DRAFT: May 10, 2023

AUTOGRAPH COLLECTION license AGREEMENT

[THIS DRAFT REMAINS SUBJECT TO REVIEW AND COMMENT BY LICENSOR’S LOCAL COUNSEL, OPERATIONS TEAM AND TAX ADVISORS. THIS DRAFT DOES NOT YET INCLUDE ANY ADDITIONAL PROVISIONS THAT MAY BE NECESSARY BASED ON THE DUE DILIGENCE MATERIALS RECEIVED. THE FINALLY AGREED AGREEMENT WILL BE SUBJECT TO BOARD APPROVAL.]

|  |  |
| --- | --- |
| licensor: | Global Hospitality Licensing S.à r.l. |
|  |  |
|  |  |
| Licensee: | DYC TURİZM İŞLETMECİLİK TİC A.Ş. |

KIRAZLI MAH., ULUDAG OTELLER BÖLGESI 2

BURSA, TURKEY

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2023

Table of Contents

Page

[1. Grant and TERM 1](#_Toc134120186)

[1.1 Limited Grant. 1](#_Toc134120187)

[1.2 Term. 1](#_Toc134120188)

[1.3 Not Renewable. 1](#_Toc134120189)

[1.4 Reserved Rights. 1](#_Toc134120190)

[2. Licensor’s TRAINinG, PROGRAMS AND SERVICES 1](#_Toc134120191)

[2.1 Pre-Opening Team and Training. 1](#_Toc134120192)

[2.2 On-going Management and Employee Training. 2](#_Toc134120193)

[2.3 Consulting and Advisory Services. 2](#_Toc134120194)

[2.4 Advertising, Sales and Marketing Programs and Services. 2](#_Toc134120195)

[2.5 Program Services. 2](#_Toc134120196)

[2.6 Quality Assurance and Hotel Inspection. 2](#_Toc134120197)

[2.7 Standards. 2](#_Toc134120198)

[2.8 Purchasing, Supplier and Travel Booking Arrangements. 2](#_Toc134120199)

[3. LIcense FEES AND OTHER FEES AND CHARGES 2](#_Toc134120200)

[3.1 Initial Fee. 2](#_Toc134120201)

[3.2 License Fees. 2](#_Toc134120202)

[3.3 Other Fees and Charges. 3](#_Toc134120203)

[3.4 Training Costs, Travel Costs and Personnel Costs. 3](#_Toc134120204)

[3.5 Timing of Payments and Performance of Services. 3](#_Toc134120205)

[3.6 Interest on Late Payments. 3](#_Toc134120206)

[3.7 Program Services Contribution. 3](#_Toc134120207)

[3.8 Key Money. 5](#_Toc134120208)

[4. HOTEL CONSTRUCTION, design, RENOVATION AND MAINTENANCE 5](#_Toc134120209)

[4.1 Number of Guestrooms; Expansion. 5](#_Toc134120210)

[4.2 Design and Completion of the Hotel. 5](#_Toc134120211)

[4.3 Design and Independent Hotel Brand. 5](#_Toc134120212)

[4.4 Maintenance and Quality Assurance Program. 5](#_Toc134120213)

[4.5 Periodic Renovations and Review of Plans. 6](#_Toc134120214)

[5. FURNITURE, FIXTURES, EQUIPMENT, INVENTORIES, AND SUPPLIES 6](#_Toc134120215)

[5.1 Uniformity of System. 6](#_Toc134120216)

[5.2 Alternative Suppliers. 7](#_Toc134120217)

[6. ADVERTISING AND MARKETING; RESERVATIONS, PRICING AND RATES 7](#_Toc134120218)

[6.1 Licensee’s Local Advertising and Marketing Programs. 7](#_Toc134120219)

[6.2 International Marketing Fund. 7](#_Toc134120220)

[6.3 Additional Sales and Marketing Programs. 8](#_Toc134120221)

[6.4 Pricing, Rates and Reservations. 8](#_Toc134120222)

[7. ELECTRONIC SYSTEMS 8](#_Toc134120223)

[7.1 Systems Installation and Use. 8](#_Toc134120224)

[7.2 Reservation System. 9](#_Toc134120225)

[7.3 Electronic Systems Provided Under License. 9](#_Toc134120226)

[7.4 Access to Information. 9](#_Toc134120227)

[8. HOTEL OPERATIONS 9](#_Toc134120228)

[8.1 Opening and Operating the Hotel. 9](#_Toc134120229)

[8.2 System Promotion and No Diversion to Other Businesses. 10](#_Toc134120230)

[8.3 Employees. 10](#_Toc134120231)

[8.4 Persons Operating the Hotel; Licensor Consent. 10](#_Toc134120232)

[9. DATA protection 12](#_Toc134120233)

[9.1 Controllership. 12](#_Toc134120234)

[9.2 Signing of Documents. 12](#_Toc134120235)

[9.3 Notification Requirements. 12](#_Toc134120236)

[10. STANDARDS AND SYSTEM 12](#_Toc134120237)

[10.1 Compliance with Standards and System. 12](#_Toc134120238)

[10.2 Modification of the Standards and System. 13](#_Toc134120239)

[11. PROPRIETARY MARKS AND INTELLECTUAL PROPERTY 13](#_Toc134120240)

[11.1 Licensor’s Representations Concerning the Licensed Marks. 13](#_Toc134120241)

[11.2 Licensee’s Use of Intellectual Property and the System. 13](#_Toc134120242)

[11.3 Licensee’s Use of Other Marks. 15](#_Toc134120243)

[11.4 Websites and Domain Names. 15](#_Toc134120244)

[11.5 Use of Licensee Marks; Name of Hotel. 15](#_Toc134120245)

[12. CONFIDENTIAL INFORMATION 17](#_Toc134120246)

[12.1 Confidentiality Obligations. 17](#_Toc134120247)

[12.2 Confidentiality of Terms. 17](#_Toc134120248)

[12.3 Press Releases and Public Statements. 17](#_Toc134120249)

[13. ACCOUNTING AND REPORTS; TAXES AND CURRENCY 17](#_Toc134120250)

[13.1 Accounting. 17](#_Toc134120251)

[13.2 Books, Records, and Accounts. 17](#_Toc134120252)

[13.3 Statements and Reports. 17](#_Toc134120253)

[13.4 Licensor Examination and Audit of Hotel Records. 18](#_Toc134120254)

[13.5 Taxes. 18](#_Toc134120255)

[13.6 Restrictions on Transfers of Funds. 19](#_Toc134120256)

[13.7 Currency. 19](#_Toc134120257)

[14. INDEMNIFICATION AND INSURANCE 20](#_Toc134120258)

[14.1 Indemnification. 20](#_Toc134120259)

[14.2 Insurance. 20](#_Toc134120260)

[15. TRANSFERS 20](#_Toc134120261)

[15.1 Licensee’s Transfer Rights. 20](#_Toc134120262)

[15.2 Transfers Not Requiring Notice or Consent. 20](#_Toc134120263)

[15.3 Transfers Requiring Notice but Not Consent. 21](#_Toc134120264)

[15.4 Transfers Requiring Notice and Consent. 21](#_Toc134120265)

[15.5 Proposed Transfer to Competitor. 22](#_Toc134120266)

[15.6 Proposed Transfer to Restricted Persons. 22](#_Toc134120267)

[15.7 Transfers by Licensor. 23](#_Toc134120268)

[16. Prospectus review 23](#_Toc134120269)

[16.1 Licensor Review. 23](#_Toc134120270)

[16.2 Exemption from Review. 23](#_Toc134120271)

[17. DEFAULT AND TERMINATION 23](#_Toc134120272)

[17.1 Default with Opportunity to Cure. 23](#_Toc134120273)

[17.2 Termination on Notice. 24](#_Toc134120274)

[17.3 Suspension of Reservation System. 25](#_Toc134120275)

[17.4 Damages and Costs. 25](#_Toc134120276)

[18. POST-TERMINATION 25](#_Toc134120277)

[18.1 Licensee Obligations. 25](#_Toc134120278)

[18.2 Licensor’s Rights and Obligations on Expiration or Termination. 26](#_Toc134120279)

[19. CONDEMNATION AND CASUALTY 27](#_Toc134120280)

[19.1 Condemnation. 27](#_Toc134120281)

[19.2 Casualty. 27](#_Toc134120282)

[19.3 No Liquidated Damages. 27](#_Toc134120283)

[20. OWNERSHIP AND FINANCING OF THE HOTEL 27](#_Toc134120284)

[20.1 Ownership of Licensee. 27](#_Toc134120285)

[20.2 Ownership of the Hotel. 28](#_Toc134120286)

[20.3 Financing and Security Interest. 28](#_Toc134120287)

[21. COMPLIANCE WITH LEGAL REQUIREMENTS; LEGAL ACTIONS 28](#_Toc134120288)

[21.1 Compliance with Legal Requirements. 28](#_Toc134120289)

[21.2 Notice of Legal Actions. 29](#_Toc134120290)

[21.3 Competition Legislation. 29](#_Toc134120291)

[22. RELATIONSHIP OF PARTIES 29](#_Toc134120292)

[23. GOVERNING LAW; ARBITRATION; AND RELATED ISSUES 29](#_Toc134120293)

[23.1 Governing Law. 29](#_Toc134120294)

[23.2 Interim Relief. 29](#_Toc134120295)

[23.3 Costs of Enforcement. 29](#_Toc134120296)

[23.4 Arbitration. 29](#_Toc134120297)

[23.5 Waiver of Exemplary and Indirect Damages. 31](#_Toc134120298)

[23.6 Waiver of Jury Trial. 32](#_Toc134120299)

[24. NOTICES 32](#_Toc134120300)

[24.1 Written Notices. 32](#_Toc134120301)

[24.2 Electronic Delivery. 32](#_Toc134120302)

[25. REPRESENTATIONS AND WARRANTIES; restricted person 32](#_Toc134120303)

[25.1 Existence; Authorization; Prior Representations. 32](#_Toc134120304)

[25.2 Additional Licensee Acknowledgments and Representations. 32](#_Toc134120305)

[26. MISCELLANEOUS 33](#_Toc134120306)

[26.1 Translations. 33](#_Toc134120307)

[26.2 Counterparts. 33](#_Toc134120308)

[26.3 Construction and Interpretation. 33](#_Toc134120309)

[26.4 Reasonable Business Judgment. 34](#_Toc134120310)

[26.5 Consents and Approvals. 34](#_Toc134120311)

[26.6 Waiver. 35](#_Toc134120312)

[26.7 Entire Agreement. 35](#_Toc134120313)

[26.8 Amendments. 35](#_Toc134120314)

[26.9 Survival. 35](#_Toc134120315)

[EXHIBIT A KEY TERMS A-1](#_Toc134120316)

[EXHIBIT B DEFINITIONS B-1](#_Toc134120317)

[EXHIBIT C INSURANCE C-1](#_Toc134120318)

[EXHIBIT D NEW DEVELOPMENT D-1](#_Toc134120319)

[EXHIBIT E LIST OF TRADEMARK REGISTRATIONS AND APPLICATIONS IN THE JURISDICTION E-1](#_Toc134120320)

[EXHIBIT F MARRIOTT BRANDS F-1](#_Toc134120321)

[EXHIBIT G LICENSEE MARKS G-1](#_Toc134120322)

[EXHIBIT H RESTRICTED AREA H-1](#_Toc134120323)

LICENSE AGREEMENT

This License Agreement (“Agreement”) is signed by Licensor and Licensee and effective as of \_\_\_\_\_\_\_\_\_\_\_\_, 2023 (“Effective Date”).

RECITALS

1. Licensor and its Affiliates own the System.
2. Licensee has requested a license to use the System to operate the Hotel as a System Hotel at the Approved Location.
3. Licensor has agreed to grant a license to Licensee subject to the terms of this Agreement.
4. Guarantor will provide the Guaranty.
5. Licensee is the lessee of the Approved Location and the Hotel under a lease agreement (“Lease”) with the Ministry of Treasury and Finance in the Republic of Turkey (“Owner”). **[MI Note: ownership status to be confirmed based on due diligence]**

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, Licensee and Licensor agree as follows:

1. Grant and TERM
   1. Limited Grant.

Licensor grants to Licensee a limited, non-exclusive license to use the Licensed Marks and the System to operate the Hotel as a System Hotel solely at the Approved Location under the terms of this Agreement.

* 1. Term.

The term of this Agreement is stated in Item 4 of Exhibit A (the “Term”).

* 1. Not Renewable.

This Agreement and the rights granted under it are not renewable and Licensor and Licensee have no expectation or any right to extend the Term.

* 1. Reserved Rights.
     1. *Development Activities*. Subject to Item 19 (Restricted Area) of Exhibit A, Licensee does not have any territorial rights or exclusivity. Licensor and its Affiliates reserve the right to conduct Development Activities at any location, other than the Approved Location, without notice to Licensee. Licensee will not interfere with Licensor’s Development Activities.
     2. *Use of the System*. Licensor and its Affiliates may allow other Marriott Products to use various parts of the System, including under affiliation or marketing agreements.

1. Licensor’s TRAINinG, PROGRAMS AND SERVICES

Licensor will provide certain training, programs and services to Licensee. Licensee will pay the applicable costs and charges for such training, programs and services in accordance with Section 3.3, Section 3.4 and Section 3.7. The training, programs and services on the Effective Date include the following and will change during the Term.

* 1. Pre-Opening Team and Training.

Licensor will assign an opening team to provide mandatory training and assistance with the opening of the Hotel as a System Hotel. Licensor will determine the number of team members and the period they are required to remain at the Hotel. If requested, Licensee will cooperate with Licensor in obtaining any necessary visas or permits. Licensee will pay Licensor’s costs associated with providing such trainings and assistance, including Travel Costs.

* 1. On-going Management and Employee Training.

Licensor will provide certain mandatory and optional training programs for managers and other personnel to operate the Hotel as a System Hotel in accordance with the Standards.

* 1. Consulting and Advisory Services.

Licensor will provide consulting and advisory services for the operation of the Hotel as a System Hotel, including:

* + 1. *General Consulting and Advice.* Licensor will provide consulting and advisory services for the design, operation and promotion of the Hotel as a System Hotel. Licensor will make representatives available at Licensor’s designated offices or at the Hotel to consult with Licensee.
    2. *Electronic Systems.* Licensor will provide consulting, advisory and support services for the purchase, installation and use of the Electronic Systems.
    3. *Revenue Management.* Licensor will provide consulting and advisory services for Licensor’s revenue management systems, and may provide optional revenue management consulting services and cluster revenue management programs, where available.
    4. *Temporary Consultants.* On Licensee’s request, Licensor may make available one or more temporary consultants for the Hotel who will work for Licensee under a consulting agreement.
  1. Advertising, Sales and Marketing Programs and Services.
     + 1. Licensor will conduct certain advertising, sales and marketing activities, as described in this Agreement, including the International Marketing Fund Activities under Section 6.2 and the Additional Sales and Marketing Programs under Section 6.3.
  2. Program Services.
     + 1. Licensor will provide the Reservations System under Section 7.2 and the other Program Services under Section 3.7.
  3. Quality Assurance and Hotel Inspection.

Licensor will administer a Quality Assurance Program for System Hotels that may include conducting periodic inspections of the Hotel, guest satisfaction surveys and audits to ensure compliance with the Standards.

* 1. Standards.

Licensor has developed the Standards and will continue to update and make them available to Licensee.

* 1. Purchasing, Supplier and Travel Booking Arrangements.

Where available, Licensor may require or permit Licensee to participate in: (i) various purchase, lease, or other arrangements for Electronic Systems, FF&E, Fixed Asset Supplies and Inventories from suppliers with whom Licensor has negotiated arrangements; and (ii) arrangements with travel agents, on-line travel companies and other booking agents negotiated by Licensor. Licensee will participate in such arrangements on terms similar to those offered to other similarly situated System Hotels.

1. LIcense FEES AND OTHER FEES AND CHARGES
   1. Initial Fee.

Within 15 days after receipt of an invoice, Licensee will pay to Licensor a non-refundable initial fee stated in Item 9 of Exhibit A.

* 1. License Fees.

Beginning on the Opening Date, Licensee will pay Licensor for each month an amount equal to the percentage of Gross Room Sales and Gross Food and Beverage Sales stated in Item 10 of Exhibit A for such month (the “License Fees”). Licensee will not offer complimentary or reduced-price Guestrooms or food and beverage to benefit any business other than the Hotel.

* 1. Other Fees and Charges.

Licensee will pay all fees, charges and costs in accordance with the Hotel Agreements, and will pay for any optional programs in which it participates. Licensee will pay for any goods and services purchased, leased or licensed by Licensee through Licensor or its Affiliates and costs related to purchasing, installing and upgrading any Electronic Systems. Other than the fees described in Section 3.1 and Section 3.2 which are fixed in this Agreement, all other mandatory fees, charges and costs under this Agreement (and any applicable changes) will be computed on a fair and consistent basis among similarly situated System Hotels. Licensor may change such fees, charges and costs to reflect any change in the (i) costs of providing, or the scope of, the relevant goods, programs or services; (ii) method Licensor uses to determine allocation of the applicable charges; or (iii) competitive needs of the System.

* 1. Training Costs, Travel Costs and Personnel Costs.

Licensee will pay all Training Costs for mandatory programs and optional programs in which Licensee participates under Section 2.2. If Licensor requests, Licensee will reimburse Licensor for all Travel Costs and Personnel Costs for individuals designated by Licensor to provide training or services, or conduct inspections or audits under the Hotel Agreements, including pre-opening training, counseling and advisory services, which will not exceed the amounts permissible under Licensor’s corporate travel policies. If the Hotel is not in a sold-out position, Licensee may be required to provide complimentary lodging to such individuals while they are providing training or services, or conducting inspections or audits at the Hotel. If such individuals are visiting more than one hotel in the market, the Travel Costs will be fairly allocated between such hotels.

* 1. Timing of Payments and Performance of Services.
     1. *Timing of Payments.* License Fees and the Program Services Contribution are calculated as of the end of each month. All payments under this Agreement are due and will be paid by Licensee within 15 days after date of invoice. All payments will be made by wire transfer to the accounts designated by Licensor or by such other method as Licensor approves.
     2. *Affiliates and Designees.* Any service or obligation of Licensor under the Hotel Agreements may be performed by an Affiliate or designee of Licensor. Licensor may designate that payment be made to the Person performing the service, and if so, such Person will issue the required invoice. Any reference in this Agreement to Licensor concerning payments or performance of services includes such Affiliates and designees. Any designation for the performance of services will not relieve Licensor or Licensee of any of their obligations under this Agreement.
     3. *Right of Set-Off.* Licensor may set-off or deduct any amounts owed to Licensor or any of its Affiliates by Licensee or any of its Affiliates from amounts that would otherwise be payable to Licensee under this Agreement (including Key Money).
  2. Interest on Late Payments.

Licensee will pay interest on any amount that is not paid when due. Interest will accrue at a rate per annum equal to the Interest Rate and will be computed daily from the date such amount was due until paid. Licensor’s right to receive interest is in addition to any other remedies Licensor may have.

* 1. Program Services Contribution.
     1. *Program Services.* Beginning on the Opening Date, Licensee will pay Licensor each month the Program Services Contribution. Licensor will use the Program Services Contribution to fund certain mandatory programs and services for System Hotels that Licensee would otherwise be required to pay for separately (“Program Services”), which may include the following, to the extent applicable to similarly situated System Hotels:
        1. International Marketing Fund Activities as described in Section 6.2;
        2. development, modification, maintenance, support, administration and operation of certain mandatory Electronic Systems (unless Licensor determines otherwise, the Program Services will not include services or costs relating to the purchase, installation or deployment of, or training for, any Electronic Systems, which will be invoiced separately);
        3. development, operation, administration and oversight of certain other mandatory programs and services; and
        4. the retention or employment of personnel, consultants and other professionals to assist in the development, implementation and administration of Program Services, including collection and accounting of the Program Services Fund, as well as overhead, other costs incurred in providing Program Services, and the reimbursement of capital invested in the development of such Program Services, together with costs incurred by Licensor to finance such capital.
     2. *International Marketing Fund Contribution.* Beginning on the Opening Date, Licensee will pay Licensor each month the International Marketing Fund Contribution, which, as of the Effective Date, is the amount stated in Item 11 of Exhibit A (the “International Marketing Fund Contribution”). Licensor will use the International Marketing Fund Contribution for the International Marketing Fund Activities described in Section 6.2. TheInternational Marketing Fund Contribution will be paid by Licensee as part of the Program Services Contribution. Licensor may change the method of funding the International Marketing Fund Activities (including by establishing methods of funding International Marketing Fund Activities other than by the International Marketing Fund Contribution or the Program Services Contribution) or the amount of the International Marketing Fund Contribution (without any obligation to make a corresponding change to the total Program Services Contribution), which will be computed on a fair and consistent basis among similarly situated System Hotels, and Licensee will be bound by any such changes.
     3. *Permitted Changes.* Licensor may at any time: (i) change the method of funding Program Services (including by establishing methods of funding Program Services other than by the Program Services Contribution); (ii) change the programs and services covered by the Program Services Contribution; (iii) change the amount of the Program Services Contribution or the method of calculation of the Program Services Contribution; (iv) merge or operate the Program Services Fund together with program services funds used to benefit other Marriott Products; or (v) discontinue the use of the Program Services Contribution to fund any one or all mandatory programs or services for System Hotels, and Licensee will be bound by any such changes. Any changes in the Program Services Fund will be applicable on a fair and consistent basis among similarly situated System Hotels.
     4. *Benefits.* Licensor may use the Program Services Fund and the International Marketing Fund to benefit System Hotels as a whole, groups of System Hotels, and other Marriott Products. Licensor has no obligation to ensure that any particular System Hotel benefits from Program Services or International Marketing Fund Activities on an equivalent basis or that the Hotel will benefit from Program Services or International Marketing Fund Activities proportionate to the contributions paid by Licensee.
     5. *No Fiduciary Duty.* Licensor and its Affiliates do not hold the Program Services Fund or the International Marketing Fund as a trustee or as trust funds and have no fiduciary duty to Licensee for such funds. The Program Services Contribution and International Marketing Fund Contributions may be commingled with other money of Licensor and its Affiliates and used to pay all costs, including administrative costs, salaries and overhead, and collection and accounting costs, incurred by Licensor or any of its Affiliates for the Program Services Fund or International Marketing Fund, respectively. Licensor or its Affiliates may: (i) loan money for Program Services and International Marketing Fund Activities and charge interest on any such loan; and (ii) use the Program Services Contributionor International Marketing Fund Contributionsto repay any such loan plus interest. On request, Licensor will provide to Licensee a statement of operations presenting the revenues and expenses of the Program Services Fund and the International Marketing Fund (which statement may be audited or unaudited in Licensor’s sole discretion) for any fiscal year of Licensor if such request is made between 90 and 180 days after the end of such fiscal year.
  2. Key Money.

In consideration of Licensee entering into this Agreement, if the Opening Date occurs by September 30, 2024 Licensor will pay Licensee the Key Money within 30 days after the Opening Date if Licensee is not in breach of any Hotel Agreement at the time such Key Money is due to be paid. Licensee acknowledges that Licensor may withhold payment of the Key Money if Licensee has not fully satisfied all requirements in Section 2 of Exhibit D. If the Opening Date occurs after September 30, 2024, the amount of Key Money payable to Licensee will be reduced by 5% for each month or partial month between such date and the Opening Date.

If this Agreement is terminated before the end of the Term for any reason (including in the case of a condemnation or casualty event under Section 19), Licensee will pay Licensor, before the effective date of the termination, an amount equal to (i) the amount of Key Money actually paid to Licensee divided by (ii) the number of months from the date such Key Money was paid until the last day of the Term multiplied by (iii) the number of months remaining in the Term (the “Unamortized Portion of the Key Money”). Licensee will pay the Unamortized Portion of the Key Money in addition to any other amounts owed to Licensor. **[MI Note: MI counsel to confirm the key money is to be kept within license agreement]**

1. HOTEL CONSTRUCTION, design, RENOVATION AND MAINTENANCE
   1. Number of Guestrooms; Expansion.

The Hotel will have the number of Guestrooms stated in Item 7 of Exhibit A or such other number approved by Licensor. Licensee may expand the Hotel or build additional Guestrooms in compliance with Section 4 and Section 5 with Licensor’s prior approval.

* 1. Design and Completion of the Hotel.

Licensee will in a timely fashion plan, design, construct, renovate, furnish and equip the Hotel (“Design and Complete”) in accordance with (i) this Agreement; (ii) the Design Review Agreement; (iii) Exhibit D; (iv) the Standards; and (v) Legal Requirements.

* 1. Design and Independent Hotel Brand.
     1. *Licensee Responsible for Design and Independent Hotel Brand.* Licensor does not specify the Design or Independent Hotel Brand of System Hotels in the Standards. Licensee is responsible for creating and maintaining an identifiable Design and Independent Hotel Brand for the Hotel.
     2. *Acceptance of Design and Independent Hotel Brand.* Licensee will obtain Licensor’s acceptance of the Design and Independent Hotel Brand for the Hotel under Exhibit D. Licensee will retain a branding consultant and an interior design firm acceptable to Licensor, develop a communications and marketing plan, implement a service experience program, and create spaces and experiences to reinforce the Design and Independent Hotel Brand. Licensee will obtain Licensor’s acceptance for any future material change to the Design and Independent Hotel Brand. Nothing in this Section will: (i) affect Licensee’s obligation to maintain the Hotel in compliance with Section 4.4, or (ii) limit Licensor’s right to approve or set Standards for the quality or condition of the Hotel.
  2. Maintenance and Quality Assurance Program.

At no cost to Licensor, Licensee will maintain the Hotel (or will ensure that the Hotel is maintained) in good repair and condition and in conformity with Legal Requirements, the Design, the Standards, including the Quality Assurance Program and Product Quality Standards. Licensee will make repairs, alterations, and replacements to the Hotel as required by the Standards. Licensee will not undertake any material alterations to the Hotel without Licensor’s prior consent, unless such alterations are required by Legal Requirements or for the continued safe and orderly operation of the Hotel.

* 1. Periodic Renovations and Review of Plans.
     1. *Replacement of Soft Goods and Case Goods.* Licensee will periodically renovate all Guestrooms and Public Facilities in accordance with the Standards, including (i) a complete Soft Goods renovation at least once every seven years after the date such Soft Goods were installed; and (ii) a complete Case Goods renovation at least once every 14 years after the date such Case Goods were installed; however, Licensor may require these renovations or replacements be completed earlier when the Soft Good or Case Goods are in poor condition or are no longer consistent with the Design or the Product Quality Standards or may permit them to be done later if such are in good condition, consistent with the Design and continue to meet the Product Quality Standards. When Licensee undertakes a replacement of all Soft Goods or of all Case Goods, such replacement will be done on an agreed schedule. If other similar items at the Hotel fail to meet the then-current Standards, including the Product Quality Standards, at the time the Soft Goods or Case Goods are replaced, Licensor may require Licensee to upgrade these items to conform to the building décor, trade dress, and furniture, fixtures and equipment contemplated by the replacement to be consistent with the Design and meet the Standards, including the Product Quality Standards.
     2. *Material Renovations Review.* At least 60 days before beginning any periodic renovation under Section 4.5.A. or other material renovation of the Hotel, Licensee will provide Plans incorporating the Standards and the Design for renovation for Licensor to review. Licensor will review the Plans only for compliance with the Standards and the Design and not for compliance with Legal Requirements. If Licensor determines that the Plans do not comply with the Standards or the Design, Licensor may require changes and Licensee will deliver revised Plans incorporating the changes. Before purchasing FF&E to be used for a renovation of the Hotel, Licensee will prepare color boards, drawings and furnished models of the Guestrooms for Licensor’s acceptance. Licensor will promptly respond to Licensee’s Plans and proposed FF&E. Licensee will not begin the renovation until Licensor accepts the Plans and the proposed FF&E. Licensee will promptly deliver to Licensor the final Plans. The final Plans will not be changed without Licensor’s prior consent. Licensor may charge a fee based on its standard hourly rates for review of the Plans and Travel Costs, in connection with the material renovation.
     3. *Compliance with Legal Requirements.* Licensee is responsible for ensuring that the Plans comply with Legal Requirements, including any accessibility requirements, and Licensor will have no liability or obligation concerning the means, methods or techniques used in renovating the Hotel. Licensee will not reproduce, use or permit the use of any Standards, except for the Hotel.
     4. *Funding.*  Licensee will fund the cost of all renovations at the Hotel and will ensure that funds are available to complete the renovations described in this Section and other replacements of FF&E.

1. FURNITURE, FIXTURES, EQUIPMENT, INVENTORIES, AND SUPPLIES
   1. Uniformity of System.

Licensee will use only such FF&E, Inventories and Fixed Asset Supplies that comply with the Product Quality Standards. Licensor may designate suppliers, including Licensor, for certain items related to Electronic Systems, life safety, signs, and Intellectual Property. Licensee otherwise may purchase FF&E (other than required Electronic Systems), Inventories and Fixed Asset Supplies meeting the Standards from any supplier that complies with the Standards and Legal Requirements. The requirements of this Section are to ensure that items used at System Hotels are uniform and of high quality to maintain the identity, integrity and reputation of the System.

* 1. Alternative Suppliers.

If Licensor has designated a supplier for a particular item under Section 5.1, Licensee may propose alternative suppliers by delivering sufficient information and samples for Licensor to confirm that such item meets the Product Quality Standards and the proposed supplier is capable of providing such item to the Product Quality Standards. Licensor may require reimbursement for the cost of such review. Licensor may require that such suppliers have insurance protecting Licensor and Licensee. Licensor may require any supplier using the Intellectual Property to enter into an agreement for its use. Licensor may refuse to permit future purchases if the supplier fails to meet the requirements of this Section or the Product Quality Standards.

1. ADVERTISING AND MARKETING; RESERVATIONS, PRICING AND RATES
   1. Licensee’s Local Advertising and Marketing Programs.
      1. *Local Advertising.* Licensee will undertake local advertising, marketing, promotional, sales and public relations programs and activities for the Hotel, including preparing and using any Marketing Materials, in accordance with the Standards.
      2. *Use of Signs, Marketing Materials and Proprietary Marks.* Licensee will only use signs and other Marketing Materials and the Proprietary Marks in the places, combination, arrangement and manner approved or required by Licensor and in accordance with the Standards and Legal Requirements. Licensee will deliver samples of Marketing Materials not provided or previously approved by Licensor, and obtain prior approval from Licensor before any use. Licensor may withdraw its approval but will take into consideration any contracts Licensee has related to the use of such Marketing Materials and the amount of Licensee’s existing supply of such Marketing Materials in determining when such use will stop. If Licensor withdraws its approval, Licensee will immediately stop using such Marketing Materials. Any Marketing Materials developed by Licensee may be used or modified by other Marriott Products without compensation to Licensee.
   2. International Marketing Fund.
      1. *International Marketing Fund Activities.* To promote general public recognition of the Proprietary Marks and use of System Hotels, Licensor will undertake the following activities (the “International Marketing Fund Activities”):
         1. brand research and strategy for sales and marketing, including developing and managing data and analytics platforms;
         2. creating, producing, placing and distributing marketing materials in any form of media;
         3. advertising, marketing, promotions, public relations, and sales campaigns, programs, sponsorships, seminars and other sales activities;
         4. market research, and oversight and management of the guest satisfaction program and the Loyalty Programs;
         5. development, modification, maintenance, support, administration and operation of the websites, applications, software and related technologies used to promote System Hotels and other Marriott Products; and
         6. retaining or employing personnel, advertising agencies, marketing consultants, and other professionals to assist in developing, implementing and administering any of the above brand strategy and brand development activities.

These activities may be conducted on a local, country, regional, continental, international or Category basis. Licensor may modify the International Marketing Fund Activities.

* + 1. *Permitted Changes to the International Marketing Fund.* Licensor may (i) change the local, country, regional, continental or international scope of the International Marketing Fund or the International Marketing Fund Activities; (ii) merge or operate the International Marketing Fund together with marketing funds used to benefit other Marriott Products; or (iii) discontinue any International Marketing Fund Activities.
  1. Additional Sales and Marketing Programs.

Licensor may provide, and Licensee will participate in, Additional Sales and Marketing Programs that are mandatory for similarly situated System Hotels. Licensee may elect to participate in optional Additional Sales and Marketing Programs. Licensee will pay for Additional Sales and Marketing Programs in which it participates on the same basis as other participating similarly situated System Hotels.

* 1. Pricing, Rates and Reservations.
     1. *Pricing and Rates.* Licensee is responsible for setting its own prices and rates for Guestrooms and other products and services at the Hotel, including determining any prices or rates that appear in the Reservation System. Licensor may, however, (i) prohibit certain types of charges or billing practices that Licensor determines are misleading or detrimental to the System, including price-gouging or incremental fees for services that guests would normally expect to be included in the Guestroom charge; (ii) require that Licensee price consistently in all distribution channels; or (iii) impose other pricing requirements permitted or required by Legal Requirements.
     2. *Honoring Reservations.* Licensee will provide its prices and rates for use in the Reservation System in accordance with the Standards. Licensee will (i) honor any prices, rates, or discounts that appear in the Reservation System, or any other publication, program, or promotion; (ii) honor all reservations made through the Reservation System or that are confirmed; and (iii) not charge any Hotel guest a rate higher than the rate specified for the Hotel guest’s reservation in the Reservation System or the reservation confirmation. Licensee will also honor all pricing and terms for any other product or service offered in connection with the Hotel.
     3. *Pricing Recommendations; Participation in Programs.* Licensor may recommend prices or rates for the products and services offered by Licensee or require participation in various sales or Inventory Management programs or promotions offered by Licensor, to the extent permitted under Legal Requirements. Licensor’s recommendations are not mandatory; Licensee is ultimately responsible for determining the prices or rates at which it offers its products and services, and Licensor’s recommendations are not a representation or warranty by Licensor that the use of such recommended prices or rates will produce, increase, or optimize Licensee’s profits. Licensor will have no liability for any such recommendations, including those made in connection with any sales activity or Inventory Management program. Licensor may provide Inventory Management or sales services at the request of, and as Sales Agent for, Licensee. If Licensor is acting as Sales Agent for Licensee, Licensee consigns hotel inventory to Licensor, and Licensee retains all risk of loss of unsold inventory or inventory sold at a reduced price.

1. ELECTRONIC SYSTEMS
   1. Systems Installation and Use.

At its cost, Licensee will (i) obtain, install, maintain, use and replace at the Hotel all mandatory and optional Electronic Systems in compliance with the Standards, and (ii) take any other actions required by the Standards to protect the Electronic Systems and the data stored or communicated via the Electronic Systems. Licensee will pay Licensor all Electronic Systems Fees, some of which will be paid as part of the Program Services Contribution. Licensee will use the Electronic Systems only for the benefit of the Hotel.

* 1. Reservation System.

Licensor will make the Reservation System available to the Hotel. Licensee will cause the Hotel to participate in the Reservation System in accordance with the Standards and the Hotel Agreements (certain costs of which are included in the Program Services Contribution). Licensor is not obligated to make the Reservation System available if License is in default as provided in Section 17.3 or for reservations occurring after expiration or termination of this Agreement.

* 1. Electronic Systems Provided Under License.

As a condition to using the Electronic Systems, Licensee will sign the Electronic Systems License Agreement. The Electronic Systems may be modified, replaced, or become obsolete, and new Electronic Systems may be created to meet the needs of the System and changes in technology. If Licensor determines that it is necessary to modify or replace the Electronic Systems License Agreement, Licensee will sign the then-current form of the electronic systems license agreement provided to similarly situated System Hotels.

* 1. Access to Information.

Licensor may access the information contained in the Electronic Systems, and Licensee will take all actions reasonably necessary to provide such access to the extent permitted by Legal Requirements. Subject to Section 9, Licensor and its Affiliates may use any information contained in or obtained through the Electronic Systems to the extent permitted by Legal Requirements.

1. HOTEL OPERATIONS
   1. Opening and Operating the Hotel.

Licensee will at all times operate the Hotel, or cause the Hotel to be operated by a Management Company consented to by Licensor under Section 8.4, in compliance with the Standards. Licensee will comply with Exhibit D in order for the Hotel to commence operationsas a System Hotel.

* + 1. *Required Activities.* Licensee will (i) fully participate in and pay all costs related to the Quality Assurance Program and all mandatory programs for System Hotels; (ii) offer all guest services required for System Hotels; (iii) make all payments due in accordance with the terms of all contracts and invoices related to the Hotel, except for payments that are disputed in good faith; and (iv) provide all food and beverage service in the Hotel in conformity with the Standards and Legal Requirements.
    2. *Prohibited Activities at the Hotel.* Without Licensor’s prior approval or except as permitted in the Standards, Licensee will not (i) knowingly permit gambling to take place at the Hotel or use or associate the Hotel with any casino, lottery, or other type of gaming activities; (ii) operate any nightclub; (iii) knowingly permit adult entertainment activities at the Hotel; or (iv) sell, display or use in the Hotel any vending machines, video or other entertainment devices or similar products.
    3. *Inspection Rights.* Licensee will permit Licensor’s representatives to enter and inspect the Hotel at all reasonable times to confirm that Licensee is complying with the terms of this Agreement and the Standards, and to test the equipment, food products, and supplies at the Hotel. In conducting such inspections, Licensor will not unduly interfere with the operation of the Hotel. Licensee will pay any costs related to such inspections, including under the Quality Assurance Program, to the extent not covered by the Program Services Contribution. Licensee will pay all on site costs of third-party inspectors.
    4. *Standards and System Noncompliance.* If Licensee fails to achieve the threshold scores required under the Quality Assurance Program, fails Standards audits or is otherwise found to be failing to comply with the Standards or other aspects of the System, Licensor may (i) require Licensee and its personnel to attend or conduct training, (ii) provide assistance at the Hotel to remedy such non-compliance, and (iii) conduct additional audits. Licensee will pay for any costs related to (i) through (iii) above.
  1. System Promotion and No Diversion to Other Businesses.
     1. *System Promotion.* Licensee will use reasonable endeavors to encourage and promote the use of System Hotels, and will refer reservation requests that cannot be fulfilled by the Hotel to other System Hotels or other Marriott Products in accordance with the Standards.
     2. *No Diversion to Other Businesses.* Licensee will not use any part of the Hotel for any business other than operating a System Hotel. Licensee may not use any part of the Hotel or the System to promote or divert business to any business other than the Hotel, including the advertising or promotion of hotels, vacation or timeshare facilities, or any similar product sold on a periodic basis (including those which Licensee or its Affiliates operate or in which they have an Ownership Interest) not operated under a trade name or trademark owned by Licensor or any of its Affiliates.
  2. Employees.
     1. *Hotel Staffing.* Licensee will ensure that suitable qualified individuals are employed at the Hotel sufficient to staff the Hotel. Managers at the Hotel will devote their full time to the management and operation of the Hotel and supervision of employees. The Hotel will at all times be managed by personnel who have satisfactorily completed Licensor’s mandatory training programs as provided in the Standards. Licensee will provide training required by Licensor in accordance with the Standards for personnel working at the Hotel. Licensee will use its best endeavors to ensure that Hotel employees at all times comply with the Standards.
     2. *Hotel Employment Matters.* All employment decisions at the Hotel will be made solely by Licensee or the Management Company. Licensor does not direct or control the employment policies or decisions for the Hotel. All employees at the Hotel are solely employees of Licensee or the Management Company, not Licensor, and neither Licensee nor the Management Company is Licensor’s agent for any purpose with regard to Hotel employees. Licensee or the Management Company will promptly inform Licensor whenever it intends to hire a general manager and permit Licensor to review the credentials and provide input regarding candidates for the position.
     3. *Communication with Managers and Management Company.* Licensor may communicate directly with the managers at the Hotel and any Management Company at the Hotel about day-to-day operations of the Hotel and Licensor may rely on such statements of the managers or Management Company. Such communications will not affect the requirements of Section 24. Licensor will under no circumstances direct or control such Hotel operations.
  3. Persons Operating the Hotel; Licensor Consent.
     1. *Consent Required.* The Hotel will be operated only by a Person consented to in advance by Licensor. The Hotel will be operated by the Person identified in Item 8 of Exhibit A. If the Hotel will not be operated by Licensee and will be operated by a management company consented to by Licensor (the “Management Company”), such operation will be subject to the execution and delivery to Licensor a Management Company Acknowledgment. Licensee will at all times be responsible for complying with the obligations of this Agreement even though Licensee has retained a Management Company.
     2. *Consent.* Licensor may withhold its consent to any proposed management company that: (i) it determines: (a) is not financially capable; (b) does not have the managerial skills or operational capacity required to operate the Hotel in accordance with the Standards and this Agreement; or (c) is unable to comply with this Agreement; (ii) does not provide Licensor with all information and access that Licensor reasonably requests; or (iii) is not a Qualified Person. On Licensor’s request, Licensee will provide a copy of any management agreement between Licensee and its proposed management company for Licensor’s review.
     3. *Change in Circumstances.* Licensor may withdraw its consent to a Management Company if: (i) Licensor determines that the Management Company is no longer qualified to operate the Hotel; (ii) there is a change in Control of the Management Company; (iii) the Management Company is no longer a Qualified Person; or (iv) there is a material adverse change to the financial condition or operational capacity of the Management Company. Licensee will promptly notify Licensor of any such event together with such additional information that Licensor may reasonably request. Licensor may require Licensee to terminate its agreement with such Management Company and retain a replacement management company that will be subject to Licensor’s consent. After Licensor receives notice and any information Licensor reasonably requests to consent to or reject any such replacement management company, Licensor will respond to Licensee within 30 days.
  4. Spa.

**[MI Note: Section pending confirmation by MI Spa team]** The Hotel will contain a spa (“Spa”). The operation of any other business in connection with the Hotel, including the Spa, is subject to Licensor’s consent. Licensor hereby consents to the operation of the Spa (as determined in Licensor’s Reasonable Business Judgment), subject to the following:

* + 1. *Operation of the Spa*. Licensee will operate the Spa as part of the Hotel in accordance with the Standards and all Legal Requirements. If Licensee wishes to have a third party operate the Spa (“Spa Operator”), Licensee will first obtain Licensor’s consent to the Spa Operator, and Licensor may require (in its sole discretion): (i) such Spa Operator and Licensee to execute a Spa Management Acknowledgment in Licensor’s then-current form; (ii) insurance coverage as provided by Exhibit C; and (iii) such other conditions as may be reasonably necessary to cause the Spa to be operated by the Spa Operator in accordance with the Standards.
    2. *Additional Spa Requirements.*
       1. Except for (i) Persons that have booked spa treatments or other services offered by the Spa and (ii) guests, visitors and employees of the Hotel, no Person will be permitted to access the Spa or the fitness center;
       2. If the fitness center is within the Spa and is not available for the Hotel and its guests 24 hours a day, seven days a week, then Licensee will provide access to a fitness room in the Hotel to the guests that complies with the Standards;
       3. For Hotel guests, access to the Spa will be permitted via electronic key card. Persons that have booked spa treatments or other services offered by the Spa (other than Hotel guests) will access the Spa by supervised access. The only access to the Hotel from the Spa will be via electronic key card reader or other equivalent electronic system for the exclusive use of Hotel guests. Persons that have booked spa treatments or other services offered by the Spa will, in each case, be required to check in at the reception area of the Spa before accessing the Spa or any of its facilities. Access to the Spa and its facilities by Persons that have booked spa treatments or other services offered by the Spa, will, in each case, be subject to reasonable capacity limits agreed between Licensor and Licensee and will only be permitted during regular business hours. The electronic key card reader or other equivalent electronic system will include a system that records and alerts Hotel security when any Person (i.e., a guest, visitor or employee of the Hotel) is using the fitness center after regular business hours. The remaining portions of the Spa will be closed and locked after regular business hours in accordance with the Standards;
       4. So long as the Spa is operated by Licensee, the Hotel’s internet and telephone booking systems will (i) permit guests of the Hotel to book spa treatments and other services offered by the Spa, (ii) include an interface with the Electronic Systems of the Hotel to permit the transmission of information allowing Hotel guests to charge Spa fees to their room at the Hotel, and (iii) otherwise comply with the Standards in all respects;
       5. The Spa and all related common areas will be constructed, renovated and operated in accordance with the Standards;
       6. All Spa employees and associates will have appropriate, industry-recognized qualifications and will be required to maintain such qualifications; and
       7. Licensee will not, without Licensor’s prior approval, permit the Spa to offer or perform services that could be considered to be medical services, including, treatments that are invasive to the body or involve injections, require a medical certificate, involve joint manipulation or the use of a laser.
       8. Licensee will not, without Licensor’s prior approval, permit the Spa to offer or perform: (i) facials to minors who are under the age of 16; or (ii) massages and body treatments to minors who are under the age of 18; or (iii) any Spa treatments to be performed outside of the Spa area.]
  1. Permitted Business. The Hotel will contain a sport shop (ski store) on the ground floor which is adjacent and accessible from the Hotel lobby (the “Permitted Businesses”). If the Permitted Businesses are operated by Licensee, the Permitted Businesses will constitute part of the Hotel. If any of the Permitted Businesses are operated by a third party under a lease or operating agreement (“Third Party Agreement”) between Licensee and such third party (“Third Party Operator”), the references in this Section to Third Party Operators, along with Section 14.3 of Exhibit C will apply to such Permitted Businesses. Subject to the above, Licensee agrees as follows concerning the Permitted Businesses:
     1. *No Disruption or Conflict with Operation of Hotel*. Licensee will ensure (or cause such Third Party Operator to ensure) that the Permitted Businesses: (i) are constructed, renovated, operated and maintained in a manner that is consistent with similar Class A commercial space existing in the vicinity of the Approved Location and which preserves the character, standard and reputation of the Hotel as a System hotel; (ii) do not disrupt or conflict with Licensee’s operation of the Hotel or any provision of this Agreement, give rise to guest complaints or detract from the goodwill of the Proprietary Marks, adversely affect the overall appearance of the Hotel as a System Hotel or pose a threat to health or safety; and (iii) will not be used for any Non-Permitted Uses. Licensee will ensure that any Third Party Agreement provides Licensee the right to inspect, at reasonable times during business hours, the Permitted Businesses to confirm compliance with this Agreement, and for Licensor to accompany Licensee on such inspection.
     2. *No Use of Intellectual Property*. Without Licensor’s prior consent, Licensee will not use (and will not permit any Third Party Operator of the Permitted Businesses to use) any Intellectual Property in any manner with the Permitted Businesses or the promotion or marketing of the Permitted Businesses. Licensee will not assert (and will not permit any Third Party Operator to assert) any right of ownership in any Intellectual Property. No signage related to the Permitted Businesses is permitted within the Hotel without Licensor’s prior consent. Neither Licensee nor any Third Party Operator will acquire any right to or ownership of Intellectual Property as a result of any combined usage of Intellectual Property with any trademarks, service marks, names, copyrights, logos, trade dress, or other intellectual property of the Permitted Businesses if any combined usage is permitted by Licensor. All goodwill resulting from any combined usage of the Intellectual Property will inure to Licensor.
     3. *Indemnification*. The Permitted Businesses constitute part of the Hotel for purposes of Section 14.1 of this Agreement on indemnification.
     4. *Third Party Agreement*. Licensee will have a contractual right to enforce all terms in this Section in the Third Party Agreement. These terms must give effect to the provisions of this Section and Licensee will take all necessary enforcement actions. Licensee will ensure that any Third Party Agreement includes the following language in substantially similar form:

“*Third Party Operator acknowledges that the Hotel is operated under a license from Global Hospitality Licensing S.à r.l (“Licensor”). Third Party Operator has no right to use any trademark, service mark, name, copyright, logo, trade dress, trade secret or other intellectual property of Franchisor or any affiliate of Licensor (“Intellectual Property”) in any manner in connection with the sport shop or the advertising or marketing of the sport shop. Third Party Operator will not assert any right of ownership in or to any Intellectual Property, and will not acquire any right to or ownership as a result of any combined usage of Intellectual Property with Third Party Operator’s trademarks, service marks, names, copyrights, logos, trade dress, or other intellectual property (if any combined usage is permitted by Licensor) and all goodwill resulting from such combined usage will inure to Licensor*.”

* + 1. *Common Elements*. To the extent that the Hotel and the Permitted Businesses share Common Elements or the guests of the Hotel view or are exposed to Common Elements, Licensee will ensure (i) that the Common Elements comply with the Standards, and (ii) permit inspections of the Permitted Businesses to confirm compliance with this Agreement, in each case as if such Common Elements were part of the Hotel. The preceding sentence applies only to those Common Elements that can be seen by guests of the Hotel, utilized by the Hotel or any guests of the Hotel or on which any part of the Hotel is dependent. “Common Elements” means, with respect to the Hotel, on the one hand, and any Permitted Businesses, on the other hand, any shared structural components and any standard mechanical, engineering, or other systems, or any shared or common property, including rights of ingress and egress.
    2. *Access*. The Hotel and the Permitted Businesses will have separate ingresses and egresses **[MI Note: To be confirmed]**. Licensee may change such arrangements, subject to Licensor’s consent, not to be unreasonably withheld, delayed or conditioned. No tenants or guests of the Permitted Businesses will have access to the Hotel other than that available to the public generally or if such Person is a guest of the Hotel.
    3. *Non-relevance of Permitted Businesses for Standards*. Licensee is not relieved of any of its obligations under this Agreement by entering into any Third Party Agreement with any Third Party Operator relating to the Permitted Businesses. Specifically, Licensee agrees that any food and beverage venues operated by Third Party Operators will not satisfy the obligations of Licensee to provide food and beverage service in the Hotel in accordance with the System, and Licensee will provide, in addition to any food and beverage venues operated by Third Party Operators, food and beverage service in the Hotel in conformity with the Standards to insure the highest degree of quality and service.
    4. *Change of Concept or Redesign*. Licensee will cause, or ensure that any Third Party Operator causes, any new or replacement business or concepts or redesigns of existing Permitted Businesses to comply with this Section.

[MI NOTE TO LICENSEE: THE DRAFT ASSUMES THAT ALL OTHER PARTS OF THE HOTEL/PROJECT ARE OPERATED AS PART OF THE HOTEL. KINDLY CONFIRM IF ANY PARTS (E.G RESTAURANT) ARE OPERATED BY A THIRD PARTY, IN WHICH CASE APPROPRIATE LANGUAGE WILL BE ADDED]

1. DATA protection
   1. Controllership.

Licensee and Licensor agree that Licensee, Marriott International, Inc., and Licensor are each independent controllers of Guest Personal Data and may share Guest Personal Data during the Term to the extent permitted by Legal Requirements and Standards. Licensee’s use of Guest Personal Data is subject to Section 12.1., and such Guest Personal Data will be collected, used and shared by Licensee only for the benefit of the Hotel and in accordance with this Agreement, the Standards and Legal Requirements.

* 1. Signing of Documents.

Licensee and Licensor will take such actions and sign such documents that are determined by Licensor to be necessary to enable Licensor and Licensee to comply with Legal Requirements applicable to Guest Personal Data related to the Hotel, such as data transfer agreements.

* 1. Notification Requirements.

Licensee will promptly inform Licensor if Licensee: (i) discovers or reasonably suspects a Security Incident regarding Guest Personal Data; (ii) has been contacted by any Person seeking to exercise any individual rights under Legal Requirements regarding Guest Personal Data; or (iii) has been contacted by a data protection authority about processing of Guest Personal Data (in which case Licensor will have the right to control any proceedings with such authority). Licensee and Licensor will cooperate with the other as is reasonably necessary (a) to respond to data access requests related to Guest Personal Data; and (b) in the resolution of Security Incidents at the Hotel or by Licensee.

1. STANDARDS AND SYSTEM
   1. Compliance with Standards and System.

Licensee agrees that conformity with the Standards and System is essential to maintain the uniformity and quality of guest service of System Hotels. Licensee will comply with the then-current Standards and operate the Hotel in compliance with the System and the Hotel Agreements. The Standards will remain the sole property of Licensor and its Affiliates.

* 1. Modification of the Standards and System.

Licensor and its Affiliates may modify the Standards and System, including changing, adding, or deleting elements of the Standards or System. Modifications to the System may be made for all System Hotels or for any Category of System Hotels on a fair and consistent basis. Licensor may allocate the costs of System modifications among System Hotels or any Category of System Hotels on a fair and consistent basis. Any implementation of modifications to the System and Standards at the Hotel will take into consideration the independent nature of the Hotel and its Design and the Independent Hotel Brand, and Licensor will not require Licensee to materially change the Design or the Independent Hotel Brand in order to implement any modification to the System or Standards.

1. PROPRIETARY MARKS AND INTELLECTUAL PROPERTY
   1. Licensor’s Representations Concerning the Licensed Marks.
      1. *Representations.* Licensor represents that:
         1. Licensor and its Affiliates have the right to grant Licensee the right to use the Licensed Marks in accordance with this Agreement; and
         2. Licensor and its Affiliates will take all steps reasonably necessary to preserve and protect the ownership and validity of the Licensed Marks. Licensor will not be required to maintain any registration for any of the Licensed Marks that Licensor determines, in its sole discretion, cannot or should not be maintained, provided Licensor will maintain its rights in the Autograph Collection trade name.
      2. *Indemnification for Infringement Claims.* Licensor will indemnify and hold Licensee harmless against Claims that Licensee’s use of the Licensed Marks in accordance with this Agreement infringes on the rights of any third party unrelated to Licensee, if Licensee (i) is in compliance with this Agreement; (ii) gives immediate notice of any such Claim to Licensor; (iii) permits Licensor to have sole control over the defense and settlement of the Claim; and (iv) cooperates fully with Licensor in defending or settling the Claim.
   2. Licensee’s Use of Intellectual Property and the System.
      1. *Use of the Intellectual Property and the System*. Licensee agrees that:
         1. Licensee will use the Intellectual Property and the System only for the operation of the Hotel and only in the form and manner as provided in the Standards or consented to by Licensor. Licensee will offer or sell only goods and services under the Proprietary Marks that are of a nature and quality that comply with the Standards. Any use of the System not authorized by Licensor will constitute an infringement of Licensor’s rights;
         2. Licensee will use the Proprietary Marks only in substantially the same places, combination, arrangement, and manner as provided in the Standards or approved by Licensor;
         3. Licensee will identify itself as a franchisee or licensee of Licensor and the owner or operator of the Hotel only in the form and manner Licensor authorizes or as provided in the Standards. Licensee will not use the Proprietary Marks in any manner that could imply that Licensee has an Ownership Interest in the Proprietary Marks;
         4. Licensee has no right to, and will not, Transfer, sublicense, or allow any Person to use the Intellectual Property or any other part of the System, unless permitted in this Agreement;
         5. Licensee will not use any part of the System to incur any obligation or indebtedness on behalf of Licensor or any of its Affiliates;
         6. Licensee will not without Licensor’s prior consent make any admissions or take any action which may prejudice the defense or settlement of any third-party complaint regarding Intellectual Property, or any investigation by a public authority;
         7. Licensee will not use any of the Proprietary Marks or any names or marks that contain or are similar to, or an abbreviation of, any of the Proprietary Marks, as Licensor determines in its sole discretion (“Similar Marks”), as part of Licensee’s corporate or legal name, in connection with any business activity except the Hotel, or as a road name or address, whether alone or in combination with Other Marks;
         8. Licensee will not register or apply to register any of the Proprietary Marks or any Similar Marks;
         9. Licensee will notify Licensor of any required business, trade, fictitious, assumed, or similar name registration, and indicate in the registration that Licensee may use such name only in accordance with this Agreement;
         10. if litigation involving the Intellectual Property is instituted or threatened against Licensee, or a claim of infringement involving the Intellectual Property is made against Licensee, or Licensee becomes aware of any infringement of the Intellectual Property, Licensee will promptly notify Licensor and will cooperate fully in any action, defense, or settlement of such matters. Licensee will not make any demand, serve any notice, institute any legal action, or negotiate, litigate, compromise or settle any controversy about any such matter without first obtaining Licensor’s prior consent, which may be withheld in Licensor’s sole discretion. Licensor will have the right to bring any action and to join Licensee as a party to any action involving the Intellectual Property;
         11. if Licensor believes, in its sole discretion, that Licensee’s use of the Intellectual Property does not conform with the Hotel Agreements or Standards, then Licensee will immediately stop the non-conforming use on notice from Licensor; and
         12. Licensee will not (and will ensure that its Affiliates, directors, officers, Interestholders, employees and agents do not) take any action or engage in any conduct that is likely to adversely affect the reputation, goodwill or business of the Hotel, Licensor or the System. Licensee will comply with the Standards regarding protection of the reputation of the System, including protection of Intellectual Property, and promptly notify Licensor of any event that has occurred that is likely to receive or is receiving significant negative public attention. Licensee will cooperate with Licensor in the resolution of, and public response to, such matters.
      2. *Ownership of the System.* Licensee agrees that:
         1. Licensor and its Affiliates are the owners or licensees of all right, title, and interest in and to the System (except certain Electronic Systems provided by third parties) and the goodwill associated with the System and Proprietary Marks and any infringement of the Proprietary Marks will result in irreparable injury to Licensor;
         2. the Proprietary Marks are valid and serve to identify the System and System Hotels;
         3. the Proprietary Marks may be deleted, replaced or modified by Licensor or its Affiliates in their sole discretion. Licensor may require Licensee, at Licensee’s expense, to discontinue or modify Licensee’s use of any of the Proprietary Marks or to use one or more additional or substitute marks;
         4. Licensee will not directly or indirectly, (i) attack the ownership, title or rights of Licensor or its Affiliates in the System; (ii) contest the validity of the System, or Licensor’s right to grant to Licensee the right to use the System in accordance with this Agreement; (iii) take any action that could impair, jeopardize, violate, or infringe any part of the System; (iv) claim any right, title, or interest in the System except rights granted under this Agreement; or (v) misuse or harm or bring into disrepute the System;
         5. Licensee does not have, and will not obtain any, Ownership Interest in any part of the System (including any modifications, derivatives or additions made by or on behalf of Licensee or its Affiliates). Licensee assigns, and will cause each of its employees or independent contractors who contributed to System modifications to assign, to Licensor, in perpetuity throughout the world, all rights, title and interest (including the entire copyright and all renewals, reversions and extensions of such copyright) in and to such System modifications. Except to the extent prohibited by Legal Requirements, Licensee waives, and will cause each of its employees or independent contractors who contributed to System modifications to waive, all rights of “droit moral” or “moral rights of authors” or any similar rights in such System modifications;
         6. Licensee will sign, or cause to be signed, and deliver to Licensor any documents, and take any actions, required by Licensor to protect the Proprietary Marks and the title in any System modifications; and
         7. all goodwill arising from Licensee’s use of the System will inure solely and exclusively to the benefit of Licensor and its Affiliates, and on the expiration or termination of this Agreement, no monetary amount will be attributable to any goodwill associated with Licensee’s use of the System.
   3. Licensee’s Use of Other Marks.

Except as provided in Section 11.5 concerning the Licensee Marks, Licensee will not use any trademark, trade name, symbol, slogan, design, insignia, emblem, device, or service mark that is not a Proprietary Mark (including the names of restaurants or other outlets at the Hotel) (“Other Marks”) in connection with the Hotel or the System or in Marketing Materials without Licensor’s prior approval. Licensee will not use any Other Mark in connection with the Hotel or the System or in Marketing Materials that may infringe or be confused with a third-party’s trade name, trademark, or other rights in intellectual property. Licensee consents to the use of the Other Marks by Licensor and its Affiliates during the Term in connection with the affiliation of the Hotel as a System Hotel. Licensee represents and warrants that there are no Claims or proceedings that would materially affect Licensor’s use of the Other Marks. Within 30 days after, expiration or termination of this Agreement, Licensor will cease using the Other Marks.

* 1. Websites and Domain Names.

Except as permitted in the Standards, Licensee will not display any of the Proprietary Marks on, or associate the System with (through a link or otherwise), any website, electronic Marketing Materials, application or software for mobile devices or other technology or media, domain name, address, designation, or listing on the internet or other communication system or medium without Licensor’s consent. Licensee will not register or use any internet domain name, address, mobile application or other designation that contains any Proprietary Mark or Similar Mark. At Licensor’s request, Licensee will promptly cancel or transfer to Licensor any such domain name, address or other designation under Licensee’s control.

* 1. Use of Licensee Marks; Name of Hotel.
     1. Licensee represents that as of the Effective Date it does not have the Licensee Marks. In accordance with Section 11.5.B below Licensee will adopt the Licensee Marks not later than the earlier of: (i) 90 days before the proposed Opening Date, or (ii) six months before the Opening Deadline.
     2. For each name or mark (including any trademark, trade name, symbol, slogan, design logo or other indicia of origin) that Licensee wishes to adopt as a Licensee Mark (a “Proposed Mark”) for the Hotel, Licensee will provide to Licensor for its approval a proposal for each Proposed Mark, which will include a trademark availability search conducted by a competent counsel showing that the Proposed Mark is available for use for the Hotel and registration as a trademark for hotel and restaurant services. If the Proposed Mark will be the name of the Hotel, Licensee will retain the services of a Licensor-approved branding consultant to develop the Proposed Mark. If Licensor approves a Proposed Mark, Licensee will (i) within 14 days of such approval, file an application for registration of the Proposed Mark and provide evidence of the application to Licensor; (ii) diligently prosecute the application to registration; and (iii) at Licensor’s request, execute an amendment to this Agreement that amends Exhibit H to include the Proposed Mark. Licensee may not use a Proposed Mark with the Hotel until Licensor has approved and the parties have executed the amendment. On execution of the amendment, the Proposed Mark will be a Licensee Mark.
     3. Following the registration of the Licensee Marks in compliance with Section 11.5.B above:
        1. Licensee will not use the Licensee Marks for any hotel, other lodging product or Vacation Club Product, other than the Hotel without Licensor’s consent. Licensor consents to Licensee’s use of the Licensee Marks with the Proprietary Marks in compliance with this Section and the Standards;
        2. Licensee will use the Licensee Marks and Proprietary Marks for the Hotel only as authorized by Licensor. Licensee will conform all uses of the Licensee Marks and Proprietary Marks to the content, layout and graphic design of sample materials approved by Licensor, and Licensee will restrict such usage to activities, media or signage approved by Licensor. Licensee acknowledges, if Licensee desires to modify the Licensee Marks, all such modifications must be approved by Licensor before using the modified Licensee Marks, whether with Proprietary Marks or not;
        3. Licensee will not file or pursue any registration containing any of the Licensee Marks and any of the Proprietary Marks, except where required by Legal Requirements, and with Licensor’s approval. Licensee will withdraw, cancel or assign to Licensor, any unauthorized registration on Licensor’s request. Licensee will withdraw, cancel or assign to Licensor any authorized registration containing Proprietary Marks on the earlier of the termination of this Agreement or the Hotel name changes to omit the Licensee Marks;
        4. on expiration or termination of this Agreement, Licensee will cease using the Proprietary Marks, including all use of the Proprietary Marks and Licensee Marks together previously authorized;
        5. Licensee agrees that: (a) it will not acquire any right, title or interest in the Proprietary Marks based on Licensee’s use of the Licensee Marks and Proprietary Marks; (b) all goodwill associated with the Proprietary Marks generated by their use with the Licensee Marks will inure to Licensor; and (c) Licensee will not assert that the Proprietary Marks and the Licensee Marks when used together comprise a composite mark;
        6. Licensee agrees that if use of the Licensee Marks is challenged by a third party, Licensor may require that the Hotel be renamed in compliance with the Standards to a name that does not include the Licensee Marks and, if the Hotel is renamed: (a) Licensee will cease using the Licensee Marks in references to the Hotel; (b) Licensee will use the new name of the Hotel in accordance with this Agreement (including any Marketing Materials, signage, and on Licensor’s website); and (c) Licensee will modify or destroy any items that refer to the Hotel other than by its new name; and
        7. Licensee will represent that to the best of its knowledge:

1. Licensee may consent to Licensor’s use of the Licensee

Marks; and

1. there will be no Claims pending or threatened by any

Person that would materially affect Licensor’s use of the Licensee Marks under this Agreement, Licensee will consent to the use of the Licensee Marks by Licensor and its Affiliates for the Hotel (including in printed marketing and promotional materials, and on Licensor’s website) and will agree that such consent will remain in effect until 30 days after the earlier of (x) the termination of this Agreement or (y) the change of the Hotel name to omit the Licensee Marks.

* + 1. During the Term, the Hotel will be identified as an Autograph Collection Hotel, with such local or geographic designation required by Licensor to identify the Hotel. If there are changes in the Autograph Collection Hotel trade name or System Hotels, Licensor may change the name of the Hotel to conform to those changes.

1. CONFIDENTIAL INFORMATION
   1. Confidentiality Obligations.

Licensee will use Confidential Information only for the benefit of the Hotel and in conformity with Legal Requirements, this Agreement and the Standards. Licensee will protect the Confidential Information and will immediately on becoming aware report to Licensor any theft, loss or unauthorized disclosure of Confidential Information. Licensee may disclose Confidential Information only to Licensee’s employees or agents who require it to operate the Hotel, and only after they are advised that such information is confidential and that they are bound by Licensee’s confidentiality obligations under this Agreement. Without Licensor’s prior consent, Licensee will not copy, reproduce, or make Confidential Information available to any Person not authorized to receive it. The Confidential Information is proprietary and a trade secret of Licensor and its Affiliates. Licensee agrees that the Confidential Information has commercial value and that Licensor and its Affiliates have taken reasonable measures to maintain its confidentiality. Licensee is liable for any breaches of such confidentiality obligations by its employees or agents.

* 1. Confidentiality of Terms.

Without the prior consent of Licensor, Licensee will not disclose to any Person the terms of this Agreement or any other Hotel Agreement, except as required: (i) by Legal Requirements; (ii) in any judicial, administrative or arbitral proceedings; and (iii) to those of Licensee’s managers, members, officers, directors, employees, attorneys, accountants, agents or lenders to the extent necessary for the operation or financing of the Hotel.

* 1. Press Releases and Public Statements.

Licensee will obtain Licensor’s consent before any press releases, interviews or public statements are issued by Licensee, or anyone on its behalf, about events that are likely to receive or are receiving significant negative public attention related to Licensor, the System or the Hotel.

1. ACCOUNTING AND REPORTS; TAXES AND CURRENCY
   1. Accounting.

Licensee will account for Gross Room Sales, Gross Food and Beverage Sales, and Gross Revenues on an accrual basis and in compliance with this Agreement.

* 1. Books, Records, and Accounts.

Licensee will maintain and preserve complete and accurate books, records, and accounts for the Hotel in accordance with generally accepted accounting principles of the Jurisdiction, consistently applied, Legal Requirements and the Standards. For all purposes under this Agreement, Licensee will report all Hotel revenues to Licensor in accordance with the Uniform System and the Standards. Licensee will preserve these books, records and accounts for at least five years from the dates of their preparation.

* 1. Statements and Reports.
     1. *Monthly Statements*. For each full or partial month after the Opening Date, Licensee will deliver to Licensor a financial statement in accordance with the Standards in the English language containing the information required by Licensor, including the Gross Revenues, Gross Room Sales, and Gross Food and Beverage Sales for such month. The report is due no later than the third day of each month for the preceding month’s Gross Revenues, Gross Room Sales, and Gross Food and Beverage Sales.
     2. *Other Statements and Reports.* Within 120 days after each fiscal year of Licensee used for income tax purposes, Licensee will provide to Licensor a complete statement (in the English language) of income and expense from Hotel operations for the preceding year. This statement will be prepared in accordance with generally accepted accounting principles of the Jurisdiction, consistently applied, Legal Requirements, the Standards and the Uniform System “Income Statement” with standard line items specified by Licensor. Licensee will promptly deliver to Licensor such other financial information (including, actual and estimated operating results of the Hotel) and other reports relating to the Hotel and Licensee as: (i) provided in the Standards, (ii) required by Legal Requirements, or (iii) as Licensor may otherwise reasonably request.
  2. Licensor Examination and Audit of Hotel Records.
     1. *Examination and Audit.* Licensor and its authorized representatives may, at any time, but on reasonable notice to Licensee, examine and copy all books, records, accounts, and tax returns of Licensee related to the operation of the Hotel during the five years preceding such examination. Licensor may have an independent audit made of any such books, records, accounts, and tax returns, at Licensor’s cost (except as provided in Section 13.4.B). Licensee will provide any assistance reasonably requested for the audit and will provide copies of any documentation requested by Licensor without charge.
     2. *Underreporting.* If an examination or audit reveals that Licensee has made underpayments to Licensor, Licensee will promptly pay Licensor on demand the amount underpaid, plus interest under Section 3.6. If an examination or audit finds that Licensee has understated payments due to Licensor by 5% or more for the relevant period, or if the examination or audit reveals that the accounting procedures are insufficient to determine the accuracy of the calculation of payments due, Licensee will reimburse Licensor for all costs connected with the examination or audit (including reasonable accounting and legal fees). If the examination or audit establishes a pattern of underreporting, Licensor may require that the annual financial reports due under Section 13.3.C. be audited by an internationally recognized independent accounting firm acceptable to Licensor. The rights of Licensor in this Section are in addition to any other remedies that Licensor may have, including the right to terminate this Agreement.
     3. *Overpayments.* If an examination or audit reveals that Licensee has made overpayments to Licensor, the amount of such overpayment, without interest, will be promptly credited against future payments due to Licensor.
  3. Taxes.
     1. *Payment of Taxes.* Licensee will pay when due all Taxes (as defined below) relating to the Hotel, Licensee, this Agreement, any other Hotel Agreement or in connection with operating the Hotel, except income or franchise taxes assessed against Licensor by any competent governmental authority in the country in which Licensor is tax resident.
     2. *Withholding Taxes.* 
        1. The amounts payable to Licensor or its Affiliates will not be reduced by any deduction or withholding for any present or future taxes, levies, imposts, duties, fees, charges or liabilities imposed by any governmental authority in the Jurisdiction, including any interest, additions to tax or penalties applicable to any of the foregoing (collectively, “Taxes”).
        2. If Legal Requirements impose an obligation on Licensee to deduct or withhold Taxes directly from any amount paid to Licensor or its Affiliates, then Licensee will deduct or withhold the required amount and will timely pay the full amount deducted or withheld to the relevant governmental authority in accordance with Legal Requirements. The amount paid to Licensor or its Affiliates will be increased so that after the deduction or withholding has been made in accordance with Legal Requirements, the net amount actually received by Licensor or its Affiliates will equal the full amount originally invoiced or otherwise payable. To the extent any Legal Requirements require or allow any such deduction, payment or withholding to be paid by Licensee directly to a governmental authority, Licensee will account for and pay such amounts promptly and provide Licensor with receipts or other proof of such payment promptly upon receipt.
        3. If Legal Requirements do not impose an obligation on Licensee to deduct or withhold Taxes directly from any amount paid to Licensor or its Affiliates, but otherwise impose Taxes on any such amount, then Licensee will pay Licensor or its Affiliates, within 15 days after request, the full amount of the Taxes paid or payable by Licensor or its Affiliates with respect to such payment so that the net amount actually received by Licensor or its Affiliates after payment of any Taxes will equal the full amount originally invoiced or otherwise payable.
     3. *Value Added Tax & Similar Taxes.* The amounts payable to Licensor or its Affiliates will not be reduced by any value added, goods and services, sales or similar taxes, all of which will be paid by Licensee. Therefore, in addition to making any payment to Licensor or its Affiliates required under this Agreement, Licensee will: (i) pay Licensor or its Affiliates the amount of these taxes due with respect to the payment; or (ii) if required or permitted by Legal Requirements, pay these taxes directly to the relevant taxing authority. If a reverse charge mechanism is available to Licensee, Licensee will promptly account for and pay these taxes in accordance with Legal Requirements.
     4. *Stamp Duties.* Licensee will pay any stamp duty applicable to the Hotel Agreements.
     5. *Tax Disputes.* If there is a dispute by Licensee as to any Tax liability related to payments under the Hotel Agreements, Licensee may contest the Tax liability in accordance with Legal Requirements, but Licensee will not permit a sale, seizure or attachment to occur against the Hotel. If such dispute involves payments of Taxes that will be withheld, deducted, and paid by Licensee related to payments to Licensor or its Affiliates as provided in this Section 13.5, Licensee will notify Licensor before taking action concerning the dispute with the tax authority, and, if requested by Licensor, cooperate with Licensor in preparing its response. On Licensor’s request, Licensee will pay such Taxes and seek reimbursement from the governmental authority, and Licensee will be responsible for any interest or penalties assessed. The obligations of this Section will apply regardless of whether Licensee or Licensor is responsible for payment of any Taxes.
  4. Restrictions on Transfers of Funds.

If there is any restriction on the transfer of funds to Licensor or its Affiliates outside the Jurisdiction, Licensor and Licensee will cooperate to ensure full and timely payment. Licensor may instruct Licensee to deposit all payments in local accounts designated by Licensor and take such other action as Licensor may request to pay the outstanding amounts to Licensor after the currency restriction ends. If Licensor does not receive payment within 60 days, Licensor may (i) curtail performance of some or all of its obligations under the applicable Hotel Agreement (including access to the Reservation System), and this curtailment is not a breach of any such agreement; and (ii) terminate any Hotel Agreement for which it has not received payment within 120 days. A termination under this Section will not be a default under this Agreement and no liquidated damages under Section 17.4 will be due.

* 1. Currency.
     1. *Exchange Rate.* All amounts payable to Licensor under the Hotel Agreements will be paid in United States Dollars, unless Licensor agrees to an alternative currency. The exchange rate used for each payment will be the exchange rate for the applicable currency, as quoted in the Published Source for the last business day of the month during which the payment obligation accrues.
     2. *Late Payments.* In the case of a late payment, the exchange rate will be determined under Section 13.7.A. or on the date on which payment is made, whichever results in the higher amount to Licensor.
     3. *Payments in Other Currencies.* If an amount is received in a currency other than United States Dollars without Licensor’s consent, Licensee’s obligation under this Agreement will be discharged only if Licensor can purchase United States Dollars with the other currency under normal banking procedures. If the amount in United States Dollars that may be purchased, after deducting any costs, is less than the amount owed under this Agreement, Licensee will immediately pay the shortfall to Licensor.

1. INDEMNIFICATION AND INSURANCE
   1. Indemnification.

Licensee will indemnify, defend and hold harmless Licensor and its Affiliates and their respective predecessors, successors, assigns, current and former directors, officers, Interestholders, employees and agents, against all Claims and Damages, including allegations of negligence by such Persons, to the fullest extent permitted by Legal Requirements, arising from (i) the unauthorized use of the Intellectual Property; (ii) the violation of Legal Requirements; (iii) the construction, conversion and renovation, repair, operation, ownership or use of the Hotel (including Claims and Damages arising from a Security Incident or the use of the Licensee Marks or Other Marks) or of any other business related to the Hotel; or (iv) any stamp duty or stamp duty tax applicable to the Hotel Agreements (including the Guaranty). Licensor may, at Licensee’s cost, control the defense of any Claim (including selecting its own counsel or defending or settling any Claim against Licensor or any indemnified Person) if Licensor determines that any Claim could adversely affect the interests of Licensor or any other indemnified Person. Licensor and Licensee will cooperate with each other and any insurer accepting responsibility for such Claim. Such undertaking by Licensor will not affect Licensee’s indemnity obligations. Neither Licensor nor any indemnified Person will be required to seek recovery from third parties or mitigate its losses to maintain its right to receive indemnification from Licensee. The failure to pursue such recovery or mitigate its losses will not reduce the amounts recoverable from Licensee by an indemnified Person.

* 1. Insurance.

Licensee will obtain and maintain (or cause to be obtained and maintained) the insurance described in Exhibit C.

1. TRANSFERS
   1. Licensee’s Transfer Rights.

Licensor entered into this Agreement in reliance on the business skill, financial capacity and character of Licensee and its Affiliates and their principals, and this Agreement is personal to Licensee. Any Transfer of any Ownership Interest in Licensee or the Hotel will comply with this Section 15. This Agreement, and any rights or obligations under it, may not be Transferred without Licensor’s prior consent.

* 1. Transfers Not Requiring Notice or Consent.

So long as the following Transfers of Passive Ownership Interests do not result in a change of Control of Licensee, no notice to or consent by Licensor is required:

* + 1. *Publicly-traded Securities*. A Transfer of publicly-traded securities that are: listed on an approved exchange, purchased on the open market, under a registration statement, or through a registered broker/dealer or investment adviser; or
    2. *10% Threshold*. A Transfer of Passive Ownership Interests (other than those held by a Guarantor) to a transferee that immediately before and after the Transfer owns less than 10% of the Ownership Interests in Licensee.
  1. Transfers Requiring Notice but Not Consent.

Licensee will notify Licensor at least 20 days before any of the following Transfers and provide Licensor the identity of the proposed transferees and their Interestholders, and such other documents and information reasonably requested by Licensor, but consent by Licensor is not required:

* + 1. *Passive Ownership Transfer*. A Transfer of Passive Ownership Interests that are not included in Section 15.2, if the following requirements are met:
       1. such Transfer, individually and in the aggregate, will not result in: (i) a change of Control of Licensee; (ii) any Person and its Affiliates that did not own a majority of the Ownership Interests in Licensee before such Transfer collectively owning a majority of the Ownership Interests in Licensee after such Transfer; or (iii) a Transfer of all, or substantially all of, of Guarantor’s Ownership Interest in Licensee;
       2. each new Interestholder is a Qualified Person, and Licensee pays the fees and costs for any required background checks; and
       3. if Licensor requests, Licensee signs an amendment to this Agreement that updates the ownership information in Attachment One to Exhibit A, and pays Licensor’s outside counsel costs related to the Transfer, if any.
    2. *Transfer to Affiliates; Transfer for Estate Planning Purposes.* A Transfer of the Hotel or an Ownership Interest in Licensee to an Affiliate of Licensee, or a Transfer of an Ownership Interest in Licensee for estate planning purposes to an immediate family member or to an entity owned by such member, or a trust for their benefit, if in the case of each such Transfer, the following requirements are met:
       1. Licensee or its Control Affiliate owns more than 50% of the Ownership Interests in the proposed transferee (if the transferee is an entity), and such Transfer does not otherwise result in a change of Control of Licensee or the Hotel;
       2. if applicable, each Guarantor reaffirms its obligations under the Guaranty and, if required by Licensor because the Guarantor or Guaranty no longer meet Licensor’s minimum requirements as a result of the Transfer, another party acceptable to Licensor signs a guaranty acceptable to Licensor;
       3. transferee and any new Interestholder is a Qualified Person;
       4. Licensee is not in breach or default under any Hotel Agreement, or if there is a breach or default, there is an agreement to cure; and
       5. Licensee and such transferee signs any documents requested by Licensor and pays Licensor’s outside counsel costs, if any, related to the Transfer.
  1. Transfers Requiring Notice and Consent.

A Transfer of the Hotel or a Controlling Ownership Interest in Licensee may be made only with at least 30 days’ notice to Licensor before the Transfer and with Licensor’s prior consent.

* + 1. *Conditions to Transfer.* Licensor will consent to a Transfer under this Section 15.4 if the following conditions are met:
       1. Licensee provides Licensor the identity of the proposed transferees and their Interestholders, and such other documents and information reasonably requested by Licensor, including the purchase and sale agreement;
       2. Licensee pays the then-current property improvement plan fee, and transferee pays the then-current initial fee for System Hotels to Licensor with its Transfer request;
       3. transferee and any new Interestholder is a Qualified Person;
       4. transferee or a management company, as consented to by Licensor under Section 8.4, operates the Hotel;
       5. transferee and any guarantors sign the then-current form of franchise and related agreements, containing: (a) the standard terms, including fees and charges, for new franchise System Hotels as of the Transfer date, except the duration may be shortened to the remaining Term, and (b) a property improvement plan for any renovations required to comply with Standards;
       6. Licensee (i) signs a general release of all Claims against Licensor and its Affiliates; and (ii) pays all amounts due to Licensor and its Affiliates and Licensor’s outside counsel costs related to the Transfer;
       7. Licensor determines that transferee has sufficient financial resources to fulfil its obligations under the then-current franchise and related agreements; and
       8. the Hotel is in good standing under the Quality Assurance Program, and Licensee is not in breach or default under any Hotel Agreement, or if there is a breach or default, there is an agreement to cure.
    2. *Prior Transfers.* Prior Transfers of Ownership Interests of Persons identified in Attachment One to Exhibit A as of the Effective Date will be considered in determining whether a Transfer of a Controlling Ownership Interest has occurred. Licensor will consent to such Transfer or provide its reason for withholding its consent within 30 days after receiving all required information.
  1. Proposed Transfer to Competitor.

If there is a proposed Transfer of an Ownership Interest in Licensee or the Hotel to a Competitor, Licensee will notify Licensor stating the identity of the proposed transferee (including the Interestholders of such proposed transferee), the terms of the proposed transaction, and all other information reasonably requested by Licensor. Within 30 days after receipt of such notice and information, Licensor will notify Licensee of its election of one of the following:

* + 1. Licensor may give notice of its intent to terminate this Agreement under Section 17.2.D., in which case either: (i) Licensee will cancel the Transfer (and if canceled the Agreement will not be terminated); or (ii) this Agreement will be terminated with Special Circumstances and Licensee will pay liquidated damages in accordance with Section 17.4 B; or
    2. Licensor may consent to such Transfer on such terms as Licensor may require, in its sole discretion, in addition to any of the conditions in Section 15.4 above.
  1. Proposed Transfer to Restricted Persons.

Licensee will ensure that no Transfer of any Ownership Interest in Licensee, the Hotel or any Hotel Agreement is made to a Restricted Person or a Person that receives funding from a Restricted Person. Any such Transfer is a default under Section 17.2.B.

* 1. Transfers by Licensor.
     1. *Transfer to Affiliates.* Licensor may Transfer this Agreement to any Affiliate that assumes Licensor’s obligations to Licensee and is reasonably capable of performing Licensor’s obligations, without prior notice to, or consent of, Licensee.
     2. *Transfer to Other Persons.* Licensor may Transfer this Agreement to any Person that assumes Licensor’s obligations to Licensee, is reasonably capable of performing Licensor’s obligations and acquires substantially all of Licensor’s rights in System Hotels, without prior notice to, or consent of, Licensee.
     3. *Release and Novation.* Any such Transfer under this Section 15.7 will constitute a release of Licensor and a novation of this Agreement and Licensee will sign any documents necessary to effect such Transfer reasonably requested by Licensor.
     4. *Licensor’s Successors and Assigns.* This Agreement will be binding on and inure to the benefit of Licensor and its permitted successors and assigns.

1. Prospectus review
   1. Licensor Review.

Except as stated in Section 16.2, if any Prospectus uses the Proprietary Marks, identifies the Hotel or Licensor or its Affiliates or describes the relationship between Licensor or Licensee and their respective Affiliates, Licensee will:

* + 1. deliver to Licensor for its review a copy of such Prospectus and all related materials at least 30 days before the earlier of the date such Prospectus is delivered to a potential purchaser, or filed with any securities commission, stock exchange or other governmental authority. Licensor may require Licensee to pay its outside counsel costs for the review of such Prospectus;
    2. indemnify, defend and hold harmlessLicensor and its Affiliates in connection with such Prospectus and the offering; and
    3. use any Proprietary Marks in such Prospectus and in any related materials only as consented to by Licensor.

Licensor’s review of any Prospectus is conducted solely to determine the accuracy of any description of Licensor’s relationship with Licensee and compliance with this Agreement, including the requirements of Section 12.1 and this Section 16, and not to benefit any other Person. Such consent will not constitute an endorsement or ratification of the proposed offering or Prospectus.

* 1. Exemption from Review.

Licensor will waive the requirement for its review of a Prospectus if such Prospectus: (i) uses the Proprietary Marks only to identify the Hotel and only in a non-stylized format; (ii) provides a clear statement that the Hotel is operated under a license from Licensor; and (iii) provides that Licensor has not reviewed, endorsed or ratified the proposed offering or Prospectus.

1. DEFAULT AND TERMINATION
   1. Default with Opportunity to Cure.

Licensee will be in default and Licensor may terminate this Agreement for the events listed below if Licensee fails to cure the default after 30 days’ notice (or such longer period required by Legal Requirements or provided by Licensor), without judicial or arbitral determination or prejudice to any other Claims of Licensor:

* + 1. Licensee fails to timely Design and Complete, open, renovate or maintain the Hotel in accordance with the Hotel Agreements or the Standards;
    2. Licensee or its Affiliates fail to pay any amounts due under the Hotel Agreements;
    3. Licensee fails to achieve the performance thresholds under the Quality Assurance Program;
    4. Licensee or any Interestholder in Licensee, or any officer, director, or employee of Licensee, is convicted of a Serious Crime or is engaged in conduct that may adversely affect the Hotel or the System, or Licensor or its Affiliates, and such Person is not terminated from its relationship with Licensee;
    5. Confidential Information is disclosed in breach of this Agreement;
    6. Licensee uses the Intellectual Property in breach of this Agreement;
    7. Licensee fails to comply with the Standards;
    8. Licensee or any of its Affiliates (or Guarantor, Owner or any of their respective Affiliates) breaches this Agreement or any other Hotel Agreements; or
    9. Licensee is in material default under the Lease.
  1. Termination on Notice.

Licensee will be in default and to the extent permitted by Legal Requirements, Licensor may terminate this Agreement without providing Licensee any opportunity to cure the default, effective on notice to Licensee (or such longer period required by Legal Requirements or provided by Licensor), without judicial or arbitral determination or prejudice to any other Claims of Licensor if:

* + 1. Licensee, or Owner or Guarantor is subject to an Insolvency Event;
    2. Licensee, any Control Affiliate Owner or any Guarantor is or becomes a Restricted Person;
    3. Licensee or any of its Affiliates or any Guarantor violates Legal Requirements in a manner that adversely affects the Hotel or the System;
    4. Licensee, or Owner or any of its Affiliates or any Guarantor becomes a Competitor or a Transfer occurs that violates Section 15;
    5. Licensee loses the right to Control, operate or possess the Hotel or loses ownership of the Hotel;
    6. the Hotel ceases to operate as a System Hotel;
    7. after receiving a notice of underpayment or nonpayment, Licensee engages in a pattern of underreporting or nonpayment involving three or more months within any 24-month period;
    8. a threat to public health or safety occurs based on the condition of the Hotel or its operation, that in the opinion of Licensor, could result in (a) substantial liability, or (b) an adverse effect on the Hotel or the System and Licensee fails to close the Hotel and remedy the condition on notice from Licensor. If within six months after termination under this Section the threat to public health or safety is eliminated, Licensee may request reinstatement of this Agreement and Licensor will reinstate this Agreement if Licensor determines that such reinstatement will not cause substantial liability or loss of goodwill; or
    9. the Lease is terminated for any reason.
  1. Suspension of Reservation System.

If Licensee is in default under this Agreement and the default is not cured within the applicable cure period (if any), Licensor may, in addition to any other remedies, suspend the Hotel from the Reservation System while such default remains uncured. Once the default is cured, Licensor will promptly connect the Hotel to the Reservation System. Licensor’s exercise of its remedies in this Section 17.3 will not (i) constitute actual or constructive termination or abandonment of this Agreement; (ii) be a waiver of the default or any breach of this Agreement; or (iii) preclude Licensor from terminating this Agreement in accordance with Section 17.1 or 17.2, as applicable, or pursuing any equitable or other remedies. Licensee waives all Claims against Licensor and its Affiliates arising from such suspension from the Reservation System, except any Claims that Licensee was not in default under this Agreement or has timely cured the default.

* 1. Damages and Costs.
     1. *Damages.* If Licensee fails to operate the Hotel as a System Hotel for the Term, Licensee agrees that Licensor will incur damages, including loss of future License Fees and International Marketing Fund Contributions and loss of opportunities for Development Activities (“Contract Losses”) and that replacement of the Hotel will take significant time. Licensee agrees that it is difficult to calculate such damages over the remainder of the Term and that the liquidated damages provided for in this Agreement are not a penalty and represent a reasonable estimate of the minimum fair compensation for the damages that Licensor will incur for the Contract Losses. If this Agreement is terminated with Special Circumstances, Licensor and the System will suffer greater damages and material loss of goodwill due to the increased difficulty in replacing multiple hotels and loss of competitive advantage and customer confidence due to the Special Circumstances.
     2. *Payment of Liquidated Damages.* If Licensor terminates this Agreement due to Licensee’s default, Licensee will promptly pay as liquidated damages to Licensor an amount equal to (i) Average Monthly Fees multiplied by (ii) the lesser of (x) 36 or (y) 1/2 the number of months remaining in the Term (the “LD Amount”); provided that, if this Agreement is terminated with Special Circumstances, Licensee will pay 150% of the LD Amount. If Licensee pays liquidated damages as provided in this Agreement, such payment will be Licensor’s sole remedy for its Contract Losses. Payment of liquidated damages will not preclude Licensor from pursuing any equitable or other remedies under Legal Requirements for losses unrelated to the Contract Losses and will not affect Licensee’s obligation to comply with Section 18. Licensee will reimburse Licensor for any outside counsel costs incurred by Licensor in connection with any default by Licensee under Section 17.1 or Section 17.2 of this Agreement.

1. POST-TERMINATION
   1. Licensee Obligations.
      1. *De-Identification.* On the expiration or other termination of this Agreement, Licensee will:
         1. immediately cease to operate the Hotel as a System Hotel and not represent or create the impression that it is a present or former franchisee or licensee of Licensor or that the Hotel is or was previously part of the System, unless required under Section 18.1.A.8 or Section 18.1.A.9 below;
         2. immediately and permanently cease to use and remove from the Hotel and any other place of business any Intellectual Property and any other identifying characteristics of the System, including any Electronic Systems, advertising, or any articles that display any of the Proprietary Marks or any trade dress or distinctive features or designs associated with the System or other Marriott Products;
         3. immediately remove any signs containing any Proprietary Marks (if Licensee is unable to remove the signs immediately, Licensee will cover the signs and remove them within 48 hours);
         4. immediately remove from any internet sites all content under its control related to the System or Licensor and take all actions necessary to disassociate itself from Licensor on the internet. Licensee will, at Licensor’s option, cancel or assign to Licensor or its designee, any domain name under the control of Licensee or its Affiliates that contains any Proprietary Mark, or any Similar Mark, including misspellings and acronyms;
         5. cancel any fictitious, trade, or assumed name or equivalent registration that contains any Proprietary Mark or any variations, and provide satisfactory evidence to Licensor of its compliance within 30 days after expiration or termination of this Agreement;
         6. immediately deliver to Licensor the originals and all copies of any Intellectual Property and all other materials relating to the operation of the Hotel under the System. Licensee will not retain a copy of any Intellectual Property or other System materials, except for any documents that Licensee reasonably needs for compliance with Legal Requirements or for purposes of Section 18.2.B. Licensee may retain and use such Guest Personal Data (other than Guest Preferences) to the extent necessary for Licensee to comply with Legal Requirements and to process existing reservations after the expiration or termination of this Agreement. If Licensor explicitly permits Licensee to use any Intellectual Property after the termination or expiration date, such use by Licensee will be in accordance with this Agreement and Legal Requirements;
         7. subject to Section 18.1.A.6, not use or retain any of the Confidential Information or the System, or disclose it to anyone not authorized by Licensor to receive it;
         8. immediately make such necessary alterations to the Hotel so that the public will not confuse it with a System Hotel. Until such alterations are completed, Licensee will place a conspicuous sign at the registration desk, stating that the Hotel is no longer a System Hotel; and
         9. advise all customers that the Hotel is no longer a System Hotel in accordance with the Standards.
      2. *Termination Costs.* On expiration or termination of this Agreement, Licensee will promptly pay (i) all amounts owing to Licensor; (ii) all of Licensor’s costs or fees charged for removing the Hotel from the System; and (iii) a reasonable estimate of costs and fees that will be due but have not yet been billed or invoiced (if the estimated payment exceeds actual amounts due, Licensor will refund the difference to Licensee). Licensor may recover reasonable legal fees and court costs incurred in collecting such amounts.
   2. Licensor’s Rights and Obligations on Expiration or Termination.
      1. *Licensor’s Rights.*Before or on the expiration or termination of this Agreement, Licensor may give notice that the Hotel is leaving the System and take any other action related to customers, Travel Management Companies, suppliers, and other Persons affected by such expiration or termination.
      2. *Guest Personal Data.*  For purposes of Section 18.1.A.6, Licensor will provide access to Licensee to such Guest Personal Data within Licensor’s control to the extent necessary for Licensee to process existing reservations after the expiration or termination of this Agreement to the extent Licensor is permitted to do so under Legal Requirements.
2. CONDEMNATION AND CASUALTY
   1. Condemnation.

Licensee will promptly notify Licensor if Licensee receives notice of any proposed taking by expropriation, eminent domain, condemnation, compulsory acquisition, or similar proceeding by any governmental authority. If such taking would materially affect the continued operation of the Hotel as a System Hotel on a permanent basis, Licensor or Licensee may terminate this Agreement. Licensor and Licensee will sign a termination agreement and release acceptable to Licensor providing for the orderly removal of the Hotel from the System. If the award is based on the value of the Hotel as part of the System, Licensor will be entitled to receive a fair and reasonable portion of the award to compensate Licensor for its lost revenue, but not more than the liquidated damages under Section 17.4.B. If the condemnation award is sufficient to restore the Hotel to meet the Standards, Licensee will cause the Hotel to be promptly restored and reopened within a reasonable time.

* 1. Casualty.
     1. *Casualty Notification.* Licensee will promptly notify Licensor if the Hotel is damaged by any casualty.
     2. *Casualty Restoration.* If the Hotel is damaged by any casualty and the cost to restore the Hotel to the same condition as existed previously is less than 60% of the Hotel’s replacement cost at the time of the casualty, Licensee will cause the Hotel to be promptly renovated and reopened within a reasonable time under Section 4.
     3. *Casualty Termination.* If the Hotel is damaged by any casualty and the cost to restore the Hotel to the same condition as existed previously is 60% or more of the Hotel’s replacement cost at the time of the casualty, Licensor and Licensee will have 180 days after the date of the casualty to determine whether the Hotel can be restored to its previous condition and whether there are adequate insurance proceeds to do so. If the parties determine that the Hotel can be restored, the Hotel will be promptly renovated and reopened within a reasonable time under Section 4. If the parties determine that the Hotel cannot be restored, Licensor and Licensee will sign a termination agreement and release on Licensor’s then-current form. Such termination will not affect Licensor’s right to business interruption insurance proceeds under Exhibit C.
     4. *Licensor’s Reinstatement Right.*If this Agreement is terminated under Section 19.2.C, and within five years of such termination Licensee or any of its Affiliates or any Interestholder in Licensee with an Ownership Interest of 20% or greater intends to reuse, rebuild, own, lease, or operate a hotel or other lodging product at the Approved Location (the “Other Lodging Product”), Licensee will notify Licensor. Licensor may reinstate the Hotel Agreements by providing notice to Licensee within 90 days after Licensor receives such notice from Licensee. If Licensee does not notify Licensor, Licensor may reinstate the Hotel Agreements by providing notice to Licensee within 90 days after Licensor becomes aware of any such Other Lodging Product at the Approved Location. If Licensor reinstates the Hotel Agreements, the Hotel will be restored to its previous condition (or otherwise to the then current Standards as determined by Licensor) and the expiration date of the Term will be extended by the number of days from the Hotel Agreements’ earlier termination to the reopening of the Hotel as a System Hotel.
  2. No Liquidated Damages.

A termination under this Section 19 will not be a default under this Agreement and Licensee will not be required to pay liquidated damages under Section 17.4.B, unless Licensee fails to comply with this Section 19.

1. OWNERSHIP AND FINANCING OF THE HOTEL
   1. Ownership of Licensee.

Licensee represents and warrants that the information in Attachment One to Exhibit A regarding its Interestholders is complete and accurate. Upon any Transfer that requires notice to, or the consent of, Licensor under Section 15, Licensee will provide a list of the names and addresses of the Interestholders and documents necessary to confirm such information and update Attachment One to Exhibit A.

* 1. Ownership of the Hotel.

[**MI Note: To be amended based on Due Diligence]** Licensee represents and warrants that (i) Licensee is the sole owner of the Hotel, (ii) the land used for the Hotel is leased to Licensee under a ground lease between Licensee and Ownerand (iii) Licensee has all rights relating to the Hotel necessary to perform Licensee’s obligations under this Agreement. If the Lease provides for Owner to perform any of Licensee’s obligations under this Agreement, Licensee will cause Owner to perform such obligations as required under this Agreement, including those related to permitting, construction, fit-out and maintenance of the Hotel. The existence of the Lease and its terms that require Owner to perform Licensee’s obligations do not relieve Licensee of any obligation under this Agreement, and Licensee will cause Owner to comply with those obligations. The Lease will not limit or restrict Licensor’s rights or remedies under this Agreement in any way.

* 1. Financing and Security Interest.
     1. *Financing.* Licensee and each Interestholder in Licensee may incur or replace any indebtedness from an Institutional Lender that is secured by the Hotel, the revenues of the Hotel or the Ownership Interests in Licensee.
     2. *Security Interest.* Licensee and each Interestholder in Licensee may grant to an Institutional Lender a lien or other security interest in the Hotel or the revenues of the Hotel, or pledge Ownership Interests in Licensee or a Control Affiliate as collateral for the financing of the Hotel. Licensee will not pledge this Agreement as collateral or grant a security interest in this Agreement, without Licensor’s consent. If any Person exercises its rights under such lien, security interest or pledge, Licensor will have the rights under Section 17.2. If Licensee’s Institutional Lender requests a comfort letter or any other documentation from Licensor related to any financing, Licensor may require Licensee to reimburse Licensor’s outside counsel costs (if any) incurred with the processing and negotiation of any such documents.

1. COMPLIANCE WITH LEGAL REQUIREMENTS; LEGAL ACTIONS
   1. Compliance with Legal Requirements.
      1. *Licenses and Permits.* Licensee will comply with all Legal Requirements, and will obtain all permits, certificates, and licenses necessary to operate the Hotel and to comply with the Hotel Agreements.
      2. *Registration of Agreement.* If required by Legal Requirements, Licensee will (i) cooperate with Licensor’s registration of this Agreement; (ii) sign a licensed user agreement or other confirmatory documents for recording Licensee as a licensed user of the Licensed Marks in the Jurisdiction; and (iii) report the payments due under this Agreement to the appropriate governmental authorities. Licensee will pay all costs to register this Agreement, including translation costs, if this Agreement must be registered in a language other than English. Licensee will deliver all translations, reports and other materials for Licensor’s consent before they are filed with any governmental authority.
      3. *Anti-Bribery Laws.* Licensee represents and covenants that it will comply with all Legal Requirements relating to anti-bribery and anti-corruption applicable to Licensee and the Hotel. Licensee further represents and covenants that it has or will have and will maintain in place throughout the Term its own policies and procedures to comply with such Legal Requirements. Licensee will ensure that it and its Affiliates comply fully with such policies and procedures.
      4. *Turkish Anti-Corruption Laws*. Franchisee represents, warrants and covenants that it will comply with all applicable anti-corruption laws and regulations, including but not limited to (i) the Turkish Criminal Law No. 5237, (ii) Turkish Misdemeanors Law No. 5326, (iii) Law on Prevention of Financing of Terrorism No. 6415 and (iv) Turkish Law on Prevention of Money Laundering Proceeds of Crime No. 5549.
   2. Notice of Legal Actions.

Within seven days of receipt, Licensee will notify Licensor and provide copies of: (i) any material Claim involving the Hotel or Licensee; (ii) any Claim involving Licensor or its Affiliates; (iii) any material judgment, order, or other decree related to the Hotel or Licensee; or (iv) any inspection reports and warnings about a material failure to meet health or life safety requirements or any other material violation of Legal Requirements related to the Hotel or Licensee. This Section will not change any notice requirement that Licensee may have under any insurance policies.

* 1. Competition Legislation.

The license granted under this Agreement presumes that this Agreement complies with the European Commission’s Block Exemption Regulation for Vertical Agreements (EU No. 2022/720) and with Article 101 of the Treaty on the Functioning of the European Union, including any successor legislation or similar legislation where the Hotel is located (collectively, “Competition Legislation”). If questions arise regarding compliance with Competition Legislation, Licensor and Licensee will cooperate with each other to modify this Agreement to comply with the requirements of such Competition Legislation. If this Agreement cannot be modified to comply with such Competition Legislation within 90 days after the compliance issue arose, without undermining material elements of the license relationship, Licensor may terminate this Agreement on 30 days’ notice to Licensee. A termination under this Section will be without liability to either party, not be a default under this Agreement and neither party will be required to pay Damages to the other, including liquidated damages under Section 17.4.B.

1. RELATIONSHIP OF PARTIES

The Hotel Agreements do not create a fiduciary relationship between Licensor and Licensee. Licensee is an independent contractor. Neither party is an agent, legal representative, joint venturer, partner, joint employer or employee of the other for any purpose, and neither party will make any representation or claim to the contrary. Licensee will not make any agreement, representation or incur any obligation on Licensor’s behalf or in Licensor’s name.

1. GOVERNING LAW; ARBITRATION; AND RELATED ISSUES
   1. Governing Law.

This Agreement, and all non-contractual rights related to this Agreement, will be construed under and governed by the laws of England.

* 1. Interim Relief.

Either party may seek interim or equitable relief, including restraining orders and injunctions, in any court of competent jurisdiction, and either party may request that a court refer the proceedings to arbitration under Section 23.4 without prejudice to interim relief granted by such court. All disputes related to this Agreement otherwise will be resolved exclusively under Section 23.4.

* 1. Costs of Enforcement.

If either party initiates any legal or equitable action to protect its rights under this Agreement, the prevailing party will be entitled to recover its costs, including reasonable legal fees.

* 1. Arbitration.

* + 1. *Submission to Arbitration.* Any dispute between Licensor and Licensee and their Affiliates arising out of or relating to this Agreement, including its existence, validity, interpretation, performance, default or termination, and any dispute regarding non-contractual obligations arising out of or relating to it, will be resolved by arbitration as provided in this Section.

*A.* *Tahkime Sunulması. Licensing Veren (Licensor) ile Licensing Alan (Licensee) ve onların İştirakleri (Affiliates) arasında bu Sözleşme’den doğan veya bu Sözleşme ile ilgili, Sözleşme’nin varlığı, geçerliliği, yorumlanması, ifası, temerrüde düşmesi veya sona ermesi, ve Sözleşme’den doğan veya Sözleşme ile ilgili tüm sözleşme dışı yükümlülükler bu Bölüm 23.4’te belirtildiği gibi tahkimle çözülecektir*

* + 1. *Arbitration Proceedings.* The International Chamber of Commerce will administer the arbitration under the Rules of Arbitration of the International Chamber of Commerce (the “Rules”). The language to be used in the proceedings will be English. The seat of arbitration will be Zurich, Switzerland.

*B.**Tahkim Duruşmaları. Uluslararası Ticaret Odası, Uluslararası Ticaret Odası'nın Tahkim Kuralları (“Kurallar”) uyarınca tahkimi yönetecektir. Duruşmalarda kullanılacak dil İngilizce olacaktır. Tahkim yeri Zürih, İsviçre olacaktır.*

* + 1. *Appointment of Arbitrators.* The arbitration will be resolved by one arbitrator selected in accordance with the Rules, but if either party objects to the arbitration being resolved by a sole arbitrator, the arbitration will be resolved by a panel of three arbitrators. In that case, each party will name one party-appointed arbitrator, and the co-arbitrators, once confirmed by the International Court of Arbitration of the International Chamber of Commerce (the “Court”) will nominate the third arbitrator. If either party fails to nominate an arbitrator or the co-arbitrators fail to nominate the third arbitrator, in each case within the time periods stated in the Rules, then the Court will appoint that arbitrator in accordance with the provisions for the appointment of arbitrators under the Rules. In agreeing on the third arbitrator, the two arbitrators may communicate directly with each other and with their respective nominating parties without the need to copy any third-party. If the Claim is related solely to fees, cost or charges that are required to be paid under the Hotel Agreements and the amount of the Claim is equal to or below the threshold amount for expedited procedure provisions under the Rules, then the dispute will be resolved under such expedited procedure provisions.

*C.* *Hakemlerin atanması. Tahkim, Kurallar uyarınca seçilecek tek bir hakem tarafından çözümlenecektir, ancak taraflardan herhangi biri tahkimin tek bir hakem tarafindan çözülmesine itiraz ederse tahkim üç hakemden oluşan bir hakem kurulu tarafından sonuçlandırılacaktır. Bu durumda, taraflardan her biri bir taraf hakem atayacak ve taraf hakemleri, ICC Uluslararası Tahkim Mahkemesi (“Mahkeme”) tarafından onaylandıktan sonra, üçüncü hakemi atayacaktır. Kurallar’da belirlenen süre içerisinde taraflardan herhangi birisi bir hakem atayamazsa veya atanan hakemler üçüncü hakemi atayamazsa, bu durumda Mahkeme, Kurallar uyarınca Hakemlerin atanmasına yönelik hükümlere uygun olarak bu hakemi atayacaktır. Üçüncü hakem atanırken, üçüncü bir kişinin araya girmesine gerek olmadan, iki hakem birbirleriyle veya kendilerini atayan taraflarla doğrudan iletişime geçebilir. Eğer Talep yalnızca Otel Anlaşmaları (Hotel Agreements) uyarınca ödenmesi gereken ücret, harcama veya borçlara yönelik ise ve Talep edilen miktar Kurallar uyarınca ivedi usul için getirilen sınırlamaya eşit veya bunlardan fazla ise, şu halde uyuşmazlık ivedi usul hükümleri uyarınca sonuca bağlanacaktır.*

* + 1. *Consolidation & Joinder.* Licensee, Licensor or any of Licensor’s Affiliates will consent: (i) to be joined to any arbitration started under this Agreement or any other Hotel Agreement; (ii) to consolidating into a single arbitration any two or more arbitrations started under this Agreement or any other Hotel Agreement; and (iii) to bringing a single arbitration for Claims arising under this Agreement and any other Hotel Agreement.

*D. Konsolidasyon & Katılma. Licensing Alan (Licensee), Licensing Veren (Licensor) veya Licensing Veren’in İştiraklerinden herhangi biri (Licensor’s Affiliates); (i) işbu Sözleşme veya herhangi bir Otel Sözleşmesi (Hotel Agreement) kapsamında başlatılan tahkimlere katılmayı; (ii) işbu Sözleşme veya herhangi bir Otel Sözleşmesi (Hotel Agreement) kapsamında başlatılan iki veya daha fazla tahkimi tek bir tahkim şeklinde konsolide etmeyi; ve (iii) işbu Sözleşme’den ve herhangi bir Otel Sözleşmesi (Hotel Agreement)’nden doğan haklarını tek tahkim ile öne sürmeyi kabul eder.*

* + 1. *Costs and Confidentiality.* Licensee and Licensor will strive to manage the arbitration efficiently to limit the fees and costs of the proceedings. The fees and costs of the proceedings and any Damages will be allocated and paid by the parties as determined by the arbitrators, subject to Section 23.3. All awards, orders, materials and documents related to the arbitration are confidential and Licensee and Licensor will each use reasonable endeavors to prevent disclosure to any Person not related to the arbitration without approval of the other party, except (i) if they are in the public domain, (ii) as required by Legal Requirements, (iii) to protect a legal right, or (iv) to enforce or challenge an award in litigation. This obligation applies to the arbitrators, the secretary of the arbitral tribunal and any experts appointed in the arbitration and the Court.

*E.* *Masraflar & Gizlilik. Licensing Alan (Licensee) ve Licensing Veren (Licensor), işlemlerin ücretlerini ve maliyetlerini sınırlamak için tahkimi verimli bir şekilde yönetmeye çabalayacaklardır. Duruşma ücretleri ve masrafları ve herhangi bir Zarar hakemler tarafından belirlenen şekilde taraflara tahsis edilecek ve bunlar tarafından Bölüm 23.3’e uygun olarak ödenecektir. Tahkim ile ilgili tüm hüküm, karar, materyal ve belgeler gizlidir ve Licensing Alan (Licensee) ve Licensing Veren (Licensor) bu bilgilerin (i) kamuya açık olması (ii) Yasal Koşullar’ın gerektirmesi (iii) yasal bir hakkın korunması; veya (iv) bir hükmün icrası veya bir hükme itiraz gibi haller dışında diğer tarafın onayı olmadan tahkimle bağlantısı olmayan herhangi bir Kişi’ye açıklanmasını önlemek için makul çabayı göstereceklerdir. İşbu yükümlülük hakemler, tahkim heyeti sekreterliği ve tahkimde ve Mahkeme’de atanan tüm bilirkişiler için geçerlidir.*

* + 1. *Exclusive Remedy and Binding Decision.* Except as provided in Section 23.2, arbitration is the exclusive remedy and neither Licensee nor Licensor will attempt to adjudicate the matter in any other manner or forum. The decision of the arbitrators will be final and binding on the parties, and the decision will be enforceable through any court of competent jurisdiction.

*F.* *Münhasır Çözüm Yolu ve Bağlayıcı Karar. Bölüm 23.2’de belirtilenler hariç olmak üzere, tahkim münhasır çözüm yoludur ve ne Licensing Alan (Licensee) ne de Licensing Veren (Licensor) konuyu başka bir şekilde veya yerde karara bağlamaya çalışmayacaktır. Hakemlerin kararı taraflar üzerinde nihai ve bağlayıcı olacaktır ve karar herhangi bir yetkili mahkeme kanalıyla uygulanabilir olacaktır.*

* + 1. *No Class-Wide Arbitration.* Except as set forth under Section 23.4.D, any arbitration proceeding will be conducted on an individual (not a class-wide) basis and will not be consolidated with any other arbitration proceedings to which Licensor is a party.

*G.* *Genel-Sınıf Tahkimi Olmaması. Bölüm 23.4.D’deki düzenleme hariç olmak üzere, tüm tahkim duruşmaları tekil olarak (genel-sınıf olmadan) yürütülecek ve Licensing Veren’in (Licensor) taraf olduğu başka herhangi bir tahkim duruşması ile konsolide edilmeyecektir.*

* 1. Waiver of Exemplary and Indirect Damages.

Each of Licensee and Licensor absolutely, irrevocably and unconditionally waives the right to claim or receive exemplary, punitive and indirect damages in any dispute arising out of or in connection with the Hotel, the Hotel Agreements, the relationship of the parties, or any actions or omissions in connection with any of the above, other than Licensor’s rights and remedies related to Licensor’s Intellectual Property.

* 1. Waiver of Jury Trial.

Each of Licensee and Licensor absolutely, irrevocably and unconditionally waives trial by jury for any Claims related to the Hotel Agreements.

1. NOTICES
   1. Written Notices.

Subject to Section 24.2, all notices, requests, statements, and other communications under this Agreement will be (i) in writing and in English; (ii) delivered by hand with receipt, or by courier service with tracking capability; and (iii) addressed, (a) in the case of Licensor, to the address stated in Item 14 of Exhibit A; and (b) in the case of Licensee, to the address stated in Item 15 of Exhibit A, or in either case at any other address designated in writing by the party receiving the notice. Any notice will be deemed received when delivery is received or first refused at the address identified in subsection (iii).

* 1. Electronic Delivery.

Licensor may provide Licensee with electronic delivery of routine information, invoices, the Standards and other Systems requirements and programs. Licensor and Licensee will cooperate with each other to adapt to new technologies that may be available for the transmission of such information.

1. REPRESENTATIONS AND WARRANTIES; restricted person
   1. Existence; Authorization; Prior Representations.
      1. *Existence.* Each of Licensor and Licensee represents and warrants that it (i) is duly formed, validly existing, and in good standing under the laws of the jurisdiction of its formation; and (ii) has and will continue to have the ability to perform its obligations under this Agreement.
      2. *Authorization.* Each of Licensor and Licensee represents and warrants that the transactions contemplated by this Agreement and the signing of this Agreement (i) have been duly authorized; (ii) do not violate, contravene or result in a default of (a) any Legal Requirements, (b) its governing documents or (c) any agreement, commitment or restriction binding on the relevant party; and (iii) do not require any consent that has not been properly obtained by the relevant party.
      3. *Prior Representations.* Licensee represents and warrants that all of the information provided by Licensee or its Affiliates in connection with this Agreement, was true as of the time made and is true as of the Effective Date, regardless of whether such information was provided by Licensee or another Person on Licensee’s behalf.
      4. *Restricted Person*. Licensee represents, warrants and will ensure throughout the Term, that neither Licensee, Owner nor any Guarantor, or the funding sources for any of them or the Hotel, is a Restricted Person.
   2. Additional Licensee Acknowledgments and Representations.
      1. *No Reliance.* In entering this Agreement, Licensee represents and warrants that it did not rely on, and Licensor and its Affiliates have not made, any promises, representations, warranties or agreements relating to the franchise, the Hotel or the Approved Location, or the System, unless contained in this Agreement.
      2. *Business Risk.* Licensee agrees that the business venture contemplated by this Agreement involves substantial business risk, is a venture with which Licensee has relevant experience and its success is largely dependent on Licensee’s ability as an independent business. Licensor disclaims the making of, and Licensee agrees it has not received, any information, warranty or guarantee, express or implied, as to the potential revenues, profits, or success of such business venture. Licensee is solely responsible for the financing, design, construction, renovation and operation of the Hotel.
      3. *Disclosure and Negotiation.* Licensee acknowledges that it has read and understood the Disclosure Document and the Hotel Agreements. Licensee has had sufficient time and opportunity to consult with its advisors about the potential benefits and risks of entering into this Agreement. Licensee has had an opportunity to negotiate this Agreement.
2. MISCELLANEOUS
   1. Translations.

Most written materials relating to the Hotel and the System, including the Hotel Agreements, the Standards, the Software, and advertising materials provided by Licensor will be in the English language. Licensee may, at its cost, translate such materials into another language. Licensee will obtain Licensor’s approval before using any translation. Licensor will own all translated materials, and any related copyrights will be assigned to Licensor on Licensor’s request. Licensee will obtain any agreements necessary from third parties to convey such rights. The English version of all translated materials will control.

* 1. Counterparts.

This Agreement may be signed in any number of counterparts, each of which will be deemed an original and all of which constitute one and the same instrument. Delivery of an electronic signature or a signed version of this Agreement by electronic transmission is as effective as delivery of a manually signed counterpart. The submission of an unsigned copy of this Agreement to either party is not an offer or acceptance. Each party to this Agreement waives any defenses to the enforceability of the terms of this Agreement based on the preceding forms of signature.

* 1. Construction and Interpretation.
     1. *Partial Invalidity.* If any term of this Agreement, or its application to any Person or circumstance, is invalid or unenforceable at any time or to any extent, then: (i) the remainder of this Agreement, or the application of such term to Persons or circumstances except those as to which it is held invalid or unenforceable, will not be affected and each term of this Agreement will be valid and enforced to the fullest extent permitted by Legal Requirements; and (ii) Licensor and Licensee will negotiate in good faith to modify this Agreement to implement their original intent as closely as possible in a mutually acceptable manner.
     2. *Non-Exclusive Rights and Remedies.* No right or remedy of Licensor or Licensee under this Agreement or the Standards is intended to be exclusive of any other right or remedy under this Agreement, at law, or in equity.
     3. *No Third-party Beneficiary.* This Agreement does not give any rights or benefits to any Person that is not a party to this Agreement, except as provided in this Agreement. To the extent that any Affiliate of Licensor or other Person is expressly identified as having particular rights and benefits under this Agreement, such Person may enforce those rights and enjoy those benefits in accordance with this Agreement and the Contracts (Rights of Third Parties) Act 1999. The parties may terminate or amend this Agreement (including this Section) without the consent of or notice to any other Person.
     4. *Actions from Time to Time.* When this Agreement permits Licensor to take any action, exercise discretion or modify the System, Licensor may do so from time to time.
     5. *Interpretation of Agreement.* This Agreement excludes all implied terms to the maximum extent permitted by Legal Requirements. Headings of Sections are for convenience and are not to be used to interpret the Sections to which they refer. Any Recitals, Sections, and Exhibits to this Agreement are incorporated by reference and are part of this Agreement, including all Items of Exhibit A even if such Items are not specifically referred to in this Agreement. Words indicating the singular include the plural and vice versa as the context may require. References to days, months and years are all calendar references, unless otherwise specifically provided. References that a Person “will” or “shall” do something or that something “will” or “shall” be done by that Person mean that the Person has an obligation to do that thing. References that a Person “may” do something or that something “may” be done by that Person mean that the Person has the right, but not the obligation, to do that thing. References that a Person “will not”, “shall not” or “may not” do something or that something “will not”, “shall not” or “may not” be done by that Person mean that the Person is prohibited from doing that thing. Examples used in this Agreement and references to “includes” and “including” are illustrative and not exhaustive.
     6. *Definitions.* All capitalized terms in this Agreement have the meaning stated in Exhibit B.
     7. *Liability.* Nothing in this Agreement limits or excludes any party's liability for fraud or fraudulent misrepresentation.
  2. Reasonable Business Judgment.
     1. *Definition*. Reasonable Business Judgment means:
        1. for decisions affecting the System, that the rationale for Licensor’s decision has a reasonable business basis that is intended to (i) benefit the System or the profitability of the System, including Licensor, regardless of whether some hotels may be unfavorably affected; (ii) increase the value of the Proprietary Marks; (iii) enhance guest, licensee or owner satisfaction; or (iv) minimize potential brand inconsistencies or customer confusion; and
        2. for decisions unrelated to the System (for example, a requested approval or consent for the Hotel or Transfer), that the rationale for Licensor’s decision has a reasonable business basis and Licensor has not acted in bad faith.
     2. *Use of Reasonable Business Judgment.* Except when Licensor has reserved sole discretion, Licensor will use Reasonable Business Judgment when performing its obligations or exercising its rights under this Agreement, including for any consents and approvals, determinations whether something is acceptable to Licensor (including, whether Licensee or a proposed transferee is a Competitor) and the administration of Licensor’s relationship with Licensee, including with respect to any decision to withhold, delay, or condition consent. The fact that Licensor or any of its Affiliates benefited from any action or decision, or that another reasonable alternative was available, does not mean that Licensor failed to exercise Reasonable Business Judgment.
     3. *Implied Covenants.* If this Agreement is subject to any implied covenant or duty of good faith and Licensor exercises Reasonable Business Judgment, Licensee agrees that Licensor will not have violated such covenant or duty.
  3. Consents and Approvals.

Any consent or approval of Licensor or Licensee (i) will be in writing; (ii) will be signed by a duly authorized representative of the party granting the consent or approval; and (iii) will be granted in accordance with this Agreement, and not otherwise unreasonably withheld, delayed or conditioned. If either Licensor or Licensee fails to respond in writing to a written request under Section 24 by the other party (the “Requesting Party”) for a consent or approval within 30 days after such request, then, provided the Requesting Party has sent a further notice in accordance with Section 24 (a “Reminder Notice”), the consent or approval will be deemed given 15 days after the date of delivery of the Reminder Notice, except (a) as provided in this Agreement or (b) for consents or approvals that may be granted or withheld in the sole discretion of Licensor, in which case a failure of Licensor to respond to the Reminder Notice will be a deemed refusal. If Licensor gives its consent or approval to requests of Licensee, Licensor will not be liable for any consequences of the actions taken by Licensee and such consent or approval is not indicative of the likelihood of success of such action or activity undertaken by Licensee.

* 1. Waiver.

The failure or delay of either party to insist on strict performance of any of the terms of this Agreement, or to exercise any right or remedy, will not be a waiver for the future.

* 1. Entire Agreement.

This Agreement and the other Hotel Agreements are fully integrated and contain the entire agreement between the parties as it relates to the Hotel and supersede all previous oral or written understandings between Licensor and its Affiliates and Licensee and its Affiliates relating to their subject matter. Neither party will have any remedy for any untrue statement made by the other on which that party relied in entering this Agreement (unless such untrue statement was made fraudulently). The only remedy available to a party for a breach of any representation, assurance or warranty that is incorporated into this Agreement will be for breach of contract.

* 1. Amendments.

This Agreement may only be amended by a document that has been duly signed by the parties meeting the requirements of Section 26.2.

* 1. Survival.

The duties and obligations of the parties that by their nature or express language survive expiration or termination of this Agreement will survive expiration or termination of this Agreement, including the terms of this Section 26, Section 3.8, Section 9, Section 11, Section 12, Section 13.2, Section 13.4, Section 13.5, Section 14.1, Section 16.1.B, Section 17.4, Section 18, Section 19, clause (ii) of Section 21.2, Section 23, and Section 24.

{*Signature page to follow*}

**IN WITNESS WHEREOF,** Licensor and Licensee have caused this Agreement to be signed as of the Effective Date.

|  |  |
| --- | --- |
|  | Licensor: |
|  | **Global Hospitality Licensing S.à r.l.** |
|  |  |
|  |  |
|  | By: |
|  | Name: Paul Rosenberg |
|  | Title: Attorney-in-Fact |
|  |  |
|  | licensee: |
|  | **DYC TURİZM İŞLETMECİLİK TİC A.Ş.** |
|  |  |
|  |  |
|  | By: |
|  | Name: Çetin Ceylan |
|  | Title: Chairman |

# KEY TERMS

|  |  |  |
| --- | --- | --- |
| 1. | **Trade Name(s):** | Autograph Collection. |
| 2. | **Approved Location:** | Kirazli Mahallesi, Uludag Oteller Bölgesi 2, Gelisim No: 18H, Osmangazi, Bursa, Turkey. |
| 3. | **Effective Date:** | \_\_\_\_\_\_\_\_\_\_\_\_\_, 2023. |
| 4. | **Term:** | Begins on Effective Date and ends on the 20th anniversary of the Opening Date. |
| 5. | **Licensor:** | **Global Hospitality Licensing S.à r.l.**, a Luxembourg private company with limited liability (*société à responsabilité limitée*), organized and existing under the laws of Luxembourg, having its registered office at 33 rue du Puits Romain, L-8070 Bertrange, Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 139.166 and holding a Luxembourg business license with the number10020263 / 2; |
| 6. | **Licensee:** | **DYC TURİZM İŞLETMECİLİK TİC A.Ş.**, a joint-stock company organized and existing under the laws of Turkey with its registered office at Görükle Mahallesi, Atatürk Caddesi, Trio Eğlence Merkezi No:101 A/G Nilüfer, Bursa, Turkey and registered with Bursa Chamber of Commerce and Industry under tax no: 321 037 2214. |
| 7. | **Number of Guestrooms:** | 99 |
| 8. | **Entity that will Operate the Hotel:** | Licensee, subject to Section 8.4. |
| 9. | **Initial Fee:** | US$10,000 |
| 10. | **License Fees:** | |  |  | | --- | --- | | **Period** | **% of Gross Room Sales** | | From the earlier of: (i) September 30, 2024; or (ii) the Opening Date (such earlier date, the “Ramp-Up Date”) to the end of the 12th full month after the Ramp-Up Date. | 2% | | From the beginning of the 13th full month after the Ramp-Up Date to the end of the 24th full month after the Ramp-Up Date. | 3% | | From the beginning of the 25th full month after the Ramp-Up Date to the end of the Term. | 4% | |
|  |  | The discounted License Fees during the ramp-up period are an incentive for the Hotel to open by September 30, 2024. If the Hotel does not open as a System Hotel by such date, the period during which Licensee pays discounted License Fees will be reduced by the delay. |
| 11. | **International Marketing Fund Contribution:** | As of the Effective Date, an amount equal to 1.5% of Gross Room Sales. |
| 12. | **Construction Start Deadline:** | Not applicable |
| 13. | **Opening Deadline:** | September 30, 2024 |
| 14. | **Licensor Notice Address:** | Global Hospitality Licensing S.à r.l. 33 rue du Puits Romain  8070 Bertrange Luxembourg Attention: Law Department Telephone: +41 44 723 5100  with copies to:  Marriott Hotel Holding GmbH  Frankfurter Strasse 10-14  65760 Eschborn  Germany  Attention: Chief Operating Officer  Telephone: +49 6196 4960  and  International Hotel Licensing Company S.à r.l.  Bahnhofplatz 14  3rd Floor  8001 Zurich  Switzerland  Attn: Law Department  Telephone: +41 44 723 51 00 |
| 15. | **Licensee Notice Address:** | DYC TURİZM İŞLETMECİLİK TİC A.Ş.  c/o Ardeniz Holding  Cumhuriyet Mahallesi, Nilüfer Hatun Caddesi No: 114, Nilüfer, Bursa  Turkey  Attn: Chairman  Telephone:  Email:  with a copy to:  DYC TURİZM İŞLETMECİLİK TİC A.Ş.  Görükle Mahallesi, Atatürk Caddesi, Trio Eğlence Merkezi No:101 A/G Nilüfer, Bursa  Turkey  Attn: Chairman Telephone:  Email: |
| 16. | **Scope of Work Review Date:** | Not Applicable |
| 17. | **System Hotel-specific terms:** | The Hotel will be operated as an Autograph Collection Hotel under the System. |
| 18. | **Key Money:** | US$250,000 |
| 19. | **Restricted Area:** | Licensor or its Affiliates will not, and will not authorize any other Person to, open to the public for business a System Hotel within the Restricted Area from the Effective Date until the earliest to occur of: (i) the third anniversary of the Opening Date (but not to extend beyond July 1, 2027) (ii) the date on which the Hotel has achieved an average occupancy of 80% or more during any consecutive 12 month period; or (iii) the expiration or termination of this Agreement. The restrictions above will not apply to: (a) a Chain Acquisition; or (b) any other Marriott Product that is not a System Hotel; (c) any System Hotel existing or under development as of the Effective Date in the Restricted Area, and if such System Hotel ceases to operate as a System Hotel or does not open as a System Hotel, then for each such hotel, an additional hotel may operate as a System Hotel in the Restricted Area. This Section will automatically expire and no longer be of any effect if the Opening Date has not occurred by September 30, 2024. |

**ATTACHMENT ONE****TO EXHIBIT A**

**OWNERSHIP INTEREST IN LICENSEE**

| **Name** | **Address (Country) Entity: Principal Office Indiv: Residence** | **Country of Formation (or Nationality); ID (tax, passport) Number, if Available** | **Percentage of Ownership** |
| --- | --- | --- | --- |
| **NAME AND ADDRESS OF DYC TURİZM İŞLETMECİLİK TİC A.Ş.** | | | |
| DYC TURİZM İŞLETMECİLİK TİC A.Ş. | Görükle Mah. Atatürk Cad. Trio Eğlence Merkezi No:101 A/G Nilüfer Bursa Turkey | Turkey |  |
| **OWNERSHIP OF  DYC TURİZM İŞLETMECİLİK TİC A.Ş.** | | | |
| Ardeniz Holding | Cumhuriyet Mah. Nilüfer Hatun Cad. No: 114 Nilüfer Bursa Turkey | Turkey | 100% |
| **OWNERSHIP OF ARDENIZ HOLDING** | | | |
| Cetin Ceylan | c/o Ardeniz Holding Cumhuriyet Mah. Nilüfer Hatun Cad. No: 114 Nilüfer Bursa Turkey | Turkish | 100% |

# DEFINITIONS

The following terms used in this Agreement have the meanings given below:

“Additional Sales and Marketing Programs” means advertising, marketing, promotional, public relations, and sales programs and activities that are not included in Program Services or International Marketing Fund Activities, each of which may vary in duration, apply on a local, country, regional, continental, or Category basis, or include other Marriott Products. Examples include email marketing, internet search engine marketing, transaction based paid internet searches, sales lead referrals and bookings, cooperative advertising programs, Travel Management Companies programs, incentive awards, gift cards, guest satisfaction programs, and Loyalty Programs.

“Additional Work” is defined in Exhibit D.

“Affiliate” means, for any Person, a Person that is directly or indirectly Controlling, Controlled by, or under common Control with such Person.

“Agreement” means this License Agreement, including any exhibits and attachments, as may be amended.

“Approved Location” means the site, including all land and easements used for the Hotel, described in Item 2 of Exhibit A.

“Average Monthly Fees” means: (x) if the Hotel has been operating as an authorized System Hotel for at least 24 full months before the termination of this Agreement, the average monthly License Fees and International Marketing Fund Contributions payable during the preceding 24 full months; and (y) if the Hotel has not been operating as an authorized System Hotel for at least 24 full months, an amount equal to the greater of: (a) the average monthly License Fees and International Marketing Fund Contributions payable for the previous 24 full months for all franchised System Hotels on a per room basis multiplied by the number of Guestrooms; or (b) the average monthly License Fees and International Marketing Fund Contributions payable for the Hotel during the period the Hotel was operating as an authorized System Hotel; provided that, if Licensee or Licensor believes that the calculation in either (a) or (b) above does not represent the Hotel’s projected stabilized performance, it will notify the other, in which case “Average Monthly Fees” will mean the average monthly License Fees and International Marketing Fund Contributions that would have been payable based on the projected stabilized Hotel revenue provided by Licensee in connection with the approval of this Hotel. For the purpose of determining the Average Monthly Fees, (i) the average monthly License Fees for the Hotel will be calculated at the highest percentage(s) stated in Item 10 of Exhibit A; and (ii) any month for which the Hotel is not fully open to the public and operating as an authorized System Hotel for the entire month or for which there is a disruption to the operation or performance or closure of the Hotel (due to condemnation, casualty, a force majeure event or otherwise) will be excluded.

“Brand” means a brand, trade name, trademark, system, collection, or chain of hotels or other lodging facilities.

“Case Goods” means furniture and fixtures used in the Hotel, including cabinets, shelves, chests, armoires, chairs, beds, headboards, desks, tables, mirrors, lighting fixtures, and similar items.

“Category” means a group of hotels designated by Licensor or its Affiliates based on criteria such as geographic (for example, local, country, regional, continental, or international) or other attributes (for example, resorts, urban, suburban, or size or age of the hotel). A Category may have specific Standards.

“Chain Acquisition” means any hotel or hotels that are members of a chain or group of hotels with a minimum of four hotels in operation, if: (a) all or substantially all are (in a single transaction or combination of related transactions) acquired by, merged with, franchised by or joined through a marketing agreement with, Licensor or an Affiliate; or (b) the operation of all or substantially all of such hotels is transferred to Licensor or an Affiliate, in all cases even if such hotel(s) is re-branded as a System Hotel.

“Claim” means any demand, inquiry, investigation, action, claim or charge asserted, including in any judicial, arbitration, administrative, debtor or creditor proceeding, bankruptcy, insolvency, or similar proceeding.

“Common Elements” is defined in Section 8.6.E.

“Competition Legislation” is defined in Section 21.3.

“Competitor” means any Person that has an Ownership Interest in a Brand or is an Affiliate of such a Person, or any Person that is a Master Licensee of a Brand, or any officer or director of such Persons, if such Person competes with Licensor or its Affiliates or such Brand competes with any of the Marriott Products for hotels or other lodging facilities. No Person will be considered a Competitor if such Person has an interest in a Brand merely as: (i) a licensee or a passive investor that has no Control over the business decisions of the Brand, such as limited partners or non-Controlling stockholders; or (ii) a management company that operates hotels on behalf of multiple brands.

“Confidential Information” means: (i) the Standards; (ii) documents or trade secrets approved for the System or used in the design, construction, renovation or operation of the Hotel; (iii) any Electronic Systems and related documentation; (iv) Guest Personal Data; and (v) any other knowledge, trade secrets, business information or know-how obtained or generated: (a) through the use of the System by Licensee or the operation of the Hotel that Licensor deems confidential; or (b) under any Hotel Agreements.

“Contract Losses” is defined in Section 17.4.A.

“Control” (in any form, including “Controlling” or “Controlled”) means, for any Person (i) the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person or (ii) the right to vote more than 50% of the voting interests of a Person, in each case whether through ownership of voting interests, by contract or otherwise. No Person (or Persons acting together) will be considered to have Control of a publicly-traded company merely due to ownership of voting stock of such company if such Persons collectively beneficially own less than 25% of the voting stock of such company.

“Control Affiliate” means an Affiliate of Licensee that Controls Licensee.

“Court” is defined in Section 23.4.C.

“Damages” means losses, costs (including legal fees, litigation costs and costs of settlement), liabilities, penalties, interest, and damages of every kind and description.

“Design” means the interior design theme or style reflected in the FF&E, fabrics, colors, and decorations that give the interior spaces an identifiable style or theme, such as “art deco”, “modern”, or “neoclassical”, or a style or theme that is distinctive to the Hotel.

“Design and Complete” is defined in Section 4.2.

“Design Review Agreement” means the design review agreement dated as of the Effective Date between Licensee and Marriott International Design & Construction Services, Inc., an Affiliate of Licensor, as may be amended.

“Development Activities” means the development, promotion, construction, ownership, lease, acquisition, management or operation of Marriott Products (including other System Hotels) and other business operations by Licensor or its Affiliates, or the authorization, licensing or franchising to other Persons to conduct similar activities.

“Disclosure Document” means that certain document entitled “Disclosure Document” provided by Licensor to prospective franchisees or licensees of System Hotels.

“Effective Date” means the date stated in Item 3 of Exhibit A.

“Electronic Systems” means all Software, Hardware and all electronic access to Licensor’s systems and data (including telephone and internet access), licensed or made available to Licensee relating to the System, including the Reservation System, the Property Management System, the Yield Management System and any other system established under Section 7 and Section 10.

“Electronic Systems Fees” means the fees charged by Licensor for the Hotel’s use of the Electronic Systems, which fees include the development and incremental operating costs, ongoing maintenance, field support costs and the reimbursement of capital invested in the development of such Electronic Systems, together with costs incurred by Licensor to finance such capital.

“Electronic Systems License Agreement” means the electronic systems license agreement dated as of the Effective Date between Licensee and Licensor, as may be amended.

“FF&E” means Case Goods, Soft Goods, signage and equipment (including telephone systems, printers, vending machines, and Hardware), but excludes any item included in Fixed Asset Supplies.

“Fixed Asset Supplies” means items such as linen, china, glassware, tableware, uniforms and similar items that are included in “Operating Equipment” under the Uniform System.

“Gross Food and Beverage Sales” means all revenues and receipts of every kind that accrue from the sale of food and beverages inside or outside the Hotel (with no reduction for charge backs, credit card service charges, or uncollectible amounts). Gross Food and Beverage Sales *includes*: (i) revenues from restaurants, bars, lounges, snack shops, and other food outlets (including within any health club, spa or golf course), room service, mini-bar, or other food and beverage services provided in Guestrooms, banquets, meetings, conventions or other catered events; (ii) revenues and commissions derived from supplying audiovisual equipment and services (whether the equipment is owned or rented by Licensee), rentals of public meeting rooms, cover charges, service charges and other sales or rentals of services, products, and equipment allocable to food and beverage revenues under the Uniform System, and supplying equipment and services (whether the equipment is owned or rented by Licensee) for connecting public meeting rooms to the internet; (iii) attrition or cancellation fees collected from unfulfilled reservations for food, beverage, and other services; (iv) the amount of all lost revenues and receipts due to the non-availability of food, beverage, and other services, on which business interruption, loss of income, or other similar insurance claims are calculated; and (v) any awards, judgments or settlements representing payment for loss of food and beverage sales. Gross Food and Beverage Sales *excludes*: discretionary gratuities received by Hotel employees; Use Taxes; and any refunds and credits of a similar nature, paid or returned to customers in the course of obtaining Gross Food and Beverage Sales.

“Gross Revenues” means all revenues and receipts of every kind (from both cash and credit transactions, with no reduction for charge backs, credit card service charges, or uncollectible amounts) derived from operating the Hotel. Gross Revenues includes revenues from: (i) Gross Food and Beverage Sales; (ii) Gross Room Sales; (iii) licenses, leases and concessions; (iv) equipment rental; (v) vending machines; (vi) telecommunications services; (vii) parking; (viii) spa, or health or leisure clubs; (ix) sales of merchandise; (x) service charges; (xi) condemnation proceeds for a temporary taking; (xii) all other lost revenues and receipts due to the non-availability of Guestrooms, and food, beverage, and other services (to the extent not included as revenues under (i) or (ii) above), on which business interruption, loss of income, or other similar insurance claims are calculated; and (xiii) any awards, judgments or settlements representing payment for loss of revenues. Gross Revenues *excludes*: discretionary gratuities received by Hotel employees; Use Taxes; proceeds from the sale of FF&E; and any refunds and credits of a similar nature, paid or returned to customers in the course of obtaining Gross Revenues.

“Gross Room Sales” means all revenues and receipts of every kind that accrue from the rental of Guestrooms (with no reduction for charge backs, credit card service charges, or uncollectible amounts). Gross Room Sales *includes*: (i) no-show revenue, early departure fees, late check-out fees and other revenues allocable to rooms revenue under the Uniform System; (ii)resort fees, destination fees and mandatory surcharges for facilities (although inclusion of such fees or surcharges does not constitute approval by Licensor of such fees and surcharges, which may be limited or prohibited); (iii) attrition or cancellation fees collected from unfulfilled reservations for Guestrooms; (iv) the amount of all lost revenues and receipts due to the non-availability of Guestrooms, on which business interruption, loss of income, or other similar insurance claims are calculated; and (v) any awards, judgments or settlements representing payment for loss of room sales. Gross Room Sales excludes Use Taxes and any refunds and credits of a similar nature, paid or returned to customers in the course of obtaining Gross Room Sales.

“Guarantor” means the Person or Persons who guarantee the performance of Licensee’s obligations under the Hotel Agreements.

“Guaranty” means the guaranty signed by Guarantor for the benefit of Licensor.

“Guest Personal Data” means any information relating to identified or identifiable actual or potential guests or customers of the Hotel and other Marriott Products, including contact information (such as addresses, phone numbers, facsimile numbers, email and SMS addresses), Guest Preferences, and any other information collected from or about actual or potential guests or customers of the Hotel and other Marriott Products.

“Guest Preferences” means guest histories, preferences, loyalty program activity and any other related information collected from or about actual or potential guests or customers of the Hotel and other Marriott Products through the Loyalty Programs or other means, which is Licensor’s and its Affiliates’ proprietary information.

“Guestroom” means each rentable unit in the Hotel consisting of a room, suite or suite of rooms used for overnight guest accommodation, entrance to which is controlled by the same key; however, adjacent rooms with connecting doors that can be locked and rented as separate units are considered separate Guestrooms.

“Hardware” means all computer hardware and other equipment (including all upgrades and replacements) required for the operation of any Electronic System.

“Hotel” means: (i) the Approved Location; (ii) Hotel Improvements; and (iii) all FF&E, Fixed Asset Supplies, and Inventories.

“Hotel Agreements” means, collectively, this Agreement, any other agreements signed with this Agreement and any other agreement, whenever signed, related to the Hotel to which Licensee, Guarantor (if applicable) or any of their respective Affiliates is a party and to which Licensor or any of its Affiliates is also a party or beneficiary, as such may be amended.

“Hotel Improvements” means the building or buildings containing Guestrooms, Public Facilities, administrative facilities, parking, pools, landscaping, and all other improvements constructed or to be constructed or renovated at the Approved Location.

“Independent Hotel Brand” means the identifiable brand concept and ongoing brand activation that consists of the Hotel’s competitive and consumer positioning, illustrates the Hotel’s unique personality and memorable characteristics, and describes the Hotel’s service culture and guest experience.

“Insolvency Event” means, in relation to a Person, any of the following: (i) it files a petition for reorganization or dissolution under any bankruptcy, insolvency or similar law (including, those relating to technical insolvency in the sense of Article 376 of the Turkish Commercial Code, a deferment of bankruptcy proceedings (*iflâsın ertelenmesi*), concordat or debt restructuring by way of conciliation (*uzlaşma yoluyla yeniden yapılandırma*); (ii) it consents to, or has instituted against it, a petition under any bankruptcy, insolvency or similar law or fails to vacate any order approving such petition within 90 days from the date the order is entered; (iii) it is adjudicated to be bankrupt, insolvent or of similar status by a court of competent jurisdiction, or has a resolution passed for its winding-up, compulsory management or liquidation; (iv) it has a receiver, trustee, liquidator or similar authority appointed over the Hotel or all or a substantial part of its assets and such appointment is not dismissed within 90 days from the date of appointment; (v) it makes a general assignment, arrangement, composition or compromise with or for the benefit of its creditors with respect to the Hotel or its material assets; or (vi) execution or attachment is enforced, or a suit to foreclose any mortgage or security interest is filed, against the Hotel or its material assets, and is not discharged or dismissed within 90 days of such action.

“Institutional Lender” means a commercial bank, investment bank, trust company, savings bank, savings and loan association, commercial credit corporation, life insurance company, real estate investment trust, pension trust, pension plan or pension fund, a public or privately held fund engaged in real estate or corporate lending or both, or any other financial institution commonly known as an institutional lender (or any Affiliate of such institution). A Person is not an “Institutional Lender” if the Person, any of its Affiliates or any other Person that has an Ownership Interest in, or Controls the Person is a Restricted Person or a Competitor.

“Intellectual Property” means the following items, regardless of the form or medium (for example, paper, electronic, tangible or intangible) (i) all Software, including the data and information processed or stored by such Software; (ii) all Proprietary Marks; (iii) all Confidential Information; and (iv) all other information, materials, and subject matter that are copyrightable, patentable or can be protected under applicable intellectual property laws, and owned, developed, acquired, licensed, or used by Licensor or its Affiliates for the System.

“Interestholder” means any Person that directly or indirectly holds an Ownership Interest.

“Interest Rate” means the lesser of: (i) the annual rate equal to the Prime Rate, plus three percentage points compounded monthly; or (ii) the maximum rate permitted by Legal Requirements.

“International Marketing Fund” means money collected by Licensor for International Marketing Fund Activities.

“International Marketing Fund Activities” is defined in Section 6.2.A.

“International Marketing Fund Contribution” is defined in Section 3.7.B.

“Inventories” means “Inventories” as defined in the Uniform System, including provisions in storerooms, refrigerators, pantries and kitchens; beverages; other merchandise intended for sale; fuel; mechanical supplies; stationery; and other expensed supplies and similar items.

“Inventory Management” means those inventory management services made available by Licensor to Licensee under revenue management or consulting arrangements.

“Jurisdiction” means Turkey.

“Key Money” is defined in Section 3.8 and Item 18 (Key Money) of Exhibit A.

“LD Amount” is defined in Section 17.4.B.

“Lease” is defined in Recital E.

“Legal Requirements” means (i) applicable supra national, national, federal, regional, state or local law, code, rule, ordinance, regulation, or other enactments, order or judgment of any governmental, quasi governmental or judicial authority, or administrative agency having jurisdiction over the Hotel, Licensee, Guarantor, Licensor in its capacity as licensor under this Agreement, or any of the Hotel Agreements, or the matters that are the subject of this Agreement, which for the avoidance of doubt includes the law chosen in Section 23.1, including any of the above that prohibit unfair, fraudulent, or corrupt business practices and related activities, including any such actions or inactions that would constitute a violation of money laundering, tax evasion or terrorist financing laws and regulations; (ii) any laws that prohibit any Person from offering, making or receiving bribes, or other inappropriate payments or gifts (including complimentary travel, meals, lodging, or services or anything of value), including, if applicable, the Foreign Corrupt Practices Act of 1977 of the United States of America, as may be amended; (iii) if applicable, the Bribery Act 2010 of the United Kingdom of Great Britain and Northern Ireland, as may be amended; (iv) if applicable, the Criminal Finance Act 2017 of the United Kingdom of Great Britain and Northern Ireland (as may be amended); and (v) any applicable data protection or privacy law.

“License Fees” is defined in Section 3.2.

“Licensed Marks” means: (i) the marks identified by the registrations and applications listed in Exhibit E; and (ii) any other Proprietary Marks designated in writing as a Licensed Mark by Licensor, as such may be deleted, added or modified by Licensor in its sole discretion.

“Licensee” means the Person identified in Item 6 of Exhibit A.

“Licensee Marks” means the names and marks in any format, style, design or logo in which they appear which will be adopted by Licensee in accordance with Section 11.5.B.

“Licensor” means the Person identified in Item 5 of Exhibit A, and its successors and assigns.

“Loyalty Programs” means all loyalty, recognition, affinity, and other programs designed to promote stays at, or usage of, the Hotel, System Hotels and such other Marriott Products designated by Licensor or its Affiliates, or any similar, complementary, or successor programs or combination thereof including programs sponsored by airlines, credit card and other companies.

“Management Company” is defined in Section 8.4.A.

“Management Company Acknowledgment” means an acknowledgment regarding the operation of the Hotel by the Management Company, in the then-current form for System Hotels.

“Marketing Materials” means all advertising, marketing, promotional, sales and public relations concepts, press releases, materials, concepts, plans, programs, brochures, or other information to be released to the public, whether in paper, digital or electronic, or in any other form of media.

“Marriott Products” meansany hotels or other lodging products, Vacation Club Products, residential products (such as single family homes or multi-unit apartment buildings or individual units within such buildings), restaurants, and other products, services, activities and businesses of any type, that are managed, licensed, owned, leased, developed, promoted or provided by or associated with Licensor or its Affiliates, in whole or in part, using any brand name available to Licensor or its Affiliates (including any brand listed in Exhibit F and any future brands or concepts owned, licensed or developed by Licensor or its Affiliates) or not using any brand name.

“Master Licensee” means a Person that has the exclusive rights to develop, operate or sub-license a Brand owned or Controlled by a Competitor.

“Non-Permitted Uses” means any use of the Permitted Businesses that competes with the Hotel or is not consistent with the quality, character and reputation of the Hotel including (i) activities which emit loud noise or bright lights that are audible by, or visible to, persons in the Hotel, (ii) automobile services, (iii) offering of sexually explicit materials or services, (iv) offering of products associated with illegal or dangerous drugs, (v) operation of a laundry or dry cleaning business (unless the cleaning is performed off-site), (vi) operation of a fast food restaurant, (viii) a casino or other gaming establishment, (vii) storing or selling explosives or any dangerous or hazardous material (including fireworks), or (ix) advertising or promoting hotels, vacation or timeshare facilities, or any similar product sold on a periodic basis that are not a Marriott Product.

“Opening Date” means the date identified as the Hotel opening date in the letter agreement issued by Licensor described in Exhibit D.

“Opening Deadline” means the date stated in Item 13 of Exhibit A.

“Other Lodging Product” is defined in Section 19.2.D.

“Other Mark(s)” is defined in Section 11.3.

“Owner” is defined in Recital E.

“Ownership Interest” means all forms of direct or indirect legal or beneficial ownership or Control of entities or property, including the following: stock, partnership, membership, joint tenancy, leasehold, proprietorship, trust, beneficiary, proxy, power-of-attorney, option, warrant, and any other interest that evidences ownership or Control.

“Passive Ownership Interests” means non-Controlling Ownership Interests in Licensee.

“Permitted Businesses” is defined in Section 8.6. The Permitted Businesses are [outlined/edged/shaded] in [INSERT COLOR] in Exhibit I.

“Person” 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 governmental department or agency, a trustee, a trust, an unincorporated organization or any other legal entity.

“Personnel Costs” means the salary and other compensation of any individuals providing services to Licensee, including training, inspections, and counseling and advisory services.

“Plans” means documents for the construction, renovation or conversion, including a site plan and architectural, mechanical, electrical, civil engineering, landscaping and interior design drawings and specifications.

“Prime Rate” means the “Prime Rate” of interest in the United States of America published from time to time by the Bloomberg Press at <http://www.bloomberg.com>, or another internationally recognized website or publication publishing the prime rate of interest in the United States of America as Licensor may reasonably determine.

“Product Quality Standards” means Licensor’s quality requirements for planning and constructing or renovating and refurbishing a System Hotel, including Electronic Systems, fire protection systems and life safety components of the Hotel.

“Program Services” is defined in Section 3.7.A.

“Program Services Contribution” means the amount charged by Licensor to the Hotel for Program Services.

“Program Services Fund” means money collected by Licensor for Program Services.

“Property Management System” means all property management systems (including all Software, Hardware and electronic access) designated by Licensor for use in the front office, back-of-the-office or other operations of System Hotels.

“Proposed Mark” is defined in Section 11.5.B.

“Proprietary Marks” means (i) the Licensed Marks, and any other trademarks, trade names, trade dress, words, symbols, logos, slogans, designs, insignia, emblems, devices, service marks, and indicia of origin (including taglines, program names, and restaurant, spa or other outlet names); (ii) all local language versions of any of the above; and (iii) any combinations of the above; in each case, whether registered or unregistered, and whether owned currently by Licensor or any of its Affiliates or later developed or acquired, that are used or registered by Licensor or one of its Affiliates, or by usage are associated with one or more System Hotels. The term “Proprietary Marks” does not include the Licensee Marks.

“Prospectus” means any registration statement, memorandum, offering document, or similar documentation for the sale or transfer of an Ownership Interest.

“Public Facilities” means the lobby areas, meeting rooms, convention or banquet facilities, restaurants, bars, lounges, corridors and other similar facilities.

“Published Source” means the website published and maintained by the Bloomberg Press at <http://www.bloomberg.com>, or another internationally recognized website or publication quoting exchange rates for the applicable currencies as Licensor may reasonably determine.

“Qualified Person” means a Person that meets Licensor’s then-current owner or management company qualifications, including: that such Person or any of its Affiliates has not been convicted of a Serious Crime; is not a Competitor or a Restricted Person or a Person that receives funding from a Restricted Person; has not engaged in conduct that may adversely affect the Hotel, the System, or Licensor; and has not been a party to any material civil litigation with Licensor or its Affiliates.

“Quality Assurance Program” means the program that Licensor uses to monitor guest satisfaction and the operations, facilities and services at System Hotels.

“Ramp-Up Date” is defined in Item 10 of Exhibit A.

“Reasonable Business Judgment” is defined in Section 26.4.A.

“Reminder Notice” is defined in Section 26.5.

“Requesting Party” is defined in Section 26.5.

“Reservation System” means any reservation system designated by Licensor for System Hotels (including Software, Hardware and related electronic access).

“Restricted Area” means the area having the boundaries outlined in the narrative included in Exhibit H.The center, as of the Effective Date, of any road, highway, river or lake described above is the boundary of the Restricted Area. The Restricted Area is the area outlined on the map in Exhibit H. Should a conflict exist between the map and the narrative, the narrative will control.

“Restricted Person” means a Person who is identified by any government or legal authority as a Person with whom Licensor or its Affiliates are prohibited or restricted from transacting business, including any Person: (i) on the US Treasury Department’s Office of Foreign Assets Control List of Specially Designated Nationals and Blocked Persons, (ii) on the Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions, (iii) on the UK List of Financial Sanctions Targets maintained by His Majesty’s Treasury, (iv) identified under resolutions or sanctions-related lists maintained bythe United Nations Security Council; or (v) ordinarily resident, incorporated, or located in any Sanctioned Territory, or owned or Controlled by, or acting on behalf of, the government of any Sanctioned Territory. A Person is also a Restricted Person if it is directly or indirectly Controlled by, or 10% or more owned by, or, in Licensor’s judgement, the designee of or acting on behalf of any Person identified in subsections (i-v). For purposes of this definition, “Sanctioned Territory” means any country or territory subject to (x) a comprehensive export, import, or financial embargo under Legal Requirements in the Jurisdiction, the United States of America, the European Union, the United Kingdom or United Nations sanctions or (y) sanctions that, in Licensor’s judgement materially and adversely restrict Licensor from providing services under this Agreement in accordance with Standards or Licensee from operating the Hotel in accordance with Standards.

“Rules” is defined in Section 23.4.B.

“Sales Agent” means a Person who acts on behalf of Licensee for: (i) Inventory Management; (ii) booking reservations at the Hotel or other booking activities, including accessing the Reservation System; or (iii) sales activities, including arranging group sales.

“Security Incident” means the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, Guest Personal Data.

“Serious Crime” means a crime punishable by either or both (i) imprisonment of one year or more; or (ii) payment of a fine or penalty of US$ 10,000 (or the foreign currency equivalent) or more.

“Similar Marks” is defined in Section 11.2.A.7.

“Soft Goods” means wall and floor coverings, window treatments, carpeting, bedspreads, lamps, artwork, upholstery, textile, fabric, vinyl and similar items used in the Hotel.

“Software” means all computer software (including all future upgrades and modifications) and related documentation provided by Licensor or designated suppliers for the Electronic Systems.

### “Spa” is defined in Section 8.5.

“Spa Operator” is defined in Section 8.5.

“Special Circumstances” means: (i) two or more additional franchise, license, management or operating services agreements between Licensor and Licensee, or their respective Affiliates, are terminated within 12 months of the termination of this Agreement; or (ii) this Agreement is terminated as a result of a Transfer to a Competitor.

“Standards” means Licensor’s manuals, standard operating procedures, policies, systems, guides, programs (including the Quality Assurance Program), requirements, directives, specifications, Product Quality Standards, and such other information, initiatives and controls that are necessary for the development, design, construction, renovation, equipping, and operation of System Hotels.

“System” means the Standards, Intellectual Property, the Electronic Systems, the Loyalty Programs, the International Marketing Fund Activities, Additional Sales and Marketing Programs, Marketing Materials, training programs, and other elements that Licensor or its Affiliates have designated for System Hotels.

“System Hotel” means a hotel operated by Licensor, an Affiliate of Licensor, or a franchisee or licensee of Licensor or its Affiliates under the trade name(s) identified in Item 17 of Exhibit A and as of the Effective Date, that is not located within Canada, any of the 50 states compromising the United States of America or the District of Columbia.

“Taxes” is defined in Section 13.5.B.1.

“Term” is defined in Section 1.2 and means the period identified in Item 4 of Exhibit A.

“Third Party Agreement” is defined in Section 8.6.

“Third Party Operators” is defined in Section 8.6.

“Training Costs” means: (i) tuition, supplies, Travel Costs, Personnel Costs, and allocations of internal costs and overhead of Licensor and its Affiliates related to training programs; (ii) the annual charge per manager for management training that is based on an allocation among System Hotels of the costs of developing and providing such training; and (iii) the charge for the general manager conference, regardless of whether Licensee’s personnel attend.

“Transfer” means any direct or indirect, absolute or conditional, sale, conveyance, assignment, novation, exchange, pledge, encumbrance, lease or other disposition.

“Travel Costs” means all travel, food and lodging, living, and other out-of-pocket costs (including, the cost of obtaining any required visas, work permits or similar documentation).

“Travel Management Companies” means travel agencies, online travel agencies, group intermediaries, wholesalers, concessionaires, and other similar travel companies.

“Unamortized Portion of Key Money” is defined in Section 3.8.

“Uniform System” means the then-current edition of the Uniform System of Accounts for the Lodging Industry, as currently published by the Hospitality Financial and Technology Professionals (HFTP®), except any revisions made to the prior edition that have not been, or are not in the process of being generally implemented within the System.

“Use Taxes” means all value added, room, excise, goods and services, sales or use taxes or any other taxes or governmental charges collected directly from guests or other customers or included as part of the sales price of any goods or services.

“Vacation Club Products” means timeshare, fractional, interval, vacation club, destination club, vacation membership, private membership club, private residence club, and points club products, programs and services and includes other forms of products, programs and services where purchasers acquire an ownership or membership interest, use or other rights to use determinable leisure units on a periodic basis.

“Yield Management System” means any yield management system (including all Software, Hardware and electronic access) designated by Licensor for use by System Hotels.

# INSURANCE

A. *Insurance Required Before Opening Date.* From the date construction begins until the Opening Date and during any material renovation to the Hotel and any Permitted Businesses operated by Licensee or its Affiliates, Licensee will obtain or cause to be maintained:

1. General or public liability insurance against claims for bodily injury, death and property damage for at least an amount (for each occurrence) as determined by Licensor in line with coverage amounts customarily required by Licensor at similarly situated System Hotels. Such insurance will include; (a) worldwide defense and indemnity; (b) independent contractor’s liability; and (c) products/completed operations. The policy will name Licensor and its Affiliates as an additional insured.

2. Third-party auto liability insurance for at least an amount as determined by Licensor in line with coverage amounts customarily required by Licensor at similarly situated System Hotels.

3. Employment related injury and illness coverage that complies with the Legal Requirements.

4. Builders all-risk insurance on a completed value basis.

B. *Insurance Required after Opening Date.* Licensee will maintain the following insurance, for the Hotel and its operations from the Opening Date and during the Term:

* + - 1. general or public liability insurance for bodily injury including mental harm, death, or third-party property damage for an amount (for each occurrence) as determined by Licensor in line with coverage amounts customarily required by Licensor at similarly situated System Hotels. Such insurance will include; (a) worldwide defense and indemnity; (b) liquor liability; (c) independent contractors; (d) terrorism; (e) contractual liability; (f) libel/slander/defamation; (g) medical malpractice (to the extent the Hotel offers medical services, or spa and beauty services to guests); (h) garage keepers liability (to the extent the Hotel takes care, custody and control of guests’ vehicles); (i) innkeeper’s and safe deposit box liability; and (j) sub-limits acceptable to Licensor. The policy will name Licensor and its Affiliates as an additional insured;
      2. third-party auto liability insurance for at least an amount as determined by Licensor in line with coverage amounts customarily required by Licensor at similarly situated System Hotels;
      3. employment related injury and illness coverage that complies with the Legal Requirements covering all Hotel employees;
      4. property insurance on the Hotel buildings and contents against loss or damage by risks covered by an “all risks of physical loss” form including flood, earthquake, windstorm, fire, lightning, explosion, theft, burglary, water damage, boiler and machinery coverage and terrorism coverage. Coverage will be for not less than 100% of replacement cost with a waiver of coinsurance provision. If the Hotel is located in a flood, earthquake or windstorm hazard, coverage will be for at least probable maximum loss of the Hotel, less a reasonable deductible and acceptable to Licensor;
      5. business interruption insurance covering at least 24 months loss of profits, rental income, necessary continuing costs, and any other amounts payable to Licensor and its Affiliates under the Hotel Agreements if the loss had not occurred, for interruptions caused by any occurrence covered by Section 14.2.B.4. For the avoidance of doubt, such business interruption coverage will include the amount of all lost revenues and receipts due to the non-availability of Guestrooms, food, beverage, and other services on which business interruption, loss of income, or similar insurance losses are calculated. Such amounts will include any License Fees, Program Services Contributions, International Marketing Fund Contributions, and any other continuing fees, charges, and costs due to Licensor and its Affiliates under the Hotel Agreements, including Section 3.3 and Section 3.4. The policy will name Licensor and its Affiliates as additional insureds. Licensee agrees that Licensor or its Affiliates may make claims directly to the insurer for amounts payable under the Hotel Agreements;
      6. fidelity or crime insurance on all Hotel employees in an amount as determined by Licensor in line with coverage amounts customarily required by Licensor at similarly situated System Hotels; and
      7. network security and cyber liability insurance covering breach, response, acts, errors, omissions, breach of contract and violation of any consumer protection laws for at least an amount (for each occurrence) as determined by Licensor in line with coverage amounts customarily required by Licensor at similarly situated System Hotels.

C. *General Insurance Requirements*

1. All policies will be written by insurance companies acceptable to Licensor that are properly licensed in the Jurisdiction.

2. No deductibles will exceed an amount customarily required by Licensor at similarly situated System Hotels.

3. Licensee will require all vendors and concessionaires to maintain appropriate insurance for services provided to guests.

4. Licensee will provide to Licensor evidence in English of insurance required by this Exhibit throughout the Term. All insurance will not be canceled, non-renewed or materially changed without at least 30 days’ prior notice to Licensor. If Licensee fails to provide evidence in English that it has the required insurance, Licensor may translate policies at Licensee’s cost.

5. If Licensee fails to maintain the insurance required by this Exhibit, Licensor may obtain such insurance to protect Licensor’s interests at Licensee’s cost, including a reasonable servicing fee.

6. Licensor will have the right to change the insurance required by this Exhibit in response to insurance market trends, customer demands, technological advances and other factors affecting the hotel industry.

7. All policies will contain a waiver of subrogation in favor of Licensor and its Affiliates.

*D. Additional Insurance for Permitted Business Operated by Third Party Operators [****MI NOTE: TO BE CONFIRMED BY MI INSURANCE TEAM]***

1. For any Permitted Businesses operated by a Person other than Licensee or its Affiliates, Licensee will maintain or cause such Person to maintain the following insurances effective on the opening date of such Permitted Businesses:

a. general or public liability insurance (including garage liability if applicable) against claims for bodily injury, death, property damage and terrorism for at least an amount (for each occurrence) as determined by Licensor in line with coverage amounts customarily required by Licensor. The policy will name Licensor and its Affiliates as an additional insured and contain a waiver of subrogation in favor of Licensor and its Affiliates; and

b. third-party auto liability insurance and employment-related injury and illness coverage that complies with the Legal Requirements.

c. Licensee will provide evidence of the insurance required by this Section throughout the Term, in English, to Licensor. If Licensee fails to provide evidence in English, Licensor may translate the policies at Licensee’s cost. All insurance will not be canceled, non-renewed or materially changed without at least 30 days’ prior notice to Licensor.

# NEW DEVELOPMENT

Licensee acknowledges that the Hotel is to be newly developed and constructed at the Approved Location under the terms of this Exhibit, which is an integral part of the Agreement:

* + 1. Construction of the Hotel.
       1. *Construction Start.*

Licensee represents that it has (a) obtained written long term and construction financing commitments; (b) entered into a construction contract; (c) obtained zoning clearances, ingress and egress permits, and building permits in accordance with the accepted Plans; and (d) excavated or started excavation for foundations or underground utilities. If requested, Licensee will deliver evidence that such conditions have been met.

* + - 1. Opening Deadline.

By the Opening Deadline, Licensee will Design and Complete the Hotel in accordance with the Design, the Standards (including the Product Quality Standards and the fire protection and life safety Standards) and the Hotel Agreements.

* + - 1. *Extensions.*

Time is of the essence, but the Opening Deadline will be equitably extended for any delay caused by acts of nature, terrorism, strikes, war, governmental restrictions (including those related to epidemics, quarantine restrictions or other public health restrictions), or other causes beyond Licensee’s control (excluding for the avoidance of doubt, unavailability of financing) for a period up to a total of 180 days. If Licensee wishes to extend such deadline, Licensee will make a request giving the reasons for the delay. Licensor may extend such deadline for other reasons and beyond the 180-day period, in its sole discretion. For any extension of more than 90 days, Licensor may require Licensee to pay a non-refundable fee not to exceed US$3,000 for each 30-day period of the extension.

* + - 1. *Permits.*

Licensee will obtain all permits required for the lawful construction and operation of the Hotel, including zoning, access, sign, building permits and fire requirements and, if requested, will certify that it has obtained all such permits.

* + - 1. *Compliance.*

Licensee will ensure that the Hotel complies with Legal Requirements, the Design, the Standards, including the Product Quality Standards and the fire protection and life safety Standards (even if such standards exceed local code requirements).

* + - 1. *Licensee’s Responsibilities.*

Licensee is responsible for the entire cost to Design and Complete the Hotel as a System Hotel.

* + - 1. *Pre-Opening Activities and Expenses.*

Licensor will provide an opening team to assist in the opening of the Hotel as a System Hotel and to train the Hotel employees. The team members will remain at the Hotel for such time as Licensor deems appropriate to open the Hotel as a System Hotel. Licensee will pay Licensor’s costs associated with providing such assistance, including Travel Costs.

* + 1. Opening Date.

Without Licensor’s prior approval, Licensee will not advertise, promote or operate the Hotel as a System Hotel until:

* + - 1. The Hotel has been completed in accordance with the accepted Plans, the Design, the Standards (including the Product Quality Standards and the fire protection and life safety Standards) and the Hotel Agreements, as determined by Licensor in its sole discretion. Licensor may require Licensee to deliver an architect’s certification that the Hotel has been completed in accordance with the accepted Plans and a copy of the certificate of occupancy for the Hotel;
      2. Licensee has installed all FF&E, Electronic Systems and other items and equipment for opening the Hotel as a System Hotel, including Fixed Asset Supplies and Inventories, and all is in working order;
      3. Licensee has employed a general manager and department managers, and they have successfully completed Licensor’s training programs;
      4. Licensee has paid all amounts due to Licensor and its Affiliates;
      5. the Hotel Agreements, if required, have been registered with the appropriate governmental authorities;
      6. Licensee has complied with the insurance requirements of this Agreement;
      7. Licensee has notified Licensor that all requirements to Design and Complete and open the Hotel have been completed and the Hotel is ready to open as a System Hotel;
      8. Licensee has adopted the Licensee Marks in accordance with Section 11.5; and
      9. Licensor has granted approval to open and operate the Hotel as a System Hotel and established the Opening Date in a letter agreement signed by Licensor and Licensee or its general manager. If Licensor establishes an Opening Date but the letter agreement provides for additional construction, upgrading, renovation, training or other items (the “Additional Work”), Licensee will be authorized to use the System and identify the Hotel as a System Hotel only for such time as Licensee is diligently completing the Additional Work. Failure to timely complete the Additional Work is a default under the Hotel Agreements. Licensor may withhold the Key Money if there is Additional Work to be completed at the time of Opening Date.
    1. Inspection of the Hotel.

Licensor will use its reasonable endeavors to inspect the Hotel within 20 days after receipt of the notice specified in Section 2.7 of Exhibit D to determine whether Licensee has satisfied all the requirements for opening the Hotel as a System Hotel; however, Licensor will not be liable for delays or loss occasioned by the inability of Licensor to complete an inspection within such time period.

* + 1. Opening Advertising.

Licensee will conduct an opening advertising and marketing campaign that complies with the Standards.

# LIST OF TRADEMARK REGISTRATIONS AND APPLICATIONS IN THE JURISDICTION

| **Trademark** | **Country** | **Class** | **Registration Number** | **Registration Date** |
| --- | --- | --- | --- | --- |
| AUTOGRAPH COLLECTION | Turkey | 43 | 200952516 | 25-Oct-2010 |

[**MARRIOTT NOTE: EXECUTE EXTRA ORIGINAL OF LICENSE AGREEMENT FOR IP DEPARTMENT]**

# MARRIOTT BRANDS

AC Hotels by Marriott

African Pride Hotels

Aloft Hotels

Aloft Residences

Apartments by Marriott Bonvoy

Autograph Collection Hotels

Autograph Collection Residences

Bulgari Hotels & Resorts

Courtyard by Marriott Hotels

Delta Hotels by Marriott

Delta Hotels by Marriott Residences

Design Hotels

EDITION Hotels

EDITION Residences

Elegant Hotels

Element Hotels

Fairfield by Marriott Hotels

Fairfield Inn by Marriott

Fairfield Inn & Suites by Marriott

Four Points by Sheraton Hotels

Four Points Express by Sheraton Hotels

Gaylord Hotels

Grand Residences by Marriott

Homes & Villas by Marriott Bonvoy

JW Marriott Hotels

JW Marriott Hotels & Resorts

JW Marriott Marquis Hotels

JW Marriott Residences

Le Méridien Hotels & Resorts

Le Méridien Residences

Le Royal Méridien Hotels & Resorts

Marriott Conference Centers

Marriott Executive Apartments

Marriott Hotels

Marriott Hotels & Conference Centers

Marriott Hotels & Resorts

Marriott Marquis Hotels

Marriott Residences

Marriott Resorts

Marriott Suites Hotels

Marriott Vacation Club

Marriott Vacation Club Pulse

Moxy Hotels

Moxy Residences

Protea Hotel Fire & Ice!

Protea Hotels by Marriott

Renaissance ClubSport Hotels

Renaissance Hotels

Renaissance Residences

Residence Inn by Marriott Hotels

Sheraton Grand Hotels & Resorts

Sheraton Hotels & Resorts

Sheraton Residences

Sheraton Vacation Club

SpringHill Suites by Marriott Hotels

St. Regis Hotels, Resorts & Suites

St. Regis Residence Club

St. Regis Residences

The Luxury Collection Hotels, Resorts & Suites

The Luxury Collection Residence Club

The Luxury Collection Residences

The Residences at The Ritz‑Carlton

The Ritz-Carlton Club

The Ritz‑Carlton Destination Club

The Ritz‑Carlton Hotels & Resorts

The Ritz‑Carlton Reserve

The Ritz‑Carlton Residences

The Ritz-Carlton Yacht Collection

TownePlace Suites by Marriott Hotels

Tribute Portfolio Hotels & Resorts

Tribute Portfolio Residences

W Hotels

W Residences

Westin Hotels

Westin Hotels & Resorts

Westin Residences

Westin Vacation Club

# LICENSEE MARKS

None.

# RESTRICTED AREA

**LOCATION OF PERMITTED BUSINESSES WITHIN THE HOTEL**

[to be inserted]