Hyatt's examination reveals a Royalty Fee or System Services Charge underpayment of three percent (3%) or more of the total amount owed during any six (6)-month period, or that Franchisee willfully understated the Hotel's revenue, Franchisee agrees to reimburse Hyatt for the costs of the examination, including out-of-pocket costs and compensation of Hyatt's employees. These remedies are in addition to Hyatt's other remedies and rights under this Agreement and applicable law.

ARTICLE VIII

RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION

8.1 **Relationship of the Parties**. Franchisee is an independent contractor. Neither Hyatt nor Franchisee is the legal representative or agent of, or has the power to obligate, the other for any purpose. No partnership, joint venture, affiliate, agency, fiduciary, or employment relationship is intended or created by this Agreement. Hyatt and Franchisee may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other nor represent that Hyatt's and Franchisee's relationship is other than franchisor and franchisee. Hyatt will not be obligated for any damages to any person or property directly or indirectly arising out of the Hotel's operation or the business Franchisee conducts under this Agreement.

8.2 **Franchisee's Notices to Public Concerning Independent Status**. Franchisee must provide notices making clear to the public that Hyatt is not the Hotel's owner or operator and is not accountable for events occurring at the Hotel. Franchisee also agrees to communicate clearly with Hotel employees in employment agreements, handbooks and other materials that Franchisee (or the Management Company, as applicable), and not Hyatt or its Affiliates, is the employer of all Hotel employees.

8.3 **Franchisee's Indemnification and Defense of Hyatt**.

(a) **Indemnification**. In addition to Franchisee's obligation under this Agreement to procure and maintain insurance, Franchisee agrees to indemnify and hold harmless the Hyatt Indemnified Parties against, and to reimburse any one or more of the Hyatt Indemnified Parties for, all Losses directly or indirectly arising out of, resulting from, or in connection with (i) the application Franchisee submitted to Hyatt for the rights granted under this Agreement; (ii) the development or operation of the Hotel, including the use of any Market Descriptor or Hotel IP in connection with the Hotel and any claim or allegation relating to the Accessibility Laws, and including claims alleging either intentional or negligent conduct, acts or omissions by Hyatt or its Affiliates (or any of their agents, employees or representatives) relating to the operation of the Hotel, the F&B Operations, the Spa Operations (if any) or the Hotel System, subject to Section 8.4(a); or (iii) Franchisee's breach of this Agreement.

(b) **Defense**. Franchisee shall notify Hyatt within five (5) days after receiving notice of any Proceeding covered in Section 8.3(a) naming any Hyatt Indemnified Party as a defendant or potential defendant and shall include with such notification copies of all

correspondence or court papers relating to the Proceeding. Franchisee agrees to defend (at Franchisee's expense) the Hyatt Indemnified Parties from and against any and all Proceedings directly or indirectly arising out of, resulting from, or in connection with any matter described in Section 8.3(a)(i) through (iii), including those alleging a Hyatt Indemnified Party's negligence or willful misconduct, subject to Section 8.4(a). Each Hyatt Indemnified Party may at Franchisee's expense defend and control the defense of any Proceeding described in this Section 8.3(b) and agree to settlements and take any other remedial, corrective, or other actions, without limiting Franchisee's obligations under Section 8.3(a), provided that the Hyatt Indemnified Party will seek Franchisee's advice and counsel, and keep Franchisee informed, with regard to any proposed or contemplated settlement.

(c) **Separate Counsel and Settlement**. If separate counsel is appropriate in Hyatt's opinion because of actual or potential conflicts of interest, Hyatt may retain attorneys and/or independently defend any Proceeding subject to indemnification under this Section 8.3 at Franchisee's sole expense. No party may agree to any settlement in any Proceeding that could have an adverse effect on Hyatt, its Affiliates, the Hotel System, or other franchisees without Hyatt's prior approval.

(d) **Right to Control Defense of Certain Proceedings**. Without limiting Hyatt's rights or Franchisee's obligations under this Section 8.3, Hyatt (or its designee) has the right to defend and control the defense of any Proceeding arising from any Data Breach or any class action or other Proceeding involving both the Hotel and any other Brand Hotel or Hyatt Network Hotel, regardless of whether Hyatt or any of the other Hyatt Indemnified Parties are named defendants in that Proceeding. Franchisee shall promptly reimburse Hyatt for the Hotel's proportionate share of all reasonable expenses that Hyatt incurs in connection with any Proceeding covered by this Section 8.3(d). Hyatt shall allocate those expenses equitably among the Hotel and all other Brand Hotels and Hyatt Network Hotels involved in the Proceeding in any manner that Hyatt reasonably determines.

8.4 **Hyatt's Indemnification and Defense of Franchisee**.

(a) **Indemnification**. Hyatt agrees to indemnify and hold harmless the Franchisee Indemnified Parties against, and to reimburse any one or more of the Franchisee Indemnified Parties for, any and all Losses (including defense costs and other Losses incurred in defending any Proceeding described in Section 8.3(b), if applicable) directly or indirectly arising out of, resulting from, or in connection with (i) a final decision by a court of competent jurisdiction not subject to further appeal that Hyatt, its Affiliate, or any of their respective employees directly engaged in willful misconduct or gross negligence or intentionally caused the property damage or bodily injury that is the subject of the claim with respect to the operation of the Hotel, so long as the claim is not asserted on the basis of (A) theories of vicarious liability (including agency, apparent agency, or joint employer), (B) Hyatt's failure to compel Franchisee to comply with this Agreement, or (C) negligence or misconduct in connection with the development or construction of the Hotel, all of which are claims for which the Franchisee Indemnified Parties are not entitled to indemnification under this Section 8.4; or (ii) any trademark infringement Proceeding disputing Franchisee's authorized use of any Proprietary Mark under this Agreement,

provided that Franchisee has timely notified Hyatt of, and complies with Hyatt's directions in responding to, the Proceeding.

(b) **Defense**. Hyatt agrees to defend (at Hyatt's expense) the Franchisee Indemnified Parties from and against any and all Proceedings described in Section 8.4(a)(ii). At Hyatt's option, Hyatt and/or its Affiliate(s) may defend and control the defense of any other Proceeding arising from or relating to the Proprietary Marks or Franchisee's use of any Proprietary Mark under this Agreement. Hyatt may agree to settlements and take any other remedial, corrective, or other actions with respect to any Proceeding described in this Section 8.4(b), provided that Hyatt will seek Franchisee's advice and counsel, and keep Franchisee informed, with regard to any proposed or contemplated settlement.

8.5 **Survival and Mitigation**. The obligations under Sections 8.3 and 8.4 will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. A Hyatt Indemnified Party or Franchisee Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim under Section 8.3 or 8.4 (as applicable). The obligation to indemnify under Section 8.3 or 8.4 (as applicable) shall not be limited in any way by reason of any insurance that any indemnified party maintains.

ARTICLE IX

INSURANCE

At Franchisee's expense, Franchisee must procure and at all times during the Term maintain such insurance covering the risks, in the amounts, and with the deductibles, retentions and other provisions, as set forth in the System Standards from time to time. All insurance must by endorsement specifically name Hyatt and its Affiliates (and Hyatt's and their employees and agents) as additional insureds. Franchisee must purchase each policy from an insurance company reasonably acceptable to Hyatt. Either the insurer or Franchisee must provide at least thirty (30) days' prior written notice to Hyatt of any insurance policy's cancellation, non-renewal or material change. Franchisee must deliver to Hyatt a certificate of insurance (or certified copy of such insurance policy if Hyatt requests) evidencing the required coverages and setting forth the amount of any deductibles not less than ten (10) days after their respective inception dates. Franchisee must ensure that each F&B Operator (if any) and Spa Operator (if any) maintains the insurance and otherwise complies with all applicable obligations under this ARTICLE IX that Hyatt periodically specifies, including by naming Hyatt and any Affiliates that Hyatt periodically designates (and Hyatt's and their employees and agents) as additional insureds and delivering certificates of insurance to Hyatt. If Franchisee fails for any reason to procure or maintain the insurance required by this Agreement, Hyatt shall have the right and authority (although without any obligation to do so) to immediately procure such insurance and to charge Franchisee the cost together with a reasonable fee for Hyatt's expenses. Hyatt shall have the right to review Franchisee's insurance coverage for the foregoing requirements from time to time during the Term and to update requirements for insurance coverage in response to material changes in the circumstances of the Hotel, then-current industry practices, and changes in economic conditions. Franchisee shall promptly comply with Hyatt's updated requirements.

ARTICLE X

CONDEMNATION AND DAMAGE

10.1 **Condemnation**. Franchisee must immediately notify Hyatt of any proposed taking all or a substantial portion of the Hotel by eminent domain, condemnation or expropriation. If the parties do not otherwise agree to relocate the Hotel, then either party may terminate this Agreement immediately upon written notice to the other. If Franchisee and its Owners sign a Termination Agreement, then Franchisee shall not be required to pay liquidated damages pursuant to Section 16.5 at the time of termination. However, such Termination Agreement shall provide that if Franchisee or any of its Affiliates begins construction on or operation of a hotel of the same Hotel Type at any location within the Area of Protection at any time during the twenty-four (24) month period following the effective date of termination of this Agreement, other than a Hyatt Network Hotel or a hotel that was already under contract to be developed at that particular location within the Area of Protection on the date that the Termination Agreement is signed, then Franchisee or its Owners must pay Hyatt liquidated damages equal to the amount set forth in Exhibit B-1 multiplied by the number of guest rooms in that new hotel of the same Hotel Type. If Franchisee and its Owners fail to sign such Termination Agreement within a reasonable time after Hyatt delivers it to Franchisee, then Franchisee must pay Hyatt liquidated damages pursuant to Section 16.5 at the time of termination, in addition to complying with its other post-termination obligations under this Agreement.

10.2 **Damage**. If the Hotel is damaged by fire, flood, accident, hurricane or other casualty, Franchisee must notify Hyatt immediately.

(a) If the cost to repair the damage is less than or equal to the Damage Threshold, then Franchisee must repair the damage promptly according to the System Standards and this Agreement's other terms and conditions. If the damage or repair requires Franchisee to close all or any portion of the Hotel, then Franchisee must commence reconstruction as soon as practicable (but in any event within four (4) months) after closing the Hotel and reopen for continuous business operations as a Brand Hotel as soon as practicable (but in any event within twenty-four (24) months) after closing the Hotel, but not without complying with this Agreement's other terms and conditions. The Term will be extended for the period of time during which the Hotel is closed pursuant to this Section 10.2(a), and Franchisee need not make any payments of Royalty Fees or System Services Charges while the Hotel is closed pursuant to this Section 10.2(a) unless Franchisee receives insurance proceeds compensating Franchisee for lost Gross Rooms Revenue during such period, in which case Franchisee must pay Royalty Fees and System Services Charges on the amount of proceeds received allocable to such loss.

(b) If the cost to repair the damage from the casualty exceeds the Damage Threshold, then Franchisee may either: (i) repair the damage promptly according to the System Standards and this Agreement's other terms and conditions; or (ii) elect to terminate this Agreement upon written notice to Hyatt. If Franchisee elects to terminate this Agreement pursuant to Section 10.2(b)(ii), Franchisee and its Owners must sign a Termination Agreement and pay a termination fee (in lieu of liquidated damages or Brand

Damages) in an amount equal to the lesser of the liquidated damages calculated pursuant to Section 16.5 and the Net Recovery, provided that if the Net Recovery is less than zero, no termination fee shall be required upon signing the Termination Agreement.

(c) Franchisee must provide Hyatt such documentation as Hyatt may reasonably request to calculate the Damage Threshold, the insurance proceeds Franchisee receives in connection with any casualty, and the Net Recovery amount (if applicable). Any Termination Agreement signed pursuant to this Section 10.2 shall provide that if Franchisee, any of its Affiliates, or any other entity (including any buyer of the Hotel) begins construction on or operation of a hotel of the same Hotel Type at the Site other than a Brand Hotel or another Hyatt Network Hotel at any time during the twenty-four (24)-month period following the effective date of termination of this Agreement, then Franchisee or its Owners must pay Hyatt liquidated damages equal to the difference between (i) the amount that would have been payable pursuant to Section 16.5 at the time of termination, less (ii) the amount of liquidated damages actually paid at the time of termination pursuant to this Section 10.2.

ARTICLE XI

PROPRIETARY RIGHTS

11.1 **Ownership and Goodwill of Proprietary Marks, Copyrighted Materials, and Confidential Information**. Hyatt's Affiliate has licensed the Proprietary Marks, Copyrighted Materials, and Confidential Information to Hyatt to use and sublicense in franchising, developing, and operating Brand Hotels. Franchisee's right to use the Proprietary Marks, Copyrighted Materials, and Confidential Information is derived only from this Agreement and is limited to Franchisee's developing and operating the Hotel according to this Agreement and all System Standards that Hyatt prescribes during the Term. Franchisee's unauthorized use of the Proprietary Marks, Copyrighted Materials, or Confidential Information is a breach of this Agreement and infringes Hyatt's and its Affiliate's rights in them. Franchisee's use of the Proprietary Marks, Copyrighted Materials, and Confidential Information and any goodwill established by that use are exclusively for Hyatt's and its Affiliate's benefit, and this Agreement does not confer any goodwill or other interests in the Proprietary Marks, Copyrighted Materials or Confidential Information upon Franchisee, other than the right to develop and operate the Hotel under this Agreement. Franchisee may not at any time during or after the Term contest or assist any other person or entity in contesting the validity, or Hyatt's and its Affiliate's ownership, of any of the Proprietary Marks, Copyrighted Materials, or Confidential Information.

11.2 **Limitations on Franchisee's Use of Proprietary Marks**. Franchisee shall use the Proprietary Marks, along with a Market Descriptor designated or approved by Hyatt, as the sole identification of the Hotel. The Market Descriptor is not a Proprietary Mark. Hyatt makes no representation concerning Franchisee's right to use any Market Descriptor requested by Franchisee and approved by Hyatt. Hyatt has the right to require Franchisee to change, or discontinue use of any previously-approved, Market Descriptor and to substitute an alternative Market Descriptor in its place as Hyatt deems necessary or advisable, and Franchisee agrees to promptly adhere to Hyatt's instructions in connection therewith. Franchisee (or the Management Company) must identify itself as the Hotel's independent owner (or operator) in the manner that Hyatt periodically

specifies. Franchisee may not use any Proprietary Mark (a) as part of any corporate or legal business name; (b) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos Hyatt licenses to Franchisee); (c) in providing or selling any unauthorized services or products; (d) as part of any domain name, homepage, meta tags, keyword, electronic address, or otherwise in connection with a website (unless Hyatt has approved such use in advance); or (e) in any other manner Hyatt has not expressly authorized in writing. Franchisee (and, if applicable, any restaurant operators at the Hotel) may use the Proprietary Marks in connection with any Hotel restaurant operations only with Hyatt's prior written consent and in compliance with all System Standards relating thereto. If Hyatt discovers Franchisee's unauthorized use of the Proprietary Marks, in addition to Hyatt's other rights and remedies under this Agreement and applicable law, Hyatt may require Franchisee to destroy (with no reimbursement from Hyatt) all offending items reflecting such unauthorized use.

Franchisee may not use any Proprietary Mark in advertising the transfer, sale, or other disposition of the Hotel or an ownership interest in Franchisee or any of its Owners without Hyatt's prior written consent, which Hyatt will not unreasonably withhold. Franchisee agrees to display the Proprietary Marks as Hyatt periodically prescribes at the Hotel and on advertising and other materials Hyatt periodically designates. Franchisee agrees to give the notices of trade and service mark registrations that Hyatt periodically specifies and to obtain any fictitious or assumed name registrations required under applicable law.

11.3 **Notification of Infringements and Claims**. Franchisee agrees to notify Hyatt immediately of any apparent infringement or challenge to Franchisee's use of any Proprietary Mark, Copyrighted Materials, or Confidential Information, or of any person's claim of any rights in any Proprietary Mark, Copyrighted Materials, or Confidential Information, and not to communicate with any person other than Hyatt, its Affiliates, and its and their attorneys, and Franchisee's attorneys, regarding any infringement, challenge, or claim. Hyatt and its Affiliates may take the action it and they deem appropriate (including no action) and control exclusively any Proceeding arising from any infringement, challenge, or claim or otherwise concerning any Proprietary Mark, Copyrighted Materials, or Confidential Information. Franchisee agrees to sign any documents and take any other reasonable actions that, in the opinion of Hyatt's and its Affiliates' attorneys, are necessary or advisable to protect and maintain Hyatt's and its Affiliates' interests in any Proceeding or otherwise to protect and maintain Hyatt's and its Affiliates' interests in the Proprietary Marks, Copyrighted Materials, and Confidential Information. Hyatt or its Affiliate will reimburse Franchisee's reasonable out-of-pocket costs for taking any requested action.

11.4 **Discontinuing Use of Proprietary Marks**. If it becomes advisable at any time for Hyatt and/or Franchisee to modify, discontinue using, and/or replace any Proprietary Mark and/or to use one or more additional, substitute, or replacement trade or service marks, Franchisee agrees to comply with Hyatt's directions within a reasonable time after receiving notice. Neither Hyatt nor its Affiliates will reimburse Franchisee for any costs or expenses incurred in connection with such directions, including expenses of changing the Hotel's signs, any loss of revenue due to any modified or discontinued Proprietary Mark, or Franchisee's expenses of promoting a modified or substitute trademark or service mark. Hyatt's rights in this Section 11.4 apply to any and all of the

Proprietary Marks (and any portion of any Proprietary Mark) that this Agreement authorizes Franchisee to use.

11.5 **Confidential Information**. Hyatt and its Affiliates possess (and will continue to develop and acquire) Confidential Information, some of which constitutes trade secrets under applicable law. Franchisee agrees that the Confidential Information is proprietary to Hyatt and its Affiliates, includes Hyatt's and its Affiliate's trade secrets, and is disclosed to Franchisee only on the condition that Franchisee agrees, and Franchisee hereby does agree, that Franchisee: (a) will not use (or allow any of its Affiliates to use) Confidential Information in any other business or capacity; (b) will keep confidential each item deemed to be a part of Confidential Information, both during and after the Term (afterward for as long as the item is not generally known in the hotel industry); (c) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and (d) will adopt and implement reasonable procedures that Hyatt periodically specifies to prevent unauthorized use or disclosure of Confidential Information.

11.6 **Guest Information**. All Guest Information is Hyatt's property and part of Confidential Information. Hyatt has the right from time to time during the Term, without notice to Franchisee, to access the Hotel's property management system and other computer systems to retrieve Guest Information. Hyatt and its Affiliates may use, and allow others to use, the Guest Information in any manner that Hyatt deems appropriate (subject to applicable law).

Franchisee may use the Guest Information, and certain other information and data relating to guests and customers of other Brand Hotels and/or other Hyatt Network Hotels that Hyatt periodically specifies, during the Term only to provide services to guests and potential guests of the Hotel in accordance with the System Standards and all applicable laws, rules and regulations. Franchisee must ensure that its Affiliates may not access, and neither Franchisee nor any of its Affiliates may use, any such Guest Information or such other information and data in any other business or capacity. However, following the expiration or termination of this Agreement, Franchisee may use, and allow its Affiliates and others to use, any Guest Information that was generated at the Hotel (and not supplied to the Hotel by Hyatt or its Affiliate) during the guest's stay at the Hotel and stored in the Hotel's property management system database in any manner that Franchisee deems appropriate (subject to applicable law) at Franchisee's own risk, provided that Franchisee complies, and ensures that any recipients of that Guest Information from Franchisee (whether directly or indirectly) comply, with Hyatt's then current policies and procedures regarding the collection, storage, use, processing and transfer of personal and/or financial data. If there is a Data Breach, Franchisee must notify Hyatt promptly and Hyatt may require Franchisee to use a third party supplier designated by Hyatt, at Franchisee's sole cost and expense, to review and if necessary, remediate such breach or unauthorized access. Franchisee shall not take any action that could jeopardize Hyatt's or its Affiliate's ability to comply with, or make certifications under, any law, regulation, contract, program or policy related to Guest Information (including Privacy Laws, privacy notices and PCI certifications) and applicable to Hyatt or such Affiliate.

11.7 **Innovations**. All Innovations must be promptly disclosed to Hyatt and will be deemed to be Hyatt's or its Affiliate's sole and exclusive property, part of the Hotel System, and

works made-for-hire for Hyatt or its Affiliates. However, Franchisee may not use any Innovation in operating the Hotel or otherwise without Hyatt's prior written consent. If any Innovation does not qualify as a "work made-for-hire" for Hyatt or its Affiliate, by this paragraph Franchisee assigns ownership of that Innovation, and all related intellectual property rights and other rights to that Innovation, to Hyatt and agrees to take whatever action (including signing assignment or other documents) that Hyatt requests to evidence its ownership or to help Hyatt obtain intellectual property rights in the Innovation.

11.8 **Hotel IP**. Franchisee hereby grants Hyatt and its Affiliates the right to use the Hotel IP in connection with the marketing, promotion, and publicity of the Hotel, the Proprietary Marks, other Brand Hotels, Hyatt Network Hotels, and Hyatt's loyalty program(s), and otherwise to perform Hyatt's obligations under this Agreement, including use of the Hotel IP in connection with the CRS, the Hotel System Website, and any other media, technology or device now known or hereafter developed, without further authorization from or remuneration to Franchisee. As part of this license, Hyatt and its Affiliates have the right to use, copy, publish, distribute, and license others to use the Hotel IP, as needed, and may alter, retouch, crop or use in composite form the Hotel IP, in any way. Franchisee represents and warrants that Franchisee owns or has all valid rights to use the Hotel IP and that use of the Hotel IP by Hyatt and its Affiliates as permitted hereunder will not violate the rights of any third party.

ARTICLE XII

OWNERSHIP OF FRANCHISEE AND TRANSFER

12.1 **Ownership of Franchisee and Guarantors**.

(a) **Franchisee's Owners**. Franchisee represents and warrants that: (a) Exhibit G completely and accurately identifies all Owners (other than any Limited Interest Owner) and describes their ownership interests (whether direct or indirect) in Franchisee; and (b) none of Franchisee's Owners (other than a Public Owner) is a Sanctioned Person. Without limiting Hyatt's rights or Franchisee's obligations under this ARTICLE XII, upon Hyatt's reasonable request, Franchisee agrees to provide Hyatt information about the identity of the Owners (other than a Public Owner) and their ownership interests (whether direct or indirect) in Franchisee from time to time using the forms and formats that Hyatt reasonably specifies.

(b) **Guaranty**. Franchisee must ensure that one or more of the Controlling Owners which Hyatt specifies as of the Effective Date signs Hyatt's Guaranty and Assumption of Obligations (the "**Guaranty**"), the current form of which is attached as Exhibit H. Franchisee represents and warrants that at least one Guarantor satisfies the Guarantor Monetary Threshold as of the Effective Date, and Franchisee agrees to ensure that at least one Guarantor continues to satisfy the Guarantor Monetary Threshold (as it may be increased in accordance with Exhibit B-1) at all times during the Term. Franchisee agrees to, and shall cause its Guarantors to, reasonably cooperate with Hyatt in connection with all auditing and reporting requirements that Hyatt reasonably specifies relating to the Guarantor Monetary Threshold.

12.2 **Transfer by Franchisee – Defined**. Franchisee acknowledges that the rights and duties this Agreement creates are personal to Franchisee and its Controlling Owners and that Hyatt has granted Franchisee the rights under this Agreement in reliance upon Hyatt's perceptions of Franchisee's and its Controlling Owners' collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, unless otherwise specified in this ARTICLE XII, neither this Agreement (or any interest in this Agreement), the Hotel or substantially all of its assets, nor any ownership interest in Franchisee or any Owner (if such Owner is a legal entity) may be transferred (as defined in Exhibit A) without complying with the terms and conditions applicable to such transfer in this ARTICLE XII. A transfer of the Hotel's ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without complying with the terms and conditions applicable to such transfer in this ARTICLE XII, including Hyatt's approval (where such approval is required under this Agreement), is a breach of this Agreement.

12.3 **Non-Control Transfers**. Subject to the other provisions of this ARTICLE XII, Franchisee and/or any of its Owners may consummate any Non-Control Transfers, without seeking or receiving Hyatt's consent, if (a) neither the proposed transferee nor any of its direct and indirect owners (if the transferee is a legal entity), other than a Public Owner, is a Competing Brand Owner or Sanctioned Person; and (b) such transfer does not, whether in one transaction or a series of related transactions (regardless of the time period over which these transactions take place), result in the transfer or creation of a direct or indirect Controlling Ownership Interest in Franchisee. Within thirty (30) days after the effective date of any Non-Control Transfer (other than transfers among then-existing Owners), Franchisee shall provide Hyatt an updated Exhibit G (if the previously effective version of Exhibit G has changed) or such other information as Hyatt reasonably requests from time to time concerning any new Non-Controlling Owners (other than Limited Interest Owners).

12.4 **Control Transfers**. Franchisee must notify Hyatt in writing at least ten (10) days in advance of Franchisee's listing the Hotel or a direct or indirect Controlling Ownership Interest in Franchisee for sale and promptly send Hyatt all information that Hyatt reasonably requests regarding any proposed sale. In connection with any proposed Control Transfer, Franchisee must submit to Hyatt, on behalf of the proposed transferee, a complete application for a new franchise agreement (the "**Change of Ownership Application**"), accompanied by payment of Hyatt's then current application fee (although no such fee is due if the transfer is to the spouse, child, parent, or sibling of the Owner(s) or from one individual or entity who is an Owner as of the Effective Date to another individual or entity who is an Owner as of the Effective Date) and information concerning any proposed replacement Guarantor. If Hyatt does not approve the Change of Ownership Application and consent to the proposed Control Transfer, Hyatt will refund any application fee paid, less Seven Thousand Five Hundred Dollars ($7,500) for processing costs. Hyatt will process the Change of Ownership Application according to this Section 12.4 and its then current procedures. Hyatt has sixty (60) days from its receipt of the completed and signed Change of Ownership Application to consent or withhold its consent to the proposed Control Transfer. No Control Transfer may occur without Hyatt's prior written consent.

If Franchisee (and each of its Guarantors) is complying with this Agreement, then, subject to the other provisions of this ARTICLE XII, Hyatt will not unreasonably withhold its approval of

a Control Transfer if all of the following conditions are met before or concurrently with the effective date of the Control Transfer:

(a) the transferee and each of its direct and indirect owners (if the transferee is a legal entity) has, in Hyatt's judgment, the necessary business experience, aptitude, and financial resources to operate the Hotel and meets Hyatt's then applicable standards for Brand Hotel franchisees;

(b) Franchisee has paid all amounts owed to Hyatt, its Affiliates and third party vendors, and has not violated any provision of this Agreement or any other agreement with Hyatt or its Affiliate, in each case during both the sixty (60)-day period before Franchisee requested Hyatt's consent to the transfer and the period between Franchisee's request and the effective date of the transfer;

(c) the transferee's general manager and other Hotel management personnel that Hyatt specifies, if different from the Hotel's general manager and management personnel, satisfactorily complete Hyatt's required brand standard training programs;

(d) the transferee and its owners (if the transfer is of this Agreement), or Franchisee and its Owners (if the transfer is of a Controlling Ownership Interest in Franchisee or one of its Controlling Owners), at Hyatt's option, either sign: (i) Hyatt's then current form of franchise agreement and related documents for use with existing Brand Hotels (including guarantees and assumptions of obligations), any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, including the Royalty Fee and System Services Charges, and the term of which franchise agreement will be, at Hyatt's option, either twenty (20) years or the remaining unexpired portion of the Term; or (ii) the agreements and related documents (including guarantees and assumptions of obligations) that Hyatt then specifies under which they assume (or confirm the continued effectiveness of) all of Franchisee's rights and obligations under this Agreement;

(e) Franchisee signs a Termination Agreement and Franchisee and all Guarantors sign all documents Hyatt requests evidencing their agreement to remain liable or assume liability for all obligations to Hyatt and its Affiliates existing before the effective date of the transfer;

(f) Hyatt has determined that Franchisee's or the transferee's (as applicable) capital structure, debt service and overall financial status following the transfer will not adversely affect the operation of the Hotel;

(g) the transferee (if the transfer is of this Agreement) or Franchisee (if the transfer is of a Controlling Ownership Interest in Franchisee or one of its Controlling Owners) agrees (regardless of cost) to renovate, remodel and/or expand the Hotel, which may include structural alterations, adding or replacing improvements and FF&E, and otherwise modifying the Hotel, as Hyatt requires to comply with the Hotel System and System Standards then applicable for new similarly situated Brand Hotels, subject to Reasonable Deviations; and

(h) Franchisee (if Franchisee will no longer operate the Hotel) and its transferring Owners agree that they will not directly or indirectly at any time or in any manner use any Proprietary Mark, Copyrighted Materials or Confidential Information, except as otherwise permitted under any then effective agreement with Hyatt or its Affiliate.

Hyatt may review all information regarding the Hotel that Franchisee gives the proposed transferee, correct any information that Hyatt believes is inaccurate, and give the transferee copies of any reports that Franchisee has given Hyatt or Hyatt has made regarding the Hotel.

12.5 **Permitted Control Transfers**. Notwithstanding Section 12.4:

(a) any Controlling Owner may, without Hyatt's prior written consent and without complying with the other terms and conditions of Section 12.4, transfer its interest in Franchisee (or Franchisee's Controlling Owner) to any other entity in which such Controlling Owner owns (directly or indirectly) all of the ownership interests, as long as the transferee is not a Competing Brand Owner or a Sanctioned Person and Franchisee notifies Hyatt in writing of the transfer no later than thirty (30) days following the effective date of such Transfer; and

(b) any Owner who is an individual may, without Hyatt's prior written consent and without complying with the other terms and conditions of Section 12.4, transfer that Owner's interest in Franchisee (or Franchisee's Owner) to a trust or other entity established for estate planning purposes, as long as that Owner is a trustee of, or otherwise controls the exercise of the rights in Franchisee (or Franchisee's Owner) held by, the trust or other entity, continues to comply with and ensures the trust's or other entity's compliance with the applicable provisions of this Agreement (if such Owner is a Guarantor), and notifies Hyatt in writing of the transfer at least ten (10) days prior to its anticipated effective date. Dissolution of or transfers from any trust or other entity described in this Section 12.5(b) are subject to all applicable terms and conditions of Section 12.3 or 12.4.

12.6 **Security Interests**. Franchisee's Owners may pledge their ownership interests in any Non-Controlling Owner to a Lender, without having to obtain Hyatt's prior approval. Franchisee may mortgage or otherwise grant a Security Interest in the Hotel and its assets (but not this Agreement) to a Lender, and Franchisee's Owners may pledge their ownership interests in Franchisee or any Controlling Owner to a Lender, without having to obtain Hyatt's prior approval and without complying with the other terms and conditions of Section 12.4, provided the Lender signs Hyatt's form of comfort letter pursuant to Section 2.7. Unless otherwise specified in any then effective comfort letter, the terms and conditions of this Agreement (including Section 12.3 or 12.4) apply to any foreclosure or other exercise of any rights or remedies with respect to any Security Interest.

12.7 **Transfers of Equity Interest Upon Death**. Upon the death or mental incompetency of a person with a Controlling Ownership Interest in Franchisee or one of its Controlling Owners, that person's executor, administrator, or personal representative ("**Representative**") must, within six (6) months after the date of death or mental incompetency, transfer the Owner's interest in Franchisee or the Controlling Owner to a third party or to the other

Owner(s) of Franchisee, if any, subject to the conditions set forth in Section 12.4(a), 12.4(b), and 12.4(f) above, and provided that at least one Guarantor that satisfies the Guarantor Monetary Threshold (as it may be increased in accordance with Exhibit B-1). In the case of a transfer by devise or inheritance, if the heirs or beneficiaries cannot meet the foregoing conditions within this six (6)-month period, the Representative will have twelve (12) months from the date of death or mental incompetency to dispose of the interest in accordance with this Section 12.7. If this required transfer does not occur within the required timeframe, Hyatt shall have the right to terminate this Agreement upon written notice to Franchisee, provided that Franchisee will not be liable for liquidated damages pursuant to Section 16.5 or Brand Damages in connection with such termination.

12.8 **Public Offerings and Disclosures**.

(a) **Public Offering of Securities**. Notwithstanding Sections 12.3 and 12.4, neither Franchisee nor any Controlling Owner may offer any ownership interests or other securities in a public offering for which a registration statement must be filed with the Securities and Exchange Commission or any similar regulatory agency (whether within or outside the United States) having jurisdiction over the sale of securities.

(b) **Private Placement Offering Materials**. With respect to any private placement of ownership interests in Franchisee or any Owner, Franchisee agrees to submit all Offering Materials to Hyatt for its prior approval. No Offering Materials may imply or state (by use of the Proprietary Marks or otherwise) that Hyatt or its Affiliate is participating as an underwriter, issuer, or Franchisee's (or its Owner's) representative, suggest that Hyatt or its Affiliate endorses the offering or agrees with any financial projections, or otherwise contain any information about Hyatt or its Affiliates, this Agreement, Hyatt's relationship with Franchisee or the network of Brand Hotels or other Hyatt Network Hotels (other than the Hotel) that Hyatt disapproves. Hyatt's review and approval of the Offering Materials is not its endorsement of the offering or representation that Franchisee or its Owner is complying with applicable laws. Franchisee must pay Hyatt a non-refundable fee equal to Five Thousand Dollars ($5,000) to review the proposed Offering Materials. Hyatt may require changes to the Offering Materials for the purposes specified above and has the right to request and receive a full indemnification from all participants in the offering before issuing Hyatt's consent.

12.9 **Non-Waiver of Claims**. Hyatt's consent to a transfer is not a representation of the fairness of the terms of any contract between Franchisee (or its Owners) and the transferee, a guarantee of the Hotel's or transferee's prospects of success, or a waiver of any claims Hyatt has against Franchisee (or its Owners) or of Hyatt's right to demand the transferee's full compliance with this Agreement or any other agreement with Franchisee or the transferee.

12.10 **Transfer by Hyatt**. Franchisee represents that Franchisee has not signed this Agreement in reliance on any particular direct or indirect owner, officer or employee remaining with Hyatt in that capacity. Hyatt may change its ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After Hyatt's assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, Hyatt no longer will have any performance or other obligations under this Agreement. Such an assignment

shall constitute a release of Hyatt and a novation with respect to this Agreement, and the assignee shall be liable to Franchisee as if it had been an original party to this Agreement.

ARTICLE XIII

SUCCESSOR FRANCHISE

13.1 **Right to a Successor Franchise Agreement**. When this Agreement expires, if Franchisee (and, as applicable, each Guarantor): (a) has substantially complied with this Agreement during its Term and is in full compliance with this Agreement (including all System Standards) as of the date upon which this Agreement expires; (b) then meets Hyatt's then applicable standards for franchisees and owners of franchisees of Brand Hotels; (c) has received passing Quality Assurance Scores (as defined in the System Standards) on all evaluations conducted during the preceding three (3)-year period; and (d) has the right to maintain possession of the Hotel for at least ten (10) years following this Agreement's expiration, then Hyatt will offer Franchisee the right to enter into a successor franchise agreement to continue operating the Hotel as a Brand Hotel for a term commencing immediately upon the expiration of this Agreement and expiring ten (10) years from that date (the "**Successor Franchise Right**") in accordance with this ARTICLE XIII. If Franchisee (or any Guarantor) does not meet the requirements of this Section 13.1, then Hyatt need not enter into a successor franchise agreement with Franchisee, whether or not Hyatt notified Franchisee of the non-compliance or had, or chose to exercise, the right to terminate this Agreement during its Term.

13.2 **Successor Franchise Notice and PIP**. Franchisee agrees to give Hyatt written notice of Franchisee's election to exercise or not to exercise the Successor Franchise Right no more than twenty-one (21) months, and no less than eighteen (18) months, before this Agreement expires. Simultaneously with submitting its notice to exercise the Successor Franchise Right, Franchisee shall pay Hyatt its then current PIP fee, which is non-refundable. Franchisee's failure to deliver such notice within such timeframe or to pay such PIP fee shall be deemed Franchisee's decision not to exercise the Successor Franchise Right. Within ninety (90) days after Hyatt receives Franchisee's notice and payment of the PIP fee, Hyatt agrees to notify Franchisee of Hyatt's decision either to:

(a) deny Franchisee's election to exercise the Successor Franchise Right based on the failure to satisfy the conditions in Section 13.1 (and Hyatt shall provide the reasons for its decision); or

(b) approve Franchisee's election to exercise Successor Franchise Right, subject to (i) Franchisee's renovating, remodeling and/or expanding the Hotel (which may include structural alterations), adding or replacing improvements and FF&E, and otherwise modifying the Hotel as Hyatt requires to comply with the Hotel System and System Standards then applicable for new similarly situated Brand Hotels (subject to Reasonable Deviations), which must be completed to Hyatt's reasonable satisfaction before the Term expires in accordance with the PIP that Hyatt prepares (including the timeframes set forth therein); and (ii) Franchisee's (and each Guarantor's) continued compliance with the other provisions of this Agreement during the remaining Term.

13.3 **Agreements/Releases**. If Franchisee satisfies all of the other conditions for a successor franchise agreement under this ARTICLE XIII, Franchisee agrees to sign the form of franchise agreement and any ancillary agreements Hyatt then customarily uses in granting franchises for Brand Hotels (modified as necessary to reflect the fact that it is for a successor franchise and that there will be no further renewal or successor franchise rights), which may contain provisions that differ materially from any and all of those contained in this Agreement, except that Hyatt will not charge a successor franchise fee. Franchisee and the Guarantors further agree to sign general releases, in a form satisfactory to Hyatt, of any and all claims against Hyatt and its Affiliates and its and their respective owners, officers, directors, managers, employees, agents, representatives, successors, and assigns.

ARTICLE XIV

DISPUTE RESOLUTION

14.1 **Arbitration**. All controversies, disputes, or claims between Hyatt (and/or its Related Parties) and Franchisee (and/or its Related Parties) arising out of or related to: (a) this Agreement or any other agreement between Franchisee and Hyatt or any of its Affiliates; (b) Hyatt's (or any of its Affiliates') relationship with Franchisee; (c) the scope or validity of this Agreement or any other agreement between Franchisee and Hyatt or any of its Affiliates, or any provision of any of those agreements (including the validity and scope of the arbitration obligation under this Section 14.1, which Hyatt and Franchisee acknowledge is to be determined by an arbitrator, not a court); or (d) any aspect of the Hotel System or any System Standard, must be submitted for binding arbitration to the American Arbitration Association (the "**AAA**"). The arbitration proceedings will be conducted by one (1) arbitrator and, except as this Section 14.1 otherwise provides, according to the AAA's then current commercial arbitration rules. The arbitrator must be a licensed attorney, have hotel industry experience, and be listed on the AAA's National Roster of Neutrals (or such other equivalent replacement roster of experienced arbitrators that the AAA designates). All proceedings shall be conducted at a suitable location chosen by the arbitrator that is within ten (10) miles of Hyatt's then current principal business address. The arbitrator shall have no authority to select a different hearing locale. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.) and not by any state arbitration law.

The arbitrator has the right to award any relief that the arbitrator deems proper, including money damages (with interest on unpaid amounts from the date due, as well as post-award interest, in accordance with Section 6.5), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any Proprietary Mark generic or otherwise invalid or, except as expressly provided in Section 14.5 below, award any punitive, exemplary, or treble or other forms of multiple damages against either party (Hyatt and Franchisee hereby waiving to the fullest extent permitted by law, except as expressly provided in Section 14.5 below, any right to or claim for any punitive, exemplary, and treble and other forms of multiple damages against the other). The award of the arbitrator shall be conclusive and binding upon all parties and judgment upon the award may be entered in any court of competent jurisdiction.

Hyatt and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. Hyatt and Franchisee further agree that, in any arbitration proceeding, each must submit or file any claim that would constitute a compulsory counterclaim (as defined by the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim that is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Franchisee or Hyatt or any of their related parties.

Hyatt and Franchisee agree that arbitration will be conducted on an individual, not a class-wide, basis; that only Hyatt and Franchisee (and/or their respective Related Parties, as applicable) may be the parties to any arbitration proceedings described in this Section 14.1; and that an arbitration proceeding between Hyatt and Franchisee (and/or their respective Related Parties) may not be consolidated with any other arbitration proceeding between Hyatt and any other person or entity. Notwithstanding the foregoing or anything to the contrary in this Section 14.1 or Section 18.2, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section 14.1, then all parties agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding in accordance with this ARTICLE XIV (excluding this Section 14.1).

Despite this Section 14.1, Hyatt and Franchisee each have the right to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that Hyatt and Franchisee must contemporaneously submit the dispute for arbitration on the merits as provided in this Section 14.1. The provisions of this Section 14.1 are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

14.2 **Governing Law**. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.). Except to the extent governed by the Federal Arbitration Act**,** the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement, the franchise, and all claims arising from the relationship between Hyatt (and/or any of its Affiliates) and Franchisee will be governed by the laws of the State of Illinois, without regard to its conflict of laws rules, except that any Illinois law regulating the offer or sale of franchises, business opportunities, or similar interests, or governing the relationship between a franchisor and a franchisee or any similar relationship, will not apply unless its jurisdictional requirements are met independently without reference to this Section 14.2.

14.3 **Consent to Jurisdiction**. Subject to the parties' arbitration obligations and the provisions below, Franchisee agrees that all actions arising under this Agreement or otherwise as a result of the relationship between Franchisee and Hyatt (and/or any of its Affiliates) must be commenced in the state or federal court of general jurisdiction closest to Hyatt's then current principal business address, and Franchisee irrevocably submits to the jurisdiction of those courts and waives any objection it might have to either the jurisdiction of or venue in those courts. Nonetheless, Franchisee agrees that Hyatt may enforce this Agreement and any arbitration orders

and awards in the courts of the state or states in which Franchisee is domiciled or the Hotel is located.

14.4 **Attorneys' Fees**. If either party initiates a formal legal proceeding under or relating to this Agreement or the relationship between Franchisee and Hyatt (and/or any of its Affiliates), the non-prevailing party in that proceeding (as determined by the judge or arbitrator, as applicable) must reimburse the prevailing party for all of the prevailing party's costs and expenses that it incurs, including reasonable accounting, attorneys', arbitrators', and related fees.

14.5 **Waiver Of Punitive Damages And Jury Trial**. EXCEPT FOR THE INDEMNIFICATION OBLIGATIONS FOR THIRD PARTY CLAIMS UNDER SECTIONS 8.3 AND 8.4, AND EXCEPT FOR PUNITIVE, EXEMPLARY, AND TREBLE AND OTHER FORMS OF MULTIPLE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, HYATT AND FRANCHISEE WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, AND TREBLE AND OTHER FORMS OF MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN HYATT AND FRANCHISEE, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES (INCLUDING LIQUIDATED DAMAGES) IT SUSTAINS.

SUBJECT TO THE PARTIES' ARBITRATION OBLIGATIONS, HYATT AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER HYATT OR FRANCHISEE.

14.6 **Limitations of Claims**. EXCEPT FOR CLAIMS ARISING FROM FRANCHISEE'S NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS FRANCHISEE OWES HYATT OR ANY OF ITS AFFILIATES, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR HYATT'S (OR ANY OF ITS AFFILIATES') RELATIONSHIP WITH FRANCHISEE WILL BE BARRED UNLESS A LEGAL PROCEEDING (IN THE REQUIRED OR PERMITTED FORUM) IS COMMENCED WITHIN EIGHTEEN (18) MONTHS FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS.

ARTICLE XV

DEFAULT AND TERMINATION

15.1 **Termination by Hyatt After Opportunity to Cure**. Hyatt has the right to terminate this Agreement, effective on the date stated in Hyatt's written notice (or the earliest date permitted by applicable law), if:

(a) Hyatt determines that a serious threat or danger to public health or safety results from the construction, maintenance, or operation of the Hotel, such that an

immediate shutdown of the Hotel or construction site is necessary to avoid a substantial liability or loss of goodwill to the Hotel System, and Franchisee fails to shut down the Hotel or construction site within twenty-four (24) hours after delivery of Hyatt's written notice to Franchisee;

(b) Franchisee fails to pay Hyatt or any of its Affiliates any fees or other amounts due under this Agreement or any other agreement, and does not cure that default within ten (10) days after delivery of Hyatt's written notice of default to Franchisee;

(c) Franchisee does not buy, maintain, or send Hyatt evidence of required insurance coverage and does not cure that default within ten (10) days after delivery of Hyatt's written notice of default to Franchisee;

(d) Franchisee fails to pay when due any financial obligation to a Provider or otherwise fails to comply with any other provision of this Agreement, any aspect of the Hotel System or any System Standard, and does not cure that default within thirty (30) days after delivery of Hyatt's written notice of default to Franchisee;

(e) Franchisee fails to comply with any other agreement with Hyatt or its Affiliates relating to the Hotel and does not cure that default within thirty (30) days (or such shorter time period that the other agreement specifies for curing that default) after delivery of Hyatt's written notice of default to Franchisee; or

(f) Franchisee fails to ensure that at least one Guarantor satisfies the Guarantor Monetary Threshold and does not cure that default (by providing the financial statements demonstrating that at least one Guarantor then satisfies the Guarantor Monetary Threshold) within sixty (60) days after delivery of Hyatt's written notice of default to Franchisee.

15.2 **Termination by Hyatt Without Opportunity to Cure**. Hyatt may terminate this Agreement immediately, without giving Franchisee an opportunity to cure the default, effective upon delivery of written notice to Franchisee (or such later date as required by law), if:

(a) Franchisee or any Guarantor admits its inability to pay its debts as they become due or makes a general assignment for the benefit of creditors; suffers an action to dissolve or liquidate; commences or consents to any case, proceeding, or action seeking reorganization, arrangement, adjustment, liquidation, dissolution, or composition of debts under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors; suffers an appointment of a receiver, trustee, custodian, or other official for any portion of its property or the Hotel; takes any corporate or other action to authorize any of the actions set forth above in this Section 15.2(a); has any case, proceeding, or other action commenced against it as debtor seeking an order for relief, or seeking reorganization, arrangement, adjustment, liquidation, dissolution, or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors, or seeking appointment of a receiver, trustee, custodian, or other official for it or any portion of its property or the Hotel, and such case, proceeding, or other action results in an order for relief against it that is not fully stayed within seven (7) business days after being entered or remains un-dismissed for forty-five (45) days; has an attachment of Fifty Thousand

Dollars ($50,000) or more on all or any part of the Hotel or any of its assets that remains for at least ninety (90) days; or fails, within sixty (60) days after the entry of a final judgment against it in any amount exceeding One Hundred Thousand Dollars ($100,000), to discharge, vacate, or reverse the judgment, to stay its execution, or, if appealed, to discharge the judgment within thirty (30) days after a final adverse decision in the appeal;

(b) Franchisee ceases operating the Hotel at the Site in affiliation with the Proprietary Marks, fails to identify the Hotel to the public as a Brand Hotel, or loses possession of or the right to possess all or a significant part of the Hotel, for any reason except as otherwise provided in this Agreement;

(c) Franchisee or any of its Affiliates contests in any court or other Proceeding Hyatt's or its Affiliate's ownership of all or any portion of the Hotel System or the validity of any Proprietary Mark, Copyrighted Materials, or Confidential Information, or registers or attempts to register any Proprietary Mark or a derivative thereof;

(d) Franchisee (or any of its Owners) makes a transfer in violation of ARTICLE XII;

(e) Franchisee or any of its Owners or Guarantors is, or is discovered to have been, convicted of a felony or enters or is discovered to have entered a plea of no contest to a felony, unless (i) the Owner is a Limited Interest Owner; and (ii) such Owner divests all of such Owner's direct and indirect ownership interests in Franchisee within sixty (60) days after the date of the conviction or plea;

(f) Franchisee or any of its Owners or Guarantors commits (or is discovered to have committed) any action or any other offense likely in Hyatt's reasonable opinion to reflect materially adversely upon Hyatt, its Affiliates, the Hotel System, or the Proprietary Marks, unless (i) the Owner is a Limited Interest Owner; and (ii) such Owner divests all of such Owner's direct and indirect ownership interests in Franchisee within sixty (60) days after notice from Hyatt;

(g) Franchisee knowingly maintains false books and records of account or knowingly submits false or misleading reports or information to Hyatt or its Affiliate, including any information Franchisee provided or failed to provide on its franchise application;

(h) Franchisee (or any of its Owners) knowingly makes any unauthorized use or disclosure of any part of the System Standards or any other Confidential Information;

(i) Franchisee violates any law, ordinance, or regulation and does not begin to cure the violation immediately after receiving notice from Hyatt or any other party and to complete the cure as soon as is reasonably practicable or within the timeframe allowed by law, whichever is shorter;

(j) Franchisee (1) fails on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether the failures

relate to the same or different obligations under this Agreement and whether or not Hyatt provides formal written notice to Franchisee of or Franchisee corrects the failures; or (2) fails on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, whether or not Hyatt provides formal written notice to Franchisee of or Franchisee corrects the failures; or

(k) Franchisee's or any of its Owners' (other than a Public Owner's) assets, property, or interests are blocked under any Trade Restriction Law, or Franchisee or any of its Owners (other than a Public Owner) otherwise violate any Trade Restriction Law.

15.3 **Suspension of Rights and Services**. Upon Franchisee's failure to remedy any default or failure to comply with this Agreement specified in any written notice issued to Franchisee under Section 15.1 (following any cure period specified for such default or failure in Section 15.1) or Section 15.2, Hyatt has the right, until Franchisee remedies such default or failure to Hyatt's satisfaction, to (a) suspend Franchisee's right to use, and Franchisee's access to, the CRS, the GDS and ADS, and/or other System Services; (b) remove the Hotel from Hyatt's advertising publications and programs and/or remove the Hotel's webpage from the Hotel System Website; (c) suspend or terminate any temporary or other fee reductions to which Hyatt might have agreed in this Agreement or any amendment(s) to this Agreement; and/or (d) refuse to provide any operational support that this Agreement otherwise requires. If Hyatt suspends Franchisee from the CRS, Hyatt has the right to divert reservations previously made for the Hotel to other Brand Hotels or Hyatt Network Hotels. If Hyatt exercises its right to suspend Franchisee's access to the CRS or other System Services, such suspension will last no more than six (6) months, after which time Hyatt shall either reinstate Franchisee's access or terminate this Agreement. Hyatt's exercise of this right will not constitute an actual or constructive termination of this Agreement nor be Hyatt's sole and exclusive remedy for Franchisee's default or failure to comply with this Agreement. If Hyatt exercises its right not to terminate this Agreement but to implement any remedies in this Section 15.3, Hyatt may at any time after the appropriate cure period under the written notice has lapsed (if any) terminate this Agreement without giving Franchisee any additional corrective or cure period. During any suspension period, Franchisee must continue to pay all fees and other amounts due under, and otherwise comply with, this Agreement and all related agreements. Hyatt's exercise of its rights under this Section 15.3 will not be a waiver by Hyatt of any breach of this Agreement. If Hyatt rescinds any suspension of Franchisee's rights, Franchisee will not be entitled to any compensation for any fees, expenses or losses Franchisee might have incurred due to Hyatt's exercise of any suspension right provided in this Section 15.3.

15.4 **General Provisions Concerning Default and Termination**. In any arbitration or other proceeding in which the validity of any termination of this Agreement or Hyatt's refusal to enter into a successor franchise agreement is contested, each party may cite to and rely upon all defaults or violations of this Agreement, not only the defaults or violations referenced in any written notice. Franchisee agrees that Hyatt has the right and authority (but not the obligation) to notify Franchisee's Lender and any or all of Franchisee's Owners, creditors and/or suppliers if Franchisee is in default under, or Hyatt has terminated, this Agreement.

ARTICLE XVI

RIGHTS AND OBLIGATIONS UPON EXPIRATION OR TERMINATION

16.1 **De-Identification**. Beginning on the date upon which this Agreement terminates or expires, Franchisee must immediately cease using the Hotel System and begin to de-identify the Hotel by taking whatever action Hyatt deems necessary to ensure that the Hotel no longer is identified as a Brand Hotel. Franchisee agrees to take the following steps, among other actions that Hyatt then specifies, to de-identify the Hotel:

(a) return to Hyatt all Copyrighted Materials, and all materials containing Confidential Information (other than Guest Information stored in the Hotel's property management system database that Franchisee is permitted to use after this Agreement's expiration or termination pursuant to Section 11.6) or bearing any of the Proprietary Marks, and cease using all such items;

(b) remove all structures and items identifying the Hotel System, including all elements of the trade dress and other distinctive features, devices, and/or items associated with the Hotel System, such as (for example) FF&E that is uniquely identified with a Brand Hotel and/or other Hyatt Network Hotels, interior signage, phone face plates, memo pads, pens, cups, glasses, and all other materials bearing one or more of the Proprietary Marks. With respect to the Hotel's exterior signage, Franchisee must (i) immediately schedule the permanent removal of all exterior signage bearing any of the Proprietary Marks and give Hyatt written evidence of that schedule, (ii) immediately cover all such exterior signage in a professional manner, and (iii) permanently remove all such exterior signage within thirty (30) days after this Agreement expires or terminates. In addition, Franchisee must make at its expense such specific additional changes that Hyatt reasonably requests to de-identify the Hotel;

(c) stop all uses of the Proprietary Marks, Confidential Information and other aspects of the Hotel System in connection with any F&B Operations or Spa Operations (if any);

(d) change the Hotel's telephone listing and immediately stop answering the telephone in any way that would lead a current or prospective customer, vendor, or other person to believe that the Hotel still is affiliated with the Brand Hotel network or with Hyatt;

(e) stop all uses of the Proprietary Marks on any Franchisee Organization Website and require all third party websites to remove any references that directly or indirectly associate the Hotel with the Proprietary Marks;

(f) cancel all fictitious, assumed, or other business name registrations relating to Franchisee's use of the Proprietary Marks; and

(g) permit Hyatt's representatives to enter the Hotel on no less than twenty-four (24) hours' prior notice to conduct inspections on a periodic basis until de-identification is completed to Hyatt's satisfaction.

Beginning on the date upon which this Agreement terminates or expires and continuing until de-identification is completed to Hyatt's satisfaction, Franchisee must maintain a conspicuous sign at the registration desk in a form that Hyatt specifies stating that the Hotel no longer is associated with the Brand Hotel network. Franchisee and its Affiliates may not, without Hyatt's permission, represent to Hotel customers, prospective customers or the public that the Hotel is or was a Brand Hotel, or otherwise hold itself out to the public as a former franchisee of Hyatt's or as the former operator of a Brand Hotel, except in the limited case of informing investors, prospective investors, or lenders that Franchisee has general experience in operating a Brand Hotel. Subject to the terms of Subsection (b) above with respect to exterior signage, Franchisee shall complete all de-identification obligations under this Section 16.1 to Hyatt's satisfaction, and provide a written certification to Hyatt indicating such completion, on or before the date which is fifteen (15) days after this Agreement terminates or expires. If Franchisee fails to comply with any of the de-identification provisions in this Section 16.1, Franchisee agrees to: (i) pay Hyatt a royalty fee of Five Thousand Dollars ($5,000) per day until de-identification is completed to Hyatt's satisfaction; and (ii) permit Hyatt's representatives to enter the Hotel to complete the de-identification process at Franchisee's expense.

16.2 **Pay Amounts Owed**. Unless otherwise provided in this Agreement, within five (5) days after the termination or expiration of this Agreement, Franchisee must pay all amounts owed to Hyatt and its Affiliates under this Agreement or any other agreement.

16.3 **Contacting Customers**. Upon this Agreement's termination or expiration for any reason, Hyatt has the right to contact those individuals or entities who have reserved rooms with Franchisee through the CRS, and any other Hotel customers, and inform them that Franchisee's lodging facility no longer is part of the Brand Hotel network. Hyatt also has the right to inform those individuals, entities and customers of other Brand Hotels and Hyatt Network Hotels that are proximately located to Franchisee's lodging facility in case they prefer to change their reservations so that they can stay at a Hyatt Network Hotel. Hyatt's exercise of these rights will not constitute an interference with Franchisee's contractual or business relationships. Franchisee acknowledges that the individuals and entities that made reservations with Franchisee's lodging facility when it was a Brand Hotel under this Agreement constitute Hyatt's customers.

16.4 **Survival**. The following provisions of this Agreement shall survive termination or expiration of this Agreement regardless of the circumstances: Sections 6.5, 6.7, 7.4, 8.1, 8.3, 8.4, 11.1, 11.5, 11.6, 11.7 and 15.4 and ARTICLE IX, ARTICLE XIV, ARTICLE XVI, ARTICLE XVII and ARTICLE XVIII. Additionally, all of Hyatt's and Franchisee's obligations that by their terms or by implication are to be performed after the termination or expiration of the Term shall survive such termination or expiration.

16.5 **Liquidated Damages**. Franchisee acknowledges and confirms that Hyatt will suffer substantial damages as a result of the termination of this Agreement before the Term expires, including Brand Damages. Hyatt and Franchisee acknowledge that Brand Damages are difficult

to estimate accurately and proof of Brand Damages would be burdensome and costly, although such damages are real and meaningful to Hyatt. Therefore, upon termination of this Agreement before the Term expires for any reason (subject to ARTICLE X), Franchisee agrees to pay Hyatt, within fifteen (15) days after the date of such termination, liquidated damages in a lump sum equal to the amount set forth in Exhibit B-1.

Notwithstanding the foregoing, if this Agreement is terminated because of a Consequential Termination, then the liquidated damages are one hundred fifty percent (150%) of the amount calculated in the preceding paragraph.

Franchisee agrees that the liquidated damages calculated under this Section 16.5 represent the best estimate of Hyatt's Brand Damages arising from any termination of this Agreement before the Term expires. Franchisee's payment of the liquidated damages to Hyatt will not be considered a penalty but, rather, a reasonable estimate of fair compensation to Hyatt for the Brand Damages Hyatt will incur because this Agreement did not continue for the Term's full length. Franchisee acknowledges that Franchisee's payment of liquidated damages is full compensation to Hyatt only for the Brand Damages resulting from the early termination of this Agreement and is in addition to, and not in lieu of, Franchisee's obligations to pay other amounts due to Hyatt under this Agreement as of the date of termination and to comply strictly with the de-identification procedures of Section 16.1 and Franchisee's other post-termination obligations. If any valid law or regulation governing this Agreement limits Franchisee's obligation to pay, and/or Hyatt's right to receive, the liquidated damages for which Franchisee is obligated under this Section 16.5, then Franchisee shall be liable to Hyatt for any and all Brand Damages Hyatt incurs, now or in the future, as a result of Franchisee's breach of this Agreement.

16.6 **System Services**. Beginning on the date that this Agreement terminates or expires, Hyatt and its Affiliates shall stop providing System Services to the Hotel.

ARTICLE XVII

NOTICES

All written notices, reports, and payments permitted or required to be delivered by this Agreement or the System Standards will be deemed to be delivered (whether or not delivery is accepted): (a) at the time delivered by hand; (b) at the time delivered via computer transmission if the sender has confirmation of a successful transmission, and, in the case of the Royalty Fees, System Services Charges, and other amounts due, at the time Hyatt actually receives payment via EFT; (c) one (1) business day after transmission by email or other electronic system if the sender has confirmation of successful transmission; (d) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or (e) three (3) business days after placement in the United States Mail by Certified Mail, Return Receipt Requested, postage prepaid. Either Hyatt or Franchisee may change the person and/or address for notice by giving thirty (30) days' prior notice to the other party by any of the means specified in subparagraphs (a) through (e) above.

Notices to Hyatt:	Hyatt 150 North Riverside Plaza Chicago, Illinois 60606 Attention: General Counsel E-mail: office.of.general.counsel@hyatt.com	Notices to Franchisee :	[ENTITYNAMECAPS] [PCADDRESS1] [PCADDRESS2] Attention: [PCNAME] E-mail: _____

ARTICLE XVIII

GENERAL

18.1 **The Exercise of Hyatt's Judgment**. Hyatt has the right from time to time to develop, operate, and change the Hotel System and System Standards in any manner not specifically prohibited by this Agreement. Whenever Hyatt has reserved in this Agreement a right to take or to withhold an action, or to grant or decline to grant Franchisee the right to take or omit an action, Hyatt may, except as otherwise specifically provided in this Agreement, make its decision or exercise its rights based on information readily available to it and its judgment of what is in the best interests of Hyatt and its Affiliates, the Brand Hotel network generally, or the Hotel System at the time its decision is made, without regard to whether Hyatt could have made other reasonable or even arguably preferable alternative decisions or whether its decision promotes Hyatt's (or its Affiliates') financial or other individual interest. Except where this Agreement expressly obligates Hyatt reasonably to approve or not unreasonably to withhold its approval of any of Franchisee's actions or requests, Hyatt has the absolute right to refuse any request Franchisee makes or to withhold its approval of any of Franchisee's proposed, initiated, or completed actions that require its approval. However, Hyatt may withhold its consent, whenever and wherever otherwise required, if Franchisee is in default under this Agreement.

18.2 **Severability and Interpretation**. Except as expressly provided to the contrary in this Agreement (including in Section 14.1), each section, subsection, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties. If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of Hyatt's refusal to offer Franchisee the Successor Franchise Right, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and Hyatt may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. Franchisee agrees to be bound by any promise or covenant imposing the maximum duty the law permits that is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

18.3 **Waiver of Obligations and Force Majeure**. Hyatt and Franchisee may unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement only by a signed written instrument, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights Hyatt or Franchisee have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten (10) days' prior written notice.

Hyatt and Franchisee will not waive or impair any right, power, or option this Agreement reserves (including Hyatt's right to demand compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before the Term expires) because of any custom or practice that varies from this Agreement's terms; Hyatt's or Franchisee's failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including any System Standard; Hyatt's waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Brand Hotels; the existence of franchise agreements for other Brand Hotels that contain provisions differing from those contained in this Agreement; or Hyatt's acceptance of any payments due from Franchisee after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to either party will be a waiver, compromise, settlement, or accord and satisfaction. The receiving party is authorized to remove any legend or endorsement, and it will have no effect.

Neither Hyatt nor Franchisee will be liable for loss or damage or be in breach of this Agreement, including Franchisee's obligations to develop and open the Hotel under ARTICLE II, if Hyatt's or Franchisee's failure to perform its obligations results from Force Majeure. Any delay resulting from Force Majeure will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that Force Majeure will not excuse payments of amounts owed at the time of the occurrence or payment of Royalty Fees, System Services Charges or other payments due afterward.

18.4 **Binding Effect**. This Agreement is valid and enforceable only when signed by Franchisee and signed and accepted by Hyatt at its office in Chicago, Illinois, whether signed by original or electronic signature. This Agreement may be executed in one or more counterparts, which, when taken as a whole, shall constitute a single agreement.

18.5 **Entire Agreement and Construction**. This Agreement is binding upon Hyatt and Franchisee and their respective permitted assigns and successors in interest. Subject to Hyatt's right to modify the Hotel System, System Standards, System Services and System Services Charges (including the methods of allocating costs for System Services), from time to time, this Agreement may not be modified except by a written agreement signed by both Hyatt's and Franchisee's duly-authorized officers. The Preliminary Statement and Exhibits, the attached PIP (if applicable), any state-specific Rider to this Agreement signed by Hyatt and Franchisee at the same time as this Agreement, and the Franchise Application that Franchisee (or its Owner or Affiliate) submitted to Hyatt relating to the Hotel, are a part of this Agreement, which constitutes Hyatt's and Franchisee's entire agreement, and there are no other oral or written understandings or agreements between Hyatt and Franchisee, and no other oral or written representations by Hyatt, relating to the subject matter of this Agreement, the franchise relationship, or the Hotel (any

understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Franchisee may not rely on any alleged oral or written understandings, agreements, or representations not contained in this Agreement. Notwithstanding the foregoing, nothing in this Agreement or any related agreement shall disclaim or require Franchisee to waive reliance on any representation that Hyatt made in the most recent franchise disclosure document (including its exhibits and amendments) that Hyatt delivered to Franchisee or its representative.

Any policies that Hyatt adopts and implements from time to time to guide Hyatt in its decision-making are subject to change, are not a part of this Agreement, and are not binding on Hyatt. Except as expressly provided in this Agreement, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

References in this Agreement to "Hyatt" with respect to all of Hyatt's rights and all of Franchisee's obligations to Hyatt under this Agreement include any of Hyatt's Affiliates, and its and their successors and assigns, with whom Franchisee deals. The headings in this Agreement are for convenience only and will not control or affect the meaning or construction of any provision. Time is of the essence in this Agreement, and all provisions of this Agreement shall be so interpreted.

18.6 **Cumulative Remedies**. Hyatt's and Franchisee's rights under this Agreement are cumulative, and their exercise or enforcement of any right or remedy under this Agreement will not preclude their exercise or enforcement of any other right or remedy that they are entitled by law to enforce.

ARTICLE XIX

ACKNOWLEDGEMENTS

19.1 **Franchisee Acknowledgements.** To induce Hyatt to sign this Agreement and grant Franchisee the rights under this Agreement, Franchisee represents, warrants and acknowledges that:

(a) Hyatt's approval of the Site is not a guarantee or warranty, express or implied, of the success or profitability of a Brand Hotel at that location;

(b) all statements Franchisee has made and all materials (including ownership information and descriptions of Franchisee's and/or its Affiliates' ownership structure(s)) it has given Hyatt in acquiring the rights under this Agreement are accurate and complete and that Franchisee has made no misrepresentations or material omissions in obtaining those rights;

(c) Franchisee is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and Franchisee's execution and delivery of this Agreement and performance of its obligations hereunder (i) have been duly authorized by all necessary company action, (ii) do not and will not violate or result in a breach or default

under any applicable law or any agreement to which Franchisee is a party or by which it is bound, and (iii) do not require the consent of any third party that has not been obtained; and

(d) In accordance with an exemption available under the Federal Trade Commission's Trade Regulation Rule entitled "Disclosure Requirements and Prohibitions Concerning Franchising," 16 C.F.R. Section 436.8(a)(5)(ii), Franchisee, or its parent or any of its Affiliates, is an entity that has been in business for at least five (5) years and has a net worth of at least $7,348,000.

19.2 **Franchisee Acknowledgements in Certain States**. The following representations, warranties and acknowledgements shall be made by and binding on Franchisee, unless this Agreement and/or the relationship between Hyatt and Franchisee is subject to state franchise registration and/or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington or Wisconsin.

(a) Franchisee represents, warrants and acknowledges that it has independently investigated and evaluated the opportunity of investing in the hotel industry generally and specifically the Brand Hotel franchise opportunity, including the current and potential market conditions and competitive factors and risks, and recognizes that, like any other business, the nature of a Brand Hotel's business will evolve and change over time.

(b) Franchisee represents, warrants and acknowledges that, except as expressly set forth in the franchise disclosure document that Hyatt delivered to Franchisee or its representative, Franchisee has not received from Hyatt, and is not relying upon, and that Hyatt expressly disclaims making, any representation, warranty or guaranty, express or implied, as to the actual or potential volume, sales, income or profits of the Hotel or any other Brand Hotel, and any information Franchisee has acquired from other Brand Hotel owners, including information regarding their sales, profits or cash flows, is not information obtained from Hyatt, and Hyatt makes no representation about that information's accuracy.

(c) Franchisee represents, warrants and acknowledges that it has no knowledge of any representations made about the Brand Hotel franchise opportunity by Hyatt, its Affiliates or any of their respective officers, directors, managers, owners or agents that are contrary to the statements made in Hyatt's franchise disclosure document or to the terms and conditions of this Agreement.

(d) Franchisee represents, warrants and acknowledges that it is relying solely on Hyatt, and not on any Affiliate of Hyatt, with regard to Hyatt's financial and other obligations under this Agreement, and no employee or other person speaking on behalf of, or otherwise representing, Hyatt has made any statement or promise to the effect that Hyatt's Affiliates guarantee Hyatt's performance or financially back Hyatt.

19.3 **No Waiver or Disclaimer of Reliance in Certain States**. The following provision applies only to franchisees and franchises that are subject to state franchise registration/disclosure

laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

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

[SIGNATURE PAGE FOLLOWS]

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

FRANCHISEE:

[ENTITYNAMECAPS]

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

HYATT:

[FRANCHISOR ENTITY]

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

EXHIBIT A
to the
BRAND HOTEL FRANCHISE AGREEMENT

DEFINED TERMS

In addition to any other terms defined in this Agreement, the following terms shall have the respective meanings as indicated below.

"**Accessibility Laws**" means the Americans with Disabilities Act and other laws, rules, regulations and ordinances governing accommodations for or relationships with persons with disabilities or similar individuals, as in effect from time to time.

"**ADS**" means the online travel agencies and other alternative distribution systems that Hyatt may periodically authorize or require for Franchisee's Hotel and other similarly situated Brand Hotels (subject to Reasonable Deviations).

"**Affiliate**" means, with respect to a party, any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling, such party. For purposes of this definition, "**control**" means the power to direct or cause the direction of management and policies.

"**Anti-Corruption Laws**" means any laws, rules or regulations relating to anti-corruption, anti-bribery, anti-money laundering, or similar prohibited conduct or otherwise relating to the maintenance of accurate books and records and internal controls.

"**AOP Term**" has the meaning set forth in Exhibit B-2.

"**Area of Protection**" has the meaning set forth in Exhibit B-2.

"Average Monthly Revenues" means:

(a) if the date of termination occurs after the Ramp Period, the average monthly Gross Rooms Revenue of the Hotel during the twelve (12) full calendar months immediately preceding the month of termination; or

(b) if the date of termination occurs after the Opening Date but before the end of the Ramp Period, the greater of (i) the average monthly Gross Rooms Revenue of the Hotel during the period from the Opening Date until the effective date of termination or (ii) the amount determined under part (c) below; or

(c) if the date of termination occurs before the Opening Date, the average monthly Gross Rooms Revenue per available guest room for all Brand Hotels in the United States (including those that Hyatt and its Affiliates own, manage, and franchise) during the twelve (12) full calendar months preceding the month of termination, multiplied by the number of guest rooms approved for the Hotel.

Notwithstanding the foregoing, if "Average Monthly Revenues" as determined pursuant to any part of (a) through (c) above has been materially and negatively impacted during the preceding twelve (12) full calendar month period by a disruption in Hotel operations resulting from Force Majeure, casualty, suspension of operations (whether or not consented to by Hyatt), renovation of the Hotel, or any other similar circumstances, "Average Monthly Revenue" shall be determined by reference to the most recent twelve (12) full calendar month period preceding termination during which the Hotel performance was not so impacted.

"**Brand**" has the meaning set forth in Exhibit B-1.

"**Brand Damages**" means lost Royalty Fees, lost System Services Charges, lost market penetration and goodwill, loss of Hotel System representation in the Hotel's market area, confusion of national accounts and individual customers, disadvantage in competing for national accounts and other types of bookings for Brand Hotels, lost opportunity costs, and expenses that Hyatt will incur in developing or finding another franchisee to develop another Brand Hotel in the Hotel's market area.

"**Brand Hotel**" means a hotel operating under the Hotel System and the Proprietary Marks.

"**Comfort Letter Party**" means each Lender, each Ground Lessor (if applicable), the owner of fee simple title to the Hotel's real property or building and improvements (if Franchisee is not that owner), and each other entity with an interest (or any power or right, conditional or otherwise, to acquire an interest) in the Hotel's real property or building and improvements.

"**Competing Brand Owner**" means any entity that (a) is either a franchisor or owner of a Competing Brand (defined below), (b) manages or otherwise operates hotels exclusively for the franchisor or owner of a Competing Brand, or (c) is an Affiliate of any entity described in (a) or (b) above. A "**Competing Brand**" is a hotel concept that has at least five (5) hotels operating under that concept's trade name anywhere in the world and that, in Hyatt's reasonable opinion, competes with Brand Hotels. For the avoidance of doubt, Franchisee shall not be deemed a Competing Brand Owner under this Agreement merely because Franchisee's Affiliates operate (as franchisees and/or managers) hotels of multiple Competing Brands.

"**Confidential Information**" means (a) site selection criteria; (b) the substance, design, and construction of Brand Hotels and the Design and Construction Standards; (c) training and operations materials and modules, including the System Standards; (d) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Brand Hotels; (e) marketing, advertising and promotional programs for Brand Hotels; (f) Guest Information and any information and data relating to guests and customers of other Brand Hotels and/or other Hyatt Network Hotels; (g) knowledge of specifications for and suppliers of FF&E and other products and supplies that are uniquely identified with Brand Hotels and/or other Hyatt Network Hotels; (h) any part of the Technology System and other computer software or other technology that is proprietary to Hyatt, its Affiliates or the Hotel System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or other technology; (i) knowledge of the operating results and financial performance of Brand Hotels other than the Hotel; (j) graphic designs and related intellectual property; and (k) any negotiated

provisions of this Agreement (including any amendment to this Agreement) and any other difference between the terms of this Agreement (including any amendment to this Agreement) and the terms of the standard form of Franchise Agreement in the Brand Hotel franchise disclosure document. However, Confidential Information does not include information, knowledge, or know-how that Franchisee can demonstrate lawfully came to its attention before Hyatt or its Affiliate provided it to Franchisee or its Affiliate directly or indirectly; that, at the time Hyatt or its Affiliate disclosed it to Franchisee, already had lawfully become generally known in the hotel industry through publication or communication by others (without violating an obligation to Hyatt or its Affiliate); or that, after Hyatt or its Affiliate disclose it to Franchisee, lawfully becomes generally known in the hotel industry through publication or communication by others (without violating an obligation to Hyatt or its Affiliate). If Hyatt includes any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in the preceding sentence is satisfied.

"**Consequential Termination**" means termination of this Agreement if (a) such termination involves a transfer of the Hotel or its assets, or a Controlling Ownership Interest in Franchisee or its Controlling Owner, to a Competitor or (b) there are three (3) or more franchise agreements (including this Agreement) with Franchisee or its Affiliates for hotels of the Hotel Type that Hyatt (or its Affiliate) terminates because of Franchisee's (or its Affiliates') default or that Franchisee (or its Affiliate(s)) terminates in breach of the applicable agreement. For purposes of this definition, a "**Competitor**" is any entity that owns, franchises and/or manages, or is an affiliate of any entity that owns, franchises and/or manages, a hotel brand, trade name or service mark for a system of at least four (4) hotels with an average daily room rate for all or substantially all of the hotels in the U.S. during the then most recent full calendar year that is at least sixty percent (60%) of the average daily room rate for Brand Hotels operating in the U.S.

"**Control Transfer**" means any transfer (as defined in this Exhibit A) of (a) this Agreement (or any interest in this Agreement), (b) the Hotel or all or substantially all of its assets, (c) a Controlling Ownership Interest in Franchisee, whether in one transaction or a series of related transactions (regardless of the time period over which these transactions take place), or (d) a Controlling Ownership Interest in any Controlling Owner (if such Owner is a legal entity), whether in one transaction or a series of related transactions (regardless of the time period over which these transactions take place).

"**Controlling Owner**" means an individual or legal entity holding a direct or indirect Controlling Ownership Interest in Franchisee.

"**Controlling Ownership Interest**" in a legal entity means, whether directly or indirectly, either (a) the record or beneficial ownership of, or right to control, fifty percent (50%) or more of the investment capital, equity, rights to receive profits or losses, or other rights to participate in the results of the entity, or (b) the effective control of the power to direct or cause the direction of that entity's management and policies, including a general partnership interest (with respect to an entity that is a partnership) and a manager or managing member interest (with respect to an entity that is a limited liability company), or the power to appoint or remove any such party. In the case of (a) or (b), the determination of whether a "Controlling Ownership Interest" exists is made both immediately before and immediately after a proposed transfer.

"**Copyrighted Materials**" means all copyrightable materials that Hyatt or its Affiliate periodically develops and Hyatt periodically designates for use in connection with the Hotel System, including the contents of Hyatt's secure extranet, electronic media, marketing materials (including advertising, marketing, promotional, public relations materials and business and marketing plans), the Design and Construction Standards, sample architectural plans, drawings, designs, and layouts such as, without limitation, site, floor, plumbing, lobby, electrical, and landscape plans and building designs, whether or not registered with the U.S. Copyright Office.

"**Core Management**" means the management positions for the Hotel as listed in Exhibit B-1.

"**CPI Increase**" means the amount to be adjusted multiplied by a fraction, the numerator of which is the Consumer Price Index for all Urban Consumers for All Items, as published by the U.S. Department of Labor, Bureau of Labor Statistics (the "**Base Index**") as of the first day of the calendar month during which the increase is to take effect, and the denominator of which is the Base Index in effect on the Effective Date or used for the most recent increase (whichever is later). If the Base Index is no longer published, Hyatt may designate another reasonably comparable index for calculating changes in the cost of living or purchasing power for consumers.

"**CRS**" means the central reservations system and related services for Brand Hotels, as Hyatt may periodically modify it.

"**Damage Threshold**" means the greater of (a) sixty percent (60%) of the market value of the Hotel immediately prior to the time of fire, flood, accident, hurricane or other casualty, or (b) the amount of insurance proceeds made available to Franchisee in connection with the casualty.

"**Data Breach**" means an actual or suspected breach of security or unauthorized access of Guest Information or other information from the Hotel's property management system or other computer system database.

"**Design and Construction Standards**" means the standards that Hyatt periodically prescribes detailing certain design criteria to be incorporated into the design and layout of the Hotel, and Hyatt's minimum standards for engineering and construction of newly constructed, renovated, or adapted Brand Hotels, including refreshing the Hotel according to periodic, scheduled upgrades, all as Hyatt determines them.

"**Effective Date**" means the date listed on page one of this Agreement, regardless of the date upon which Hyatt and Franchisee sign this Agreement.

"**F&B Operations**" means all food and beverage operations for Hotel guests and patrons consisting of the following (in each case, to the extent applicable): (a) restaurant, dining, bar, lounge, and retail food and beverage services; (b) banquet, meeting, event, catering (including outside catering), and room services; (c) a multi-functional service area that serves coffee and breakfast, lunch and dinner menu items, and alcoholic beverages; (d) grab-and-go food and beverage items available for purchase in a Hotel market; (e) a communal area serving as a combination restaurant, bar, coffee shop and workplace; (f) a standalone restaurant and/or rooftop bar; and (g) all other food, beverage and related services at the Hotel.

"**F&B Operations Plan**" means the plan for conducting and administering the F&B Operations at the Hotel that Franchisee prepares at Hyatt's request and subject to Hyatt's approval.

"**F&B Operator**" means, if applicable, the restaurant operator or other operator of some or all F&B Operations at the Hotel, other than Franchisee or the Management Company.

"**FF&E**" means all fixtures; equipment; furnishings; furniture; telephone systems; communications systems; copiers; signs; the Technology System and other property management, revenue optimization, in-room entertainment, and other computer and technology systems; and other similar items that Hyatt periodically specifies for the Hotel.

"**Force Majeure"** means (a) compliance with the orders, requests or recommendations of any federal, state, or municipal government, unless such order, request or recommendation arises because of Hyatt's or Franchisee's failure to comply with any applicable law, regulation or ordinance; (b) fire, flood, accident, hurricane, or other calamity or act of God; (c) strikes, embargoes, war, civil disturbance, acts of terrorism or similar events; or (d) any other similar event or cause.

"**Franchisee Indemnified Parties**" means Franchisee, its Affiliates, and its and their respective owners, officers, directors, managers, agents, employees, representatives, successors, and assigns.

"**Franchisee Organization Website**" means a website that mentions the Hotel and other hotels in which Franchisee and its Affiliates have an interest as part of Franchisee's and its Affiliates' portfolio of properties and that has a primary purpose of promoting the entire portfolio (rather than only promoting the Hotel).

"**GDS**" means the global distribution systems that Hyatt periodically authorizes or requires for Franchisee's Hotel and other similarly situated Brand Hotels (subject to Reasonable Deviations).

"**Gross Rooms Revenue**" means "Total Rooms Revenue," or the equivalent thereof, as determined in accordance with the Uniform System of Accounts, plus any revenue from resort fees, destination fees, or similar mandatory charges. If Franchisee receives any proceeds from any business interruption insurance applicable to the rental of rooms at the Hotel, then there shall be added to Gross Rooms Revenue an amount equal to the imputed gross revenues that the insurer used to calculate those proceeds. Inclusion of resort fees, destination fees, or similar fees in "Gross Rooms Revenue" does not constitute approval of or authorization by Hyatt to charge such fees.

"**Ground Lessor**" means any person or entity (including any Affiliate of Franchisee) that, directly or through one or more other people or entities, leases or subleases all or any part of the Hotel's real property or improvements to Franchisee or that otherwise has any fee simple ownership or leasehold interest in the Site or the Hotel.

"**Guarantor**" means each individual or entity who from time to time guarantees Franchisee's obligations under this Agreement.

"**Guarantor Monetary Threshold**" means each of the following: (a) total assets less total liabilities (excluding Hotel assets and liabilities relating solely to the Hotel), each as calculated in accordance with U.S. generally accepted accounting principles, in the minimum amount of the Guarantor Net Worth Minimum set forth in Exhibit B-1 and (b) liquid assets (consisting of cash, cash equivalents and marketable securities) in the minimum amount of the Guarantor Liquidity Minimum set forth in Exhibit B-1.

"**Guest Information**" means information and data relating to or derived from the Hotel's guests and other customers during the Term, whether obtained from the guest or customer or from any other source, including names, preferences, and other information about the guests' or customers' experiences and/or purchases, and including information stored in or provided to the CRS or the Hotel's property management system.

"**Hotel**" means the Brand Hotel located at the Site that Franchisee will operate pursuant to this Agreement. The Hotel includes all structures, facilities, appurtenances, FF&E, entrances, exits, and parking areas located on the Site or any other real property that Hyatt approves for Hotel expansion, signage, or other facilities.

"**Hotel Elements**" has the meaning set forth in Exhibit B-3.

"**Hotel IP**" means, to the extent not part of the Hotel System, all images, videos, renderings, recordings, text, restaurant, gift shop, spa and other outlet or amenity names, or other content relating to the Hotel and the Non-Hotel Components provided to Hyatt or its Affiliate by Franchisee or its Affiliate.

"**Hotel System**" means the concept and system associated with the establishment and operation of Brand Hotels, as Hyatt periodically modifies it. The Hotel System now includes: (a) the Proprietary Marks; (b) all Copyrighted Materials; (c) all Confidential Information; (d) the Design and Construction Standards; (e) the CRS; (f) the required or authorized GDS and ADS; (g) management, personnel, and operational training programs, materials, and procedures; (h) System Standards; (i) marketing, advertising, and promotional programs; and (j) Mandatory Services and Non-Mandatory Services.

"**Hotel System Website**" means a website that Hyatt or one or more members of the Hyatt Group develops, maintains and/or authorizes for all or a certain group of Brand Hotels that Hyatt periodically specifies (and, at Hyatt's option, other Hyatt Network Hotels).

"**Hotel Type**" means the type of hotel set forth in Exhibit B-1.

"**Hyatt Group**" means Hyatt and any of its Affiliates who from time to time provide goods or services to Franchisee and/or other Participating Hotels.

"**Hyatt Indemnified Parties**" means Hyatt, its Affiliates, and its and their respective owners, officers, directors, managers, agents, employees, representatives, successors, and assigns.

"**Hyatt Network Hotels**" means the Brand Hotels and other hotels, resorts, lodging facilities and other accommodations and hospitality affiliations that from time to time are owned and/or operated by Hyatt, its Affiliates, or its or their franchisees or licensees under the name

"Hyatt" or another brand owned by any of Hyatt's Affiliates, regardless of whether those brands utilize the "Hyatt" mark in their names.

"**Include**" and "**including**," whenever used in this Agreement, whether capitalized or not, will mean "including, by way of example, but without limitation."

"**Innovations**" means all inventions, innovations and discoveries relating to a Brand Hotel and based or relying upon any element of the Hotel System, including any advertising, marketing, promotional or public relations plans, programs or materials that Franchisee or its contractors develop for the Hotel, whether or not protectable intellectual property and whether created by or for Franchisee, its Affiliates or contractors, or its or their employees.

"**IT Project Management Services**" means the services described in Exhibit E to this Agreement.

"**Lender**" means each financial institution or other party (including an Affiliate of Franchisee), if any, that provided or provides any financing for Franchisee's acquisition, development, and/or operation of the Hotel, including any mortgagee or trustee under any deed of trust and any mezzanine lender or other party that takes a pledge of Franchisee's or any Controlling Owner's ownership interests as security for the repayment of any such financing.

"**Limited Interest Owner**" means any Non-Controlling Owner who is not a Guarantor and who owns (directly or indirectly) ten percent (10%) or less of the ownership interests in Franchisee.

"**Losses**" means any and all losses, expenses, obligations, diminutions in value, liabilities, damages (actual, consequential, or otherwise), and reasonable defense costs that an indemnified party incurs. For purposes of this definition, defense costs include accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced.

"**Management Arrangement**" means any lease, management agreement, or other similar arrangement with any entity for the management or other oversight of all or a part of the Hotel's operation.

"**Management Company**" means any entity (including any Affiliate of Franchisee) that Hyatt approves as the Hotel's manager pursuant to a Management Arrangement.

"**Mandatory Services**" means those mandatory System Services that one or more members of the Hyatt Group provides to the Hotel and certain other Brand Hotels and other Hyatt Network Hotels that the Hyatt Group reasonably determines must acquire those Mandatory Services only from the Hyatt Group, including, but not limited to, any marketing, reservation service, rate and room inventory management, advertising, guest frequency and loyalty, discount or promotional programs required pursuant to Section 4.3 or the System Standards.

"**Market Descriptor**" means any geographic or market descriptor that Hyatt periodically approves for Franchisee's use to identify the Hotel along with the Proprietary Marks.

"**Mixed-Use Site**" means a site (whether newly constructed or adapted) that is owned or developed by Franchisee, its Owner or Affiliate, which may include, in addition to the Hotel, certain Non-Hotel Components.

"**Net Recovery**" means the aggregate insurance proceeds that Franchisee and its Affiliates receive or are entitled to receive relating directly or indirectly to the casualty impacting the Hotel, less the aggregate of (a) the portion of such proceeds that Franchisee and its Affiliates are required to pay to Lenders (or that Lenders are permitted to collect) under any applicable loan or credit agreement covering the Hotel, and (b) the portion of such proceeds that Franchisee and its Affiliates are required to pay to Owners under any partnership agreement, limited liability company operating agreement or similar governing document in effect prior to the casualty in order to return to such Owners any unreturned capital investment they made in connection with the development of the Hotel.

"**Non-Control Transfer**" means any transfer (as defined in this Exhibit A) of (a) a non-Controlling Ownership Interest in Franchisee, (b) a non-Controlling Ownership Interest in any Controlling Owner (if such Owner is a legal entity), or (c) a Controlling Ownership Interest or non-Controlling Ownership Interest in any Non-Controlling Owner (if such Owner is a legal entity).

"**Non-Controlling Owner**" means any Owner which is not a Controlling Owner.

"**Non-Hotel Components**" means residential, retail, restaurant, commercial or public spaces that are located on the same single, contiguous site as the Hotel but which operate separate from the Hotel.

"**Non-Mandatory Services**" means those non-mandatory System Services that one or more members of the Hyatt Group provides to the Hotel and certain other Brand Hotels and other Hyatt Network Hotels that the Hyatt Group reasonably determines will be offered the option, but will not be required, to acquire those Non-Mandatory Services from the Hyatt Group.

"**Offering Materials**" means all disclosure documents and other written or electronic materials that Franchisee or any Owner (or any of their agents or representatives) intends to provide to any offeree or prospective purchaser of any ownership interests or other securities in Franchisee or any Owner (if that owner is an entity) which contain information about Hyatt or its Affiliates, this Agreement, Hyatt's relationship with Franchisee, or the network of Brand Hotels or other Hyatt Network Hotels (other than the Hotel).

"**Opening Date**" means: (a) for purposes of calculating the Term pursuant to Section 1.2 of this Agreement, the date upon which Franchisee has first opened the Hotel for business in affiliation with the Brand with at least ninety percent (90%) of the number guest rooms specified in Exhibit B-1 available as inventory in the CRS and (b) for all other purposes under this Agreement, the date upon which Franchisee first opens the Hotel for business in affiliation with the Brand. Notwithstanding the foregoing, if immediately prior to the Effective Date the Hotel was operated as part of the Brand pursuant to a franchise agreement with Hyatt (whether by Franchisee or any other party), then the Opening Date is the Effective Date.

"**Owner**" means any person or entity holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in Franchisee, including any person or entity who has a direct or indirect interest in Franchisee, this Agreement, the franchise, or the Hotel and any person or entity who has any other legal or equitable interest, or the power to vest in themselves any legal or equitable interest, in their revenue, profits, rights, or assets or any capital appreciation relating thereto.

"**Participating Hotels**" means, with respect to any System Services, those other Brand Hotels and Hyatt Network Hotels that Hyatt reasonably determines from time to time are similarly situated with the Hotel (subject to Reasonable Deviations) and that participate in such System Services in the same manner.

"**Person**" or "**persons**" as the context requires, means an individual (and the heirs, executors, administrators, or other legal representatives of an individual), a partnership, a joint venture, a firm, a company, a corporation, a government or any department or agency thereof, a trustee, a trust, an unincorporated organization, or any other legal entity of whatever kind or nature.

"**PIP**" means Property Improvement Plan.

"**Pre-Opening Sales Office**" means a temporary or permanent sales office at the Site to solicit and accept reservations before the Opening Date for stays after the Opening Date.

"**Privacy Laws**" means any international, national, state, local or other law, code, rule or regulation that regulates the collection, processing, storage, transmission or use of Guest Information or other personally-identifiable information in any way, including data protection laws, laws regulating marketing or electronic communications, and information security regulations.

"**Proceeding**" means any claim asserted or inquiry made (whether formally or informally), and any legal action, investigation or other proceeding (including any arbitration proceeding) brought, by any governmental agency or other person or entity.

"**Proprietary Marks**" means the trade names, trademarks, and service marks, Brand, and such other trade names, trademarks, service marks, logos, slogans, trade dress, domain names, and other designations of source and origin (including all derivatives of the foregoing) that Hyatt or its Affiliate periodically develops and Hyatt periodically designates for use in connection with the Hotel System.

"**Providers**" means providers of products or services for the Hotel, including the then current CRS operator (if applicable), then current GDS and ADS operators (if applicable), and other suppliers to the Hotel, which may include Hyatt and/or its Affiliates.

"**Public Owner**" means any holder of five percent (5%) or less of any class of securities of a Non-Controlling Owner which are publicly traded on any securities exchange or quoted in any publication or electronic reporting service maintained by the National Association of Securities Dealers, Inc. or any of its successors.

"**Quality Assurance and Compliance Programs**" means the quality assurance, compliance and guest satisfaction programs for the Hotel that Hyatt periodically develops and modifies.

"**Ramp Period**" means the period beginning on the first day of the month that the Hotel first began operating as a Brand Hotel (whether under Franchisee or any other party) continuing for the number of calendar months set forth in Exhibit B-1.

"**Reasonable Business Judgment**" means that Hyatt's action or inaction has a business basis that is intended to benefit the Brand Hotel network or the profitability of the network, including Hyatt and its Affiliates, regardless of whether some individual hotels may be unfavorably affected; or to increase the value of the Proprietary Marks; or to increase or enhance overall hotel guest or franchisee or owner satisfaction; or to minimize possible brand inconsistencies or customer confusion.

"**Reasonable Deviations**" means that, if the market area or circumstances of a Brand Hotel warrant, then, in Hyatt's Reasonable Business Judgment, Hyatt may apply an aspect of the Hotel System, System Standard, requirement, fee or other term or condition to the Hotel in a manner which differs from the manner in which that aspect of the Hotel System, requirement, fee or other term or condition applies to one or more other similarly situated Brand Hotels.

"**Related Parties**" means, with respect to each of Hyatt and Franchisee, each of their respective Affiliates (and, with respect to Franchisee, the Guarantors), and all of its and their respective owners, officers, managers, directors, agents and/or employees.

"**Sanctioned Person**" means (a) any individual, entity or organization, including any government or agency thereof, with whom either Franchisee or Hyatt is prohibited from doing business or maintaining a relationship under any Trade Restriction Law; and (b) any individual, entity or organization who is controlled by, or acting as the agent or nominee of, anyone listed in subsection (a).

"**Security Interest**" means any lien, charge, pledge, mortgage, security interest or other encumbrance.

"**Spa Operations**" means all spa and related operations and services for Hotel guests and patrons, consisting of all therapy, massage and other treatments, salon services and other spa-related services, if applicable for the Hotel.

"**Spa Operator**" means the operator of Spa Operations (if any) at the Hotel, other than Franchisee or the Management Company.

"**System Services**" means those services generally made available by the Hyatt Group from time to time on a central, regional, or other shared or group basis (whether in whole or in part) to all or certain Brand Hotels and other Hyatt Network Hotels that the Hyatt Group reasonably determines shall be provided such services, and which are categorized as either Mandatory Services or Non-Mandatory Services.

"**System Services Charges**" means the amounts that the Hyatt Group charges the Hotel, and Franchisee hereby agrees to pay, for the Hotel's equitably allocable share of the System Services Costs attributable to the System Services in which the Hotel participates (or is obligated to participate), as periodically determined by the Hyatt Group.

"**System Services Costs**" means, with respect to any of the System Services in which the Hotel participates (or is required to participate), all costs actually incurred or properly accrued by any member of Hyatt Group during the period of determination in respect of the provision of such System Services, including out-of-pocket expenses, costs for employees, occupancy costs, capital costs, administrative expenses, carrying costs and other costs incurred directly or indirectly in providing System Services.

"**System Standards**" means standards, specifications, procedures, and rules for operations, marketing, construction, equipment, furnishings, and quality assurance that Hyatt implements and may periodically modify for Brand Hotels.

"**Technology System**" means certain computer systems, sales and marketing systems, communications equipment and related equipment and supplies that Hyatt or its Affiliate will require Franchisee to use in the Hotel's operation.

"**Termination Agreement**" means Hyatt's then current form of agreement that would terminate (or confirm the termination of) this Agreement and include a general release, in a form satisfactory to Hyatt, of any and all claims against Hyatt and its Affiliates, and its and their respective owners, officers, directors, managers, employees, agents, representatives, successors and assigns. If the Termination Agreement is required pursuant to the terms of this Agreement, it must be signed by Hyatt, Franchisee and each then current Guarantor, and, if neither Franchisee nor any then current Guarantor then maintains the Guarantor Monetary Threshold, Franchisee must require an Owner or other entity that maintains the Guarantor Monetary Threshold to assume and agree to be bound by Franchisee's obligations under the Termination Agreement.

"**Trade Restriction Laws**" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, the list of prohibited countries, individuals, organizations and entities maintained by the U.S. Department of Treasury Office of Foreign Assets Control, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts, acts of war, trade, economic or investment sanctions or prohibitions, or similar restrictions.

"**Transaction Taxes**" means federal, state, local or foreign (a) sales, use, excise, privilege, occupation or any other transactional taxes, and (b) other taxes or similar exactions, no matter how designated, that are imposed on Hyatt or that Hyatt is required to withhold in connection with the receipt or accrual of amounts payable by Franchisee to Hyatt under this Agreement, excluding only taxes imposed on Hyatt for the privilege of conducting business and calculated with respect to Hyatt's net income (including Royalty Fee income), capital, net worth, gross receipts, or some other basis or combination thereof, but not excluding any gross receipts taxes imposed on Hyatt or its Affiliates for Franchisee's payments intended to reimburse Hyatt or its Affiliates for expenditures incurred for the benefit and on behalf of Franchisee.

"**Transfer**" (whether or not such term is capitalized) means and includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition of any interest in this Agreement; Franchisee; the Hotel or substantially all of its assets; any of Franchisee's Owners (if such Owner is a legal entity); or any right to receive all or a portion of the Hotel's, Franchisee's, or any Owner's profits or losses or any capital appreciation relating to the Hotel, Franchisee or any Owner. An assignment, sale, gift, or other disposition includes the following events: (a) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest; (b) merger or consolidation or issuance of additional securities or other forms of ownership interest; (c) any sale or other transfer of a security or other interest convertible to an ownership interest; (d) transfer in a divorce, insolvency, or entity dissolution proceeding or otherwise by operation of law; (e) transfer by will, declaration of or transfer in trust, or under the laws of intestate succession; and (f) foreclosure upon or exercising any similar rights or remedies with respect to any Security Interest in this Agreement (to someone other than Hyatt), the Hotel or an ownership interest in Franchisee or one of its Owners, foreclosure upon the Hotel, or Franchisee's transfer, surrender, or loss of the Hotel's possession, control, or management.

"**Travel Services Website**" means a website operated by a third party (which is not an Affiliate of Franchisee) that promotes and sells travel-related products and services for a number of hotel brands, including other Hyatt Network Hotels.

"**Uniform System of Accounts**" means the Uniform System of Accounts for the Lodging Industry, Eleventh Edition, as published by the Educational Institute of the American Hotel and Motel Association, 2014, or a later edition that Hyatt approves.

"Year" means the calendar twelve (12) month period beginning on the first (1st) day of the calendar month during which the Opening Date occurs, and ending on the day immediately preceding the first (1st) anniversary of such date, and each subsequent one (1) year period.

EXHIBIT B-1
to the
BRAND HOTEL FRANCHISE AGREEMENT

HOTEL AND BRAND SPECIFIC TERMS

Section Reference	Subject	Applicable Term
Preamble	Franchisor entity	Hyatt Franchising, L.L.C., a Delaware limited liability company
Preamble	Site	[Address]
2.5	Extension Fee	Ten Thousand Dollars ($10,000)
4.1	Approved Management Company as of Effective Date (if any)	[Management Company Name] or [N/A]
4.7	CapEx Account	(a) three percent (3%) of the Hotel's total operating revenue (as determined in accordance with the Uniform System of Accounts) accrued during the calendar twelve (12)-month period beginning on the first (1st) day of the Opening Month; (b) four percent (4%) of the Hotel's total operating revenue (as determined in accordance with the Uniform System of Accounts) accrued during the calendar twelve (12)-month period beginning on the first (1st) anniversary of the first (1st) day of the Opening Month; and (c) five percent (5%) of the Hotel's total operating revenue (as determined in accordance with the Uniform System of Accounts) accrued during the balance of the Term
5.1	Pre-opening marketing	Five Hundred Dollars ($500) multiplied by the number of guest rooms at the Hotel
6.1(a)	Initial Application Fee amount	$_____
6.1(a)	Additional Application Fee	Five Hundred Dollars ($500) multiplied by the number of additional guest rooms at the Hotel above 200 total guest rooms
6.1(a)	Current PIP Fee	Ten Thousand Dollars ($10,000)
6.1(b)	IT Project Management Services Fee amount	$_____
6.1(c)	Design Services Review Fee amount	$_____

Section Reference	Subject	Applicable Term
6.1(c)	Design Services Review Fee payment date(s)	• Initial payment of $_____: Effective Date • Remaining $_____: paid in _____ (__) equal monthly installments of $_____ each, with the first such installment due and payable on _____, 20__
6.1(c)	Alternative Design Review Fee amount	$_____
6.2(a)	Royalty Fee	Five percent (5%) of the Hotel's Gross Rooms Revenue accrued during the preceding month
10.1	Per room liquidated damages – condemnation	Five Thousand Dollars ($5,000)
16.5	Liquidated Damages	(a) the lesser of thirty-six (36) or the number of months then remaining in this Agreement's term had it not been terminated, multiplied by (b) the sum of (i) the Average Monthly Revenue times five percent (5%) for lost future Royalty Fees, plus (ii) the Average Monthly Revenue times three and one-half percent (3.5%) for lost future System Services Charges
19.2(e)	Franchisee Acknowledgments in Certain States	The following is added as a new Section 19.2(e): The StandardX™ brand and concept were launched in the United States in June 2025, there are few hotels operating under the StandardX™ brand as of the Effective Date, and there is no guarantee or assurance that the brand and concept will be successful in the marketplace or that Hyatt will not make significant modifications to the Hotel System, brand and concept as they are further developed.
Exhibit A	Definition of "**Brand**"	The StandardX™
Exhibit A	Definition of "**Core Management**"	The general manager, assistant general manager, rooms director, director of sales, engineering director, director of food and beverage, director of catering, and executive chef
Exhibit A	Definition of "**Guarantor Net Worth Minimum**"	$_____
Exhibit A	Definition of "**Guarantor**	$_____

Section Reference	Subject	Applicable Term
	Liquidity Minimum"	
Exhibit A	Definition of "**Hotel Type**"	Select service hotel
Exhibit A	Definition of "**Opening Deadline**"	_____ (___) months following the Effective Date
Exhibit A	Definition of "**Ramp Period**"	Thirty-six (36) months

EXHIBIT B-2
to the
BRAND HOTEL FRANCHISE AGREEMENT

AREA OF PROTECTION AND AOP TERM

"**AOP Term**" means the period that begins on the Effective Date and ends on the earlier of: (a) the date which is _____ (_) years after the Opening Date; and (b) _____, 20___.

"**Area of Protection**" means the geographic area contained by the following borders:

- [Insert line-by-line description of Area of Protection borders]

The Area of Protection is depicted on the map attached below. If there is an inconsistency between the foregoing written description and the attached map, the written description shall control.

[Insert map here]

EXHIBIT B-3
to the
BRAND HOTEL FRANCHISE AGREEMENT

DEVELOPMENT OR RENOVATION SCHEDULE & HOTEL ELEMENTS

[Include the following provisions only if Franchisee is <u>not</u> converting an existing hotel at the Site to a Brand Hotel.]

Franchisee shall design, build, equip, furnish and decorate the Hotel having the Hotel Elements. Construction must begin within twelve (12) months after the Effective Date. For purposes of this Agreement, construction of the Hotel is deemed to have begun when the vertical construction or adaptation of the Hotel portion of the building begins for mixed use projects or upon pouring concrete for the Hotel's foundation or finished slab for all other projects.

The "**Hotel Elements**" means:

(i) ___ guest rooms [plus an additional ___ suites for a total of ___ keys];

(ii) ___ restaurants and __ bars;

(iii) Approximately ___ square feet of meeting rooms and pre-function areas; along with banquet facilities

(iv) [a ballroom]

(v) a spa

(vi) a fitness center

(vii) [approximately ___ square feet of retail space;]

(viii) a garage or other parking space for guests and some employees; and

(ix) all millwork, installations and building systems necessary for the operation of the Hotel, including elevator, heating, ventilating, air conditioning, electrical (including lighting), plumbing (including sanitary), refrigerating, telephone and communications, safety and security, laundry storage and kitchen installations and systems, the FF&E, all public grounds, gardens and other landscaping features and facilities, and such other facilities and appurtenances, as are necessary or desirable for the operation of the Hotel under the Design and Construction Standards

[Include the following provisions only if Franchisee is converting an existing hotel at the Site to a Brand Hotel.]

Franchisee shall renovate the Hotel in accordance with, and within the time frames set forth in, the PIP attached as Exhibit D to this Agreement. If this Agreement anticipates Franchisee's conversion of an existing franchised or managed facility to a Brand Hotel, then before any Proprietary Marks (including signage) are installed or displayed at the Site, and before Franchisee opens a Pre-Opening Sales Office or the Hotel is authorized to open as a Brand Hotel, Franchisee must submit evidence reasonably satisfactory to Hyatt of the termination of Franchisee's previous franchise or management agreement in accordance with applicable legal requirements.

EXHIBIT C
to the
BRAND HOTEL FRANCHISE AGREEMENT

RIGHT OF FIRST OFFER FOR STRATEGIC MARKETS

By signing this Exhibit C, Hyatt and Franchisee acknowledge that Hyatt's right of first offer reflected in this Exhibit C applies to this Agreement. If Hyatt and Franchisee do not sign this Exhibit C, then it does not apply to this Agreement. Hyatt has the unrestricted right to assign its right of first offer to an Affiliate or other third party, who then will have Hyatt's rights and obligations described in this Exhibit C.

If Franchisee (or any of its Owners) at any time during the Term determine to sell or transfer for consideration this Agreement, the Hotel or all or substantially all of its assets, or a Controlling Ownership Interest in Franchisee or its Controlling Owner (except to or among Franchisee's Owners as of the Effective Date, which is not subject to this Exhibit C), then Franchisee must first give Hyatt the opportunity to acquire those rights (the "**Offered Rights**") by delivering written notice to Hyatt. Franchisee's notice must contain a summary of the material terms and conditions of the proposed sale or transfer, including (without limitation) the proposed consideration and the terms of any financing Franchisee or its Affiliate will provide for the proposed purchase price (the "**Offer Terms**"). The Offer Terms must relate exclusively to the Offered Rights and not to any other assets or rights.

Hyatt will then have thirty (30) days after receiving the Offer Terms to notify Franchisee whether Hyatt elects to acquire the Offered Rights on the Offer Terms, provided that (1) Hyatt may substitute cash, a cash equivalent, or marketable securities for any form of payment proposed in the Offer Terms (such as ownership interests in an entity) and may elect to pay the net present value of any payments to be made over time; (2) Hyatt must be afforded the opportunity to conduct customary due diligence on the Offered Rights; and (3) Hyatt must receive, and Franchisee and its Owners agree to make, all customary representations, warranties, and indemnities in Hyatt's purchase, including representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; liabilities affecting the assets, contingent or otherwise; and indemnities for all actions, events, and conditions that existed or occurred in connection with the Hotel or Franchisee's business before the closing.

If Hyatt exercises the right of first offer, the closing will take place at a location and on a date that Hyatt chooses, within ninety (90) days after Hyatt delivers its notice of exercise to Franchisee or such longer period as may be contemplated by the Offer Terms. Hyatt and Franchisee will sign documents, including deeds, affidavits, transfers and assignments, and any other documents necessary or appropriate for the sale or transfer of the Offered Rights. Franchisee must satisfy all liens, mortgages, and/or encumbrances on the Hotel. Hyatt and Franchisee will share equally any closing costs.

If Hyatt notifies Franchisee in writing that Hyatt does not intend to exercise its right of first offer with respect to any Offer Terms, or fails to notify Franchisee of Hyatt's decision within the thirty (30)-day period described above, then Franchisee thereafter may offer the Offered Rights to

any third party on terms no more favorable to that party than the Offer Terms. However, Franchisee or its Owners may sell or transfer the Offered Rights only if Hyatt otherwise approves the transfer in accordance with, and Franchisee (and its Owners) and the transferee comply with the conditions in, ARTICLE XII of this Agreement. This means that, even if Hyatt does not exercise Hyatt's right of first offer, if the proposed transfer otherwise would not be allowed under ARTICLE XII, Franchisee (or its Owners) may not move forward with the transfer at all.

Later, Franchisee may determine to offer the Offered Rights on terms which are more favorable to the buyer than the Offer Terms, or Franchisee may determine to change the Offered Rights, then Franchisee must first offer those new terms to Hyatt according to the procedures described above. In addition, if Franchisee does not sell or transfer the Offered Rights in compliance with this Exhibit C and the conditions in ARTICLE XII within twelve (12) months after Hyatt first receives notice of the Offered Rights, then the rights under this Exhibit C shall once again apply with respect to those Offer Terms, and Franchisee may not sell or transfer for consideration the Offered Rights without first giving Hyatt the opportunity to acquire those rights according to this Exhibit C.

By signing below, Hyatt and Franchisee acknowledge and agree that the terms of this Exhibit C will apply to this Agreement.

FRANCHISEE:

[ENTITYNAMECAPS]

By: _____
Name: _____
Title: _____

HYATT:

[FRANCHISOR ENTITY]

By: _____
Name: _____
Title: _____

EXHIBIT D
to the
BRAND HOTEL FRANCHISE AGREEMENT

DESIGN APPROVAL REVIEW PROCESS OR
PROPERTY IMPROVEMENT PLAN
(as applicable)

EXHIBIT E
to the
BRAND HOTEL FRANCHISE AGREEMENT

IT PROJECT MANAGEMENT SERVICES

[SELECT SERVICE]

HYATT IT PROJECT MANAGEMENT SERVICES AND IMPLEMENTATION AND TRAINING FOR HYATT PROPRIETARY SYSTEMS

1. Scope of Services, Part 1

IT Project Management Services - The overall process includes a Blueprint Review and IT Project Management & Planning. Listed below are the activities for each component which are included in the IT Project Management Services fee.

- Initial Discussion
  - Blueprint Review.
  - Provide and review IT Systems Bid Book, Hyatt IT Brand Standards, Cabling SOW, etc. (Collectively "IT Systems Requirements").
- Project Management and Planning
  - Communicate status on an agreed upon schedule.
  - Plan and direct the overall IT Project Management activities through implementation and sign-off.
  - Monitor all Teams/Vendors with respect to standard work processes related to IT System installations.
  - Coordinate installation of the standard IT Systems and facilitate communication between Vendor and hotel.
  - Act as the Single Point of Contact ("SPOC") for IT problem escalation during Vendor installations.
  - Provide specifications and oversight for low voltage cabling.
- Procurement Assistance
  - Review IT orders for accuracy and pricing ("Purchase Orders").
  - Communicate IT Systems Requirements to Vendors.
  - Manage and provide reports of any modifications and/or updates to original Purchase Orders ("Change Orders").
- Vendor Management and Scheduling
  - Be the SPOC for Hyatt IT Vendor scheduling and coordination.
  - Work with construction general contractor or Owner to identify schedule touch points and dependencies.
  - Manage Hyatt Vendor issues.
  - Communicate Hyatt IT Vendor on-site dates.
  - Coordinate Hyatt IT Vendor training and hotel signoff.
  - Schedule and facilitate Hyatt Vendor meetings as possible.

- EMV on-property setup, on-property mobile entry setup, interface configuration support.
- Hyatt Network Operations consulting – VPN setup and systems whitelisting.
- Hyatt Telecom consulting – faceplate approval, Auto-attendant setup and standardization, Music on hold setup and standardization.

- On-site Visits - The following visits are approximate. They may be removed, combined or added as necessary.

- Visit 1 – Review Cabling at 50% installation.
- Visit 2 – Review Cabling at 90% installation.
- Visit 3 – End of Construction Walk-through and Computer Room setup (if needed), also onsite w/ Sound & Security system teams.
- Visit 4 – Hotel pre-opening week, on-site week before opening with PMS/POS, keylock, E-room, In-room Entertainment and telephone teams.
- Visit 5 – On-site for opening/Project close out.

2. Scope of Services, Part 2

Remote installation, configuration and training services for Hyatt proprietary systems - This process covers Hyatt's installation, configuration, and training services for the following systems which are included on Hyatt's consolidated invoice:

- Online Check-in / Express Check-out – remote installation and training
- Mobile Entry Service – remote installation and training
- Colleague Advantage – remote installation and training
- Envision Lite – remote installation and training
- Property Management – remote installation and training resource management
- Guest Request System (HyGeo) – installation and training

3. Out Of Scope Items

The following services are not included in the Hyatt IT Project Management Services Statement of Work:

- Installation and configuration of network, server, or workstation hardware and software
- Configuration of system interfaces to Opera
- Purchasing required hardware, software, interfaces and licenses.
- Performing upgrades to existing equipment intended for re-use in new hotel opening
- Installing non-standard software or systems hardware outside of hardware detailed above
- Installation and configuration of 'off-brand' hardware or hardware not purchased within Hyatt specification
- Configuration of equipment intended for use beyond Hyatt's standard configuration (i.e., configuration of redundant/hot-swap devices)
- Configuration of Virtual Machine-based systems, to include the Domain Controller
- Setup and configuration of systems typically configured by respective vendors
- Installing or terminating any low-voltage cabling or manufacture of patch cables
- Performing training for vendor-specific systems

- Supporting hardware or systems software following install.
- Installation & configuration of server backup software

4. Deliverables And Work Product

The Hyatt IT Systems Bid Book will include specified pricing for standard computer systems (the "Bid Book"). Hyatt will designate a Consultant (the "IT Project Manager") to manage property project plans from checklists to final signoffs, manage and maintain an updated issues list, as well as review the existing documentation regularly in order to update the master based on real time adjustments. Further, the IT Project Manager will be responsible for timely delivery of IT Site Reports after all on-site visits.

5. Roles and Responsibilities

Legend: O = Owns, P = Participates, R = Reviews

Task Description	Hotel Owner/ Mgmt	Hotel GM	Hyatt IT	General Contractor
Approve IT SOW	O		R	
Perform Blueprint Review	P		O	
Review Blueprint Variances	P		O	
Review Bid Book and Vendor Quotes	P		O	
Select Vendors for systems that do not require a mandatory vendor	O		R	
Provide specifications to meet Hyatt Brand Standards	R		O	
Provide IT Systems Electric and Low Voltage Cabling Specifications			O	P
Review specifications of hotel selected vendors	O		R	
Generate purchase orders	O		R	
Process deposits	O		R	
Communicate construction milestones and dates	R	R	R	O
Install IT Electric and Cabling			R	O
Approve vendor change orders as needed	O		R	
Schedule IT vendor installations		R	O	
Coordinate Computer Room and Gallery Host Stand installations	O	P	R	
Schedule IT vendor training		P	O	
Post implementation walk-through	P	P	O	

6. Project Schedule

Upon approval of this Statement of Work, an IT Project Manager will be assigned to perform a Blueprint Review. An IT System Installation and Training Schedule will be produced approximately 90 days prior to the Hotel opening for business to the public.

Sample Hotel Schedule:

Task	Blueprint Review	50% Cabling	90% Cabling		Computer Room	PBX & Sound Head End	Security & Keylock Systems		Review Vendor Progress, HSIA & E-	In-Room Entertainment, PMS &	Hotel Opening	Live Support	Close Out
Time Scale in Weeks	45	32	9	8	7	6	5	4	3	2	1	P1	P2
Validate POs & Shipping ETAs													
Coordinate with GC PM or Owner's Representative													
Vendor Coordination & Scheduling													
Post-Install Support													
PM On-site Timeframes													

Note: Above schedule is a sample. Actual timeframe will differ based on the property and/or permits.

7. Project Dependencies

Critical milestones for IT Systems are dependent on available electricity, conduit, core drilling and cabling in the Computer Room, Gallery Host Stand, E-room, Meeting Rooms, etc. Every effort will be taken to schedule computer system vendors without change or expedite fees since this will add to the cost of the Project.

8. Completion Criteria

This Statement of Work will be deemed completed when:

- the Computer Room installed and operational;
- the Gallery Host Stand installed and operational;
- the Hyatt Standard IT Systems are installed an operational; and
- completion of Vendor training.

STATEMENT OF WORK – Computing Environment Setup and Configuration

1. Scope Of Services

Computing environment setup and configuration includes the following items:

- Unpacking of systems components to include Firewall, Domain Controller Server, Administrative Network Switch, all workstations, and miscellaneous hardware. This includes disposal of packing materials
- Installation of Hyatt computing equipment into racks in Computer room
- Installation of firewall on to racks in Telco room unless this work is completed by others
- Configuration and installation of administrative network switch
- Set up and configuration of KVM hardware in Computer room
- Set up, configuration and placement of Domain Controller to include set up of Server operating system and set up of UserID's per Hyatt's standard procedures for franchise installations
- Connecting all Hyatt standard systems equipment to administrative network
- Setup, configuration, and placement of end-user workstations to include front desk and all back of house workstation hardware, keyboards, and pointing devices per Hyatt's standard procedure for franchise installations
- Installation of Hyatt central systems software and access to systems to include PMS, Reservation System, Sales System, and Revenue Management Systems
- Installation of Hyatt approved endpoint protection and Microsoft Office
- Installation and configuration of hotel-provided on-line backup for domain controller
- Turnover of installation documentation to hotel management at conclusion of project

2. Out Of Scope

The following services are not included in the Computing Environment Setup and Configuration Statement of Work:

- Performing upgrades to existing equipment intended for re-use in new hotel opening
- Installing non-standard software or systems hardware outside of hardware detailed above
- Installation and configuration of 'off-brand' hardware or hardware not purchased within Hyatt specification
- Configuration of equipment intended for use beyond our standard configuration (i.e., configuration of redundant/hot-swap devices)
- Configuration of Virtual Machine-based systems, to include the Domain Controller
- Setup and configuration of systems typically configured by respective vendors
- Any and all low-voltage cabling or manufacture of patch cables

- Purchasing required hardware, software, interfaces and licenses
- Performing training for vendor-specific systems
- Ongoing support of systems and hardware following hotel opening
- Integrating or troubleshooting non-standard Hyatt computer systems
- Provide any physical or logical connection between the administrative network and the guest network
- Installation and configuration of backup software to be used with workstations
- Installation and configuration of PMS interfaces unless this work is ready for completion while resource is on site

3. Deliverables And Work Product

Hyatt will provide a qualified technical project manager to perform the installation and configuration of the hotel's computing environment. The Hyatt standard computing environment typically consists of a firewall, network switch, KVM, and 6 – 10 general use workstations to include front desk workstations. This equipment will be installed, configured and placed in its respective locations. Hyatt will coordinate activities with circuit/firewall vendors to connect the Hyatt computing environment to the data circuit to ensure internet access and access to Hyatt's central systems. Hyatt will configure the network switch and connect all standard devices to the network and ensure functional performance of all devices.

It is strongly recommended that hotel ownership or management contracts with an IT outsourced provider to observe Hyatt's IT resources to ensure continuity of support following hotel opening.

4. Project Dependencies

Critical milestones for IT Systems are dependent on available electricity, conduit, core drilling and cabling in the Computer Room, Gallery Host Stand, E-room, Meeting Rooms, etc. Every effort will be taken to schedule computer system vendors without change or expedite fees since this will add to the cost of the Project.

5. Completion Criteria

This Computing Environment Setup and Configuration Statement of Work will be deemed completed when:

- the Computer Room installed and operational;
- the Gallery Host Stand installed and operational;
- the Hyatt Standard IT Systems are installed an operational.

EXHIBIT F
to the
BRAND HOTEL FRANCHISE AGREEMENT

MANAGEMENT COMPANY DOCUMENTS

MANAGEMENT COMPANY RIDER
to the Franchise Agreement dated as of _____, 2025 ("Franchise Agreement")
between _____ ("Hyatt") and
_____("Franchisee")

_____ ("Management Company") has entered into a Management Agreement with Franchisee (as amended, the "Management Agreement") under which Management Company will operate the Brand Hotel located at _____ (the "Hotel") in accordance with the terms and conditions of the Franchise Agreement. However, under the Franchise Agreement, Management Company may not operate the Hotel without Hyatt's consent, and Hyatt is unwilling to provide such consent unless Franchisee and Management Company agree to the terms of this Rider.

In consideration of the rights granted to Management Company under the Management Agreement and of Hyatt's consent (under the Franchise Agreement) to Management Company's operation of the Hotel, Management Company hereby acknowledges and ratifies the terms and conditions of the Franchise Agreement and agrees to fully observe and be bound by all terms, conditions and restrictions regarding the management and operation of the Hotel set forth in the Franchise Agreement for as long as Management Company operates the Hotel, as if and as though Management Company had executed the Franchise Agreement as "Franchisee," including, without limitation, all terms and conditions of ARTICLE IV and ARTICLE V of the Franchise Agreement (other than Section 4.2(a)). Management Company further agrees to be bound by the confidentiality and other covenants set forth in Sections 11.5, 11.6, and 11.7 of the Franchise Agreement (including all remedies available to Hyatt under the Franchise Agreement for breach thereof) during and subsequent to its tenure as manager of the Hotel. However, notwithstanding the foregoing, nothing in this Rider constitutes an agreement of Management Company: (a) to pay or assume any financial obligation of Franchisee to Hyatt or to any third party, including any obligation of Franchisee to pay Royalty Fees or System Services Charges or any liquidated damages pursuant to Section 16.5 of the Franchise Agreement; or (b) to be bound by any provision in ARTICLE XII of the Franchise Agreement. Management Company represents and warrants to Hyatt and Franchisee that Management Company is not a Competing Brand Owner, as defined in the Franchise Agreement.

Management Company agrees that Hyatt may enforce directly against Management Company those terms and conditions of the Franchise Agreement to which Management Company has hereby agreed to be bound. Franchisee acknowledges and agrees that any act or omission of Management Company relating directly or indirectly to the Hotel will be deemed and considered the act or omission of Franchisee for purposes of Hyatt's rights and remedies under the Franchise Agreement (including, without limitation, Franchisee's indemnification and defense obligations

under Section 8.3 of the Franchise Agreement), any other agreement, or applicable law. ARTICLE VIII, ARTICLE XIV (including, without limitation, the arbitration provisions) and ARTICLE XVIII of the Franchise Agreement, entitled "Relationship of Parties and Indemnification," "Dispute Resolution," and "General," respectively, are incorporated by reference in this Rider and will govern all aspects of Hyatt's and Management Company's relationship and this Rider as if fully restated within the text of this Rider, with all references to "Franchisee" interpreted as references to Management Company.

MANAGEMENT COMPANY:

_____

a(n) _____

By:_____
Name:_____
Title:_____

[FRANCHISOR ENTITY], a _____ limited liability company

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

a(n) _____

By:_____
Name:_____
Title:_____

EXHIBIT G
to the
BRAND HOTEL FRANCHISE AGREEMENT

FRANCHISEE'S OWNERSHIP

FRANCHISEE:

[ENTITYNAMECAPS]

By: _____
Name: _____
Title: _____

HYATT:

[FRANCHISOR ENTITY]

By: _____
Name: _____
Title: _____

EXHIBIT H
to the
BRAND HOTEL FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS ("**Guaranty**") is given this _____ day of _____, 2025, by the undersigned party or parties (individually and collectively, "**Guarantor**") in favor of _____, a _____ limited liability company (together with its successors and assigns, "**Hyatt**").

WHEREAS, **[_____]** ("**Franchisee**") owns the hotel to be known as the Brand Hotel located or to be located at the Site identified in the Franchise Agreement (defined below) (the "**Hotel**");

WHEREAS, simultaneously herewith, Franchisee is entering into a Brand Hotel Franchise Agreement (as amended, modified or amended and restated from time to time, the "**Franchise Agreement**") with Hyatt with respect to the Hotel;

WHEREAS, Guarantor is either an owner (whether direct or indirect) of Franchisee or otherwise has a direct or indirect relationship with Franchisee or its affiliates, Guarantor will benefit significantly from Hyatt's entering into the Franchise Agreement with Franchisee, and Hyatt will not enter into the Franchise Agreement unless each of the undersigned agrees to sign and comply with the terms of this Guaranty;

WHEREAS, as a condition to entering into the Franchise Agreement, Hyatt has required that Guarantor guarantee the payment and performance of the Guaranteed Obligations (as defined herein), subject to the terms of this Guaranty.

NOW, THEREFORE, as a material inducement to Hyatt entering into the Franchise Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor hereby does irrevocably and unconditionally warrant and represent unto and covenant as follows:

1. **Recitals; Defined Terms**. The recitals above are a part of this Guaranty, form a basis for this Guaranty, and shall be considered prima facie evidence of the facts and documents referred to therein. Defined terms used but not defined herein shall have the meanings ascribed to them in the Franchise Agreement.

2. **Guaranty**. Guarantor hereby irrevocably and unconditionally personally guarantees to Hyatt and its successors and assigns Franchisee's punctual payment and performance of, and agrees to be personally bound by and personally liable for the breach of, each and every Guaranteed Obligation. Guarantor hereby irrevocably and unconditionally covenants and agrees that it is liable for the Guaranteed Obligations as a primary obligor.

3. **Guaranteed Obligations**. As used herein, the term "Guaranteed Obligations" means (i) Franchisee's payment in full of all of Franchisee's monetary obligations including but

not limited to Franchisee's payment of any liquidated damages that become due and payable pursuant to the Franchise Agreement as and when required pursuant to the Franchise Agreement, and (ii) Franchisee's performance of each and every provision in the Franchise Agreement (including any amendments or modifications of the Franchise Agreement), including, without limitation: (a) obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including, without limitation, the confidentiality and transfer requirements and the prohibitions with respect to Competing Brand Owners; and (b) the arbitration requirements and other enforcement provisions in ARTICLE XIV and ARTICLE XVIII of the Franchise Agreement.

4. **Guarantor Monetary Threshold**. Guarantor represents and agrees that, at the time of signing this Guaranty and at all times during the term of the Franchise Agreement, at least one of the undersigned or another then current guarantor of Franchisee's obligations under the Franchise Agreement satisfies the Guarantor Monetary Threshold (defined below). The "**Guarantor Monetary Threshold**" means each of the following: (a) the amount of total assets less total liabilities (excluding Hotel assets and liabilities relating solely to the Hotel), each as calculated in accordance with U.S. generally accepted accounting principles, equal to or exceeding _____ Dollars ($_____) as of the date hereof; and (b) liquid assets (consisting of cash, cash equivalents and marketable securities) equal to or exceeding _____ Dollars ($_____) as of the date hereof. Each dollar amount in this Section 4 shall increase automatically each year, without notice from Hyatt, effective on the first day of the calendar month during which the Franchise Agreement's Effective Date falls, by an amount equal to the CPI Increase. The "**CPI Increase**" means the amount to be adjusted multiplied by a fraction, the numerator of which is the Consumer Price Index for all Urban Consumers for All Items, as published by the U.S. Department of Labor, Bureau of Labor Statistics (the "**Base Index**") as of the first day of the calendar month during which the increase is to take effect, and the denominator of which is the Base Index in effect on the Franchise Agreement's Effective Date or used for the most recent increase (whichever is later). If the Base Index is no longer published, Hyatt may designate another reasonably comparable index for calculating changes in the cost of living or purchasing power for consumers. Guarantor agrees to provide Hyatt on an annual basis financial statements or other documents that Hyatt reasonably specifies, certified by Guarantor in the manner that Hyatt specifies, demonstrating that at least one Guarantor satisfies the Guarantor Monetary Threshold. Upon reasonable advance notice, but no more than twice during any calendar year during the Franchise Agreement's term, Hyatt may examine the undersigned's business, bookkeeping, accounting and tax records to ascertain compliance with the Guarantor Monetary Threshold. In addition to and without limiting Hyatt's other rights and remedies under the Franchise Agreement, this Guaranty or applicable law, Guarantor acknowledges that Hyatt may terminate the Franchise Agreement (subject to the applicable notice and cure period in the Franchise Agreement) if at least one Guarantor or another guarantor of Franchisee's obligations under the Franchise Agreement does not satisfy the Guarantor Monetary Threshold at all times during the Franchise Agreement's term.

5. **Nature of Guaranty**. Guarantor consents and agrees that: (1) the representations, warranties, agreements, liabilities, and obligations of Guarantor set forth in this Guaranty shall apply to each of the undersigned parties in its individual capacity; (2) notwithstanding the foregoing, each of the undersigned's direct and immediate liability under this Guaranty will be

joint and several, both with Franchisee and among the other parties (if any) comprising Guarantor; (3) Guarantor will render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so; (4) this liability will not be contingent or conditioned upon Hyatt's pursuit of any remedies against Franchisee or any other person or entity; (5) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence that Hyatt may from time to time grant to Franchisee or any other person or entity, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during and after the term of the Franchise Agreement (including extensions) for so long as any performance is or might be owed under the Franchise Agreement by Franchisee or any of its guarantors and for so long as Hyatt has any cause of action against Franchisee or any of its guarantors; and (6) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Franchise Agreement and despite the transfer of any direct or indirect interest in the Franchise Agreement or Franchisee, and Guarantor waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

6. **Waivers**.

(a) Guarantor hereby waives: (i) all rights to payments and claims for reimbursement or subrogation that Guarantor may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty, for the express purpose that none of the undersigned shall be deemed a "creditor" of Franchisee under any applicable bankruptcy law with respect to Franchisee's obligations to Hyatt; (ii) all rights to require Hyatt to proceed against Franchisee for any payment required under the Franchise Agreement, proceed against or exhaust any security from Franchisee, take any action to assist any of the undersigned in seeking reimbursement or subrogation in connection with this Guaranty or pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Franchisee; (iii) any benefit of, any right to participate in, any security now or hereafter held by Hyatt; and (iv) acceptance and notice of acceptance by Hyatt of Guarantor's undertakings under this Guaranty, all presentments, demands and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest, notices of dishonor, notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed (except as otherwise expressly provided herein or in the Franchise Agreement), and any other notices and legal or equitable defenses to which Guarantor may be entitled. Hyatt shall have no present or future duty or obligation to the undersigned under this Guaranty, and each of the undersigned waives any right to claim or assert any such duty or obligation, to discover or disclose to the undersigned any information, financial or otherwise, concerning Franchisee, any other guarantor, or any collateral securing any obligations of Franchisee to Hyatt. Without affecting the obligations of the undersigned under this Guaranty, Hyatt may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Franchise Agreement or any indebtedness or obligation of Franchisee, or settle, adjust, release, or compromise any claims against Franchisee or any other guarantor, make advances for the purpose of performing any obligations of Franchisee under the Franchise Agreement, assign the Franchise Agreement

or the right to receive any sum payable under the Franchise Agreement, and the undersigned each hereby jointly and severally waive notice of same. The undersigned expressly acknowledge that the obligations hereunder survive the expiration or termination of the Franchise Agreement.

(b) In addition, Guarantor waives any defense arising by reason of any of the following: (i) any disability or any counterclaim or right of set-off or other defense of Franchisee, (ii) any lack of authority of Franchisee with respect to the Franchise Agreement, (iii) the cessation from any cause whatsoever of the liability of Franchisee, (iv) any circumstance whereby the Franchise Agreement shall be void or voidable as against Franchisee or any of Franchisee's creditors, including a trustee in bankruptcy of Franchisee, by reason of any fact or circumstance, (v) any event or circumstance that might otherwise constitute a legal or equitable discharge of the undersigned's obligations hereunder, except that the undersigned do not waive any defense arising from the due performance by Franchisee of the terms and conditions of the Franchise Agreement, (vi) any right or claim of right to cause a marshaling of the assets of Franchisee or any other guarantor, and (vii) any act or omission of Franchisee.

(c) Guarantor's obligations under this Guaranty shall not be released, diminished, impaired, reduced or adversely affected by any of the following and Guarantor waives any common law, equitable, statutory or other rights (including, without limitation, rights to notice, other than notices required in this Guaranty) which Guarantor might otherwise have as a result of or in connection with any of the following:

(i) any increase, modification, alteration or rearrangement of all or any part of the Guaranteed Obligations, the Franchise Agreement or any other document, instrument, contract or understanding between Franchisee and Hyatt or any other parties pertaining to the Guaranteed Obligations, or any failure of Hyatt to notify Guarantor of any such action.

(ii) any adjustment, indulgence, forbearance or compromise that might be granted or given by Hyatt to Franchisee or Guarantor.

(iii) the insolvency, bankruptcy, arrangement, adjustment, composition, liquidation, disability, dissolution or lack of power of Franchisee, Guarantor or any other party at any time liable for the payment or performance of all or part of the Guaranteed Obligations; or any dissolution of Franchisee or Guarantor, or any sale, lease or transfer of any or all of the assets of Franchisee or Guarantor, or any changes in the direct or indirect owners of Franchisee or Guarantor; or any reorganization of Franchisee or Guarantor.

7. **Representations**. Guarantor represents and warrants to Hyatt that (a) if it is a business entity, it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and its execution and delivery of this Guaranty have been duly authorized by all necessary company action; and (b) the undersigned's execution and delivery of, and performance under, this Guaranty do not and will not violate or result in a breach or default

under any applicable law or any agreement to which the undersigned is a party or by which it is bound, and does not require the consent of any third party that has not been obtained.

8. **Expenses**. If Hyatt is required to enforce this Guaranty in a judicial or arbitration proceeding and prevails in such proceeding, Guarantor shall reimburse Hyatt for Hyatt's costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If Hyatt is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse Hyatt for any of the above-listed costs and expenses Hyatt incurs even if Hyatt does not commence a judicial or arbitration proceeding.

9. **Effect of Bankruptcy**. In the event that, pursuant to any insolvency, bankruptcy, reorganization, receivership or other debtor relief law, or any judgment, order or decision thereunder, Hyatt must rescind or restore any payment, or any part thereof, received by Hyatt in satisfaction of the Guaranteed Obligations, as set forth herein, any prior release or discharge from the terms of this Guaranty given to Guarantor by Hyatt shall be without effect, and this Guaranty and the Guaranteed Obligations shall remain in full force and effect. It is the intention of Franchisee and Guarantor that Guarantor's obligations hereunder shall not be discharged except by Guarantor's performance of such obligations and then only to the extent of such performance.

10. **Notices**. All notices, consents, approvals and requests required or permitted hereunder shall be given in writing and shall be effective for all purposes (a) at the time delivered by hand; (b) at the time delivered via computer transmission if the sender has confirmation of a successful transmission; (c) one (1) business day after transmission by facsimile or other electronic system if the sender has confirmation of successful transmission; (d) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or (e) three (3) business days after placement in the United States Mail by Certified Mail, Return Receipt Requested, postage prepaid, addressed as follows (or at such other address and Person as shall be designated from time to time by any party hereto):

If to Guarantor:

with a copy to:

If to Hyatt: Hyatt
150 North Riverside Plaza
Chicago, Illinois 60606
Attention: General Counsel
E-mail: office.of.general.counsel@hyatt.com

11. **Amendments.** This Guaranty may be amended only by an instrument in writing executed by the party or an authorized representative of the party against whom such amendment is sought to be enforced.

12. **Parties Bound; Assignment**. This Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, heirs and legal representatives; provided, however, that Guarantor shall not, without the prior written consent of Hyatt, assign any of its rights, powers, duties or obligations hereunder.

13. **Counterparts**. To facilitate execution, this Guaranty may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Guaranty to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the undersigned has affixed its signature on the same day and year as the Agreement was executed.

GUARANTOR(S)

[ENTITYNAMECAPS]

By:_____
Name: _____
Title: _____

EXHIBIT D

DESIGN AND CONSTRUCTION STANDARDS

DESIGN AND CONSTRUCTION STANDARDS

The development of all full service Hyatt-branded hotels must comply with the Hyatt-established Design and Construction Standards. Accordingly, each franchisee of a full service Hyatt-branded hotel is required to design, build, equip, furnish, and decorate the Hotel in conformity with the Design and Construction Standards and consistent with the Preliminary Area Program, subject to any modifications to the Preliminary Area Program required by or approved by Hyatt in writing. All capitalized terms not defined herein shall have the meaning set forth in the Franchise Agreement.

1. DEFINITIONS

"**Approve**" and "**Approval**" each mean approval in writing, including subsequent written confirmation of previous verbal approval.

"**Consultants**" means all of the architects and design consultants enumerated in section 1.2(a) of Exhibit A and such other design consultants, contractors and specialists that may be required for any aspect of the Project enumerated in section 1.2(b) of Exhibit A, as shall be necessary and appropriate.

"**Design and Construction Standards**" include (i) the Design Approval Process set forth in Exhibit A below; (ii) the terms and conditions set forth in this document, (iii) the Brand Experience Guide for the applicable brand, as communicated by Hyatt, (iv) the brand-specific FF&E specifications (if applicable), (v) the most current edition of the United States National Fire Protection Association ("**NFPA**") Life Safety Code 101, NFPA Standard 13 – Standard for the Installation of Sprinkler Systems, and the NFPA - National Fire Alarm and Signaling Code 72 (or such other standard for sprinkler installation as Hyatt may approve in its absolute discretion), and (vi) and any other manuals and documents as reasonably specified by Hyatt relating to the Project. For the avoidance of doubt, references to the "Design and Construction Standards" shall mean the Design and Construction Standards as of the date of the Franchise Agreement between Hyatt and Franchisee. Where the requirements of applicable country and local codes and regulations exceed the standards required by Hyatt with respect to a specific item or topic, those applicable country and local codes and regulations will apply to that item or topic. Where the country and local codes and regulations do not address a particular issue or standard or are less stringent than the Design and Construction Standards with respect to such issue or standard, the Design and Construction Standards will govern.

"**Development Timetable**" means the required schedule for development, construction and Opening Date of the Hotel, as set forth in the Franchise Agreement.

"**FF&E**" means all fixtures, equipment, furnishings, furniture, telephone systems, communications systems, copiers, signs, all property management, revenue optimization, in-room entertainment, and other computer and technology systems, and other similar items that Hyatt periodically specifies for the Hotel.

"**FF&E Manager**" means an on-Site manager of FF&E, selected, trained and proposed by Hyatt and Approved by Franchisee, such Approval not to be unreasonably withheld, conditioned or delayed.

"**Franchise Agreement**" means the applicable Franchise Agreement between Hyatt and Franchisee for the development and operation of the Hotel.

"**Franchisee**" means the Franchisee identified in the Franchise Agreement and its affiliates engaged in the Project.

"**Franchisee's Representative**" means the person appointed by Franchisee in writing to serve as Franchisee's representative with respect to communications, including Approvals, between Franchisee and Hyatt in connection with the Project. Franchisee shall inform Hyatt in writing of any change in such Franchisee's Representative.

"**Hotel**" means the Hyatt branded or affiliated Hotel as defined and described in the Franchise Agreement.

"**Hyatt**" means Hyatt Franchising, L.L.C.

"Legal Requirements" means any provision of law, including, without limitation, any statute, ordinance, regulation, rule, award or order of any governmental agency or tribunal having jurisdiction over the Project, the Hotel, its operations or the construction and/or development thereof.

"**Peer Review**" means a professional review of drawings, calculations, samples, measurements, and the like to determine the design performance of the various systems and building components, the accuracy of the information, the coordination and conflict resolution between the various elements, the identification of errors and omissions, compliance of the information with Legal Requirements, compliance of the means and methods of intended installation and construction with safety requirements, and the like.

"**Preliminary Area Program**" means the Preliminary Area Program set forth in the Franchise Agreement.

"**Project**" means Franchisee's and its affiliates' project to design, build, equip, furnish, and decorate the Hotel pursuant to the Franchise Agreement.

"**Project Manager**" means a suitably qualified project director, project manager or project management company with substantial experience in the development and construction of full service, upscale hotels.

"**Site**" means the site of the Hotel, as defined in the Franchise Agreement.

2. CONSULTANTS

Franchisee must engage and retain at its own expense all Consultants required for the Project, each of whom shall be agreed upon by Franchisee and Hyatt. Hyatt may, at its option, nominate to Franchisee each category of Consultants (with the exception of structural engineers) enumerated in section 1.2 of Exhibit A. To the extent that Franchisee has any existing consultants, contractors, or other design specialists and the work quality or the performance of any such existing consultants, contractors, or specialists does not meet Hyatt's standards, or is otherwise deemed unacceptable to Hyatt, Franchisee agrees to replace such consultants, contractors, or specialists with Consultants enumerated on Exhibit A and which have been agreed to by Hyatt, promptly at Hyatt's direction.

In addition to the Consultants, Franchisee agrees to engage and retain at its own expense a Project Manager, which shall be mutually selected by Hyatt and Franchisee. Franchisee shall engage the Project Manager within three (3) months following the effective date of the Franchise Agreement.

If required by Hyatt, Franchisee shall in addition to the Project Manager and the Consultants, engage and retain at its own expense an FF&E Manager to assist Franchisee and its Consultants and contractors to meet the Design and Construction Standards. The FF&E Manager shall be selected no later than fifteen (15) months and no earlier than eighteen (18) months prior to the Opening Date. The FF&E Manager shall be an employee or independent contractor of Franchisee and shall provide monthly construction and photographic reports to Hyatt in such forms as Hyatt may reasonably require. Franchisee will be required to pay the FF&E Manager's salary, benefits, housing (in the form of a fully furnished one (1)-bedroom apartment) and other customary and usual costs incidental to their engagement (including office space and administrative assistance, reasonable transportation to and from the Site, one (1) round trip economy class air ticket to the home of FF&E Manager for each twelve (12)-month period, local income taxes and local business travel).

Franchisee shall cause all Consultants and contractors to prepare full and adequate plans, layouts, specifications, drawings and designs, both interior and exterior, and models, colored renderings and material boards of quality suitable for advertising and promotion, with respect to the Hotel. The contracts between Franchisee and all such Consultants and contractors shall require that, where appropriate, such Consultants and contractors shall provide, at Franchisee's cost and expense, adequate training to the personnel of the Hotel in the use and maintenance of the building and all systems and installations therein and shall furnish to Franchisee and Hyatt, at the conclusion of the Project, three (3) full sets of "as-built drawings" (hard copies and in electronic format) as executed, and catalog cut sheets, operating manuals and instructions.

Franchisee shall cause and ensure that its Consultants and contractors cooperate with Hyatt in every respect in connection with Hyatt's review of the Project. Hyatt shall be entitled to conclusively rely on any instructions or Approvals given to it by Franchisee's Representative as being the instructions or Approvals of Franchisee.

Franchisee shall manage all aspects of the construction of the Project. In performing these responsibilities, Franchisee, either on its own or through its Consultants or contractors, shall, without limiting any other obligations of Franchisee:

(a) Cause qualified and professionally licensed third party consultants expert in the commissioning of fire and life safety and MEP systems to test, balance and commission such systems, and to issue written reports to Franchisee and Hyatt certifying that they have tested, balanced and commissioned such systems and that such systems are fully operational and ready for use (such reports to be received by Hyatt prior to final review by Hyatt of the Project and turnover of the Hotel in accordance with the Franchise Agreement).

(b) Provide Hyatt with certification from a qualified, professionally licensed independent structural engineer or firm, certifying that the Hotel building as designed and constructed meets or exceeds all applicable structural requirements, including without limitation seismic, wind, storm and flood, and all other applicable Legal Requirements.

(c) Ensure that Franchisee's Consultants and contractors conduct a final work list and punch list survey of the Project and correct all defects prior to requesting final review and Approval of the Project by Hyatt. Upon correction of all defects and completion of all remaining work items identified on the punch list, Franchisee shall provide Hyatt with a copy of the punch list signed by the Consultants and contractors reflecting that such work has been completed to Hyatt's satisfaction, and shall request a final review of the Project by Hyatt.

3. PLANS, SPECIFICATIONS, AND DESIGNS

Any changes in or departures from the agreed plans, or such other items must be Approved by Hyatt, unless such changes are so minor as to have no impact on the quality, character and operation of the Hotel (and in the case of such minor changes, no Approval by Hyatt is necessary). Hyatt may withhold its consent to any and all departures from the Approved concepts, plans, layout specifications, drawings or designs, or such other items to be Approved by Hyatt, in its sole discretion, if Hyatt determines that such departure will cause the Hotel to fail to adhere to the Design and Construction Standards.

To the extent that any of the matters in this Section 3 involve compliance with the Design and Construction Standards, Franchisee shall cause its Consultants and contractors to implement the direction provided by Hyatt during the review process in order to ensure that the Project complies with the Design and Construction Standards.

Franchisee's contracts with all Consultants and contractors shall provide that all concepts, plans, specifications and designs, and any changes thereto or departures therefrom subsequently made, shall be submitted for Approval to Franchisee and Hyatt prior to implementation. Franchisee acknowledges that Hyatt's design and construction reviews shall not consist of a Peer Review, but rather are intended only to assist Franchisee and its Consultants in complying with their obligations. Such reviews do not relieve Franchisee or its Consultants of their responsibility to determine the completeness and coordination of their documents and to ensure that the design and construction of the Project comply with applicable Legal Requirements. Peer Review shall be conducted by third party professional consultants retained by Franchisee to review the Consultants' work.

Upon completion of the Project, Franchisee shall give Hyatt a written certificate or opinion from Franchisee's architect, licensed professional engineer, or recognized expert consultant stating that the Hotel conforms to all applicable Legal Requirements (including, without limitation, requirements governing public accommodations for persons with disabilities).

At Hyatt's request, Franchisee (i) must give Hyatt copies of all certificates of architects, contractors, engineers, and designers and such other similar verifications and information Hyatt reasonably requests and (ii) make available to Hyatt copies of all reports, studies, draw requests, schedules and other documents and materials of Franchisee, its contractors, suppliers and consultants relating to the design, construction and furnishing of the Hotel.

Hyatt shall have the right to visit the Site as often as reasonably necessary to ensure the Project is being developed, constructed and equipped in accordance with the Design and Construction Standards and in accordance with the Development Timetable. Hyatt will use reasonable efforts to provide Franchisee with twenty-four (24) hours' advance notice of any visits to be made to the Site by representatives of Hyatt or its affiliates in performance of services hereunder.

For the avoidance of doubt, the fees and expenses payable to all the Consultants (including, without limitation, the salary and expenses of the Project Manager and any FF&E Manager engaged by Franchisee in connection with the planning, building, furnishing, equipping and decorating of the Hotel, and any and all costs and expenses incurred by Hyatt's IT support services personnel), shall be paid directly by Franchisee independent of any fees paid by Franchisee under the Franchise Agreement.

4. SPARE PARTS

In addition to the FF&E to be included in the Project per the final plans and specifications for the Project, Franchisee shall, at Franchisee's sole cost and expense, cause the Project to include the spare parts set forth on Exhibit B attached hereto, which shall be a part of the Hotel upon the Opening Date. The quantities listed are the minimum acceptable. All quantities are to be rounded up to the next whole number.

Franchisee shall provide Hyatt with notification of any changes to the projected opening date of the Hotel (as set forth in the Franchise Agreement) as soon as Franchisee becomes aware of any such changes. In the event of a material delay of such projected opening date, Hyatt shall have the right to evaluate the Preliminary Area Program to ensure the Project's program continues to meet the Design and Construction Standards then in effect.

5. GENERAL TERMS

The use of Design and Construction Standards for the Project shall in no way give rise to any liability on the part of Hyatt or its affiliates for any defect or deficiency. Franchisee and its affiliates, consultants and other persons using the Design and Construction Standards must verify through their own means and consultants (architect, engineers, and other professionals), their compliance with any law and adequacy for the intended purpose. Hyatt and its affiliates make no

representation whatsoever in such regard. The quality of workmanship, and the adequacy and suitability of the plans, specifications, and design data for the Project are the sole responsibility of Franchisee.

Hyatt and its affiliates do not and cannot warrant or represent that the items listed in any documents, plans or reports provided by Franchisee meet all requirements, both written or interpreted, for local, state or other governmental guidelines for accessibility to persons with disabilities or local code enforcement for any additional accessibility requirements. Franchisee shall seek appropriate counsel to ensure such compliance so that such local, state, or other governmental requirements and the Preliminary Area Program.

Hyatt will not be liable for any errors or omissions in the plans and specifications or designs for the Hotel, or for any misfeasance or malfeasance by any specialists or consultant retained by Franchisee, whether or not upon the recommendation of Hyatt, or for any defects in design, manufacture, furnishings or construction, or for any operational deficiencies in the design or construction of the Hotel (including, without limitation, life safety systems and structural integrity), or any failure of any such plans or specifications to conform to applicable Legal Requirements, it being the intention of the parties that in conducting its review and rendering assistance to Franchisee, Hyatt will be functioning solely as a consultant sharing with Franchisee the benefit of its prior experience in the franchising of first-class hotels and its knowledge of guest preferences and market demands.

Wherever Hyatt is required to give its approval or consent on plans, specifications or any other item hereunder, Hyatt will use commercially reasonable efforts to give Franchisee, within fifteen (15) business days from dated receipt in Hyatt's Chicago office or regional offices, as directed by Hyatt, of the items to be approved, its approval or consent or its disapproval or non-consent. All items required to be delivered in hard copy format pursuant to Exhibit A shall be deemed received by Hyatt only upon receipt of all items in hard copy form. If Hyatt fails to give such a notice to Franchisee within the agreed-upon period, Franchisee may treat Hyatt's failure to give such notice as constituting consent or approval by Hyatt, provided that in no event shall such tacit approval shall (i) relieve Franchisee of its obligations to comply with Hyatt's mandatory standards relating to fire and life safety or applicable Legal Requirements or (ii) serve as a consent to any change to the Preliminary Area Program. Hyatt will employ commercially reasonable efforts during the course of the Project to adhere to the Project schedule developed by the project architect and Franchisee. Drawings and specifications approved by Franchisee and submitted by the architect to Hyatt for inspection and comment shall be deemed to be approved by Hyatt and to be incorporated in the design documents unless objection or recommendation is made by Hyatt within fifteen (15) business days of the receipt of the drawings and specifications with a clear and specific notation stating the outside response date. Upon substantial completion of the Hotel, Hyatt shall have the right to review the list of deficiencies and "punch-list" items that require correction.

Wherever Hyatt gives its Approval of plans and designs or specifications, no such Approval shall imply or be deemed to constitute an opinion by Hyatt on, nor impose upon Hyatt any responsibility for, the design or construction of building elements (including, but not limited to, means, methods, techniques, sequences, procedures for construction, structural integrity or fire and life safety

requirements or the adequacy of budgets), compliance with applicable Legal Requirements (including but not limited to environmental, construction density, labor or any other kind of regulations), or the obtaining of any necessary licenses, permits or authorizations, all of which shall be the exclusive responsibility of Franchisee, to be obtained and complied with at the cost and expense of Franchisee.

The scope of Hyatt's review and Approval of plans, designs and specifications is limited solely to brand adequacy and relationship of spaces, quality standards, and the aesthetics of the building for use as a hotel of the applicable brand (a "**Brand hotel**"). All reviews and Approval by Hyatt are for the sole and exclusive benefit of Franchisee and Hyatt and no other person or party shall have the right to rely on any such reviews or Approval by Hyatt. Notwithstanding Hyatt's right of review and Approval, Franchisee and Hyatt acknowledge and agree that none of the Consultants or other contractors of Franchisee will be agents or employees of Hyatt.

The Approval of any item by Hyatt shall not constitute a waiver by Hyatt of its right to insist upon strict compliance by Franchisee with any of the other provision of the Design and Construction Standards, or prevent Hyatt from requiring Franchisee to alter, remove, replace or repair any other item which was not previously Approved by Hyatt and which does not comply with the requirements of the Design and Construction Standards or any Legal Requirements.

All materials provided by Hyatt in connection with the Design and Construction Standards and the Design Approval Process are, and at all times shall remain, the exclusive intellectual property of Hyatt (and Hyatt shall have full ownership thereof), it being understood and agreed by Franchisee that such materials are being furnished for the use of Franchisee as a licensee solely in connection with the Franchise Agreement, and shall constitute "Confidential Information" for purposes of the Franchise Agreement.

EXHIBIT A

DESIGN APPROVAL REVIEW PROCESS

1. PREFACE / INTRODUCTION

1.1 Overview. Hyatt will advise Franchisee and its Consultants in the areas of architectural and interior design, Mechanical, Electrical and Plumbing ("**MEP**") Systems, trade equipment specifications and layouts, audio/visual systems, telecommunications Systems, security systems and project systems.

Hyatt will advise Franchisee on timeframes to be mutually agreed to by the parties, taking into account the design and construction milestones set forth in Exhibit B of the Franchise Agreement:

Key Milestones	Additional Comments
Stakeholder Immersion Workshop	At Hyatt Corporate Office
Concept Design Presentation	Approval of Presentation is a Pre-Condition to further design progress
Mock-Up Room Package	Approval of Package is a Pre-Condition to further design progress
Schematic Design Presentation	Approval of Presentation is a Pre-Condition to further design progress
Kitchen & Laundry Coordination Workshop	
MEP, FLS, IT, A/V Coordination Workshop	
Mock-Up Room Review	
Design Development Presentation	Approval of Presentation is a Pre-Condition to further design progress
BOH Plans	
Revised Mock-Up Room Review	
Completion of Shell and Core	
Arrival of FF&E (FF&E Manager)	
Prototype Room Review	
Façade Completion	Pre-Condition to GM On-Boarding

Key Milestones	Additional Comments
Hotel Preliminary Opening Schedule Presentation To Franchisee	
Handover KOM With Franchisee and Operations	
Testing And Commissioning	Pre-Condition to moving on-site
FLS Inspection	Pre-Condition to moving on-site
Pre-Opening Period - On site	

Any omissions or items not specifically referenced in a Hyatt report does not constitute an Approval or Approval of missing Preliminary Area Program or the Design and Construction Standards. All Site visits are for the purpose of reviewing the general contractor's implementation of the Design and Construction Standards into the final building for the Project.

Hyatt will conduct some or all of the following activities as part of Hyatt's review of Franchisee's design and construction process for the Hotel:

A. Provide, communicate and interpret the Design and Construction Standards for Franchisee and Franchisee's Consultants during all phases of the Project.

B. Review the Development Timetable and Franchisee's project budget for the Project prepared by Franchisee for completeness and reasonableness.

C. Attend design meetings and make periodic observations of the work throughout the Project in accordance with the Development Timetable Approved by Franchisee and Hyatt to advise and provide guidance to Franchisee and its Consultants in complying with the Design and Construction Standards.

D. Provide operational and technical assistance to Franchisee in developing the Hotel in conformity with the Preliminary Area Program.

E. Review and comment on each level of the design documents for the Project submitted by Franchisee at the completion of the design phases and the Project Schedule prior to moving onto the next step of design in accordance with the submittal process below. Any items that do not comply with the Design and Construction Standards and the Preliminary Area Program or are not otherwise aesthetically acceptable to Hyatt will be returned to Franchisee with a written explanation detailing the reasons for such non-compliance. DESIGNS OR INCOMPLETE SUBMITTALS NOT APPROVED BY HYATT MAY NEED TO BE RESUBMITTED BY FRANCHISEE.

F. Upon determination by Hyatt that each level of the design documents submitted by Franchisee pursuant to the submittal process set forth in Section 11 below comply with the Design and Construction Standards, provide Hyatt's comments which may be delivered electronically, which shall constitute the acknowledgement by both parties that such documents are Approved by Hyatt, subject to such comments.

G. Review other reports and studies provided by Franchisee's Consultants required for the design of the Project which consist of the final versions of all design documents and studies requested in prior submissions which have incorporated all Hyatt comments.

H. Conduct a risk assessment and mitigation plan review to identify the level of potential threats and hazards to the Hotel and to determine the types and extent of security systems required to meet the Design and Construction Standards, provide on Background Drawings the location of certain security cameras and locking mechanisms, and provide review of drawings and plans from the security consultant indicating the location of security cameras and locks, and outline specifications. "**Background Drawings"** shall mean to scale floor plans, interior wall elevations and reflected ceiling plans prepared by the Approved architect clearly delineating structural grid, walls, partitions, columns, shafts and chases, such drawings generally devoid of dimensional lines and notations within perimeter walls.

I. Consult with Franchisee to determine the appropriate quantities of operating equipment required to meet the Design and Construction Standards and needs of Hyatt to operate the Hotel.

J. Prepare supplies documents for the operating equipment and review any substitutions thereto proposed by Franchisee.

1.2 Potential Consultants List

a) Hyatt, at its option, may advise Franchisee regarding the selection of certain key consultants, providers and specialists for Franchisee to select and appoint, to the extent necessary and appropriate in relation to the scope including but not limited to:

- Design Architects (Total project)
- Working (Local) Architects, Architects of Record
- MEP Services Consultants (Hotel)
- Interior Design Consultant (Limited to Program Implementation)
- Interior & Exterior Lighting Consultants (Limited to Program Implementation)
- Landscape Designer
- Food Service/Kitchen Consultant or Providers
- Food & Beverage Consultant (where required)
- Audio Visual Consultant or Providers

- Graphics and Signage Consultant or Providers
- Communications and Information Technology Consultant or Providers
- FF&E and Operating Equipment Purchasing Agent
- Technical Spa Specialist, if applicable to Project
- Branding Consultant, if applicable to Project

b) Franchisee may be required to engage certain of the following key consultants, providers and specialists:

- Structural Engineers
- Vertical Transportation/Elevator Consultant or Providers
- Building Security and Fire Protection Consultant
- Acoustics Consultant
- Security Consultant
- Sustainable Design Consultant
- Fire and Life Safety/LEED Consultant
- Testing and Commissioning Consultant
- Artwork Consultant
- Uniform Designer
- Curtainwall/Façade Consultant

c) Following Franchisee's selection of all key consultants, Hyatt will review all selections, prior to the engagement of any consultant, for Approval by Hyatt. All consultants must have previous experience with similar type projects and must provide a presentation along with resumes of key personnel that would be working on the Project. Hyatt will provide Franchisee with the Preliminary Area Program and Franchisee will provide this same information to each consultant. Hyatt will provide a detailed explanation of the Design and Construction Standards and the Preliminary Area Program information to the potential consultants or providers. Hyatt will be available for additional explanation once a short list of consultants has been established. It may be necessary for key consultants to travel to the Hyatt offices in Chicago, Illinois, USA or the Division Office if so directed by Hyatt for a final interview.

2. DESIGN PLANNING AND DEVELOPMENT

2.1. Hyatt may, at its option, participate in all phases of the Hotel design process in order to assist with the full and proper implementation of the relevant Design and Construction Standards, and in this connection shall provide review, recommendations, comments and approval to the key consultants relating to:

- Conceptual designs and planning exercises submitted by Franchisee's consultants for Hyatt review and approval

- Schematic documents including basis of design drawings, sketches, renderings, and short form specifications that fix and describe the size and character of the Hotel project
- Design development documents including drawings, sketches, system schematics, schedules and specifications, material samples and specifications, FF&E layouts, samples and specifications
- Final construction documents including fully-coordinated drawings, specifications, samples, and value engineering exercises.

2.2. In addition to the above, Hyatt may deliver the following services during the design planning stages:

- Inspection, review and formal recording of the mock-up room (constructed physical representation of the designed guestroom) presentation with a detailed report submittal to Franchisee
- Inspection, review and formal recording of the prototype room (constructed physical representation of the designed guestroom) presentation with a detailed report submittal to Franchisee
- Attendance at key design coordination meetings as mutually agreed by Franchisee and Hyatt
- Review, recommend and comment on the plans showing functional "Back of House" layouts and key FF&E and millwork

3. FF&E SELECTION AND RECOMMENDATIONS

3.1. Hyatt will provide to Franchisee and the key consultants guidance on FF&E, as applicable, through some or all of the following activities:

- Review the preliminary FF&E budget prepared by Franchisee in accordance with the approved Hotel project description and design statement, Preliminary Area Program and operational concepts
- Review and comment on the preliminary FF&E budget in accordance with approved project design development (it being understood and agreed that Hyatt and its affiliates do not and cannot warrant or guarantee that the necessary FF&E can be obtained within the parameters of the FF&E budget)
- Participate in the selection of suppliers
- Review of relevant consultants' FF&E specifications and anticipated costs and preparation of review report containing approval or requirements for modification, correction and re-submittal
- Facilitate the review of computer and telephone equipment schedules and specifications with Hyatt's IT Support Personnel
- Submittal of product specifications for key operational items
- Review and approval of revised FF&E specifications in the event that competitive tendering results exceeded approved FF&E budget, to the extent Hyatt has agreed

that to do so is feasible without compromising the Design and Construction Standards
- Review of food and beverage and spa concepts.

3.2. Hyatt reserves the right to withhold approval of any FF&E items that:

- Exceed the approved FF&E budget
- Are operationally incorrect or unsuitable or do not meet Design and Construction Standards
- Do not meet Hyatt product specifications or design minimum standards

4. CONSTRUCTION PHASE AND PREPARATION FOR OPERATIONS

4.1. Hyatt may, for the purpose of ensuring compliance with the approved design documentation and minimum standards, engage in the following activities:

- Undertake site visits in an amount and on a schedule as mutually agreed by Franchisee and Hyatt, together with provision of reports and recommendations
- Request, as is reasonably diligent, the submittals of subcontractors' shop drawings and supply specifications together with the relevant consultants' review comments and recommendations
- Provide comments, as appropriate for design intent only, on select shop drawings and supply specifications
- Liaise with appointed Project Manager on site progress, scheduling and the inspection sequencing and the preparation for the operation of the Hotel
- Coordinate the pre-opening inspection of fire and life safety systems by a consultant that is pre-qualified by Hyatt, at Franchisee's expense
- Review and comment on system, equipment, material, and manufacturer vendor selections and submittals, especially for critical systems/equipment including, but not limited to, chillers, boilers, emergency generators, transformers, fire detection and alarm systems, building automation systems, security systems, elevators and escalators, lighting control systems, audio/visual systems, voice and data systems, TV systems, water treatment systems, air handling systems, etc.

5. FIRE AND LIFE SAFETY SYSTEMS AND MEP TESTING & COMMISSIONING

5.1. Franchisee shall ensure that all fire and life safety and MEP systems and components are completed, tested and commissioned in preparation for Hyatt's inspection prior to commencement of Hotel operations. A timetable detailing the dates and duration of each system's and components' testing and commissioning period shall be submitted to Hyatt to allow the attendance and witnessing of all testing and commissioning procedures by the relevant consultants and Hyatt.

5.2. Hyatt will not be able to approve any fire and life safety and MEP system or component that has not been fully tested and commissioned with recorded results.

Prior to occupation and operation of the building, in whole or in part, a third party audit of the Hotel's fire and life safety systems must be completed by or on behalf of Franchisee, at Franchisee's expense. Franchisee shall provide a copy of such audit report to Hyatt. All noted deficiencies must be completed by Franchisee to Hyatt's satisfaction prior to the occupation and operation of the Hotel.

6. INSPECTION BY HYATT

6.1. Following receipt of a pre-opening inspection report (prepared by Consultants) and subject to a satisfactory level of completion achieved, Hyatt will conduct its own inspection and detail in a report to Franchisee:

- Variances from approved minimum standards or subsequently approved contract specifications
- Defective architectural, fire and life safety and MEP or interior works
- Defective, missing or incomplete FF&E

6.2. Hyatt will not be able to assess any areas for which a report detailing its comments has not been prepared and circulated, or with respect to any areas which have not been substantially completed and installed with FF&E.

7. APPROVAL BY HYATT / HYATT MANAGEMENT PERSONNEL

7.1. Hyatt will issue its approval for the Hotel's management personnel to take over provisional occupancy of the relevant area and the operation of any supporting fire and life safety and MEP system and components only following the preparation and submission to the Franchisee of Hyatt's inspection reports and the remedy of any substantial defects contained therein. Any such takeover shall not imply Hyatt's final approval of the area, system or component, which shall be subject to full load testing under operating environment and conditions and the remedy of all recorded, hidden and latent defects.

7.2. Hyatt will not be able to approve for the Hotel's management personnel to take over any areas in which non-hotel personnel have access. Such areas may be mutually utilized by all parties until they can be secured, completed, inspected and prepared for handover to the Hotel's management personnel.

7.3. All areas, which have been provisionally taken over by the Hotel's management personnel, shall be under their full control including all keying systems and issuance of keys.

7.4. All costs associated with the Hotel's management personnel's provisional area occupation, such as energy consumption, including that used for the testing and commissioning of the fire and life safety and MEP systems and components, and security attendance at the project site prior to the formal opening, shall be paid for by Franchisee.

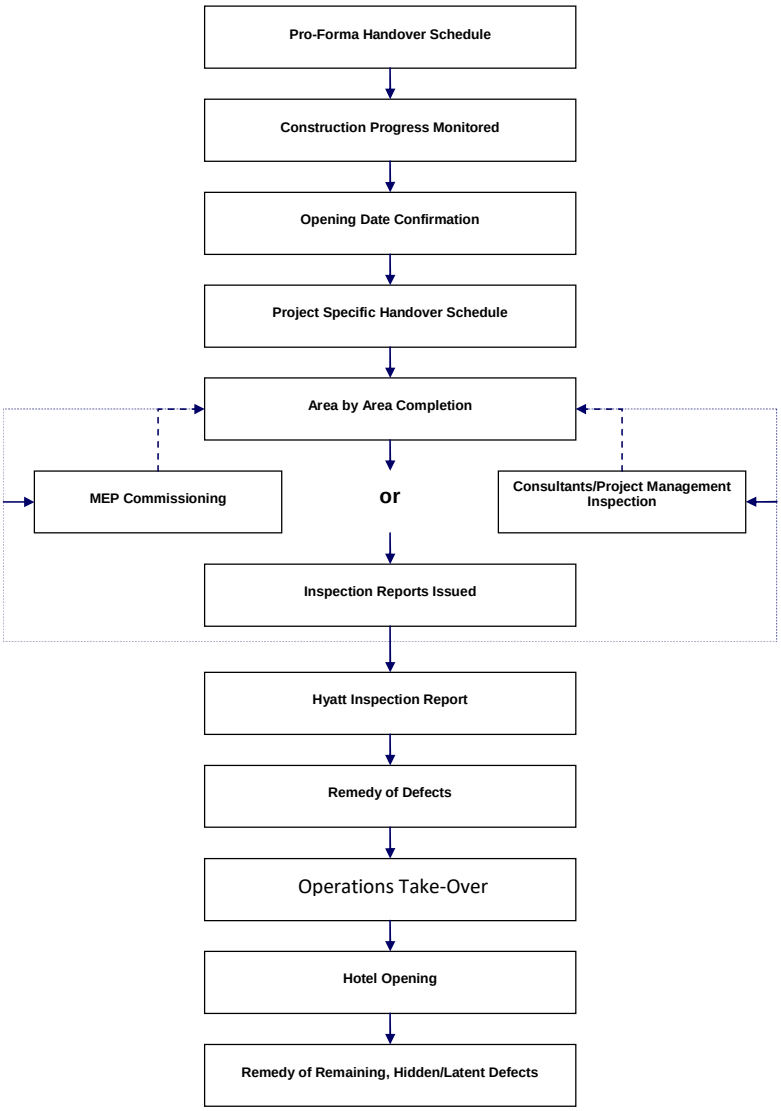
8. FORMAL OPENING OF HOTEL/PRO-FORMA HANDOVER SCHEDULE

8.1. The formal opening of the Hotel shall occur in accordance with the terms and conditions set forth in the Franchise Agreement. Construction progress shall be monitored. Hyatt and Franchisee shall mutually agree upon a handover schedule together with a diagram showing the sequence of the area-by-area handover.

8.2. The following example table will be tailored and agreed to by the parties for the Hotel project:

Ten Weeks Prior to Opening	**Eight Weeks Prior to Opening**	**Six Weeks Prior to Opening**	**Four Weeks Prior to Opening**	**Three Weeks Prior to Opening**	**Two Weeks Prior to Opening**	**One Week Prior to Opening**
Purchasing/ Materials Management Offices	All Retail Areas for Tenant Fit-Out	Indoor & outdoor pools & spa	Reception/ Concierge, Front Desk, Business Center	50% remaining Restaurants and Bars	Remaining Restaurants and Bars	Outdoor Facilities, Parking Lot, & Landscaping
Human Resources/ Training Offices Executive Offices	15% of Guestroom Count, Corridors & BOH Areas	30% of Guestroom Count, Corridors & BOH Areas (completed floors only)	50% of Guestroom Count, Corridors & BOH Areas (completed floors only)	80% of Guestroom Count, Corridors & BOH Areas (completed floors only)	Remaining Guestrooms, Corridors, & BOH Areas	
PABX Equipment Room & Operators Area	All remaining Hotel Offices in BOH & FOH Areas	Employee Lockers Employee Dining Room	Café Restaurant Receiving Areas	Fitness Center	Hotel Entry	
	All Storerooms and Workshops	Ballrooms and Meeting Rooms Support Areas	Laundry & Valet Area	Remaining Meeting Rooms	Hotel Lobby and remaining Public Areas	
Employee residences (if applicable to the Project)	Computer Equipment Room	Banquet Kitchen	Uniform Issue Area	Guestroom Elevators	Club Lounge	
Service Elevators	F&B Stores & Preparation Areas	Service Elevators	Remaining Kitchens		Remaining Elevators	

9. HOTEL PROJECT COMPLETION SEQUENCE



10. DESIGN AND CONSTRUCTION STANDARDS COMPLIANCE

- The Design and Construction Standards shall be regarded as the criteria of the minimum recommendations and requirements for the design of all new Brand hotels operated by affiliates of Hyatt, or renovations of existing facilities in such hotels. In addition, the current Design and Construction Standards for the Brand hotel shall be referenced when undertaking any new building or renovation project.
- Adherence to these standards, or other Hyatt criteria or approval, shall not relieve the architect and/or other consultants and designers of the responsibility of conforming to all legally adopted codes and standards, other governmental requirements and good professional design practice. Where designs deviate from

applicable codes and standards, approval or approval by the Authority Having Jurisdiction (AHJ) shall be documented and kept on file by Franchisee.

- Throughout the Design and Construction Standards references are made to contacting and/or obtaining approval from Hyatt. Hyatt's Representative shall be appointed at the beginning of the design process for new hotels, and shall be responsible for project oversight on behalf of Hyatt. Hyatt will designate a qualified employee of one of its affiliates to act as the Hyatt Representative and, to the extent that Hyatt does so, all references to Hyatt in this document shall be deemed to include all such employees of Hyatt's affiliates.

11. FRANCHISEE DELIVERABLES

11.1. All Franchisee deliverables described in or required under this Exhibit (the "**Franchisee Deliverables**") shall be prepared and submitted for approval by Hyatt in accordance with a schedule to be mutually agreed by Franchisee and Hyatt, and such Franchisee Deliverables shall directed to Hyatt at: Americas.Design.Services@hyatt.com, or such other address as specified by Hyatt. The following is an outline of the required Design Review Submittal Process that will facilitate the review and release of the design plans, construction plans and specifications as well as the subsequent completion of a new Brand hotel. All reviews and releases shall be in English, in writing or Franchisee shall provide Hyatt with an English written translation. Submittal of all design and construction plans and specifications are to be made in hard copy format as follows:

A Hyatt Representative will be in attendance at key design coordination meetings as mutually agreed by Franchisee and Hyatt:

1. **Conceptual Design Submittal** – This step shall contain the conceptual designs and planning exercises and shall be submitted to Hyatt at the milestones indicated below. The conceptual design documents will include at minimum the following items, without limitation.

- Layout plans
- Sketches and conceptual imagery to illustrate the general planning and design aesthetic for the Project.
- MEP, FLS, IT Basis of Design Narrative

Unacceptable designs or incomplete submittals may need to be resubmitted. Hyatt will issue a formal review prior to moving onto the next step. A 50% concept design presentation and a 100% concept design document submittal shall be submitted by Franchisee or its Consultants according to the deadlines specified by Hyatt for the Project. After review of physical installed Mock-up Room, all final approved FF&E and architectural finishes and designs to be installed in a Prototype Room within the hotel structure, as a first-in-place example of approved design, fit, finish, and workmanship.

2. **Schematic Design Submittal –** This step shall contain documentation sufficient to review the general building and landscape concept, guest room layouts, public space layouts, and BOH blocking and shall be submitted to Hyatt at the milestones indicated below. The schematic design documents will include at minimum the following items, without limitation.

- Completed Site Plan
- Individual Floor Plans
- All Building Elevations
- Roof Plan
- Full Building Cross Section
- Food Service Equipment Plans
- Laundry Equipment Plans
- Operations Basis of Design for Food Service and Laundry including sizing for Laundry
- MEP, FLS, IT Plans denoting major Systems and Equipment
- Material Imagery and Samples (inclusive of BOH areas)
- Furnishings Imagery
- Exterior Signage schematics

Unacceptable designs or incomplete submittals may need to be resubmitted. Hyatt will issue a formal review prior to moving onto the next step. A 50% schematic design presentation and a 100% schematic design document submittal shall be submitted by Franchisee or its Consultants according to the deadlines specified by Hyatt for the Project.

3. **Mock-up Room Submittal** – This step shall contain a complete set of all documentation necessary for construction and procurement of the mock-up rooms and corridor mock-up section and shall be submitted to Hyatt at the milestones indicated below. The mock-up room documents will include at minimum the following items, without limitation.

- Architectural Drawings
- Interior Design Drawings
- Lighting Design Drawings
- MEP Drawings
- FLS Drawings
- IT Drawings
- A/V Drawings
- Schedules and Specifications
- Material Samples and Specifications
- FF&E Layouts
- FF&E Samples and Specifications.

Unacceptable designs or incomplete submittals may need to be resubmitted. Hyatt will issue a formal review prior to moving onto the next step. A 100% mock-up room document submittal and a mock-up room review and presentation shall be submitted by Franchisee or its Consultants according to the deadlines specified by Hyatt for the Project.

4. **Design Development Submittal** – This step shall contain a complete set of all progress plans and specifications, construction documents and fire and life safety and MEP narrative, with sufficient details and dimensions to ascertain whether basic criteria is being incorporated and shall be submitted to Hyatt at the milestones indicated below. The design development documents will include at minimum the following items, without limitation.

- Architectural Drawings
- Interior Design Drawings
- Landscape Drawings
- Pool / Water Feature Drawings (if applicable)
- Lighting Design Drawings
- MEP Drawings
- FLS Drawings
- IT Drawings
- A/V Drawings
- Keyed Food Service Equipment Plans and Elevations
- Keyed Laundry Equipment Plans and Elevations
- Sketches as required
- System Schematics
- Schedules and Specifications (inclusive of BOH areas)
- Material Samples and Specifications (inclusive of BOH areas)
- FF&E layouts (inclusive of BOH areas)
- FF&E Samples and Specifications. (inclusive of BOH areas)
- Exterior Signage Drawings

Unacceptable designs or incomplete submittals may need to be resubmitted. Hyatt will issue a formal review prior to moving onto the next step. A 50% design development presentation and 100% design development document submittal shall be submitted by Franchisee or its Consultants according to the deadlines specified by Hyatt for the Project.

5. **Construction Documentation Submittal** – This step shall include a complete and fully coordinated set of final constructions documents for the construction of the Project, for review and approval by Hyatt and shall be submitted to Hyatt at the milestones indicated below. Hyatt will review for compliance with brand standards and comment on any required modifications for permitting. The final submittal shall be properly sealed by the licensed architect of record and respective engineers. All construction documents for the Project shall be submitted

to Hyatt at the milestones indicated below. The construction documents will include at minimum the following items, without limitation.

- Architectural Drawings
- Interior Design Drawings
- Landscape Drawings
- Pool / Water Feature Drawings (if applicable)
- Lighting Design Drawings
- MEP Drawings
- FLS Drawings
- IT Drawings
- A/V Drawings
- Food Service Drawings
- Laundry Drawings
- All Value Engineering Exercises
- Schedules and Specifications Material Samples and Specifications, including locations of all specified items
- Keyed FF&E Plans
- FF&E Samples and Specifications
- Exterior Signage Drawings

Incomplete or unsealed plans and specifications will not be reviewed. Hyatt will issue a formal endorsement prior to starting construction. A 90% construction documents submittal for Hyatt comment, and 100% construction documents submittal shall be submitted (for Hyatt's records only) by Franchisee or its Consultants according to the deadlines specified by Hyatt for the Project.

The Design and Construction Standards for construction material and equipment standards indicate a level of construction, performance, fit, finish and appearance of the materials and equipment designated to be installed in a Brand hotel. Products and materials manufactured by others that meet or exceed the established criteria will be considered. All deviations from those products and materials contained herein are to be reviewed by Franchisee's architect for the project who will verify, in writing to Hyatt that the requested deviations meet or exceed those products and materials noted herein within certain limitations. The Project Manager will forward the submittal along with his verification letter to Hyatt for review and consideration. Hyatt will notify the Project Manager whether or not the submittal is acceptable.

EXHIBIT B
SCHEDULE OF SPARE PARTS

The following spare parts shall be provided by Franchisee and delivered to Hyatt at the Hotel at Franchisee's cost and expense before the Opening Date. The quantities listed are the minimum acceptable. All quantities are to be rounded up to the next whole number.

Item	Quantity
Typical Guest Room lockset	Minimum of 3 per 100 Guest Rooms
Typical Guest Room TV sets	1 per 100 Guest Rooms
Guest Room telephone sets	Minimum of 3 per 100 Guest Rooms
Sprinkler heads	As per manufacturer recommendation
Complete new set of filter for all Air Handing Units (AHU) and Guestrooms Fan Coils (FCU)	
Guest Room Furniture	Minimum 1 per 100 each type installed
Carpet, Guestrooms & Corridors:	5% for each type installed.
Carpet, Public Areas:	5% or 1 full pattern repeat of each type installed.
Wallcoverings:	Minimum 5% for each type of soft good material installed.
Key Card Energizer	3 per 100 installed (if present)
Power outlets, Wall Switches, Complete set including metal/plastic plates	Minimum 5 per type installed
Shaving Outlets	5 per 100 Guest Rooms (if present)
CFL and LED Bulbs	5% each type installed. (Minimum of 10 of each type installed to be provided.)
Incandescent and Halogen Bulbs	15% each type installed. (Minimum of 15 of each type installed to be provided.)
Low Voltage Transformer for Lighting	5% each type installed. (Minimum of 5 of each type installed to be provided.)

Ballasts/Starters	5% each type installed. (Minimum of 5 of each type installed to be provided.)
Shower Heads and Shower Hoses	5% each type installed. (Minimum of 5 of each type installed to be provided.)
Laundry and Dry Cleaning Equipment	As per manufacturer recommendation
Drive Belts for HVAC	1 exchange V-Belt per unit
Room Thermostat (Guestrooms, public areas, BOH)	2% each type installed. (Minimum of 2 of each type installed to be provided.)

HVAC equipment: All systems utilizing replaceable media filters to be provided with one (1) complete spare set of filters, in addition to the new filters to be installed on approval of each unit.

Chilled & Cold Water pumps. Enough packing to repack all pumps or 1 set of mechanical seals

Diesel Generator fuel oil storage tanks and onsite LPG stationary tanks (or LPG cylinders) to be re-filled on approval of each unit

Plumbing systems: Cleaning, flushing of the systems and disinfecting required at commissioning. When chemicals &/or softener treatment plant installed, all chemicals and salt containers to be re-filled on approval of each system

All remaining decorative, FF&E unused material (including without limitation to Carpet, Wall Vinyl, Floor & Ceiling tiles, paint)

EXHIBIT E

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

STATE AGENCIES/AGENTS
FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process.

There also may be additional agents appointed in some of the states listed.

CALIFORNIA

Website: www.dfpi.ca.gov
Email: ask.DFPI@dfpi.ca.gov

(for service of process)
Commissioner of Department of Financial Protection & Innovation

(state franchise administrator)
Department of Financial Protection & Innovation

Toll Free: 1 (866) 275-2677

Los Angeles
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7500

Sacramento
2101 Arena Boulevard
Sacramento, California 95834
(866) 275-2677

San Diego
1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 525-4233

San Francisco
One Sansome Street, Suite 600
San Francisco, California 94104-4428
(415) 972-8559

HAWAII

(for service of process)

Commissioner of Securities
Department of Commerce
and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

(for other matters)

Commissioner of Securities
Department of Commerce
and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

(for service of process)

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

(state agency)

Indiana Secretary of State
Securities Division
Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND

(for service of process)

Maryland Securities Commissioner
at the Office of Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(state agency)

Office of the Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
(517) 335-7567

MINNESOTA

Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1500

NEW YORK

(for service of process)

Attention: New York Secretary of State
New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001
(518) 473-2492

(Administrator)

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8236

NORTH DAKOTA

(for service of process)

Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, 14th Floor, Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

(state agency)

North Dakota Securities Department
600 East Boulevard Avenue, Suite 414
Bismarck, North Dakota 58505
(701) 328-2910

OREGON

Oregon Division of Financial Regulation
350 Winter Street NE, Suite 410
Salem, Oregon 97301
(503) 378-4140

RHODE ISLAND

Securities Division
Department of Business Regulations
1511 Pontiac Avenue
John O. Pastore Complex-Building 69-1
Cranston, Rhode Island 02920
(401) 462-9500

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA

(for service of process)

Clerk, State Corporation Commission
1300 East Main Street
First Floor
Richmond, Virginia 23219
(804) 371-9733

(for other matters)

State Corporation Commission
Division of Securities and Retail Franchising
Tyler Building, 9th Floor
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9051

WASHINGTON

(for service of process)

Director Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501
(360) 902-8760

(for other matters)

Department of Financial Institutions
Securities Division
P. O. Box 41200
Olympia, Washington 98504-1200
(360) 902-8760

WISCONSIN

(for service of process)

Administrator, Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-2139

(state administrator)

Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-9555

EXHIBIT F

SYSTEM STANDARDS TABLE OF CONTENTS

THE STANDARDX SYSTEM STANDARDS TABLE OF CONTENTS **(3334 Total Pages)**

- Owner / Operator / Hotel Communications
  - Owner/Operator/Hotel Communications ..... (6 Pages*)
  - Global Weekly Communication (GWC) ..... (2 Pages)
  - Hyatt PrO Americas Franchise Training Policy..... (3 Pages)
  - Orientation – Americas..... (3 Pages)
  - Commercial Services Advanced User Course ..... (1 Page)
  - Monthly Update Webinars ..... (10 Pages*)
  - Commercial Services Owner/Operator Quarterly Update Webinars..... (347 Pages)
  - Focused Improvement Policy (FIP) Office Hours..... (16 Pages*)
  - Hyatt Leadership Awards Americas Franchise 2023..... (3 Pages)
  - Hyatt Leadership Awards Americas Franchise 2024..... (3 Pages)
  - Hyatt PrO Americas Franchise Training Policy..... (5 Pages)
  - EAME Operator and GM Update..... (2 Pages)
- Portfolio Health Tier Guides
  - Portfolio Health Tiers..... (7 Pages)
  - Portfolio Health Tier – Risk..... (8 Pages)
  - Portfolio Health Tier – Bronze..... (8 Pages)
  - Portfolio Health Tier – Silver..... (8 Pages)
  - Portfolio Health Tier – Gold..... (8 Pages)
  - Portfolio Health Tier – Platinum..... (6 Pages)
- Brand Standards
  - Brand Experience Guides (BEGs)..... (1 Page)
  - Focused Improvement Policy (FIP) ..... (18 Pages)
  - Brand Protection Program (BPP)..... (5 Pages)
  - Renovations Select Service Americas..... (36 Pages)
  - Global Quality Assurance Program ..... (8 Pages)
  - Hyatt Email Policy & Signature Brand Standards ..... (18 Pages)
  - Best Rate Guarantee (BRG)..... (29 Pages)
  - Reviews and Survey Guidelines ..... (7 Pages)
  - Express Housekeeping - Select Service Americas..... (77 Pages*)
  - Cyber Security Risk Management Framework (Franchise) ..... (17 Pages)
  - Franchise and License Agreement Insurance Provision/Requirements..... (31 Pages)
  - Guest Relocation Policy..... (5 Pages)
  - Hyatt Technical Standards ..... (2 Pages)
  - General Manager Vacancy Policy..... (4 Pages)
  - Global Privacy Program – Franchise..... (22 Pages)
  - Human Trafficking Training – Franchise..... (10 Pages)
- Hyatt Identity, Access, and Contacts
  - Hyatt User Management (HUM) ..... (45 Pages*)
  - Password Resetting (SSPR/MFA) ..... (20 Pages*)
  - Contact Finder - Accessing & Updating Hotel Contacts ..... (12 Pages*)

- Systems Reference Guide - How Do I Request Access to Hyatt's Systems? ..... (28 Pages)
- Distribution Groups ..... (17 Pages)
- Citrix ..... (2 Pages)

- Accounting
  - Systems Reference Guide - How Do I Request Access to Hyatt's Systems? ..... (28 Pages)
  - Sertifi eAuthorize for Opera ..... (78 Pages)
  - Banking Information Set Up and Update ..... (7 Pages)
  - Budget Guidance ..... (2 Pages)
  - EBS Production - Reference Materials ..... (54 Pages)
  - Franchise Fee True Up Process ..... (2 Pages)
  - Franchise Invoices on Planning Analysis Website (PAW) ..... (18 Pages*)
  - Gift Cards & Certificates ..... (8 Pages)
  - Guest Fees ..... (6 Pages)
  - NACA - National Account Credit Approval Program ..... (9 Pages)
  - Onyx - Travel Agent Commissions ..... (65 Pages)
  - Planning and Analysis Website (PAW) ..... (4 Pages)
  - World of Hyatt Accounting ..... (4 Pages)
- Global Care & Cleanliness Commitment
  - GBAC STAR Facility Accreditation (Optional) ..... (125 Pages)
  - Hygiene & Wellbeing Leader Certification ..... (41 Pages)
- Commercial Services
  - Commercial Services Resources ..... (4 Pages)
  - Systems Reference Guide - How Do I Request Access to Hyatt's Systems? ..... (28 Pages)
  - Hyatt PrO Rollout ..... (155 Pages)
  - Hyatt PrO Americas Franchise Training Policy ..... (5 Pages)
  - Performance Health Evaluation Template (PHE) ..... (2 Pages)
  - Hyatt's Global Digital Content & Website Content Updates ..... (30 Pages)
  - Guest Fees ..... (6 Pages)
  - Upselling ..... (3 Pages)
- Corporate Responsibility
  - Sustainability at Hyatt ..... (7 Pages)
  - EcoTrack ..... (10 Pages)
  - RiseHY Resources ..... (3 Pages)
  - Peloton ..... (43 Pages*)
- Food & Beverage - Select Service
  - Beverage Program ..... (36 Pages)
  - Digital Menu ..... (44 Pages)
- Franchise Colleague Perks
  - Colleague Discount Room Availability ..... (11 Pages)
  - Headspace for Work ..... (57 Pages)
- Franchise Recruiting Tools
  - Posting Jobs to Hyatt's Career Site ..... (9 Pages)
  - Hiring & Recruiting ..... (58 Pages)

- People Playbook Franchise Edition ..... (4 Pages)
- LinkedIn Recruiter ..... (5 Pages)

- Guest/Hotel Technology
  - Guest/Hotel Technology Product Team ..... (3 Pages)
  - Apple Wallet ..... (190 Pages)
  - Digital Key (BLE Bluetooth based) ..... (28 Pages)
  - Hyatt In Room Entertainment Featuring Staycast ..... (64 Pages)
  - Hyatt Digital Compendium ..... (18 Pages)
  - Guest Internet/ High Speed Internet Access (HSIA) ..... (22 Pages)
  - Child Sexual Abuse Materials (CSAM) DNSFilter Initiative ..... (3 Pages)
  - Electric Vehicle Charging ..... (1 Page)
- Job Training
  - Revenue Management Learning Resources – Global ..... (55 Pages)
  - Service Skills ..... (144 Pages)
  - Global Privacy Program – Franchise ..... (22 Pages)
  - Human Trafficking Training – Franchise ..... (10 Pages)
  - General Manager ..... (5 Pages)
  - Assistant General Manager ..... (55 Pages)
  - Director of Operations & Rooms ..... (55 Pages)
  - Director of Housekeeping ..... (36 Pages)
  - Director of Engineering ..... (36 Pages)
  - Front Office Manager ..... (66 Pages)
  - Food & Beverage ..... (41 Pages)
  - Commercial Services Resources ..... (4 Pages)
  - Minisites ..... (20 Pages)
  - Standard Operational Learning Curriculum ..... (20 Pages)
- Operational Systems
  - Systems Reference Guide - How Do I Request Access to Hyatt's Systems? ..... (28 Pages)
  - Guest Experience Applications, Resources, and Support ..... (5 Pages)
  - Inspection Program Applications & Resources ..... (15 Pages)
  - Property Management & Reservation Systems ..... (8 Pages)
  - BOB ..... (15 Pages)
  - Colleague Advantage ..... (24 Pages)
  - E-Tipping Resources ..... (36 Pages)
  - Food & Beverage Systems ..... (2 Pages)
  - Glasswing ..... (50 Pages)
  - Reserve ..... (31 Pages)
- People & Learning
  - My Learning ..... (59 Pages)
  - Colleague Engagement Resources ..... (7 Pages)
- Openings & Transitions
  - Acquisitions ..... (16 Pages)
  - Brand Training Guidance and Fees ..... (8 Pages)

    - Training Resources……(13 Pages)
    - Transitions……(45 Pages)
- Purchasing
    - Contacts – Purchasing Franchise……(6 Pages)
    - Avendra for Franchise……(3 Pages)
    - Purchasing - Select Service Franchise..... (31 Pages)
    - Hyatt Branded Merchandise (swag)……(3 Pages)
- Security / Emergency
    - Special Situations Management - Emergency Notification ..... (8 Pages*)
    - Hotel Systems Emergency Evacuation Procedures ..... (10 Pages)
    - Risk Portal - Incident Intake..... (22 Pages)
- World of Hyatt
    - In-Hotel Benefit SOP's..... (157 Pages)
    - World of Hyatt Department Pages..... (3 Pages)

EXHIBIT G

CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT

This CONFIDENTIALITY AGREEMENT (this "Agreement") is made as of this _____ day of _____, _____, by and between _____, a[n] _____, whose address is _____ ("Company") and HYATT FRANCHISING, L.L.C., a Delaware limited liability company, whose address is 150 North Riverside Plaza, Chicago, Illinois 60606 ("Hyatt"). Hyatt and/or Company may each also be referred to herein as a "party" or collectively as the "parties" and a party which is disclosing Confidential Information may be referred to herein as the "disclosing party" and the party which is receiving Confidential Information may be referred to herein as the "receiving party."

RECITALS

A. Company and Hyatt are discussing mutual business opportunities relating to the possible transaction (the "Transaction") with respect to the property commonly known as _____ (the "Property") and the hotel business conducted thereon (the "Business") and Company and Hyatt desire to share certain Confidential Information (as defined herein) with each other, subject to the terms contained herein.

B. Hyatt and Company wish to enter into this Agreement to confirm that the Confidential Information will be treated as confidential in accordance with the terms of this Agreement, and to provide the parties hereto with certain rights and remedies in connection with the violation of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Confidential Information. "Confidential Information" shall mean the information provided by either party to the other with respect to the Property and Business including, but not limited to, the following: (a) management and operational information, forecasts, and projections; (b) financing information; (c) proprietary know-how, data, documents, designs, photographs, plans, graphs, drawings, specifications, pro forma models, reports, contracts, customer lists, pricing information, studies, findings, and other ideas; (d) entity information relating to the disclosing party including, without limitation, any joint venture agreement, limited liability company agreement or similar arrangements; (e) documents relating to real property interests including, but not limited to, environmental reports and audits; (f) information that should be treated as confidential under the circumstances surrounding its disclosure, including without limitation, proprietary information of Hyatt; (g) any information of Hyatt clearly identified as a "Hyatt Trade Secret"; and (h) any discussion between Hyatt and the Company with respect to any of the foregoing, the Property, the Business, the possible business relationship, and this Agreement in general, including without limitation, the fact that any such discussions are taking place or any business relationship is being discussed, and the content and terms thereof.

2. Exclusions. The term Confidential Information does not include information which (A) was or becomes generally available to the public other than as a result, directly or indirectly, of any disclosure by the receiving party hereunder, or (B) was or becomes available to the receiving party on a non-confidential basis from a source other than the disclosing party or its employees, agent or representatives, provided that such source is not, to the receiving party's knowledge, bound by a confidentiality agreement or otherwise prohibited from transmitting the information to the receiving party by contractual, legal or fiduciary obligations, (C) was within the possession of the receiving party prior to its being furnished to the receiving party by the disclosing party, or (D) information which is incorporated into analyses, studies or internal reports, provided, however, such information, studies, analyses or reports shall be kept confidential in accordance with the receiving party's policies and procedures it uses to protect and safeguard its own client confidential information.

3. Covenants Regarding Confidential Information. The receiving party shall hold all Confidential Information received in confidence and take all necessary steps to keep the Confidential Information confidential with its then current protocols in order to maintain the confidential nature of the Confidential Information in accordance with the terms hereof. The receiving party may only use Confidential Information for evaluation purposes with respect to the Property and the Business in relationship to the Transaction and may not disclose the Confidential Information to any third party other than to its affiliates, related companies, partners, employees, directors, officers, legal counsel, accountants, prospective lenders, consultants, advisors, principals, and existing investors (collectively, the "Representatives") who have a need to know Confidential Information, provided that the party which shares the Confidential Information with its Representatives shall inform all such Representatives to maintain the confidentiality of the Confidential Information. Receiving party shall be liable for a breach of this Agreement by its Representatives; provided, however, the receiving party shall not be responsible for any breach of this Agreement by a Representative that has executed a separate confidentiality agreement with the disclosing party with respect to the Transaction.

4. Ownership of Confidential Information. All Confidential Information disclosed by a disclosing party, directly or indirectly, shall remain the exclusive property of such party. Further, the disclosing party does not grant any license or rights to any Confidential Information, trademark, trade name or trade secret to the other party.

5. No Representation or Warranty. The disclosing party does not (a) make any guarantee, warranty or representation whatsoever, expressed or implied, as to the accuracy or completeness of the Confidential Information, and (b) have any liability whatsoever to the receiving party relating to or resulting from the use of the Confidential Information or any errors therein or omissions therefrom. The receiving party agrees that it is not entitled to rely on the accuracy or completeness of any Confidential Information.

6. Destruction of Confidential Information by Company. Each of the parties shall immediately destroy all Confidential Information and all copies or summaries of Confidential Information at the earlier of (a) the termination of discussions between Company and Hyatt regarding the Project or (b) on the written request of the disclosing party. Notwithstanding the foregoing, receiving party and its Representatives may retain one copy of Confidential Information as may be required by (i) law, regulation or legal process, (ii) internal compliance or document retention policies, or (iii) with respect to digital media, such return or destruction is not practically feasible. Any Confidential Information so retained shall kept confidential in accordance with such party's policies and procedures it uses to protect and safeguard its own client confidential information. The receiving party shall also provide to the disclosing party a certification executed by a duly authorized officer who has supervised compliance with the foregoing indicating that the requirements of this provision have been satisfied in full.

7. Term. Except as otherwise set forth herein, the obligations set forth in this Agreement shall terminate upon the execution of definitive agreements between the parties with respect to the Transaction or two (2) years from the date of this Agreement, whichever occurs first; *provided, however*, that notwithstanding the termination of this Agreement, the confidentiality obligations of the Company with respect to a Hyatt Trade Secret shall continue until the later of (i) five (5) years from the date of this Agreement, and (ii) until such time that Hyatt has provided notice that the Hyatt Trade Secret is no longer deemed by Hyatt to be a trade secret.

8. [Indemnity. Company acknowledges and agrees that it presented the Property and Business to Hyatt and initiated all discussions with Hyatt surrounding the Property and Business. Company agrees to indemnify, defend and hold harmless Hyatt for, from and against any and all Claims. For purposes of this Agreement, "Claims" shall mean any and all claims, demands, actions, penalties, suits and liabilities, in connection with, arising from, or for any reason related to (i) negotiations relating to the Property or Business in violation of any existing management or similar agreement relating to the branding, operation or use of the Property (the "Existing Agreements") and/or (ii) the termination of the Existing Agreements, as a result of any such negotiations.]

9. Remedies and Waiver. The parties hereby acknowledge the importance of complying with the provisions of this Agreement. Therefore, the parties agree that money damages, which the parties agree would be substantial, would not be a sufficient remedy for any breach of this Agreement, and a party shall be entitled, in addition to money damages, to specific performance and injunctive relief and any other appropriate equitable remedies for any such breach. The party at fault agrees not to oppose the granting of equitable relief on grounds that damages are sufficient, and agrees not to require that the other party prove that damages are insufficient in order to obtain equitable relief or the posting of a bond. The party at fault agrees to waive, and to cause its Representatives to waive, any requirement for the securing or posting of any bond in connection with such remedy. Such remedies shall not be deemed to be the exclusive remedies for a breach of this Agreement, but shall be in addition to all other remedies available at law or in equity to a party. THE PARTIES WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY SUCH DISPUTE. The prevailing party in any dispute regarding the enforcement of this Agreement shall be entitled to reasonable legal fees and expenses, which such prevailing party incurred in connection with such enforcement.

10. Compulsion by Law. If a receiving party is requested or required (by oral questions, interrogations, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any Confidential Information, the receiving party shall, to the extent legally permissible, provide the disclosing party with immediate notice of such request(s) so that the disclosing party may seek an appropriate protective order and/or waive compliance with the provisions of this Agreement. The receiving party agrees to cooperate with the disclosing party, at the disclosing party's expense, in obtaining such a protective order. If the receiving party does not obtain such protective order or other remedy, the receiving party agrees to furnish only that portion of the Confidential Information which, in the opinion of the receiving party's counsel, the receiving party is legally compelled to disclose and the receiving party agrees to use its reasonable efforts to obtain assurance that, to the extent possible, confidential treatment will be accorded the Confidential Information.

11. Relationship. Nothing herein contained shall be construed to create an agency, joint venture, partnership or other form of business association between Hyatt, Company, and their respective affiliates, related companies, partners, employees, directors, officers, legal counsel, consultants or accountants hereto. By receiving the Confidential Information, neither party nor their respective officers, directors, employees, agents, prospective lenders, consultants, or principals are under any obligation to negotiate in respect of a transaction with respect to the Property or Business, the parties will not be bound by any verbal agreement, and either party may terminate at any time discussions with the other party, its officers, directors, employees, agents, prospective lenders or principals, at its sole and absolute discretion.

12. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which, when taken together, shall be deemed one agreement, but no counterpart shall be binding unless an identical counterpart shall have been executed and delivered by each of the other parties hereto. Documents executed, scanned and transmitted electronically in PDF format and/or electronic signatures shall be deemed original signatures for purposes of this Agreement and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures.

13. Governing Laws. This Agreement will be governed by and construed in accordance with the laws of the State of New York and the laws of the United States applicable therein.

14. Jurisdiction. For the purposes of all legal proceedings, this Agreement will be deemed to have been performed in the State of New York and the courts of the State of New York will have jurisdiction to entertain any action arising under this Agreement. The parties hereby attorn to the jurisdiction of the courts of the State of New York.

15. Notice. Any notice required under this Agreement to be given by either party to the other party shall be in writing in the English language. Any required notice shall be served by sending the same (a) via personal delivery thereof to, and actual receipt by, the other party; (b) upon facsimile or electronic mail transmission to the

other party, at its facsimile number or Email address as set forth below, provided such delivery is acknowledged by the recipient confirming such receipt with respect to electronic mail transmission and provided the facsimile copy sent by the sender provides an automatic notation confirming the delivery thereof; (c) on the next business day following delivery by the sender to a recognized international courier service; or (d) three (3) business days following deposit in the United States mail to the address of the other party stated in this Agreement. All notices delivered pursuant to this Agreement shall be addressed to the parties as follows (or to such other address and to the attention of such persons as the parties may designate by like notice hereunder):

If to Company:	_____ _____ _____ Attn: _____ Fax:_____ Email:_____
If to Hyatt:	Hyatt Corporation 150 North Riverside Plaza Chicago, IL 60606 Attn: _____ Fax: Email:
with a copy to:	Hyatt Corporation 150 North Riverside Plaza Chicago, IL 60606 Attn: General Counsel Fax: 312-780-5284 Email: office.of.general.counsel@hyatt.com

16. Interpretation. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but, if any provision of this Agreement shall be invalid or prohibited thereunder, such invalidity or prohibition shall be construed as if such invalid or prohibited provision had not been inserted herein and shall not affect the remainder of such provision or the remaining provisions of this Agreement.

17. Miscellaneous. The terms set out in this Agreement may be modified only in writing signed by both parties. No waiver is effective unless in writing and signed by the waiving party. No waiver is deemed a waiver of any future performance. This Agreement contains the entire understanding between the parties with respect to the Confidential Information and shall be binding upon each of the parties, and their respective employees, affiliates, third-party agents, successors, and assigns.

[Signatures on the following page]

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

_____	HYATT FRANCHISING, L.L.C., a Delaware limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT H

LIST OF CURRENT BRAND HOTEL FRANCHISEES

AS OF DECEMBER 31, 2024

[NONE]

EXHIBIT I

LIST OF BRAND HOTEL FRANCHISEES WHO LEFT THE SYSTEM

[NONE]

EXHIBIT J

HOSTING SERVICES AGREEMENT

HOSTING SERVICES AGREEMENT

This Hosting Services Agreement ("**Agreement**") is made this _____ day of _____, 2025 (the "**Effective Date**"), by and between ___(Name of Franchisee)____, a(n)_____ ("**Owner**") and Hyatt Franchising, L.L.C., a Delaware limited liability company ("**Hyatt**"). Hyatt and Owner may be referred to herein individually as a "Party" or together as the "Parties."

WHEREAS, Owner owns or will own the [BRAND] Hotel, which is or will be located at _____, _____, _____ (the "**Property**"), and the Property is operated pursuant to a franchise agreement between Owner and Hyatt (as it may be amended, "**Franchise Agreement**");

WHEREAS, Owner has entered into an agreement with Oracle America, Inc. ("**Oracle**") for the licensing of a property management system (the "**License Agreement**"); and

WHEREAS, in conjunction with the Franchise Agreement, Hyatt shall provide hosting and related services in support of the Property Management System to the extent set forth herein.

NOW, THEREFORE, in consideration of the representations and promises of the parties set forth below, and other good and valuable consideration the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Scope of Services.

a. Services. This Agreement including Schedule 1 describes the Services that Hyatt shall provide to Owner hereunder, which shall include hosting and making available the Property Management System for use by Owner and its Authorized Users, and providing and maintaining the Hosted Hardware. The Services shall also include providing upgrades and updates to: (A) the Third Party Software (to the extent provided by an applicable third party vendor and authorized for use by Hyatt); and (B) the Hosted Hardware (to the extent provided by an applicable third party vendor and authorized for use by Hyatt). Installation and configuration services will be subject to a separate agreement.

b. Restrictions. Owner may not: (i) knowingly propagate, or allow propagation of, any virus, worms, Trojan horses or other programming routine intended to damage any system or data; or (ii) knowingly store or allow for storage of defamatory, trade libelous, or otherwise unlawful data. In addition, Owner must comply with all other restrictions listed in the License Agreement.

c. Suspension. Hyatt, without prejudice to its other rights at law or in equity, may suspend the Services: (i) upon a violation of any restriction or obligation listed in Section 1(b); (ii) if any misuse of the Services or misconduct with respect to the Services on the part of Owner or its employees, agents or end users creates, in Hyatt's sole and reasonable judgment, an imminent risk of material damage to Hyatt's network, facilities or other property or violation of any applicable laws or legal obligations; (iii) if Owner disrupts or causes harm to Hyatt's computers, systems, infrastructure, or provision of the Services to other parties; or (iv) upon request of a government authority. Any such suspension shall be as limited in scope and duration as possible consistent with Hyatt's needs to protect its network, facilities and property. Except in the case of suspension upon request of government authority, Owner shall continue to pay all Fees during the suspension period. Service shall be promptly restored as soon as Hyatt determines, in its sole, reasonable discretion, that the default has been cured. In addition, and without limiting Hyatt's other rights and remedies, if Owner fails to make any payment when due and such failure continues for forty-five (45) days or more, Hyatt may suspend Owner's access to the Services until such amounts are paid in full.

2. Definitions

a. "**Affiliate**" means with respect to any party, any person or entity that, at any given time, directly or indirectly, controls, is controlled by, or is under common control with, such party, whether through ownership of voting securities, by contract, or otherwise.

b. "**Agreement**" means this Agreement, including all current or future schedules.

c. "**Authorized Users**" means: (i) Owner; and (ii) employees and agents of Owner when they are performing services for Property relating to the Property Management System.

d. "**Cardholder Data**" means any data that relates to (i) a payment card authorized by or bearing the logo of a member of the Payment Card Industry ("PCI") Security Standards Council (the "PCI SSC"), or any similar organization that Hyatt periodically specifies, or alternative technology or non-cash transaction method relating to payment that Hyatt periodically specifies, or (ii) a person to whom such a payment card or alternative technology as described in (i) has been issued.

e. "**Effective Date**" means the date that appears in the first paragraph of this Agreement.

f. "**Facility**" means the physical location at which, at any given time, the Hosted Hardware resides and the hosted components of the Property Management System are hosted, or such distributed "cloud" environment as may be utilized by Hyatt or its Affiliate to host the Property Management System.

g. "**Fees**" means the fees specified in Schedule 3 hereto.

h. "**Flag Change**" shall have the meaning assigned to it in Section 10(c).

i. "**Hosted Hardware**" means the file servers, network routers and switches, firewalls, and other hardware, technology, and network devices in the Facility and used by Hyatt to host the hosted components of the Property Management System and provide the Services. It does not include any hardware located outside of the Facility, including any hardware located at the Property.

j. "**Hosted System**" means the Hosted Hardware, Property Management System and Third Party Software, collectively, hosted by Hyatt or its Affiliate and made available by Hyatt to Owner and its Authorized Users pursuant to this Agreement.

k. "**Hotel Environment**" means the hardware and software environment for which the Owner has selected and is responsible for as set out in Hyatt's then current Configuration Guide Technical Requirements and Operating Standards: General Requirements, which is available upon request and posted on Hyatt's intranet site, Hyattconnect.

l. "**License Agreement**" shall have the meaning assigned to it in the recitals.

m. **"Order**" means an order executed by Hyatt and Owner during the term of this Agreement, setting forth the billing and payment terms for the Fees.

n. "**PCI DSS**" means the current Payment Card Industry Data Security Standards.

o. "**Property Management System**" means the software specified in the License Agreement.

p. "**Services**" means all tasks and services to be performed by Hyatt hereunder and described in Schedule 1.

q. "**Term**" has the meaning assigned to it in Section 5 hereof.

r. "**Third Party Software**" means any software that is proprietary to a third party and that is installed and maintained on the Hosted Hardware or otherwise used in connection with the provision of the Services but does not include the Property Management System.

3. Data Ownership.

Hyatt and Owner acknowledge and agree that ownership and access rights for the data input into the Property Management System shall be as set forth in the Franchise Agreement.

4. Services

a. General. Schedule 1 specifies the Hosted System to be provided by Hyatt in connection with the performance of the Services hereunder. The Hosted System shall be installed at the Facility. As of and from the Effective Date and continuing throughout the Term, Hyatt will be responsible for daily management, monitoring, operation and maintenance of the Hosted System within the Facility, for the benefit of Owner and its Authorized Users, in accordance with the terms and conditions of this Agreement (with the exception of maintenance for the Property Management System which maintenance is governed by the License Agreement). Should such maintenance require a temporary disruption of any Services, Hyatt shall use commercially reasonable efforts to provide Owner two (2) weeks advance notice of such scheduled maintenance. The current maintenance schedule is set forth in Schedule 2. Hyatt shall update such schedule as applicable. Should any disruption be required outside of the agreed maintenance window (for example, for a critical incident), Hyatt shall provide Owner with prompt notice of such emergency maintenance. Hyatt will make every commercially reasonable effort to make any such disruptions as brief as possible and to schedule any such disruptions during the scheduled maintenance window.

b. Hotel Environment. Owner acknowledges and agrees that the performance of the Services may be dependent upon Owner providing, at its sole cost and expense, all of the elements of the Hotel Environment. Owner waives any claims including but not limited to warranty claims against Hyatt, to the extent arising from Owner's failure to provide a hardware and software environment that complies with the Hotel Environment requirements.

c. Restrictions. Owner may only use the Hosted System and Services for Owner's business at the Property. Owner will not make any representations or warranties on behalf of Hyatt that are inconsistent with the terms of this Agreement. Owner's failure to use the Property Management System, Third Party Software, Hosted Hardware, Hosted System, or Services shall not relieve Owner of any of its obligations hereunder, including without limitation payment obligations. Owner may not loan, rent, lease, resell, transfer, convey, assign or license the Services to any other party or sell information services to other parties through the use of the Property Management System, Hosted Systems or Service, whether in the form of a service bureau, reservation center, or other information processing entity.

d. Personnel. Services may be rendered by an employee or subcontractor of Hyatt or its Affiliate who (a) is not solely dedicated to the Property, and may perform similar services for other hotels; (b) may perform Services at the Property or off-site; and (c) will conform to the reasonable rules and regulations of the Property when on Property premises.

5. Term.

This Agreement is effective upon the Effective Date, and shall expire twelve (12) months from the Effective Date (the "**Initial Term**"), unless sooner terminated in accordance with the terms hereof. Thereafter, this Agreement shall automatically renew for successive 12-month renewal periods (each, a "**Renewal Term**" and, together with the Initial Term, the "**Term**") unless written notice of termination is provided by either Party to the other Party at least ninety (90) days prior to the expiration of the Initial Term or the then-applicable Renewal Term.

6. Payments and Terms.

a. Payment. In consideration of the Services to be provided by Hyatt to Owner under this Agreement, Owner shall pay Hyatt the Fees in accordance with the applicable Order. Unless otherwise expressly set forth in the applicable Order, all Fees will be invoiced and payable in U.S. Dollars. If Owner fails to make any payment when due then, in addition to all other remedies that may be available, Hyatt may charge interest on the past due amount at the rate of 1.5% per month calculated daily and compounded monthly or, if lower, the highest rate permitted under applicable law.

b. Fee Guidance. The fee for the Services is intended to cover the costs for Hyatt to provide the Services. The fee for such Services will be calculated in the same manner as the fee charged to hotels managed by a Hyatt Affiliate that are receiving similar services.

7. Warranties.

a. Hyatt represents and warrants to Owner as follows:

i. that it has the full right, power and authority to enter into this Agreement and that Hyatt's entering into this Agreement shall not result in a breach of or constitute a default under any agreement or instrument to which it is a party;

ii. Hyatt shall comply with all applicable laws, enactments, orders and regulations in connection with the performance of its obligations hereunder;

iii. all performance under this Agreement by Hyatt shall be in a professional, and workmanlike manner by appropriately qualified and experienced personnel, in accordance with industry standard practices and the provisions and requirements of this Agreement;

iv. Hyatt shall maintain compliance with the PCI DSS for the Hosted System, including the security of Cardholder Data that Hyatt stores, processes or transmits on behalf of the Owner; and

v. Hyatt shall implement a disaster recovery program and use commercially reasonable efforts to maintain such program.

b. Owner represents and warrants to Hyatt as follows:

i. it has the full right, power, and authority to enter into this Agreement and that Owner's entering into this Agreement shall not result in a breach of or constitute a default under any agreement or instrument to which it is a party;

ii. Owner shall comply with all applicable laws, enactments, orders and regulations in connection with the performance of its obligations hereunder; and

iii. Owner shall comply with standards and measures required under the PCI DSS regarding the collection, storage, use, processing and transfer of Cardholder Data and maintain the confidentiality and security of that Cardholder Data.

c. THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THOSE CONCERNING MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ACCURACY OR USE. WITHOUT PREJUDICE TO THE FOREGOING WARRANTIES OR ANY OF HYATT'S EXPRESS OBLIGATIONS UNDER THIS AGREEMENT, HYATT DOES NOT WARRANT OR GUARANTEE THAT THE HOSTED HARDWARE, PROPERTY MANAGEMENT SYSTEM, OR ANY OF THE SERVICES PROVIDED HEREUNDER WILL SATISFY OWNER'S REQUIREMENTS, OR THAT THE OPERATION OF SUCH WILL BE COMPLETELY UNINTERRUPTED OR COMPLETELY ERROR FREE.

8. Indemnity.

Hyatt and Owner's indemnification obligations in the Franchise Agreement are incorporated by reference into this Agreement.

9. Limitation of Damages and Disclaimers.

a. Indirect Damages. EXCEPT AS SET FORTH IN THE FRANCHISE AGREEMENT, NO PARTY WILL BE RESPONSIBLE TO THE OTHER PARTY OR ITS AFFILIATES FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT OR SPECIAL DAMAGES, INCLUDING LOST PROFITS, BUSINESS INTERRUPTION, OR PUNITIVE DAMAGES WHETHER ARISING FROM OWNER'S USE (OR INABILITY TO USE) OF THE HOSTED HARDWARE, PROPERTY MANAGEMENT SYSTEM, SUPPORT OR SERVICES PROVIDED HEREUNDER, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

b. Damages Cap. EXCEPT AS SET FORTH IN THE FRANCHISE AGREEMENT, IN NO EVENT SHALL ANY PARTY BE LIABLE IN RESPECT OF ANY EVENT OR SERIES OF CONNECTED EVENTS FOR ANY DAMAGES UNDER THIS AGREEMENT OR IN CONNECTION WITH THE RELATIONSHIP OF THE PARTIES HEREUNDER IN EXCESS OF AN AMOUNT EQUAL TO THE SUM OF ALL FEES AND CHARGES DUE HEREUNDER, WHETHER OR NOT PAID BY OWNER FOR THE 12 MONTHS PERIOD PRIOR TO THE RELEVANT EVENT OR SERIES OF EVENTS. WITHOUT LIMITING HYATT'S EXPRESS OBLIGATIONS HEREUNDER, HYATT SHALL NOT BE RESPONSIBLE FOR AND DISCLAIMS ANY LIABILITY ASSOCIATED WITH A THIRD PARTY'S FAILURE TO PROCESS CREDIT CARD TRANSACTIONS ON BEHALF OF OWNER.

c. Hotel Security. It is Owner's responsibility to have and maintain in place virus protection software and reasonable security for its on-site systems and on-site data, which such security include firewalls, passwords, physical security, access control policies, and the like. Owner acknowledges that the security of Property's facilities and protection of its own network and the data and applications on that network, including protections against unauthorized access, is solely and entirely Owner's responsibility. Owner acknowledges that, to be effective, virus protection software, system passwords, and other security software require periodic updates, which Owner must obtain from its supplier or the manufacturer, as appropriate. Support or services hereunder necessitated by viruses introduced by Owner or its Affiliate or a third party, or by any failure or breach of Owner's security for its systems or data (not including breaches of the security of the Services or Hosted Hardware), including, without limitation, damage caused by hackers or persons lacking authorized access, is not covered, and will be supplied only upon request and on a reasonable efforts basis, on a time and material basis. Owner waives any claims against Hyatt to the extent arising from Owner's failure to have or maintain current virus protection, or to the extent arising from a failure or breach of Owner's security for its own systems. Hyatt will use commercially reasonable efforts to secure the environment from unauthorized access, which shall be no less than the efforts it takes to secure its own environment.

d. Communications. Owner will be responsible for installing and bearing the cost of all communications necessary to access the Property Management System from Owner's facilities, and implementing and maintaining any necessary or desired security for the communication process. Hyatt expressly disclaims any responsibility for or liability or problems resulting from Owner's choice of a communications service provider and any matters directly relating to Owner's connectivity or transmission of data to or from the Facility.

e. Access to Data. Owner acknowledges that its ability to access its data may be adversely affected by problems with its Internet or Owner private network provider connectivity and any mutually agreed upon scheduled maintenance outages.

10. Termination.

a. Termination by Hyatt. Notwithstanding any minimum agreed term, Hyatt may, by written notice to Owner, terminate this Agreement: (i) upon any material breach by Owner which such material breach is not remedied within thirty (30) days of written notice to Owner setting out the nature of such breach and requiring its remedy; (ii) upon the termination of the License Agreement in accordance with its terms; or (iii) at any time for any reason or no reason upon thirty (30) days written notice to Owner.

b. Termination by Owner. Owner may terminate this Agreement: (i) upon any material breach by Hyatt which such material breach is not remedied within thirty (30) days of written notice to Hyatt setting out the nature of such breach and requiring its remedy; or (ii) without cause upon six (6) months' notice to Hyatt.

c. Termination for Assignment. This Agreement shall automatically terminate upon any Flag Change by Owner. For purposes of this clause, "**Flag Change**" means any termination of Hyatt's franchise relationship with Owner or any change resulting in the Property ceasing to be under a management, franchise or similar agreement with a direct or indirect subsidiary of Hyatt Hotels Corporation.

d. Effect of Termination of Agreement. Upon termination or expiration of this Agreement:

i. Owner shall immediately cease using the Services and Hyatt shall cease providing Services to Owner under this Agreement;

ii. Upon termination, Owner shall pay all Fees for Services provided up to the expiration/termination date.

iii. The Parties agree that Sections that by their nature, or to give effect to their meaning, must survive expiration or termination of this Agreement, shall survive any expiration or termination of this Agreement.

11. Facility. Hyatt or its Affiliate may move the Facility to another location at any time, provided in the event the new location is in a different country than the prior location, Hyatt shall notify Owner in writing of the intended move as far in advance thereof as is reasonably practicable under the circumstances (but in no event less than ninety (90) days in advance). Any relocation or moving of the Facility shall be conducted with the least disruption feasible upon Owner or any Authorized Users. Hyatt shall not be responsible to Owner for any such additional or incremental costs and expenses incurred by Owner, or any of its respective third-party service-providers or other business associates.

12. No Assignment. Owner may not assign or transfer this Agreement or its rights and obligations hereunder, without the prior written consent of Hyatt. Any unpermitted assignment shall be null and void. Hyatt reserves the right at any time to transfer or assign this Agreement, or a portion thereof, without notice or consent.

13. Force Majeure. Neither Party shall be responsible for delay in performance resulting from events beyond its reasonable control and that were not avoidable through the exercise of due care, which shall include but not limited to acts of God, fire, earthquakes, war, civil unrest, accident, power fluctuations or outages, telecommunication fluctuations, outages or delays, utility failures, mechanical defects or other events beyond the control of a Party.

14. Independent Contractor. Hyatt is an independent contractor and all persons employed to furnish Services hereunder are employees or subcontractors of Hyatt and not of Owner.

15. Incorporation of Franchise Agreement Provisions. Articles XIV, XVII and XVIII of the Franchise Agreement, entitled Dispute Resolution (including, but not limited to Arbitration), Notices and General, respectively, are incorporated by this reference into this Agreement.

16. Binding. This Agreement shall inure to and bind the successors, assigns and representatives of the parties.

[signature page follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

HYATT FRANCHISING, L.L.C.

By: _____

Name:

Title:

Date: _____

[Insert Name of Franchisee]

By: _____

Name: _____

Title: _____

Date: _____

LIST OF SCHEDULES

Schedule 1	Hosted System and Services
Schedule 2	Maintenance Schedule
Schedule 3	Fees

Schedule 1

HOSTED SYSTEM AND SERVICES

HOSTED SYSTEM

OPERA Property Management System (PMS)
Applicable Property Interfaces

SERVICES

Hyatt shall be responsible for:

(i) Installation of the Hosted Hardware at the Facility.

(ii) Hosting and monitoring of the Property Management System.

(iii) Hosting, monitoring, maintenance and support of the Third Party Software, and the Hosted Hardware.

(iv) For clarity, with regard to the Hosted System: (i) scheduled maintenance; (ii) security and intrusion detection; and (iii) event reporting.

All Hosted Hardware shall be continually monitored and managed by Hyatt on a 24 x 7 x 365 basis.

As between Owner and Hyatt, all connectivity from the Owner's network to the Hosted System components in the Facility is the sole responsibility of Owner. All connectivity within the Facility is the sole responsibility of Hyatt. Owner's primary point of contact for support with respect to the Property Management System shall be Oracle, unless Owner is located in a region where Oracle does not provide support, in which case Owner's primary point of contact for such support shall be Oracle's designated support partner. If Owner is not able to obtain support from Oracle (or an Oracle designated support partner, as applicable), Owner may open a support ticket with the Hyatt Service Desk.

Schedule 2

MAINTENANCE SCHEDULE

Hyatt's maintenance schedule is subject to change. Emergency maintenance may be performed at any time. Hyatt's current maintenance schedule for scheduled and non-emergency maintenance is as follows:

Maintenance Task Calendar

The calendar below highlights the days when maintenance tasks may occur during the month.

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Color	Description
Green	Available for scheduled maintenance.
Yellow	Prior to performing any scheduled maintenance, additional discretion will be applied in order to avoid impact to business on these days.

Schedule 3

FEES

The fee for the Services is a portion of and included in the System Services Charges (as defined in the Franchise Agreement). The fee for the Services will fluctuate monthly, subject to Section 6b of this Agreement.

EXHIBIT K

COMFORT LETTER

150 North Riverside Plaza
Chicago, IL 60606

Tel: 312.750.1234

_____, 2025

[Lender Name]
[Street Address]
[City, State ZIP]
Attention: [Contact Name]
E-mail: [Contact Email]

Re: Franchise Agreement dated as of _____ (the "**Franchise Agreement**"), by and between Choose an item., L.L.C., a Choose an item. limited liability company ("**Hyatt**"), and _____, a _____ ("**Franchisee**").

Dear Sir or Madam:

Reference is made to the Franchise Agreement pursuant to which Franchisee operates or will operate the Choose an item. Hotel located at [Hotel Address] (the "**Hotel**"). The arrangement represented by the Franchise Agreement is called the "Franchise." Franchisee has represented that (1) Franchisee and [Lender Name] ("**Lender**") have entered into, or are about to enter into, a loan agreement pursuant to which the Hotel will secure certain indebtedness owed by Franchisee to Lender, which indebtedness will be evidenced by a promissory note made by Franchisee in favor of Lender (together with the other loan documents evidencing or securing such indebtedness, as amended, restated or otherwise modified from time to time, the "**Loan Documents**") and (2) that the loan proceeds will be used for the direct benefit of the Hotel. Franchisee and Lender have requested that Hyatt enter into this letter agreement (this "**Comfort Letter**"). Franchisee or Lender shall pay to Hyatt a fee in the amount of Two Thousand Five Hundred Dollars ($2,500) in connection with this Comfort Letter, prior to or simultaneous with its execution. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Franchise Agreement.

Hyatt, Franchisee, and Lender agree as follows:

1. While Lender has a valid first mortgage on the Hotel during the term of the Franchise Agreement, Hyatt agrees to use commercially reasonable efforts to (a) give Lender thirty (30) days prior written notice of any voluntary surrender by Franchisee of the Franchise (to the extent that Hyatt is aware in advance of any such voluntary surrender) and (b) furnish Lender with copies of default notices sent by Hyatt to Franchisee. In the event of a default by Franchisee under the Franchise Agreement Hyatt shall allow Lender thirty (30) days from the date of any such notice to cure or cause to be cured the default(s) specified in such notice. If such default is of a non-

monetary nature and cannot be cured within said thirty (30) day period by reason of the time necessary for Lender to exercise its rights and remedies pursuant to the Loan Documents or applicable law, then Lender shall have such additional period of time, as is reasonably necessary to complete the exercise of its rights and remedies, provided that Lender proceeds with and continues to cure such non-monetary default and exercise of remedies with due diligence, but in no event shall such period exceed one hundred and eighty (180) days following notice to Lender. Notwithstanding any of the foregoing, in the event of a health or life safety default, the cure period shall be three (3) days. In addition, Lender does not have the ability to cure the following defaults by Franchisee: bankruptcy, assignment for the benefit of creditors, appointment of a receiver, breach of restrictions on Control Transfers, or breach of Trade Restriction Laws, but foreclosure of Lender's mortgage by Lender shall constitute curing of such defaults solely for the purpose of this Comfort Letter and commencement of foreclosure proceedings shall constitute commencement of cure solely for the purpose of this Comfort Letter; provided, however, if Lender petitions for the appointment of a receiver, Lender (y) shall not, during the term of the receivership, consent to a sale or transfer of the Hotel to a third party unless Hyatt has approved the transferee in accordance with Section 12.4 of the Franchise Agreement and (z) any receiver must be authorized to operate the Hotel in accordance with the Franchise Agreement and meet Hyatt's reasonable requirements for operators of Hyatt-affiliated hotels. For the avoidance of doubt, Lender is not required to cure any default by Franchisee under the Franchise Agreement except as set forth below in connection with an Acquisition.

2. Lender acknowledges and agrees that if Lender should acquire the Hotel through foreclosure, conveyance in lieu of foreclosure, or any similar transaction (an "**Acquisition**") while the Franchise Agreement is in full force and effect, it shall become obligated to perform under the Franchise Agreement as the franchisee. In order to effectuate such obligation, within thirty (30) days following such Acquisition and in any event prior to any subsequent sale of the Hotel by Lender, Hyatt and Lender shall, at Hyatt's option, either (a) sign an assignment and assumption agreement in a form that Hyatt reasonably specifies under which Lender shall take an assignment of and assume all of Franchisee's rights and obligations under the Franchise Agreement, or (b) enter into a new franchise agreement to operate the Hotel for a term equal to Franchisee's remaining term of the Franchise Agreement in accordance with Hyatt's then prevailing standards, rates, requirements, and terms; provided however that in either event (i) Lender shall not be charged any Application Fee (as same is described in Hyatt's then current Franchise Disclosure Document for prospective franchisees); (ii) Lender shall not be required to perform a renovation or upgrading of the Hotel (although Lender will be required to cure any quality deficiencies as shown on the most current quality inspection report and shall be subject to ongoing renovation or upgrading requirements that may be required by Hyatt in accordance with the Franchise Agreement, including but not limited to standard cycle renovations); (iii) Lender shall have no personal responsibility for the payment of liquidated damages or termination fees which Franchisee may be obligated to pay under the terms of the Franchise Agreement solely as a result of the Acquisition; (iv) Lender shall agree to cure any existing defaults under the Franchise

Agreement by Franchisee within the times specified by Hyatt and bring current all payments due and owing to Hyatt and its affiliated companies, except for any amounts specifically excluded under this Section 2; (v) Lender shall assume the obligation to repay Hyatt unamortized "key money," if any, as described in the Franchise Agreement, although any such amounts shall (if applicable) continue to amortize in the manner set forth in the Franchise Agreement; and (vi) as soon as is practicable but in no event later than thirty (30) days following such Acquisition, Lender shall appoint an agent or management company to operate the Hotel and such agent or management company must (x) be approved in writing by Hyatt; (y) meet Hyatt's then current requirements for such agents or management companies, including by signing such agreements and other documents as Hyatt periodically specifies; and (z) cause the Hotel's general manager and other personnel (if different from the Hotel personnel in place prior to the Acquisition) to complete Hyatt's then current training requirements in accordance with the Franchise Agreement.

Notwithstanding the foregoing, Hyatt acknowledges and agrees that an Acquisition by Lender shall not be subject to any right of first refusal or right of first offer contained in the Franchise Agreement, and Lender acknowledges and agrees that Hyatt may refuse to enter into a franchise agreement with Lender pursuant to this Section 2 if Lender fails to comply with the requirements of Section 3 below within the times provided therein or if Lender is a Competing Brand Owner or Hyatt is prohibited from transacting with Lender under any Trade Restriction Law, in which case Hyatt shall provide notice to Lender of such refusal and of the termination of the Franchise Agreement as a result.

3. Lender agrees:

(a) to provide Hyatt with written notice at least twenty (20) days in advance of: (i) the commencement of any proceedings by Lender regarding an Acquisition of the Hotel; (ii) the petition by Lender for appointment of a receiver, or to obtain the entry of an order for relief or take any action under federal or state bankruptcy laws or similar laws with regard to the Hotel; (iii) the acceptance by Lender of a conveyance of the Hotel in lieu of foreclosure; or (iv) Lender taking ownership or possession of the Hotel in any manner; and

(b) to notify Hyatt in writing of the commencement by another party of foreclosure proceedings or the filing of an action for the appointment of a receiver or petition for relief under state or federal bankruptcy laws, within thirty (30) days after Lender's notice of commencement of such proceedings.

4. Except as set forth in paragraphs 5 and 6 below, this Comfort Letter and the rights hereunder are not assignable by Lender or Franchisee, and neither Lender nor Franchisee has any right or authority to sell, transfer, or assign, or in any manner convey to any third party the Franchise Agreement or any rights under this Comfort Letter, except as provided in the Franchise Agreement. If a third party should become the owner of the Hotel, that third party may apply to

Hyatt for a new franchise to operate the Hotel, and such application shall be considered in accordance with the same standards by Hyatt with respect to other franchise applications unless otherwise required by law.

5. Lender may assign the Comfort Letter to any subsequent holder or holders of all or any portion of the Loan Documents (the "**Assignee**") without Hyatt's consent; provided that the Assignee (a) is a commercial bank, investment bank, pension fund, finance company, insurance company, trustee in a securitization or other financial company, or other financial institution or such other type of established organization (so long as such established organization is not a Competing Brand Owner or does not exclusively lend to a Competing Brand Owner) primarily engaged in the business of making or holding loans and any fund or trust managed or serviced by any of the foregoing and (b) does not own, directly or indirectly, any equity interest in Franchisee or its constituent owners; provided further that upon the sale or transfer of the Loan Documents, Lender pays to Hyatt a processing charge of $7,500 and that promptly upon the sale or transfer of the Loan Documents to the Assignee, Lender, Assignee, and Franchisee shall execute and deliver to Hyatt an assignment and assumption agreement of this Comfort Letter (the "**Assignment**"), and provided further that, in the event there is more than one Assignee, such Assignees shall have (y) designated one representative to receive notices, negotiate on behalf of and bind each such Assignee in connection with this Comfort Letter and any Assignment thereof, and (z) acknowledged that Hyatt shall be entitled to rely on such designation and deal solely with such representative without the necessity of notifying, negotiating with, or obtaining the consent of, each such Assignee.

6. The rights and obligations which accrue to Lender under this Comfort Letter upon an Acquisition shall also accrue to any wholly-owned subsidiary or commonly controlled affiliate of Lender that takes title to the premises by Acquisition, and Lender guarantees all obligations to Hyatt of such subsidiary. For avoidance of doubt, Lender's obligations under this Comfort Letter shall also apply to and bind any designee of Lender who acquires the Hotel or its premises through an Acquisition.

7. All notices required under this Comfort Letter shall be in writing, sent by certified mail, return receipt requested, or by Federal Express or other express service and addressed, if to Lender, to [Lender Address], Attention: [Lender Contact Name], if to Hyatt, to Hyatt Choose an item., L.L.C., 150 North Riverside Plaza, Chicago, Illinois 60606, with a copy via e-mail to office.of.general.counsel@hyatt.com, and if to Franchisee, [Franchisee Address], Attention: [Franchisee Contact Name]. Any notice sent pursuant to this Comfort Letter shall be deemed to be given three (3) days after mailing or on the day of delivery by hand.

8. By its signature below, Franchisee acknowledges that this Comfort Letter was provided to Lender at Franchisee's request and in consideration thereof, Franchisee hereby (i) releases Lender and Hyatt, as well as each of their respective subsidiaries, parents, divisions,

successors, assigns, heirs and representatives, including but not limited to their respective employees, agents, officers, directors and owners, of and from any and all actions, causes of action, suits, claims, demands, contingencies, debts, accounts and judgments whatsoever, at law or in equity, whether known or unknown, arising from the exercise by Lender or Hyatt (as applicable) of any of the rights granted hereunder and the recognition and compliance with such exercise by Hyatt or Lender (as applicable) and (ii) agrees that Hyatt may discuss with Lender or its designee the status of the Hotel, the Franchise Agreement, or any matter to which Lender or Hyatt is entitled to notice under the terms of this Comfort Letter or the Franchise Agreement.

9. The provisions of this Comfort Letter are not intended to, and do not in any way, alter, modify or amend the Franchise Agreement as between Hyatt and Franchisee.

10. It is further acknowledged and agreed that Hyatt shall be entitled to rely upon any written notice or request by Lender made pursuant to the provisions hereof without requirement of necessitating the accuracy or authenticity of such written notice or any facts or allegations contained therein. Lender shall notify Hyatt promptly upon the satisfaction or cancellation of Lender's mortgage on the Hotel.

11. Lender's rights under this Comfort Letter shall terminate if Lender has been taken over in any manner by any state or federal agency or is in a receivership, conservatorship, reorganization, or liquidation, or Lender or any of its officers or directors have entered into or are subject to a cease and desist order or any other formal or informal written agreement with a federal or state regulatory agency.

12. This Comfort Letter may be executed in multiple counterparts and by .pdf or facsimile transmission, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument. An executed copy will be returned to both Lender and Franchisee.

[*Signature pages follow*]

HYATT Choose an item.**, L.L.C.**
a Choose an item. **limited liability company**

By:_____
Name:_____
Title:_____

FRANCHISEE

[FRANCHISEE NAME]
[state/entity]

By:_____
Name:_____
Title:_____

LENDER

[LENDER NAME]
[state/entity]

By:_____
Name:_____
Title:_____

EXHIBIT L

CENTRAL HOTEL SERVICES BY HYATT

MASTER AGREEMENT

CENTRAL HOTEL SERVICES BY HYATT
MASTER AGREEMENT

This version is only for use with franchised locations in the U.S., Canada & the islands of the Caribbean

THIS CENTRAL HOTEL SERVICES BY HYATT MASTER AGREEMENT (**"Agreement"**) is made as of the date of full execution (**"Agreement Effective Date"**), by and between [Insert Owner's Contracting Entity] (**"Owner"**) and Hyatt Corporation located at 150 North Riverside Plaza, Chicago, Illinois 60606 (**"Hyatt"**).

WITNESSETH:

WHEREAS, Owner owns a property known as [Insert Hotel Name] located at [Insert Owner Address] (**"Property"**), and the Property is operated pursuant to a franchise agreement with Hyatt or its affiliate (as it may be amended, **"Franchise Agreement"**);

WHEREAS, Owner has requested that Hyatt provide certain Services, as defined below, to Owner in connection with the Property, pursuant to one or more of the following programs offered by Hyatt to Hyatt branded and affiliated hotels: the Field Marketing Program, the Central Sales Services Program, the Revenue Management Services Program, the Global Property Guest Services Program, the Digital Ancillary Services Program, or any similar program offered by Hyatt in the future (each individually, a "**Program**" and collectively, the "**Programs**"); and

WHEREAS, Hyatt has agreed to provide such Services according to the terms and under the conditions set forth herein and any Schedules attached hereto.

NOW, THEREFORE, the parties hereby mutually agree as follows:

1. Amended and Restated; Term / Termination.[1]

This Agreement shall be effective as of the Agreement Effective Date and shall continue in full force and effect until expiration and/or termination of the Franchise Agreement, unless earlier terminated in accordance with the terms and conditions of this Agreement ("**Agreement Term**"). Any Services (defined below) provided pursuant to a Schedule to this Agreement (defined below) shall commence as of the effective date(s) set forth therein ("**Service Effective Date**"), and shall continue until expiration or termination of such Schedule, or the sooner expiration of this Agreement or the Franchise Agreement, subject to subsection 1.b. below.

This Agreement may be terminated as follows:

a. Hyatt may terminate the Agreement for any reason or no reason by notifying Owner in writing at least days ninety (90) days in advance.

b. This Agreement shall automatically terminate if the Franchise Agreement expires or is terminated and Owner does not enter into a franchise agreement, hotel management agreement or hotel services agreement with Hyatt or its affiliate such that the Property

[1] If needed: The parties acknowledge and agree that Owner may have previously entered into a similar agreement with Hyatt for any of the Programs. As of the Agreement Effective Date, the parties agree that this Agreement shall supersede and replace any previous agreement related to such Program.

continues to operate under a Hyatt brand or Hyatt affiliation immediately following such termination; and

c. If either party commits a material breach of any provision of this Agreement and has failed to cure such breach within ten (10) days of receiving written notice, the other party may terminate this Agreement immediately upon written notice.

Upon termination of this Agreement, Owner shall remit to Hyatt payment for Services rendered through the effective date of termination pursuant to any applicable Schedule.

2. Services.

During the Agreement Term, and in exchange for payment of the Fees described in this Agreement, Hyatt (or any authorized designee) shall provide the Property with certain "**Services**", as more specifically outlined in any of the Field Marketing Program Schedule, Central Sales Services Schedule, Revenue Management Services Schedule, Global Property Guest Services Schedule, Digital Ancillary Services Schedule, or schedule for any similar program offered by Hyatt in the future attached hereto (each individually, a "**Schedule**", and collectively the "**Schedules**"), and any and all Services provided by Hyatt under this Agreement shall be set forth in such a written Schedule attached to this Agreement. Hyatt may update the Services and related prices attached to any Schedule at any time by providing the Property an updated applicable attachment to such Schedule ("**Updated Services Schedule**"), which may be provided electronically via email or by posting to any intranet for Hyatt branded or affiliated hotels. For the avoidance of doubt, an Updated Services Schedule shall have no effect on any Services or Schedules provided under this Agreement other than the Services referenced in the Updated Services Schedule. Notwithstanding the foregoing, Owner understands and acknowledges that the Fees and Services are typically updated annually, and the initial Schedules attached hereto may not reflect Hyatt's then-current pricing or exact service benefits on the Service Effective Date. Owner agrees to be responsible for the Fees set forth on Hyatt's then-current applicable Schedules as of the Service Effective Date, and any subsequently updated Fees as listed on an Updated Services Schedule. Notwithstanding Hyatt's provision of the Services, Owner is solely responsible for all decisions relating to the field marketing, sales, revenue management, merchandising and other aspects of the day-to-day control of the Property's operations. Hyatt reserves the right to suspend Services under any applicable Schedule if Owner has failed to timely pay or perform any of its obligations under this Agreement or any applicable Schedule for so long as Owner's failure to pay or perform continues.

3. Personnel.

Services may be rendered by an employee or subcontractor of Hyatt or its affiliate who (a) is not solely dedicated to the Property and may perform similar services for other Owners; (b) may perform Services at the Property or off-site; and (c) will conform to the reasonable rules and regulations of the Property when on Property premises.

4. Fees.

In consideration of the Services, Owner agrees to pay Hyatt the fees at the rates set forth in the applicable Schedule(s) attached to this Agreement, or the then-current Updated Services Schedule, as applicable ("**Fees**"). Hyatt hereby discloses that fees set forth in any Schedule or an Updated Services Schedule may include a profit component, not to exceed a competitive amount. All amounts invoiced by Hyatt or its affiliates pursuant to this Agreement shall be payable on a "net" basis. Without limiting the

generality of the foregoing, if under applicable laws, Owner is required to withhold or Hyatt is required to pay any taxes and/or levies assessed by any third party on Hyatt or any of its affiliates as a recipient, including, but not limited to, sales taxes and withholding tax, and also any similar taxes that can replace or append the existing taxes, the amount payable to Hyatt and/or its affiliates by Owner shall be increased in such a manner that the net amount received after withholding or payment of all such taxes or levies shall be equal to the amount which Hyatt and/or its affiliates would have otherwise been entitled to invoice under the terms of this Agreement in the absence of any such taxes, levies or deductions.

5. Feedback.

If Owner provides Hyatt with information, ideas, or feedback regarding the Services ("**Feedback**"), Owner hereby grants Hyatt a perpetual, irrevocable, royalty-free, worldwide, sublicensable and transferrable right and license to use, reproduce, disclose, distribute, modify and otherwise exploit such Feedback without restriction. Section 5 shall survive termination or expiration of this Agreement.

6. Confidentiality.

a. Each party (a **"Receiving Party"**) acknowledges that it and its employees, subcontractors or agents may, in the course of satisfying its obligations hereunder, be exposed to or acquire information that is proprietary to or confidential to the other party (a **"Disclosing Party"**). Any and all confidential information of any form obtained by a Receiving Party or its employees, subcontractors or agents in the performance of the Services or the satisfaction of such party's obligations hereunder, including but not limited to the financial terms of this Agreement, product and business plans, unpublished financial information, trade secrets, know-how and information regarding processes, information regarding customers, information concerning both successful and unsuccessful tests and ideas and technologies, and any reports, materials, program materials, software, flowcharts, notes, outlines and the like, used, created or developed by Hyatt or its affiliates in connection herewith ("**Work Product**") shall be deemed to be the confidential and proprietary information (**"Confidential Information"**) of the Disclosing Party. The Receiving Party agrees (i) to hold all Confidential Information in strict confidence; (ii) to disclose Confidential Information only to employees of the Receiving Party who have a need to know such Confidential Information and who are advised to hold such Confidential Information in strict confidence; and (iii) not to copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give or disclose such Confidential Information to third parties, or to use such Confidential Information for any purposes whatsoever other than in connection with the Receiving Party's performance under this Agreement. Notwithstanding anything in this Agreement, the Receiving Party shall not copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give or disclose the Disclosing Party's Confidential Information to a competitor of the Disclosing Party without the prior written consent of the Disclosing Party. In addition, Owner acknowledges it does not have right, title, interest or copyright in any Work Product or Hyatt Confidential Information, nor any license to use, sell, exploit, copy or further develop such Work Product or Confidential Information. This provision will survive the expiration or earlier termination of this Agreement.

b. Confidential Information shall exclude all information, which (a) is at the time of disclosure, or thereafter becomes, a part of the public domain through no act or omission of the other party, its employees or agents; (b) was in the other party's possession as shown

by written records prior to the disclosure and had not been obtained by such party either directly or indirectly from the Disclosing Party; (c) is hereafter disclosed to the other party by a third party who did not acquire the information directly or indirectly from the Disclosing Party hereunder; or (d) was independently developed by the other party without use of the Confidential Information, as evidenced by written records.

7. Compliance with Laws.

In performing the Services, Hyatt will, at its expense, fully comply with all applicable federal, state and/or local laws, rules, regulations and ordinances.

8. Insurance.

Owner shall maintain insurance as set forth in the Franchise Agreement. To the extent the Franchise Agreement does not address Owner's insurance obligations, Owner shall procure and at all times during the term of this Agreement maintain such insurance covering the risks, in the amounts, and with the deductibles, retentions and other provisions, as reasonably designated by Hyatt from time to time for recipients of the Services, including but not limited to advertising liability and contractual liability coverage in a minimum amount of $2,000,000.00 per occurrence or the then-current minimum coverage amount designated by Hyatt. All insurance must by endorsement specifically name Hyatt and its Affiliates (and Hyatt's and their employees and agents) as additional insureds. Owner must purchase each policy from an insurance company reasonably acceptable to Hyatt. Either the insurer or Owner must provide at least thirty (30) days' prior written notice to Hyatt of any insurance policy's cancellation, non-renewal or material change. Owner must deliver to Hyatt a certificate of insurance (or certified copy of such insurance policy if Hyatt requests) evidencing the required coverages and setting forth the amount of any deductibles not less than ten (10) days after their respective inception dates. If Owner fails for any reason to procure or maintain the insurance required by this Agreement, Hyatt shall have the right and authority (although without any obligation to do so) to procure such insurance and to charge Owner the cost together with a reasonable fee for Hyatt's expenses. Section 8 shall survive termination or expiration of this Agreement.

9. Indemnification and Limitation of Liability.

a. IF ANY, HYATT'S INDEMNIFICATION OBLIGATIONS IN THE FRANCHISE AGREEMENT ARE INCORPORATED BY THIS REFERENCE INTO THIS AGREEMENT.

b. IF ANY, OWNER'S INDEMNIFICATION OBLIGATIONS IN THE FRANCHISE AGREEMENT ARE INCORPORATED BY THIS REFERENCE INTO THIS AGREEMENT.

c. EXCEPT IN FULFILLMENT OF ANY INDEMNIFICATION OBLIGATIONS, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS OR LOSS OF USE DAMAGES) ARISING OUT OF THE SERVICES OR ANY OBLIGATIONS UNDER THIS AGREEMENT, WHETHER SUCH CLAIM IS BASED UPON BREACH OF CONTRACT, BREACH OF WARRANTY, TORT (INCLUDING NEGLIGENCE) OR ANY OTHER LEGAL THEORY, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR LOSSES. EXCEPT IN FULFILLMENT OF

ANY INDEMNIFICATION OBLIGATIONS, EACH PARTY'S LIABILITY UNDER THIS AGREEMENT WILL BE LIMITED TO AND WILL NOT EXCEED THE SUM WHICH EQUALS THE FEES PAID TO HYATT UNDER THIS AGREEMENT.

d. SECTION 9 SHALL SURVIVE TERMINATION OR EXPIRATION OF THIS AGREEMENT.

10. Independent Contractor.

Hyatt is an independent contractor and all persons employed to furnish Services hereunder are employees or subcontractors of Hyatt or its affiliates and not of Owner.

11. Incorporation of Franchise Agreement Provisions.

The article entitled Dispute Resolution and the sections entitled Notices, and Governing Law of the Franchise Agreement (if any and even if identified differently) are incorporated by this reference into this Agreement. Capitalized terms used herein shall have the meanings ascribed to them in this Agreement or in any Schedules attached hereto, as may be updated or supplemented by Hyatt in writing from time to time. All other capitalized terms used but not defined herein shall have the meanings ascribed to them in the Franchise Agreement and are incorporated herein by reference.

12. Force Majeure.

Neither party shall be liable to the other for any loss or damage due to delays or failure to perform hereunder resulting from events beyond the reasonable control of such party, including without limitation acts of God, action by any governmental entity, pandemic, fire, flood, telecommunication failures or labor disputes ("Force Majeure Event"). In the event that a Force Majeure Event prevents Hyatt from delivering the Services for a period of more than thirty (30) days, either party shall have the right to terminate this Agreement upon notice to the other party.

13. Binding/Assignment.

Except in the event of termination of this Agreement as set forth in Section 1, this Agreement shall inure to and bind the successors, assigns and representatives of the parties. Owner shall not assign this Agreement, except to an affiliate, without the prior written approval of Hyatt. Hyatt may assign this agreement, including to any of its affiliates, without the prior consent of Owner.

14. Entire Agreement.

This contains the entire agreement between the parties, and supersedes any prior agreement, promises and understandings between them, concerning the subject matter hereto. No representations, promises or agreements, oral or otherwise, not embodied herein, shall be of any force or effect.

15. Execution / Amendment of Agreement.

This Agreement may be executed in separate counterparts, each of which, when fully executed, shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered via electronic transmission (including PDF) with the same force

and effect as if it were executed and delivered by the Parties simultaneously in the presence of one another. This Agreement may be amended only by a written or electronic instrument signed by the parties hereto.

16. Schedules.

This Agreement shall prevail over any inconsistent terms in any Schedule attached hereto.

17. Headings.

The headings in this Agreement are for convenience only and do not affect any provision hereof.

IN WITNESS WHEREOF, the parties executed this Agreement as of the Agreement Effective Date.

[Insert Owner's Contracting Entity]	**Hyatt Corporation**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

FIELD MARKETING PROGRAM SCHEDULE
TO CENTRAL HOTEL SERVICES BY HYATT MASTER AGREEMENT

This Field Marketing Program Schedule ("**Schedule**") is made effective as of [INSERT DATE] ("**Schedule Effective Date**") subject to and part of the Central Hotel Services by Hyatt Master Agreement entered into by the parties listed in the signature block below. All capitalized terms not defined herein shall have the meaning ascribed to them in the Central Hotel Services by Hyatt Master Agreement or the Franchise Agreement, as applicable.

The Services under this Schedule shall be effective commencing on such date as Hyatt may designate in writing to Owner (email shall suffice) and, if no date is specifically designated by Hyatt in writing, then commencing on the first day of the first quarter that is at least thirty (30) days following the Schedule Effective Date ("**Service Effective Date**") and continuing until terminated in accordance with this section. From the Service Effective Date until this Schedule is terminated or until this Schedule is replaced with an Updated Services Schedule that sets forth new Services or Fees, each party shall fulfill its obligations hereunder. Owner acknowledges that Hyatt may update the Services and related prices at any time by providing the Property an Updated Services Schedule at least ninety (90) days in advance, which may be provided electronically via email or by posting to any intranet for Hyatt branded or affiliated hotels. Owner agrees to be responsible for any subsequently updated Fees as listed on an Updated Services Schedule.

This Schedule may be terminated as follows:

a. Either party may terminate this Schedule for any reason or no reason by notifying the other party in writing at least days ninety (90) days in advance. Notwithstanding the foregoing, in the event of termination by Owner pursuant to this subsection a. the effective date of such termination shall be no earlier than [Insert Date][2];

b. This Schedule shall automatically terminate if (i) the Franchise Agreement expires or is terminated and Owner does not enter into a franchise agreement, hotel management agreement or hotel services agreement with Hyatt or its affiliate such that the Property continues to operate under a Hyatt brand or affiliation immediately following termination, or (ii) the Central Hotel Services by Hyatt Master Agreement expires or is terminated; and/or

c. If either party commits a material breach of any provision of this Schedule and has failed to cure such breach within ten (10) days of receiving written notice, the other party may terminate this Schedule immediately upon written notice.

Upon termination of this Schedule, Owner shall remit to Hyatt payment for Services rendered through the effective date of termination.

[Signature Page to Follow]

[2] NTD: Delete this entire sentence if there is no term commitment being made by the hotel.

IN WITNESS WHEREOF, the parties executed this Schedule as of the Schedule Effective Date.

[Insert Owner's Contracting Entity]	**Hyatt Corporation**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

FIELD MARKETING PROGRAM SCHEDULE
TO CENTRAL HOTEL SERVICES BY HYATT MASTER AGREEMENT

SERVICES AND FEES ATTACHMENT – EFFECTIVE MARCH 2025

Choose an item.

1. **Services**. As part of Hyatt's Field Marketing Program, Hyatt or its designee shall provide the following services:

- **Digital Media Management and Budget Maintenance** – Hyatt Top-Up bid management Choose an item. and budget optimizations in Koddi.
- **SEO** – Provide ongoing tactics to increase website visibility and semi-annual performance review.
- **Agency Oversight** – Manager to join up to Choose an item. to provide strategic recommendations for paid media, outside of Top-Up, to include paid search, display and social media, including budget recommendations and performance review (only applicable if Property is working with a third party outside agency).
- **Social Media Guidance** – Provide general support and ongoing consultation and best practices to leverage in property-level social media management. There may be opportunities to pilot paid social tools and capabilities.
- **Destination + Email Marketing** – Opportunity for Property to be merchandized via local and/or regional promotions for select markets.
- **Strategy Calls** – Field Marketing to participate in up to Choose an item. to align on hotel strategy and marketing recommendations.
- **Ownership Support** – Manager to participate in up to (1) one ownership review Choose an item. (upon request/if applicable).
- **Reporting** – Field Marketing program manager to provide monthly property specific reporting to Hotel regarding Field Marketing performance.
- **Enhanced Content** – On-going site maintenance including management of the upload tool and Hyatt Brand Manager.
- **Merchandising** – Support of merchandising for property-specific offers including Field Marketing emails, destination landing pages, Personalization Engine, brand and loyalty incentives.
- **Third-Party Profiles** – Annual audit and maintenance of Google Business Profile including quarterly posts. Semi-annual audit of TripAdvisor and Yelp hotel profile only (does not include outlet profiles).
- **Additional Tier Level support**:
    - Choose an item. marketing strategy meetings
    - Monthly reporting
    - Choose an item. analysis
    - Choose an item. digital optimizations

2. **Fees**. Subject to section 4 of the Central Hotel Services Master Agreement, Property shall pay Choose an item. USD per month commencing on Service Effective Date.

CENTRAL SALES PROGRAM SCHEDULE
TO CENTRAL HOTEL SERVICES BY HYATT MASTER AGREEMENT

This Central Sales Program Schedule ("**Schedule**") is made effective as of [INSERT DATE] ("**Schedule Effective Date**") subject to and part of the Central Hotel Services by Hyatt Master Agreement entered into by the parties listed in the signature block below. All capitalized terms not defined herein shall have the meaning ascribed to them in the Central Hotel Services by Hyatt Master Agreement or the Franchise Agreement, as applicable.

The Services under this Schedule shall be effective commencing on such date as Hyatt may designate in writing to Owner (email shall suffice) and, if no date is specifically designated by Hyatt in writing, then commencing on the first day of the first quarter that is at least thirty (30) days following the Schedule Effective Date ("**Service Effective Date**") and continuing until terminated in accordance with this section. From the Service Effective Date until this Schedule is terminated or until this Schedule is replaced with an Updated Services Schedule that sets forth new Services or Fees, each party shall fulfill its obligations hereunder. Owner acknowledges that Hyatt may update the Services and related prices at any time by providing the Property an Updated Services Schedule at least ninety (90) days in advance, which may be provided electronically via email or by posting to any intranet for Hyatt branded or affiliated hotels. Owner agrees to be responsible for any subsequently updated Fees as listed on an Updated Services Schedule.

This Schedule may be terminated as follows:

a. Either party may terminate this Schedule for any reason or no reason by notifying the other party in writing at least days ninety (90) days in advance. Notwithstanding the foregoing, in the event of termination by Owner pursuant to this subsection a. the effective date of such termination shall be no earlier than [Insert Date][3];

b. This Schedule shall automatically terminate if (i) the Franchise Agreement expires or is terminated and Owner does not enter into a franchise agreement, hotel management agreement or hotel services agreement with Hyatt or its affiliate such that the Property continues to operate under a Hyatt brand or affiliation immediately following termination, or (ii) the Central Hotel Services by Hyatt Master Agreement expires or is terminated; and/or

c. If either party commits a material breach of any provision of this Schedule and has failed to cure such breach within ten (10) days of receiving written notice, the other party may terminate this Schedule immediately upon written notice.

Upon termination of this Schedule, Owner shall remit to Hyatt payment for Services rendered through the effective date of termination.

[Signature Page to Follow]

[3] NTD: Delete this entire sentence if there is no term commitment being made by the hotel.

IN WITNESS WHEREOF, the parties executed this Schedule as of the Schedule Effective Date.

[Insert Owner's Contracting Entity]	**Hyatt Corporation**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

CENTRAL SALES PROGRAM SCHEDULE
TO CENTRAL HOTEL SERVICES BY HYATT MASTER AGREEMENT

SERVICES AND FEES ATTACHMENT – EFFECTIVE MARCH 2025

1. **Services**. As part of Hyatt's Central Sales Program, Hyatt shall provide the following services (check all that apply):

Group Sales Management Services

☐ Select Service at Tier: Choose an item.

- Respond to incoming Group Leads & Referrals in assigned market
- Advance tentative group opportunities through the sales process to the contract phase
- Post Contract Operational Support - Build Blocks & Billing Support
- Detailing Definite Groups - Communicate Group needs to property
- Perform outreach to new and repeat clients

☐ Non-Select Service at Tier: Choose an item.

- Respond to incoming Group Leads and Referrals in assigned market
- Advance tentative group opportunities through the sales process to the contract phase
- Perform outreach to new and repeat clients

☐ **Lead Specialist Services at Tier**: Choose an item.

- Group Lead Response to client and proposal generation
- Checks sales funnel regularly and responds to assigned markets-Goal of decreased response time
- Daily Business Review (DBR) as needed for business that is outside the booking guidelines
- Submit transient RFPs via Cvent Transient
- Weekly Reporting (TENT Book Review)

☐ **Transient Sales Management at Tier**: Choose an item.

- Establish Negotiated Account Strategy and tactics to achieve goals
- Perform outreach to new and repeat clients
- Execute RFP Process
- Engagement with Business Travelers to build loyalty and encourage repeat business
- Deploy effective Distribution of new and existing volume accounts and groups
- Account Manage all existing account to build relationships as well as grow and steal market share

☐ **Central Director of Sales at Tier**: Choose an item.

- Research Property, competitors and market to understand current business landscape
- Establish Property Strategy and tactics to achieve goals

- Respond to incoming Group Leads & Referrals in assigned market
- Advance tentative group opportunities through the sales process to the contract phase
- Post Contract Operational Support – Build Blocks & Billing Support
- Detailing Definite Groups – Communicate Group needs to property
- Perform outreach to new and repeat clients
- Execute RFP Process
- Engagement with Business Travelers to build loyalty and encourage repeat business
- Deploy effective Distribution of new and existing volume accounts and groups
- Account Manage all existing account to build relationships as well as grow and steal market share

Administrative Support Services

☐ Select Service at Tier: Choose an item.

- Ensure leads from all sources are addressed promptly and accurately tracked in Envision
- Support Property with the drafting of contracts and addendums
- Build Group blocks & initial set up of group billing
- Load Transient rates and test sell for accuracy
- Monitor group production, cut off dates, attrition and rooming lists
- Provide Property leadership with reporting on sales funnel, target lists and performance

☐ Non-Select Service at Tier: Choose an item.

- Ensure leads from all sources are addressed promptly and accurately tracked in Envision
- Assign leads based on sales deployment
- Provide Property leadership with reporting on sales funnel and performance from Envision and Cvent

☐ **Sales Audit**

- Total evaluation of sales performance at Property including:
    - System Adoption
    - Response time to clients
    - Sales Process in place
    - Sales Strategy Established
- Presentation back to Property with findings and suggested area of opportunity and path forward

2. **Fees**. Subject to Section 4 of the Central Hotel Services Master Agreement, Property shall pay the Fees listed below based on the Services selected in Section 1 above.

Please note, lead volumes are targets and not guarantees.

Group Sales Management Services

Tier	Annual Lead Volume Target	Service Level	Monthly Fee
"Express"	0-250 lead target	Select	$1,750
1	250-500 lead target	Select	$3,500
2	501-1000 lead target	Select	$4,200
3	1001-1500 lead target	Select	$4,900
4	1501-2000 lead target	Select	$5,600
5	2001-2500 lead target	Select	$6,300
1	0-500 lead target	Non-Select	$3,850
2	501-1000 lead target	Non-Select	$4,550
3	1001-1500 lead target	Non-Select	$5,250
4	1501-2000 lead target	Non-Select	$5,950
5	2001-2500 lead target	Non-Select	$6,650

Lead Specialist Services

Tier	Annual Lead Volume Target	Meeting Space	Monthly Fee
1	0-500 lead target	<5K space	$1,000
2	501-1000 lead target	<5K space	$2000
3	501-1000 lead target	>5k space	$3,000
4	1001-1500 lead target	>5k space	$4,000
5	1501-2000 lead target	>5k space	$5,000
5+	+2,000 lead target	>5k space	Based on Lead Volume

Transient Sales Service

Tier	Annual Corporate Negotiation Room Nights Target	Monthly Fee
1	<5,000	$ 1,600
2	>5,000 - < 10,000	$ 2,400
3	> 10,000	$ 3,200

Central Director of Sales Service (Select Service Only)

Tier	Annual Lead Volume Target	Annual Corporate Negotiation Room Nights Target	Monthly Fee
"Express"/Pre-Opening	<250	<2,500	$ 5,050
1	>250	>2,500	$ 7,600

Administrative Support

Tier	Annual Lead Volume	Service Level	Monthly Fee
1	<1,000	Select	$ 2,000
2	>1,000	Select	$ 2,500

Tier	Annual Lead Volume	Service Level	Monthly Fee
2	<1,000	Non-Select	$ 3,000
3	>1,000	Non-Select	$ 3,500

Sales Audit

One Time Service	Service Level	One Time Cost
Sales Audit	Select	$1,000

REVENUE MANAGEMENT SERVICES PROGRAM SCHEDULE
TO CENTRAL HOTEL SERVICES BY HYATT MASTER AGREEMENT

This Revenue Management Services Program Schedule ("**Schedule**") is made effective as of [INSERT DATE] ("**Schedule Effective Date**") subject to and part of the Central Hotel Services by Hyatt Master Agreement entered into by the parties listed in the signature block below. All capitalized terms not defined herein shall have the meaning ascribed to them in the Central Hotel Services by Hyatt Master Agreement or the Franchise Agreement, as applicable.

The Services under this Schedule shall be effective commencing on such date as Hyatt may designate in writing to Owner (email shall suffice) and, if no date is specifically designated by Hyatt in writing, then commencing: (a) if the Property is already operating as of the Schedule Effective Date, on a date Hyatt determines not less than ninety (90) days following the Schedule Effective Date or (b) if this Schedule is being executed in connection with the development of a new hotel, on a date Hyatt determines approximately ninety (90) days prior to the anticipated or scheduled opening of the Property for the "Tactical" or "Essential" tier level service or one hundred twenty (120) days prior to the anticipated or scheduled opening of the Hotel for the "Premium" tier level service (unless, in either case, Hyatt consents to an earlier date) ("**Service Effective Date**") and continuing until terminated in accordance with this section. From the Service Effective Date until this Schedule is terminated or until this Schedule is replaced with an Updated Services Schedule that sets forth new Services or Fees, each party shall fulfill its obligations hereunder. Owner acknowledges that Hyatt may update the Services and related prices at any time by providing the Property an Updated Services Schedule ninety (90) days in advance, which may be provided electronically via email or by posting to any intranet for Hyatt branded or affiliated hotels. Owner agrees to be responsible for any subsequently updated Fees as listed on an Updated Services Schedule.

This Schedule may be terminated as follows:

a. Either party may terminate this Schedule for any reason or no reason by notifying the other party in writing at least days ninety (90) days in advance. Notwithstanding the foregoing, in the event of termination by Owner pursuant to this subsection a. the effective date of such termination shall be no earlier than [Insert Date][4];

b. This Schedule shall automatically terminate if (i) the Franchise Agreement expires or is terminated and Owner does not enter into a franchise agreement, hotel management agreement or hotel services agreement with Hyatt or its affiliate such that the Property continues to operate under a Hyatt brand or affiliation immediately following termination, or (ii) the Central Hotel Services by Hyatt Master Agreement expires or is terminated; and/or

c. If either party commits a material breach of any provision of this Schedule and has failed to cure such breach within ten (10) days of receiving written notice, the other party may terminate this Schedule immediately upon written notice.

Upon termination of this Schedule, Owner shall remit to Hyatt payment for Services rendered through the effective date of termination.

[Signature Page to Follow]

[4] NTD: Delete this entire sentence if there is no term commitment being made by the hotel.

IN WITNESS WHEREOF, the parties executed this Schedule as of the Schedule Effective Date.

[Insert Owner's Contracting Entity]	**Hyatt Corporation**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

REVENUE MANAGEMENT SERVICES PROGRAM SCHEDULE
TO CENTRAL HOTEL SERVICES BY HYATT MASTER AGREEMENT

SERVICES AND FEES ATTACHMENT– EFFECTIVE MARCH 2025

Choose an item. **Tier Level Service**

1. **Services**. As part of Hyatt's Revenue Management Services Program, Hyatt or its designee shall provide the following services:

- Resource planning, inventory controls, market segmentation, and industry and competitor analyses for the Property; frequency of service and number of touchpoints will vary by Tier Service Level selected.
- Owner agrees to provide and maintain adequate office space, equipment, systems, reports and materials at the Property in accordance with the System Standards (as defined in the Franchise Agreement) including, but not limited to, access to Smith Travel Reports and to the Property's proprietary systems to permit timely performance and completion of the Services.
- Owner hereby designates the following representative to direct the provision of the Services with respect to the Property:
    - [Name, Title]
    - [email]
    - [telephone]

2. **Fees**. Subject to section 4 of the Central Hotel Services Master Agreement, Property shall pay the following fees commencing on the Service Effective Date:

- If applicable, Choose an item. USD per month for any month preceding the Opening Month[5]
- Choose an item. USD per month from and after the Opening Month
- "**Opening Month**" means the calendar month in which the Property first opens to the public as a Hyatt branded or affiliated hotel, provided that if such date occurs after the 16th day of the month, then the "Opening Month" is the immediately following calendar month.
- In addition to payment of the Fees, Hyatt reserves the right to charge Owner for reimbursement of expenses reasonably incurred by Hyatt in rendering the Services, including for transportation and related expenses, printing, photocopying, postage, and delivery services.

[5] NTD: Delete for Tactical.

GLOBAL PROPERTY GUEST SERVICES PROGRAM SCHEDULE
TO CENTRAL HOTEL SERVICES BY HYATT MASTER AGREEMENT

This Global Property Guest Services Program Schedule ("**Schedule**") is made effective as of [INSERT DATE] ("**Schedule Effective Date**") subject to and part of the Central Hotel Services by Hyatt Master Agreement entered into by the parties listed in the signature block below. All capitalized terms not defined herein shall have the meaning ascribed to them in the Central Hotel Services by Hyatt Master Agreement or the Franchise Agreement, as applicable.

The Services under this Schedule shall be effective commencing on such date as Hyatt may designate in writing to Owner (email shall suffice) and, if no date is specifically designated by Hyatt in writing, then commencing on the first day of the first quarter that is at least thirty (30) days following the Schedule Effective Date ("**Service Effective Date**") and continuing until terminated in accordance with this section. From the Service Effective Date until this Schedule is terminated or until this Schedule is replaced with an Updated Services Schedule that sets forth new Services or Fees, each party shall fulfill its obligations hereunder. Owner acknowledges that Hyatt may update the Services and related prices at any time by providing the Property an Updated Services Schedule at least ninety (90) days in advance, which may be provided electronically via email or by posting to any intranet for Hyatt branded or affiliated hotels. Owner agrees to be responsible for any subsequently updated Fees as listed on an Updated Services Schedule.

This Schedule may be terminated as follows:

a. Either party may terminate this Schedule for any reason or no reason by notifying the other party in writing at least days ninety (90) days in advance. Notwithstanding the foregoing, in the event of termination by Owner pursuant to this subsection a. the effective date of such termination shall be no earlier than [Insert Date][6];

b. This Schedule shall automatically terminate if (i) the Franchise Agreement expires or is terminated and Owner does not enter into a franchise agreement, hotel management agreement or hotel services agreement with Hyatt or its affiliate such that the Property continues to operate under a Hyatt brand or affiliation immediately following termination, or (ii) the Central Hotel Services by Hyatt Master Agreement expires or is terminated; and/or

c. If either party commits a material breach of any provision of this Schedule and has failed to cure such breach within ten (10) days of receiving written notice, the other party may terminate this Schedule immediately upon written notice.

Upon termination of this Schedule, Owner shall remit to Hyatt payment for Services rendered through the effective date of termination.

[Signature Page to Follow]

[6] NTD: Delete this entire sentence if there is no term commitment being made by the hotel.

IN WITNESS WHEREOF, the parties executed this Schedule as of the Schedule Effective Date.

[Insert Owner's Contracting Entity]	**Hyatt Corporation**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

GLOBAL PROPERTY GUEST SERVICES PROGRAM SCHEDULE
TO CENTRAL HOTEL SERVICES BY HYATT MASTER AGREEMENT

SERVICES AND FEES ATTACHMENT– EFFECTIVE MARCH 2025

1. **Services**. As part of Hyatt's Global Property Guest Services Program, Hyatt or its designee shall provide the following services (check all that apply):

☐ **Foreign Independent Travelers (FIT)**: Hyatt will manually add reservations on an as needed basis.

☐ **HySAT Reviews**: Hyatt or its subcontractors will engage post-stay online surveys on the following sites – Expedia, hotels.com, booking.com, google, and trip advisor, or other sites as Hyatt may indicate from time to time.

☐ **PBX Services**: Hyatt will accept and respond to guest calls that are routed to the Property front desk & handle basic requests in HotSOS, in accordance with regularly scheduled service hours as reasonably determined by Hyatt. Property agrees to reasonably cooperate with Hyatt so that Hyatt may give guests high quality service in accordance with brand guidelines and Hyatt industry standard.

☐ **GSB/Rooming List Support**: Contractor will build group blocks and/or upload rooming lists on an as needed basis. This includes support and changes for the life of the group along with EOI Property support.

☐ **Post Stay Review Support**: Contractor will engage post-stay Medallia surveys on behalf of Property.

2. **Fees**. Subject to section 4 of the Central Hotel Services Master Agreement, Property shall pay the Fees listed below based on the Services selected in Section 1 above.

Service	One Time Cost
FIT	$3.50 USD per interaction
HySAT Reviews	$3.50 USD per interaction
PBX Services	$1.30 USD per occupied room
GSB/Rooming List Support	$16 USD per list
Post Stay Review Support	$3.50 USD per interaction

DIGITAL ANCILLARY SERVICES PROGRAM SCHEDULE
TO CENTRAL HOTEL SERVICES BY HYATT MASTER AGREEMENT

This Digital Ancillary Program Schedule ("**Schedule**") is made effective as of [INSERT DATE] ("**Schedule Effective Date**") subject to and part of the Central Hotel Services by Hyatt Master Agreement entered into by the parties listed in the signature block below. All capitalized terms not defined herein shall have the meaning ascribed to them in the Central Hotel Services by Hyatt Master Agreement or the Franchise Agreement, as applicable.

The Services under this Schedule shall be effective commencing on such date as Hyatt may designate in writing to Owner (email shall suffice) and, if no date is specifically designated by Hyatt in writing, then commencing on the first day of the first quarter that is at least thirty (30) days following the Schedule Effective Date ("**Service Effective Date**") and continuing until terminated in accordance with this section. From the Service Effective Date until this Schedule is terminated or until this Schedule is replaced with an Updated Services Schedule that sets forth new Services or Fees, each party shall fulfill its obligations hereunder. Owner acknowledges that Hyatt may update the Services and related prices at any time by providing the Property an Updated Services Schedule at least ninety (90) days in advance, which may be provided electronically via email or by posting to any intranet for Hyatt branded or affiliated hotels. Owner agrees to be responsible for any subsequently updated Fees as listed on an Updated Services Schedule.

This Schedule may be terminated as follows:

a. Either party may terminate this Schedule for any reason or no reason by notifying the other party in writing at least days ninety (90) days in advance. [Notwithstanding the foregoing, in the event of termination by Owner pursuant to this subsection a. the effective date of such termination shall be no earlier than [Insert Date][7];

b. This Schedule shall automatically terminate if (i) the Franchise Agreement expires or is terminated and Owner does not enter into a franchise agreement, hotel management agreement or hotel services agreement with Hyatt or its affiliate such that the Property continues to operate under a Hyatt brand or affiliation immediately following termination, or (ii) the Central Hotel Services by Hyatt Master Agreement expires or is terminated; and/or

c. If either party commits a material breach of any provision of this Schedule and has failed to cure such breach within ten (10) days of receiving written notice, the other party may terminate this Schedule immediately upon written notice.

In addition, Property agrees to provide Owner a copy of this Schedule, along with a written communication specifically noting that Owner may rescind execution of this Schedule by notifying Way (defined below) of such rescission within thirty (30) days of the date of the communication, a template form of which is attached hereto as Exhibit A. If Owner provides timely notice of its decision to rescind, this Schedule shall immediately terminate without further obligation by either party.

Upon termination of this Schedule, Owner shall remit to Hyatt payment for Services rendered through the effective date of termination.

[7] NTD: Delete this entire sentence if there is no term commitment being made by the hotel.

IN WITNESS WHEREOF, the parties executed this Schedule as of the Schedule Effective Date.

[Insert Owner's Contracting Entity]	**Hyatt Corporation**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

DIGITAL ANCILLARY SERVICES PROGRAM SCHEDULE
TO CENTRAL HOTEL SERVICES BY HYATT MASTER AGREEMENT

SERVICES AND FEES ATTACHMENT– EFFECTIVE MARCH 2025

1. **Services**. As part of Hyatt's Digital Ancillary Services Program, Hyatt or its designee, including Kouto, Inc. d/b/a Way ("**Way**"), shall provide the following services:

- **Experience Content Management –** Access to build experiences with certain Way products which provide the capability to merchandise different categories of experiences. Products include Host, Activate, Reserve, and certain new products released by Way during the Term of this Schedule.
- **Experience Availability Management** – Ability to manage pricing, inventory, and availability for each experience configured and bookable through Way.
- **Dedicated Ancillary Site** – One dedicated, Property branded site that allows visitors to view and book experiences configured in Way. Site can include experiences bookable on Way or experiences linked from Way to other sites.
- **Intelligent Ancillary Placements** – Distribution across Hyatt web, app, and marketing channels through dedicated ancillary placements. Select individual experience placements using Hyatt Personalization Engine (HPE) to target experiences to users.
- **Ongoing Property Support** – Staff support from Way by phone or email throughout the Term. Also access to self-serve support through Way support guides and a dedicated HyattConnect page.

2. **Fees**. Subject to section 4 of the Central Hotel Services Master Agreement, Property shall pay $1,250 USD per month plus the Way Commission commencing on Service Effective Date.

- "Way Commission" means a commission on all ancillary services and products booked through the Way integrated channels and not cancelled by the purchaser equal to 5% of Net Revenues actually received and not refunded by Way or Owner with respect to such ancillary services and products ("**Commission**").
- "**Net Revenue**" is defined as gross revenues actually received by Way from purchases of ancillary services and products, less any refunds, sales taxes, and third-party transaction fees (including but not limited to credit card processing fees).
- There will be no Way Commission assessed on: (a) non-revenue generating activities included in the ancillary services and products; (b) any ancillary services and products purchased directly at the Property (*e.g.*, through concierge or front desk colleagues); (c) non-publicly listed b2b or group sales ancillary services and products even if booked through the Way integrated channels; or (d) Owner/member only ancillary services and products (and only where member ID functionality is used) even if booked through the Way integrated channels.

EXHIBIT A
TO DIGITAL ANCILLARY SERVICES PROGRAM SCHEDULE
TO CENTRAL HOTEL SERVICES BY HYATT MASTER AGREEMENT

We are pleased to inform you that we have opted in to secure additional Digital Ancillary Services through the Central Hotel Services by Hyatt Program for our hotel. Attached is a fully executed Central Hotel Services by Hyatt Master Agreement and Digital Ancillary Services Program Schedule for these additional Digital Ancillary Services from Hyatt.

Under this agreement, Hyatt or its designee, Way, will provide additional Digital Ancillary Services support to our hotel, including negotiated pricing for annual Way software license, exclusive ancillary merchandising placements, and custom reporting capabilities to drive ancillary revenue opportunities at our hotel. These enhanced services will be in addition to any base ancillary services provided by Hyatt pursuant to your existing agreements.

Should you wish to rescind the agreement, you have thirty days from the date of this letter to contact digitalancillary@hyatt.com and request such action. Otherwise, we look forward to receiving these services and will work to maximize the benefits we receive.

Please let us know of any questions.

EXHIBIT M

STATE-SPECIFIC ADDITIONAL DISCLOSURES AND RIDERS

ADDITIONAL DISCLOSURES TO THE
HYATT FRANCHISING, L.L.C.
MULTI-STATE FRANCHISE DISCLOSURE DOCUMENT FOR
THE STANDARDX HOTELS

The following are additional disclosures to the Hyatt Franchising, L.L.C. Multi-state Franchise Disclosure Document for Brand Hotels required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

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

CALIFORNIA

Item 21 of the Disclosure Document is amended to add Hyatt Franchising, L.L.C.'s unaudited balance sheet as of December 31, 2024, its most recent fiscal year end, as follows:

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Hyatt Franchising, L.L.C.

Unaudited Balance Sheet as of December 31, 2024

HYATT FRANCHISING, L.L.C.
UNAUDITED BALANCE SHEET
As of December 31, 2024

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	$ 112,484
Receivables, net of allowance of $6,821,037	8,065,116
Total current assets	8,177,600
Franchise agreement assets constituting payments to customers	144,822,971
Franchise agreement intangibles, net	5,680,345
Deferred tax assets	609,930
TOTAL ASSETS	$ 159,290,846
LIABILITIES AND MEMBER'S EQUITY	
CURRENT LIABILITIES:	
Accounts payable and accrued expenses	$ 95,719
Current contract liabilities	329,024
Total current liabilities	424,743
Long-term contract liabilities	10,337,886
Total liabilities	10,762,629
MEMBER'S EQUITY	148,528,217
TOTAL LIABILITIES AND MEMBER'S EQUITY	$ 159,290,846

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

HAWAII

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING. THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE. THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

1. The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:

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

MARYLAND

1. The following language is added to the end of the "Summary" sections of Item 17(c) of the Franchise Disclosure Document, titled **Requirements for franchisee to renew or extend**, and Item 17(m), titled **Conditions for franchisor approval of transfer**:

> Any release required as a condition of renewal and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

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

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

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

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

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

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

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

> You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.
>
> No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

MINNESOTA

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

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

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

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

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

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

NORTH DAKOTA

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

The Commissioner has determined termination or liquidated damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. However, we and you agree to enforce these provisions to the extent the law allows.

2. The following language is added to the end of the "Summary" sections of Item 17(c) of the Franchise Disclosure Document, titled **Requirements for franchisee to renew or extend**, and Item 17(m) of the Franchise Disclosure Document, titled "**Conditions for franchisor approval of transfer by franchisee**":

Any release will not apply to the extent prohibited by applicable law to claims arising under the North Dakota Franchise Investment Law.

3. The "Summary" section of Item 17(u) of the Franchise Disclosure Document, titled **Dispute resolution by arbitration or mediation**, is deleted and replaced with the following:

> Except for certain claims, we and you must arbitrate all disputes at a location the arbitrator chooses within 10 miles of our then current principal business address; however, to the extent required by the North Dakota Franchise investment Law (unless preempted by the Federal Arbitration Act), we and you will arbitrate at a site to which we and you mutually agree.

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

> ; however, to the extent required by applicable law, subject to your arbitration obligation, you may bring an action in North Dakota.

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

> Except for Federal Arbitration Act and other federal law, to the extent required by law, North Dakota law applies.

6. The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:

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

RHODE ISLAND

1. The "Summary" section of Item 17(v) of the Franchise Disclosure Document, titled **Choice of forum**, is deleted and replaced with the following:

> Subject to arbitration obligation, litigation generally must be in our home state, except as otherwise required by applicable law with respect to claims arising under the Rhode Island Franchise Investment Act.

2. The "Summary" section of Item 17(w) of the Franchise Disclosure Document, titled **Choice of law**, is deleted and replaced with the following:

Except for Federal Arbitration Act and other federal law, Illinois law generally applies, except as otherwise required by law for claims which arise under the Rhode Island Franchise Investment Act.

3. The following language is added to the end of the "Summary" section of Items 17(v) and 17(w) of the Franchise Disclosure Document:

A provision in a franchise agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act § 19-28.1-14.

VIRGINIA

1. The following language is added to the end of the "Summary" section of Item 17(h) of the Franchise Disclosure Document:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

2. The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:

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

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

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

1. **Background**. Hyatt and Franchisee are parties to that certain Franchise Agreement dated _____, 2025 that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is a resident of Maryland, or (b) the Brand Hotel will be located or operated in Maryland.

2. **Releases**. The following language is added to the end of Sections 10, 12.4(e) and 13.3 of the Franchise Agreement:

> ; provided, however, that such general release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. **Dispute Resolution**. The following sentence is added to the end of the first paragraph of Section 14.1:

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

4. **Governing Law**. The following sentence is added to the end of Section 14.2:

> However, to the extent required by applicable law, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

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

> , except that any and all claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.

6. **Acknowledgements**. The following language is added to the end of Article XIX of the Franchise Agreement:

> Such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

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

FRANCHISEE:

[ENTITYNAMECAPS]

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

[FRANCHISOR ENTITY]

By: _____
Name: _____
Title: _____

RIDER TO THE HYATT FRANCHISING, L.L.C.
CONFIDENTIALITY AGREEMENT
FOR USE IN MARYLAND

This Rider is made as of this _____ day of _____, _____, by and between _____, a[n] _____, whose address is _____ ("Company") and HYATT FRANCHISING, L.L.C., a Delaware limited liability company, whose address is 150 North Riverside Plaza, Chicago, Illinois 60606 ("Hyatt").

1. **Background**. Hyatt and Company are parties to that certain Confidentiality Agreement dated _____, 2025 that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Confidentiality Agreement. This Rider is being signed because (a) Franchisee is a resident of Maryland, or (b) the Brand Hotel will be located or operated in Maryland.

2. **Governing Law**. The following sentence is added to the end of Sections 13 and 14 of the Confidentiality Agreement:

> However, to the extent required by applicable law, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, the parties have executed this Rider on the day and year first above written.

_____	HYATT FRANCHISING, L.L.C., a Delaware limited liability company
By: _____ Name: _____ Title: _____	By: _____ Name: _____ Title: _____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FRANCHISEE:

[ENTITYNAMECAPS]

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

[FRANCHISOR ENTITY]

By: _____
Name: _____
Title: _____

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

This Rider is made as of this _____ day of _____, _____, by and between _____, a[n] _____, whose address is _____ ("Company") and HYATT FRANCHISING, L.L.C., a Delaware limited liability company, whose address is 150 North Riverside Plaza, Chicago, Illinois 60606 ("Hyatt").

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

2. **Governing Law**. The following sentence is added to the end of Sections 13 and 14 of the Confidentiality Agreement:

> Pursuant to Minn. Stat. §80C.21 and Minn. Rule Part 2860.4400J, this Section shall not in any way abrogate or reduce Company's rights as provided for in Minnesota Statutes 1984, Chapter 80C, including the right to submit matters to the jurisdiction of the courts of Minnesota.

IN WITNESS WHEREOF, the parties have executed this Rider on the day and year first above written.

_____

HYATT FRANCHISING, L.L.C.,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

RIDER TO THE HYATT FRANCHISING, L.L.C.
FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA

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

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

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

> The Commissioner has determined termination or liquidated damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. However, Hyatt and Franchisee agree to enforce these provisions to the extent the law allows.

3. **Releases**. The following language is added to the end of Sections 10, 12.4(e) and 13.3 of the Franchise Agreement:

> Any release will not apply to the extent otherwise prohibited by applicable law with respect to claims arising under the North Dakota Franchise Investment Law.

4. **Arbitration.** The fourth sentence of Section 14.1 of the Franchise Agreement is deleted and replaced with the following:

> All proceedings will be conducted at a suitable location chosen by the arbitrator that is within ten (10) miles of Hyatt's then current principal business address; however, if required by the North Dakota Franchise Investment Law (unless preempted by the Federal Arbitration Act), Hyatt and Franchisee will arbitrate at a site to which Hyatt and Franchisee mutually agree.

5. **Governing Law**. The following language is added to the end of Section 14.2 of the Franchise Agreement:

> However, to the extent required by the North Dakota Franchise Investment Law, North Dakota law applies to this agreement.

6. **Consent to Jurisdiction**. The following language is added to the end of Section 14.3 of the Franchise Agreement:

However, subject to the parties' arbitration obligations, to the extent required by the North Dakota Franchise Investment Law, franchisee may bring an action in North Dakota.

7. **Waiver of Punitive Damages and Jury Trial**. If required by the North Dakota Franchise Investment Law, Section 14.5 of the Franchise Agreement is deleted.

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

The time limitations set forth in this Section might be modified by the North Dakota Franchise Investment Law.

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

FRANCHISEE:

[ENTITYNAMECAPS]

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

[FRANCHISOR ENTITY]

By: _____
Name: _____
Title: _____

RIDER TO THE HYATT FRANCHISING, L.L.C.
CONFIDENTIALITY AGREEMENT
FOR USE IN NORTH DAKOTA

This Rider is made as of this _____ day of _____, _____, by and between _____, a[n] _____, whose address is _____ ("Company") and HYATT FRANCHISING, L.L.C., a Delaware limited liability company, whose address is 150 North Riverside Plaza, Chicago, Illinois 60606 ("Hyatt").

1. **Background**. Hyatt and Company are parties to that certain Confidentiality Agreement dated _____, 2025 that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Confidentiality Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Brand Hotel Company would operate under a franchise agreement was made in the State of North Dakota, and/or (b) Company is a resident of North Dakota and would operate the Brand Hotel in North Dakota.

2. **Governing Law**. The following sentence is added to the end of Sections 13 and 14 of the Confidentiality Agreement:

> Despite this provision, to the extent required by the North Dakota Franchise Investment Law, North Dakota law will apply to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Rider on the day and year first above written.

_____	HYATT FRANCHISING, L.L.C., a Delaware limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

RIDER TO THE HYATT FRANCHISING, L.L.C.
FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND

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

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

2. **Governing Law**. Section 14.2 of the Franchise Agreement is deleted in its entirety and replaced with the following language:

> All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, and except as otherwise required by law for any claims arising under the Rhode Island Franchise Investment Act, this Agreement, the franchise, and all claims arising from the relationship between Hyatt (and/or any of its Affiliates) and Franchisee will be governed by the laws of the State of Illinois, without regard to its conflict of laws rules, except that any Illinois law regulating the offer or sale of franchises, business opportunities, or similar interests, or governing the relationship between a franchisor and a franchisee or any similar relationship, will not apply unless its jurisdictional requirements are met independently without reference to this Section.

3. **Consent to Jurisdiction**. The following language is added to the end of Section 14.3 of the Franchise Agreement:

> However, subject to the parties' arbitration obligations, nothing in this Section affects Franchisee's right, to the extent required by applicable law with respect to claims arising under the Rhode Island Franchise Investment Act, to sue in Rhode Island for claims arising under that Act.

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

FRANCHISEE:

[ENTITYNAMECAPS]

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

[FRANCHISOR ENTITY]

By: _____
Name: _____
Title: _____

RIDER TO THE HYATT FRANCHISING, L.L.C.
CONFIDENTIALITY AGREEMENT
FOR USE IN RHODE ISLAND

This Rider is made as of this _____ day of _____, _____, by and between _____, a[n] _____, whose address is _____ ("Company") and HYATT FRANCHISING, L.L.C., a Delaware limited liability company, whose address is 150 North Riverside Plaza, Chicago, Illinois 60606 ("Hyatt").

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

2. **Enforcement**. The following language is added to the end of Sections 13 and 14 of the Confidentiality Agreement:

, except as otherwise required by law for any claims arising under the Rhode Island Franchise Investment Act.

IN WITNESS WHEREOF, the parties have executed this Rider on the day and year first above written.

_____

HYATT FRANCHISING, L.L.C.,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

HYATT FRANCHISING, L.L.C.

GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE

HYATT FRANCHISING, L.L.C. ("we," "us," or "our") and the undersigned franchisee, _____ ("you" or "your"), currently are parties to a certain Franchise Agreement (the "Franchise Agreement") dated _____. You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal or transfer situation]_____

_____

_____

_____

_____

_____. We have the right under the Franchise Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your affiliates, and your and their respective owners, officers, directors, partners, managers, employees, representatives and agents, and all of your and their respective successors, heirs, executors, administrators, personal representatives and assigns (collectively, the "Releasing Parties"), hereby forever release and discharge us and our current and former affiliates, and our and their respective owners, officers, directors, partners, managers, employees, representatives and agents, and all of our and their respective successors, heirs, executors, administrators, personal representatives and assigns (collectively, the "Hyatt Parties"), from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, "Claims") that you or any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Hyatt Parties (1) arising out of or related to the Releasing Parties' rights or the Hyatt Parties' obligations under the Franchise Agreement or any related agreement, or (2) otherwise arising from or related to your or any of the other Releasing Parties' relationship, from the beginning of time to the date of your signature below, with any of the Hyatt Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Hyatt Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

[Signature Page Follows]

FRANCHISEE:

ENTITYNAMECAPS

By: _____
SIGNEENAME
SIGNEETITLE

Date: _____

HYATT FRANCHISING, L.L.C.

By: _____

Date: _____

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	June 11, 2025 (Exempt)
Hawaii	Pending
Illinois	June 11, 2025 (Exempt)
Indiana	June 11, 2025
Maryland	Pending (Exempt)
Michigan	June 11, 2025
Minnesota	Pending
New York	June 11, 2025 (Exempt)
North Dakota	Pending (Exempt)
Rhode Island	Pending
South Dakota	June 11, 2025
Virginia	Pending
Washington	June 11, 2025 (Exempt)
Wisconsin	June 11, 2025

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.

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 Hyatt Franchising, L.L.C. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Hyatt Franchising, L.L.C. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified in Exhibit E.

The franchisor is Hyatt Franchising, L.L.C. located at 150 North Riverside Plaza, Chicago, Illinois 60606. Its telephone number is (312) 750-1234.

The franchise sellers for this offering are: Daniel Hansen, Head of Americas Development, Hyatt Franchising, L.L.C., 150 North Riverside Plaza, Chicago, Illinois 60606, (605) 759-4767; and

☐ **James "Kimo" Bertram**
150 N. Riverside Plaza
Chicago, Illinois 60606
(312) 750-1234

☐ **Catie Cramer**
150 N. Riverside Plaza
Chicago, Illinois 60606
(800) 233-1234

☐ **Rika Lisslo**
150 N. Riverside Plaza
Chicago, Illinois 60606
(917) 273-4341

☐ **Ryan McNamara**
150 N. Riverside Plaza
Chicago, Illinois 60606
(312) 780-6125

☐ **Joshua Siebert**
150 N. Riverside Plaza
Chicago, Illinois 60606
(312) 780-5855

☐ **James Tierney**
150 N. Riverside Plaza
Chicago, Illinois 60606
(617) 803-4489

☐ **Christina Wells**
150 N. Riverside Plaza
Chicago, Illinois 60606
(312) 706-7440

Issuance Date: June 11, 2025

Hyatt Franchising, L.L.C. authorizes the respective state agents identified on Exhibit E to receive service of process for it in the particular states. I received a disclosure document from Hyatt Franchising, L.L.C. dated as of June 11, 2025, that included the following Exhibits:

Exhibit A	Financial Statements
Exhibit B	Franchise Application
Exhibit C	Franchise Agreement
Exhibit D	Design and Construction Standards
Exhibit E	State Administrators/Agents for Service of Process
Exhibit F	System Standards Table of Contents
Exhibit G	Confidentiality Agreement
Exhibit H	List of Franchisees
Exhibit I	List of Franchisees Who Left the System
Exhibit J	Hosting Services Agreement
Exhibit K	Comfort Letter
Exhibit L	Central Hotel Services by Hyatt Master Agreement
Exhibit M	State-Specific Disclosures and Riders

_____ _____

Date Prospective Franchisee Name

_____

Authorized Signature

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 Hyatt Franchising, L.L.C. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Hyatt Franchising, L.L.C. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified in Exhibit E.

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Chicago, Illinois 60606
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150 N. Riverside Plaza
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(312) 780-6125

☐ **Joshua Siebert**
150 N. Riverside Plaza
Chicago, Illinois 60606
(312) 780-5855

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Chicago, Illinois 60606
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Exhibit K	Comfort Letter
Exhibit L	Central Hotel Services by Hyatt Master Agreement
Exhibit M	State-Specific Disclosures and Riders

_____ _____

Date Prospective Franchisee Name

_____

Authorized Signature

After signing and dating the Receipt, you may return it to us (to the attention of Rebecca Smetters) by sending the original via overnight courier or 1st class mail to our address above or by emailing a scanned copy to rebecca.smetters@hyatt.com.