

## WE WELCOME YOUR QUESTIONS

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Are there ways to conceal/disguise the antenna?

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Will the antenna affect wifi in my hotel at all?

What about noise issues from cellular towers? What if it is loud and the guests complain?

# Opportunity

## WHAT IS THE 5G CELLULAR ANTENNA OPPORTUNITY ALL ABOUT?

Commercial Wireless Operators, such as AT&T, Verizon, etc. (called “carriers”) need rooftops to deploy the emerging 5G cell network. 5G rollout is already underway nationwide and, according to some estimates, will require hundreds of thousands of new cell sites – a five-fold increase over the current model. Towers cannot be built everywhere they are needed, so rooftops will play a major role.

## WHAT ARE IHG AND THE IHG OWNERS ASSOCIATION DOING TO TAKE ADVANTAGE OF THIS OPPORTUNITY?

IHG and the IHG Owners Association discussed ways to make potential 5G opportunities available to hotel owners. IHG entered into a collaboration agreement with 5G LLC, a leader in the industry. The potential financial returns for IHG owners and IHG Owners Association members are significant, especially since – unlike a traditional broker – 5G LLC works with more than 12 carriers, so hotel buildings can benefit from more than one antenna. This creates the potential for multiple income streams from a single property, all handled through a single partner.

## WHAT IS THE PROGRAM CALLED?

The IHG Owners’ 5G Revenue Program (the “Program”).

## WHY IS THE PROGRAM GOOD FOR IHG BRANDED HOTEL OWNERS?

Carriers seek the simplest and most direct way to build out their infrastructure. Having a portfolio of hotels in higher density markets, where the initial vetting and licensing can be centralized, is very appealing to the carriers. Therefore, IHG and the IHG Owners Association have partnered with 5G LLC to create a turnkey model to make IHG branded hotels as appealing as possible to the carriers. Hotels that attract carrier investment on their rooftops will not only enjoy additional rental income and value creation but will be able to capture the lightning fast cellular connectivity as a competitive guest amenity (for guests whose devices are on the carrier’s platform).

## WHO ARE THE CARRIERS, AND WHY IS THE PROGRAM GOOD FOR THEM?

The carriers are the companies deploying the 5G cellular service, and installing the equipment on rooftops. 5G LLC is currently working with 12 carriers for installations, including AT&T, Verizon, Dish, T-Mobile, Comcast, Cox, Lumen, Starry, Spectrum, Senet, Sail, Mitrelink, and AccelNet.

5G, LLC is the preferred partner for the carriers listed above, due to the unique benefits it offers. These include pre-negotiated license agreements, a portfolio approach to site acquisition and design, and at least a three-month reduction in time-to-market and 30-50% reduction in cost for them. All of these benefits result in more revenue generation opportunities for our IHG Program participants.

## IS THE PROGRAM EXCLUSIVE TO IHG HOTELS AND/ OR IHG OWNERS ASSOCIATION MEMBERS?

No. 5G LLC is the largest aggregator of commercial real estate in the US for the purposes of marketing to the carriers. However, since IHG is our first major hotel collaborator, owners of IHG branded hotels and IHG Owners Association members will enjoy a first adopter advantage in the market.

## WHICH HOTELS ARE ELIGIBLE TO PARTICIPATE AND HOW DO PROPERTIES GET SELECTED?

Participation in the 5G LLC program is entirely at the discretion of the carriers. The goal of the Program is to make IHG branded hotel owners and IHG Owners Association members as appealing as possible to the carriers for all potential site locations (including buildings other than hotels) but there is no guarantee of site selection or timing.

While the majority of the sites will be in the highest density markets over the next ~12-24 months, some secondary and tertiary markets have already benefitted from deployment of 5G technology. Therefore, 5G, LLC recommends that all interested hotel owners in all markets sign up their properties so that when the carriers are looking for an available site those properties are already in the queue.

5G LLC estimates that approximately 1,000 IHG branded hotels would be of interest to the carriers over the next five years.

## ARE THERE CERTAIN CITIES WHICH ARE OF MORE INTEREST TO CARRIERS THAN OTHERS?

In the current site selection phase, the top 35 urban metro markets are experiencing the most carrier activity. However, as the carriers move into the next phases of site selection, carrier focus will expand to secondary and tertiary markets.

## WILL THE ANTENNA PROVIDE 5G TO MY HOTEL GUESTS?

It depends on each guest’s cellular network on his or her devices. The Program will provide a stronger and faster cellular signal to guests who are a customers of the wireless carrier that has contracted with the hotel. At the owner’s option, additional interior equipment can be installed to harness the new 5G signal(s), which may provide optimized Internet connectivity for the hotel colleagues and guests (for guests who are customers of the specific carrier). Such equipment would be outside the scope of the Program, and would be solely at the expense and discretion of the owner.

### I HAVE HOTELS IN OTHER BRANDS – CAN I SIGN THEM UP, TOO?

This program is designed to benefit IHG branded hotel owners, and IHG Owners Association members. IHG branded hotel owners will have access to the 5G LLC Portal in order to streamline the application process for marketing their individual hotel(s).

### IS THIS PROGRAM AVAILABLE OUTSIDE THE US?

5G LLC has no plans at this time to expand outside the US.

### I HAVE OTHER REAL ESTATE ASSETS – CAN I SIGN THEM UP, TOO?

The Portal is available to IHG branded hotel owners. 5G LLC will work with each owner on a case-by-case basis for any other real estate opportunities.

### CAN I CHANGE MY MIND ONCE MY PROPERTY IS SELECTED BY A CARRIER?

Before a license is signed, owners have the right to decline a 5G opportunity with any carrier.

### WHAT ARE THE DOCUMENTS I NEED TO SIGN TO GET STARTED?

[Click Here to Execute the Marketing Agreement](#)

There are two documents, both of which have undergone preliminary review and negotiation by IHG's legal team. It is nevertheless suggested that any interested participants review these documents with their own counsel.

**The Marketing Agreement.** This document is between you and 5G LLC, and provides 5G LLC with your permission to market your property to all of the carriers. Anyone interested in participating in the Program must first execute this Marketing Agreement.

Note that this is an exclusive agreement – after you execute this agreement, you may not enter into any other agreement for 5G technology for the subject property until the Marketing Agreement with 5G LLC is terminated.

Section 2 within the Marketing Agreement: “The initial term of this Agreement is two (2) years, commencing on the Effective Date (the “Initial Term” and, together with any Renewal Terms, collectively, the “Term”). At the end of the Initial Term (and each subsequent Renewal Term, if applicable), the term of this Agreement shall automatically extend for an additional one (1) year (each a “Renewal Term”), unless either party notifies the other in writing at least ninety (90) days prior to the end of the then current term.”

**The License Agreement (“License”).** This document is between you and 5G LLC, on behalf of each carrier and contains the details for the implementation of 5G equipment at your hotel. This document will not be required until there is interest from one or more carriers in your hotel. Once a carrier expresses interest, a License will be drafted, with that carrier noted as the Sublicensee.

Note that if you enter into a License with a carrier design approval from both the Owner and IHG's Design and Construction team will be coordinated by 5G LLC. Review and approval will be expedited for Program participants. If more than one carrier seeks to install 5G equipment at your property, a separate License will be needed for each one.

### WHAT IS THE TERM LENGTH OF THE MARKETING AGREEMENT?

The term is three (3) years. The Marketing Agreement for any property that is sold during the term can be terminated with no penalty. The Marketing Agreement automatically renews for an additional (1) year term unless either party notifies the other in writing at least ninety (90) days prior to the end of the then-current term.

### WHAT IS THE TERM LENGTH OF A LICENSE?

Most carriers require an initial term of five (5) years, with five (5) additional five-year autorenewals. This totals 30 years. Dish requires an initial term of ten (10) years with four (4) additional five-year autorenewals.

5G LLC realizes that many hotels will change hands over a 30-year period, and will assist in the transition. A 5G rooftop license does not encumber your ability to sell the property.

### WHAT ARE THE QUALIFICATION REQUIREMENTS FOR THE BUILDING?

**Height:** The majority of carrier interest in the current phase of site selection is focused on buildings with heights over 40 feet, although for hotel properties, building heights of at least 30 feet are also a focus in certain locations. Beginning in 2023, additional “densification” (addition of many 5G antennas in a given market) will create opportunities for rooftops as low as 20 feet in height.

**Location:** Location in one of the carrier's target markets – as noted above, this is completely at the discretion of the carriers.

**Roof type:** Flat roofs are typically preferred but not a requirement.

**Roof space:** All carriers' antenna footprints are very similar to one another. Equipment and antenna space typically require 400 square feet (“sf”) of noncontiguous space. The amount of space that is typically needed ranges in size from 250 sf to 350 sf, depending on the carrier. Each of the three antenna positions (as shown in the sample drawing here) is typically 10'x10'. Each carrier design is dictated by the specific building.

## Working with 5G LLC

### IF ANYTHING IS DAMAGED OR REQUIRES MAINTENANCE IS THERE AN EASY PROCESS TO FOLLOW?

5G LLC would coordinate any site visit needed between the carrier and the owner's onsite contact.

### HOW SOON AFTER I EXECUTE A LICENSE CAN I EXPECT INSTALLATION?

The timeline of carrier installations depends on many factors, including but not limited to the location, building height, site selection phase, etc. When carriers have an interest in a particular site, the carrier contacts 5G LLC, who then contacts the hotel. A 60-90 minute preliminary site walk is scheduled, and then if all parties agree, a License is executed with the carrier. From then, the average timeline is 6-9 months to installation (including permitting and regulatory activities), at which point the cell site becomes active and revenue generation from the 5G equipment lease commences. An additional, more comprehensive site walk, is performed during this 6-9 month period as well.

### WHO DOES THE ACTUAL INSTALL?

The carriers use reputable engineering companies, including Bechtel, Maztek, and Black & Veatch. The engineering company will be managed by 5G LLC.

### WHEN CAN I EXPECT TO BE CONTACTED, AND BY WHOM?

You will have two contacts from 5G LLC: the business representative and a dedicated member of the Operations Team.

- After you execute the Marketing Agreement, the 5G LLC business representative will contact you periodically throughout the Term.
- Once a carrier expresses interest in your property and a License is on the table, the contact frequency will increase substantially and will include ongoing communication with your dedicated contact from the 5G LLC Operations Team. This individual will then continue to work with you for the duration of the License.

### WHO DO HOTELS CONTACT WHEN THERE ARE ISSUES, OR THE OWNERSHIP OF THE HOTEL IS ABOUT TO CHANGE?

Your points of contact will be your 5G LLC business representative and, post installation of equipment, the 5G LLC dedicated Operations Team member.

# Model

## WHAT IS THE RELATIONSHIP BETWEEN 5G LLC, IHG, AND THE IHG OWNERS ASSOCIATION?

IHG has entered into a Collaboration Agreement with 5G LLC to streamline the activation process and identification of suitable hotel sites and negotiated templates of the agreements that hotel owners would sign with 5G, LLC (a Marketing Agreement and a License Agreement Template). Hotels still have the ability to engage in their own legal review and negotiation if they desire.

The IHG Owners Association has entered into an Allied Member Agreement with 5G LLC and will provide additional educational and support services to Association members.

## WHAT IS THE FINANCIAL MODEL?

There is no cost to you to participate in the Program. Once you enter into the Marketing Agreement with 5G LLC, they will actively market your property to the carriers. If your property is selected by one or more carriers, 5G LLC will retain 25% of the revenues, and you will receive 75% of the revenues. Neither IHG nor the IHG Owners Association are receiving any revenues from any IHG branded hotel owners or the IHGOA member's participation in the Program. The Program has been created for the benefit of the owners.

All capex costs and operating costs are covered by the specific carrier.

## CAN MORE THAN ONE CARRIER USE MY ROOF?

Yes! This is one of the biggest advantages of the Program vs. working with an individual 5G broker. Your property will be marketed to the 12+ [MAKE CONSISTENT ACROSS ALL DOCS] carriers who are actively selecting sites which expands the revenue opportunity. The only constraint is your rooftop space.

## WHO PAYS FOR THE INSTALLATION OF THE ANTENNA?

The carriers bear all costs. There is no CapEx or OpEx expense for owners.

## WHAT IS THE PAYMENT SCHEDULE FOR MY HOTEL FROM 5G LLC?

Rent will be paid monthly to the entity you designate in the License.

## HOW MUCH INCOME CAN I EXPECT FROM THE PROGRAM?

Rents vary across carriers, and they are dictated by the property location, but an average range per carrier license is \$2,800 - \$3,200 [MAKE CONSISTENT ACROSS ALL DOCS] per month.

## HOW LONG CAN I EXPECT REVENUE FROM THE CELL SITE?

30 years.

## HOW MUCH INCOME IS APPORTIONED TO MY HOTEL VS. 5G LLC?

75% is remitted to the hotel owners, and 25% is retained by 5G LLC.

## DO I HAVE THE RIGHT TO SELL THE INCOME STREAM TO A THIRD PARTY OR IS THERE A RIGHT OF FIRST REFUSAL IN THE CONTRACT?

Yes, you do have the right and there are no rights of first refusal in the agreements.

## WILL THIS ANTENNA CREATE ANY ONGOING COSTS OR MAINTENANCE REQUIREMENTS FOR THE HOTEL OWNER?

No, all costs are borne by the carriers.

## IS THE 5G LLC CONTRACT FOR MY SPECIFIC HOTEL OR IHG COMPANY-WIDE?

The 5G LLC agreements (the Marketing Agreement and the License) are both hotel-specific.

## IS THE HOTEL ADDED AS AN ADDITIONAL INSURED PARTY IN THE EVENT OF AN INSURANCE CLAIM?

Yes, this is standard practice.

## WHAT ARE THE INSURANCE PROVISIONS TO PROTECT MY HOTEL?

5G LLC, all contracted carriers, and their installation contractors all carry insurance in accordance with the insurance requirements contained in each License.

## I ALREADY HAVE AN ANTENNA FROM A CARRIER (OR BROKER). CAN I STILL PARTICIPATE IN THE PROGRAM?

It depends. Your existing agreement may permit additional rooftop carrier contracts, or may require exclusivity with your current carrier.

## Equipment

### WHAT IS THE SIZE OF EACH 5G ANTENNA AND WHO HANDLES PERMITTING?

Antennas typically range in size from four to six feet (4'-6'). Some carriers deploy smaller antennas. 5G LLC limits the size of all antennas such that no antenna exceeds eight feet in height (8').

- If you anticipate that it may be an issue for your municipality to approve the equipment, it is recommended that you validate your eligibility to participate in the Program prior to executing the Marketing Agreement.
- If your property is selected by a carrier, the carrier will pull the permits and handle the related logistics.

### ARE THERE WAYS TO CONCEAL/DISGUISE THE ANTENNA?

Yes, the carriers recognize that there may be a need to disguise the equipment and there are a number of ways to ensure the aesthetics of your hotel are preserved. All costs are borne by the carrier. If the parties cannot agree on the aesthetics, the owner will have the option to terminate the project with no penalty.

### HOW HEAVY IS THE ANTENNA?

Equipment and battery cabinets can weigh anywhere from 600-2,000 lbs. Antenna installations weigh between 600-1,000 lbs. Because non-rooftop penetrating techniques are nearly always employed (except in rare cases, e.g., where rooftop penetration is required by the municipality), the weight is mostly made up of the ballast. Each design is certified by a licensed structural engineer.

### WILL A SEPARATE UTILITY METER BE INSTALLED FOR THE ANTENNA? IF NOT, HOW ARE ENERGY CHARGES APPORTIONED?

The carriers prefer to have a separate utility meter, and this is possible in the majority of installations. If this is not possible for a given hotel, the carrier will submeter their antenna and pay their portion of the energy costs as additional rent based on an audit of energy usage before and after the rooftop equipment installation. Either way, the hotel's energy metric will not be impacted by participating in the Program. [PENDING IHG]

### WILL THE ANTENNA AFFECT WIFI IN MY HOTEL AT ALL?

There should be no impact to, or interference with, your hotel's wifi.

### WHAT ABOUT NOISE ISSUES FROM CELLULAR TOWERS? WHAT IF IT IS LOUD AND THE GUESTS COMPLAIN?

The 5G equipment does not generate noise.

## Owner Requirements

### WHAT INSTALLATION SUPPORT IS NEEDED FROM MY HOTEL?

The carrier will require rooftop access (coordinated by 5G LLC) and an onsite contact at the property. This is typically the GM. Access permissions will be agreed during the execution phase of each License.

### HOW MUCH MANAGEMENT TIME WILL THIS TAKE FOR ME AND MY STAFF?

For the Owner: While the legal documents have been reviewed by IHG, it is recommended that you plan for your own legal review of the Marketing Agreement and the License.

For the hotel's onsite representative: Your designated point of contact from the hotel should expect to spend several hours over the 6-9 month pre-installation window, including the site walks. Installation typically takes several days, during which period the onsite contact must provide rooftop access and be generally available. Your 5G LLC representative is your single point of contact and provides oversight, project management, and revenue collection from the carriers and payment to you.

### WHO IS THE BEST PERSON TO ASSIGN AT THE PROPERTY TO INTERFACE WITH 5G LLC?

Ultimately, this depends on your organization, but generally the GM, maintenance expert or chief engineer is the onsite contact, and the property owners handle all business decisions.