

LOCATION: 7930 North Stemmons Freeway
Dallas, TX 75247

LOCATION #: 9945

DATE: _____

HOLIDAY HOSPITALITY FRANCHISING, LLC

**CANDLEWOOD SUITES HOTEL
CHANGE OF OWNERSHIP
LICENSE AGREEMENT**

WITH

MAC HOSPITALITY, LLC

LICENSEE

HOLIDAY HOSPITALITY FRANCHISING, LLC
CANDLEWOOD SUITES HOTEL
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Holiday Hospitality Franchising, LLC
Three Ravinia Drive, Atlanta, Georgia 30346

Candlewood Suites Hotel
License Agreement

This License Agreement ("License") dated _____, 2022 (the "Term Commencement Date") is between **HOLIDAY HOSPITALITY FRANCHISING, LLC**, a Delaware limited liability company ("IHG"), and **MAC HOSPITALITY, LLC**, a Texas limited liability company ("Licensee") whose address is [REDACTED]

The Parties Agree As Follows:

1. The License:

IHG operates and licenses a system (the "System", as defined in paragraph 1.B. below) designed to provide a distinctive, high quality hotel service to the public under the name Candlewood Suites®. High standards established by IHG are the essence of the System. Future investments may be required of Licensee under this License. Licensee has independently investigated the risks of the business to be operated hereunder, including current and potential market conditions, competitive factors and risks; has read IHG's Franchise Disclosure Document for prospective Candlewood Suites franchisees, and has made an independent evaluation of all such facts. Neither IHG nor any other person on IHG's behalf has made any representation to Licensee concerning this License not fully set forth herein. Aware of the relevant facts, Licensee desires to enter into this License in order to obtain a license to use the System in the operation of a Candlewood Suites branded hotel located at: 7930 North Stemmons Freeway, Dallas, TX 75247 (the "Hotel").

A. The Hotel.

The Hotel comprises all structures, facilities, appurtenances, furniture, fixtures, equipment, and entry, exit, parking and other areas from time to time located on the land identified by Licensee to IHG in anticipation of this License, or located on any land from time to time approved by IHG for additions, signs or other facilities. The Hotel now includes the facilities listed on Attachment "A" hereto. No change in the number of approved guest suites and no other significant change in the Hotel or in the manner in which the Hotel suites and services are offered to the public (including timesharing and condominium hotel projects and other projects not involving short term stays by transient guests) may be made without IHG's written approval. Licensee represents that it is entitled to possession of the Hotel during the entire License Term without restrictions that would interfere with anything contemplated in this License.

B. The System.

The System includes all elements which are designed to identify "Candlewood Suites" hotels to the consuming public or are designed to be associated with those hotels or to contribute to such identification or association and all elements which identify or reflect the quality standards and business practices of such hotels, all as specified in this License or as designated from time to time by IHG. The System at present includes, but is not limited to, the principal trade and/or service mark "Candlewood Suites", the service mark "IHG Concerto™" and the other Marks, as defined in paragraph 7.B. below, and intellectual property rights made available to licensees of the System by reason of a license; all rights to domain names and other identifications or elements used in electronic commerce as may be designated from time to time by IHG in accordance with IHG's specifications to be part of the System; access to a reservation service operated in accordance with specifications established by IHG from time to time; distribution of advertising, publicity and other marketing programs and materials; architectural drawings and architectural works; the furnishing of training programs and materials; confidential or proprietary information, standards, specifications and policies for construction, furnishings, operation, appearance and service of the Hotel, and other requirements as stated or referred to in this License and from time to time in IHG's Candlewood Suites brand standards for System hotels (the "Standards") or in other communications to Licensee; and programs for inspecting the Hotel,

measuring and assessing service, quality and consumer opinion, and consulting with Licensee. The Standards and all changes to the Standards may be presented in any format, including but not limited to print, electronic or other media. IHG may add elements to the System or modify, alter or delete elements of the System in its sole judgment from time to time.

2. Grant Of License:

IHG hereby grants to Licensee a non-exclusive license to use the System only at the Hotel, but only in accordance with this License and only during the "License Term" beginning with the Term Commencement Date and terminating as provided under paragraph 12 hereof. The License applies to the location of the Hotel specified in paragraph 1 herein (the "Location") and to no other location. Licensee acknowledges that IHG, its divisions, subsidiaries, affiliates and parents are and may in the future be engaged in other business activities, including lodging and related activities, and that Licensee is acquiring no rights hereunder other than the right to use the System as specifically defined herein in accordance with the terms of this License.

This License does not limit IHG's right, or the rights of any parent, subsidiary or affiliate of IHG, to use or license the System or any part thereof, or to engage in or license any business activity at, any other location, including, without limitation, the licensing, franchising, ownership, operation and/or management of lodging facilities and related activities under the names and Marks associated with the System and/or any other names and marks. Licensee acknowledges that IHG's rights to use and/or license the System, referenced immediately above, pre-date this License and are not limited or changed by the terms of this License. Licensee agrees that by acknowledging those rights, the parties do not intend to make IHG's exercise of such rights subject to rules applicable to contractual performance or the exercise of contractual discretion under this License.

3. Licensee's Responsibilities:

A. Operational and Other Requirements.

Throughout the entire License Term, Licensee will at its sole cost and expense:

- (1) maintain a high moral and ethical standard and atmosphere at the Hotel;
- (2) maintain the Hotel in a clean, safe and orderly manner and in first class condition;
- (3) provide efficient, courteous and high-quality service to the public including, without limitation, maintaining minimum product and service quality standards and scores for quality assurance programs established and maintained by IHG, as such programs may be modified by IHG from time to time;
- (4) operate the Hotel 24 hours a day every day except as otherwise permitted by IHG based on special circumstances;
- (5) strictly comply in all respects with the Standards (as they may from time to time be modified or revised by IHG) and with all other policies, procedures and requirements of IHG which may be from time to time communicated to Licensee (which communication, at IHG's option, may be in hard paper copy or digital, electronic or computerized form, and Licensee must pay any costs to retrieve, review, use or access such digital, electronic or computerized communication);
- (6) strictly comply with all of IHG's standards and specifications for goods and services used in the operation of the Hotel and other reasonable requirements to protect the System and the Hotel from unreliable sources of supply;
- (7) strictly comply with IHG's requirements as to the:
 - (a) type of services and products that may be used, promoted or offered at the Hotel;
 - (b) type and quality of services and products that, to supplement services listed on Attachment "A", must be used, promoted or offered at the Hotel;
 - (c) use, display, style and type of signage and of all other forms of identification at or pertaining to the Hotel, including but not limited to any use of the Candlewood Suites name or any other of IHG's service marks, trademarks or copyrights (in all formats, including but not limited to print, electronic or other media) which are seen by members of the consuming public or used to identify the Hotel to actual or prospective consumers;

- (d) directory and reservation service listings of the Hotel;
 - (e) training of persons to be involved in the operation of the Hotel;
 - (f) participation in all marketing, reservation service, advertising, training and operating programs designated by IHG as System-wide (or area-wide) programs in the best interests of hotels using the System including, without limitation, all guest frequency or loyalty programs related to the System;
 - (g) maintenance, repair, appearance and condition of and customer service at, the Hotel, including, without limitation, participation in all guest complaint programs and quality assurance programs established and maintained by IHG, as such programs may be modified by IHG from time to time;
 - (h) quality and types of services offered to customers at the Hotel; and
 - (i) maintenance of a capital reserve and adherence to capital reinvestment and renovation cycles (as further specified in paragraph 14.N. hereof and as IHG may supplement from time to time by the Standards).
- (8) use all technology services required by IHG;
 - (9) adopt all improvements or changes to the System as may be designated by IHG from time to time;
 - (10) with respect to all aspects of this License and the Hotel and its ownership, development and operation, strictly comply with all applicable laws, rules, regulations requirements, codes, orders, ordinances and standards of all governmental jurisdictions in which the Hotel is located or that are otherwise applicable to Licensee or the Hotel, pay timely all taxes and other governmental fees, assessments and impositions, and timely obtain and maintain throughout the License Term all governmental licenses, authorizations and permits necessary to own (or lease, as may be applicable) and operate the Hotel in accordance with the System;
 - (11) permit inspection of the Hotel by IHG's representatives at any time and give them free lodging for such time as may be reasonably necessary to complete their inspections;
 - (12) promote the Hotel on a local or regional basis subject to IHG's requirements as to form, content and prior approvals;
 - (13) ensure that no part of the Hotel or the System is used to further, promote, or divert business to a competing business or other lodging facility (including, without limitation, hotels, vacation or timeshare facilities or any similar product sold on a periodic basis), except as IHG may approve for businesses or lodging facilities owned, licensed, operated or otherwise approved by IHG or its parents, divisions, subsidiaries, and affiliates;
 - (14) use every reasonable means to encourage use of Candlewood Suites branded facilities everywhere by the public;
 - (15) in all respects use Licensee's best efforts to reflect credit upon and create favorable public response to the name "Candlewood Suites";
 - (16) promptly pay to IHG all amounts due IHG, its parents, subsidiaries and affiliates as royalties, or charges, whether or not arising out of this License, or for goods or services purchased by Licensee for use at the Hotel; and
 - (17) strictly comply with IHG's requirements concerning confidentiality of information; and, in particular, Licensee shall not disclose, without IHG's written permission, (i) information pertaining to IHG's marketing, reservations, quality assurance, guest loyalty and satisfaction, technology or other systems or programs that has not been intentionally disclosed to the public by IHG, (ii) any of the Standards or (iii) any of the commercial terms or provisions of this License.

B. Fees.

- (1) For each month (or part of a month) during the License Term, Licensee will pay to IHG by the 15th of the following month, except in the case of the Technology Services Fee in paragraph 3.B(1)(c) below, which is payable monthly in advance:
 - (a) a royalty of **5% of Gross Suites Revenue**. "Gross Suites Revenue" means the gross revenue and receipts of every kind attributable to or payable for rental of guest suites at the Hotel including, but not limited to, no-show revenue, early departure or late check-out fees, attrition or cancellation fees, any mandatory fee or surcharge charged to all or substantially all guests renting a room (including, but not limited to resort fees, although inclusion of such fees or surcharges does

not constitute approval by IHG of such fees and surcharges, which may be limited or prohibited), any awards, judgments or settlements representing payment for loss of room sales and any other revenues allocable to rooms revenue under the Uniform System of Accounting for the Lodging Industry, Eleventh Revised Edition, 2014, as published by the American Hotel & Lodging Association Educational Institute, or any later edition, revision, or replacement that may be designated by IHG (the "Uniform System"). No deductions shall be allowed for charge backs, credit card service charges, commissions, uncollectible amounts or similar items. Charges for any item, including, but not limited to, telephone charges, entertainment, the cost of any food and beverage items, room service or other items provided or made available to a guest as an incident of a suite rental shall not be considered a deduction from Gross Suites Revenue. Gross Suites Revenue excludes sales tax, value added tax, or similar taxes on such revenues and receipts.

- (b) a Candlewood Suites brand "Services Contribution" equal to 2.5% of Gross Suites Revenue, to be used by IHG for marketing, reservations and other related activities, which, in IHG's sole business judgment as to the long-term interests of the System, support marketing, reservations and other related functions. Costs that Licensee incurs in the acquisition, installation or maintenance of reservations services, equipment or training, or in its own marketing activities do not constitute payment of the Services Contribution. The Services Contribution is subject to change by IHG from time to time if either approved by: (i) a majority of members (which shall be counted on the basis of one hotel, one vote) of the System who represent a majority of the hotels to be subject to the increase; or (ii) a majority of the members of the System or the "IHG Owners Association" (the franchisee association or successor sanctioned as such by IHG) at a meeting of System licensees or at an annual IHG Owners Association meeting either as may be convened by IHG upon no less than 45 days' advance notice. IHG may, in its sole judgment, upon 30 days' prior notice, increase this Services Contribution by an amount not to exceed 1% of Gross Suites Revenue and such increase shall be effective for a period no longer than 12 months; provided that, in the event of such increase, IHG shall not make such a discretionary increase again for a period of 24 months after the expiration of any such increase;
- (c) a monthly Technology Services Fee of \$16.08 for each guest suite at the Hotel to be used by IHG for provision of technology services such as, but not limited to, satellite communications services to the Hotel, plus such increases as IHG may judge reasonable, but in no case exceeding in any calendar year 10% of the fee in effect at the beginning of that year (the Technology Services Fee does not include the cost, installation, maintenance or repair of any equipment at the Hotel);
- (d) all fees due for travel agent commission programs (including the Electronic Commission ServicesSM) and any Field Marketing Co-op programs attributable to the Hotel; and all fees due in connection with mandatory marketing, technology, guest loyalty and frequency, guest satisfaction, quality assurance, training, new hotel opening and other systems and programs established by IHG, its parents, its subsidiaries or its affiliated entities relating to the System; and
- (e) an amount equal to any sales, gross receipts or similar tax imposed on IHG and calculated solely on payments required hereunder, unless the tax is an optional alternative to an income tax otherwise payable by IHG.

IHG may, at its election at any time during the License Term, require Licensee to pay all outstanding fees by electronic funds transfer, direct account debit \ or other similar technology designed to accomplish the same purpose as may be designated by IHG.

Licensee will operate the Hotel so as to maximize Gross Suites Revenue of the Hotel consistent with sound marketing and industry practice and will not engage in any conduct that reduces Gross Suites Revenue of the Hotel in order to further other business activities.

- (2) A standard application fee for additional guest suites as set forth in IHG's then current Candlewood Suites franchise disclosure document will be charged upon application for any guest suites to be added to the Hotel.

- (3) Additional royalties may be charged on revenues (or upon any other basis, if so determined by IHG) from any activity if it is added at the Hotel by mutual agreement, and:
 - (a) such activity is not now offered at System hotels generally and is likely to benefit significantly from or be identified significantly with the Candlewood Suites name or other aspects of the System; or
 - (b) such activity is designed or developed by or for IHG.
- (4) Charges may be made for optional products or services accepted by Licensee from IHG, either in accordance with current practice or as developed in the future.
- (5) Each payment under this paragraph 3.B., except the standard additional guest suites application fee, or other fee not determined from Gross Suites Revenue shall be accompanied by the monthly statement referred to in paragraph 8.A. IHG may apply any amounts received under this License to any amounts due under this License. If any amounts under this License are not paid when due, such non-payment shall constitute a breach of this License and, in addition, such unpaid amounts will accrue interest beginning on the first day of the month following the due date at 1½% per month or the maximum interest permitted by applicable law, whichever is less.
- (6) Local and regional marketing programs and related activities may be conducted by Licensee, but only at Licensee's expense and subject to IHG's requirements. Reasonable charges may be made for optional advertising materials ordered or supplied by IHG to Licensee for such programs and activities.
- (7) IHG has the right, in its sole judgment, to require Licensee to tender all or any part of the payments due to IHG under this License to IHG, or one or more of IHG's parents, subsidiaries, affiliated entities or other designees.

4. IHG's Responsibilities:

A. Training.

During the License Term, IHG will continue to specify and provide required and optional training services and programs at various locations. A fee may be charged for certain required and optional training services. Travel, lodging and other expenses of Licensee and its employees will be borne by Licensee. Reasonable charges may also be assessed for training materials.

B. Reservation Services.

During the License Term, so long as Licensee is in full compliance with its obligations hereunder, IHG will afford Licensee access to reservation service for the Hotel on terms consistent with this License. However, IHG has no obligation to afford Licensee access to reservation service for the Hotel regarding reservations for any date after the expiration date of this License or for any date after the termination date established by IHG, following any applicable notice period or any applicable opportunity to cure.

C. Consultation on Operations, Facilities and Marketing.

During the License Term, IHG will, from time to time at IHG's election, make available to Licensee consultation and advice in connection with operations, facilities and marketing. IHG may from time to time furnish to Licensee names of suppliers or recommend to Licensee suppliers of goods and services required or useful in the operation of the Hotel; however, IHG is not obligated to furnish any such names or to continue doing so, and Licensee is under no obligation to use any such supplier, unless expressly required to do so by the terms of this License, the Standards or otherwise. In identifying or recommending suppliers, IHG exercises its business judgment based on its information as of that date and its sense of the long-term interests of the System. IHG's identification or recommendation of a supplier is not a warranty of the financial condition or performance of any supplier or of any other factor, and Licensee's use of an identified or recommended supplier that sells products or services meeting IHG's standards and specifications may facilitate compliance with those standards and specifications, but it is not a substitute for such compliance.

D. Maintenance of Standards.

IHG will conscientiously seek to maintain high standards of quality, cleanliness, appearance and service at all hotels using the System so as to promote, protect and enhance the public image and reputation of the Candlewood Suites name and to increase the demand for services offered by the System. IHG's judgment in such matters shall be controlling in all respects, and it shall have wide latitude in making such judgments.

E. Application of Standards.

The Hotel and all other hotels operated under the System will be subject to the Standards, as they may from time to time be modified or revised by IHG, including limited exceptions from compliance which may be made based on local conditions, type of hotel or special circumstances. The Standards and any modification to them can be delivered by IHG to Licensee in hard paper copy or, at IHG's option, be made available to Licensee in digital, electronic or other computerized form. If communicated in digital, electronic or other computerized form, Licensee must pay any costs to retrieve, review, use or access the Standards. The Standards are confidential and remain the property of IHG.

F. Other Arrangements for Marketing, Etc.

IHG may enter into arrangements for development, reservation services, marketing, operations, administrative, training, technical and support functions, facilities, programs, services and/or personnel with any other entity, and may use any facilities, programs, services or personnel used in connection with the System, in connection with any business activities of its parents, subsidiaries, divisions or affiliates.

G. Use of Services Contribution.

IHG will make available and use Services Contribution funds for various activities as may be computed on the basis generally applicable to licensees of the System. IHG is not obligated to expend funds for marketing, reservations or related services in excess of the amounts received from licensees using the System and those funds made available by IHG as set forth above. Services Contribution funds are not intended to benefit any specific market or hotel. IHG and its affiliates have no obligations to spend from Services Contribution funds, or otherwise, any amount fixed or proportionate to the amount of Services Contributions Licensee pays, nor do IHG or its affiliates have any obligation to ensure that Licensee benefits directly or proportionately from Services Contributions paid or expenditures made from collected Services Contributions. Local and regional marketing programs and related activities may be conducted by Licensee but only at Licensee's expense and subject to IHG's requirements. Reasonable charges may be made for optional advertising materials ordered or used by Licensee for such programs and activities.

H. Performance of IHG's Obligations.

Licensee understands and agrees that IHG, in its sole judgment, may perform any or all of its obligations under this License directly or through IHG's parents, affiliates, subsidiaries or other designees.

5. Changes In The Standards:

Each change in the Standards shall be communicated in writing to Licensee at least 30 days before it goes into effect (which communication may be in hard paper copy or, at IHG's option, in digital, electronic or other computerized form, and if such communication is in digital, electronic or other computerized form, Licensee must pay any costs to retrieve, review, use or access same). IHG's designated internal franchise committee or subcommittee, must approve any such change and must determine, in the

exercise of its business judgment that the change was adopted in good faith and is consistent with the long-term overall interests of the System.

6. IHG Owners Association:

A. Membership.

Licensee, other licensees of the System, and IHG are eligible for membership in the IHG Owners Association (the franchise association or successor sanctioned as such by IHG) and are entitled to vote at its meetings on the basis of one hotel, one vote, provided that Licensee or IHG, as the case may be, has paid all its dues and fees owing to the IHG Owners Association. The purpose of the IHG Owners Association will be to consider, discuss, and make recommendations on common problems relating to the operation of System hotels. IHG will seek the advice and counsel of the IHG Owners Association Board of Directors or, subject to the approval of IHG, such committees, directors or officers of the IHG Owners Association to which or to whom the IHG Owners Association Board of Directors may delegate such responsibilities.

B. Function of Committees.

IHG Owners Association committees, their functions and their members will be subject to approval in writing by IHG, which approval will not be unreasonably withheld. Recognizing that the IHG Owners Association must function in a manner consistent with the best interests of all persons using the System, Licensee and IHG will use their best efforts to cause the governing rules of the IHG Owners Association to be consistent with this License.

7. Proprietary Rights:

A. Ownership of System.

Licensee acknowledges and will not contest, either directly or indirectly, IHG's and its subsidiaries', affiliates' and parents' unrestricted and exclusive ownership of and right to use the System and any element(s) or component(s) thereof, or that IHG or any of its parents, subsidiaries or affiliated entities has the sole and exclusive right to grant licenses to use all or any element(s) or component(s) of the System and will not take any other action in derogation of such ownership and rights of IHG and any of its parents, subsidiaries or affiliated entities. Licensee specifically agrees and acknowledges that IHG owns or is licensed to use the names and mark "Candlewood Suites" and all other Marks, as defined in paragraph 7.B. below, other elements associated with the System, as defined in paragraph 1.B. of this License, or derived therefrom (including but not limited to domain names or other identifications or elements used in electronic commerce), together with the goodwill symbolized thereby, and that Licensee will not contest directly or indirectly the validity or ownership of the Marks or take any other action in derogation of such validity and ownership either during the term of this License or after its termination. All improvements, modifications and additions whenever made to or associated with the System by the parties hereto or anyone else, and all service marks, trademarks, copyrights, and service mark, trademark, domain name or similar registrations at any time used, applied for or granted in connection with the System, and all goodwill arising from Licensee's use of IHG's Marks and other intellectual property, including (without limitation) local goodwill, shall inure to the benefit of and become the property of IHG. Upon expiration or termination of this License, no monetary amount shall be assigned as attributable to any goodwill associated with Licensee's use of the System or any element(s) or component(s) of the System including any trademarks or service marks licensed hereunder.

B. Trademark Disputes.

The "Marks" means the name and mark "Candlewood Suites" and its distinguishing characteristics and the other service marks, trademarks, trade names, slogans, commercial symbols, logos trade dress, copyrighted material and intellectual property associated with the System, including, without limitation, those which IHG may designate in the future for use and those which IHG does not designate as withdrawn from use. Licensee shall notify IHG

immediately of (i) an infringement, or a challenge to Licensee's use of any of the Marks; (ii) any objections, demands, controversies, allegations or actions asserted or taken by third parties involving any of the Marks or any part of the System of which Licensee becomes aware; and, (iii) any potentially infringing or unauthorized uses of any of the Marks or any part of the System of which Licensee becomes aware. IHG, its parent or one of its affiliated entities will have the sole and exclusive right to handle disputes with third parties concerning use of all or any part of the Marks or System, and Licensee will, at its reasonable expense, extend its full cooperation to IHG in all such matters. All recoveries made as a result of disputes with third parties regarding use of the Marks or System or any part thereof shall be for the account of IHG. IHG need not initiate suit against alleged imitators or infringers, and may settle any dispute by grant of a license or otherwise. Licensee will not initiate any suit or proceeding against alleged imitators or infringers, or any other suit or proceeding to enforce or protect the Marks or System.

C. Protection and Use of Name and the Marks.

Both parties will make every effort consistent with the foregoing to protect and maintain the Marks. Licensee agrees to execute any documents deemed necessary by IHG or its counsel to obtain or maintain protection for the Marks or any part of the System or to maintain their continued validity and enforceability. Licensee agrees to use the Marks associated with the System (i) only in connection with the operation of the Hotel during the License Term following opening of the Hotel in the System or at such earlier time as is expressly and specifically authorized by IHG, (ii) only in the manner expressly authorized by IHG and (iii) in no way that would tend to allow the Marks to become generic, lose their distinctiveness, become liable to mislead the public or be detrimental to or inconsistent with the good name, goodwill or favorable reputation and image of the Marks or IHG. Licensee acknowledges that any unauthorized, unpermitted or prohibited use of any of the Marks shall constitute infringement of IHG's rights. The restrictions and requirements that limit Licensee's use of the Marks and identifications apply to all formats (including print, electronic and other media) and include domain names, URL, and other identifications or elements used in electronic commerce.

D. Modification or Discontinuation of the Marks.

If IHG modifies or discontinues use of any of the Marks licensed under this License as a result of any proceeding or settlement or for any other reason, then Licensee agrees to comply with IHG's instructions in order to implement such modification or discontinuation. Licensee further agrees that it will have no right to any compensation or other remedies from IHG or any of its parents, subsidiaries or affiliated entities as a consequence of any such modification or discontinuation.

E. Architectural Modifications.

If Licensee engages a third party, in compliance with the terms of this License and the franchise disclosure document, to prepare modifications, additions, and/or improvements to any architectural drawings or architectural works licensed to Licensee as part of the System ("Architectural Modifications"), Licensee shall cause such third party to assign all copyrights in such Architectural Modifications to IHG in such form as IHG may specify from time to time.

8. Records And Audits:

A. Monthly Statements and Data.

At least monthly, Licensee shall prepare a statement which will include all information concerning the Hotel's Gross Suites Revenue, other revenues generated at the Hotel, suite occupancy rates, reservation data and other information required by IHG that may be useful (in IHG's sole business judgment) in connection with marketing, reservations, guest loyalty and satisfaction and other functions, purposes or requirements of IHG, its parents, subsidiaries, or its affiliated entities (collectively, the "Data"). Subject to applicable law, the Data shall be the property of IHG although Licensee shall have the non-exclusive right to use the Data so long as its use is lawful and in connection with owning or operating the Hotel during the License Term. The Data will be permanently recorded and retained by Licensee as may be reasonably required by IHG. By the

third of each month, Licensee will submit to IHG a statement setting forth the Data and reflecting the computation of the amounts then due under paragraph 3.B. The statement and Data will be in such form (including but not limited to electronic transmission or automatic capture) and detail as IHG may reasonably request from time to time, and may be used by IHG for its reasonable purposes, including without limitation for company and industry reporting purposes. Licensee agrees that any Data provided by it pursuant to this paragraph 8.A as well as any other reports, data, information or material provided to IHG pursuant to or in connection with this License shall be true and correct and not misleading and shall comply with all standards, policies and requirements of IHG with respect to privacy and security of Data related to guests and other customers of the Hotel.

B. Preparation and Maintenance of Records.

Licensee will, in a manner and form satisfactory to IHG and utilizing accounting and reporting standards as reasonably required by IHG, prepare on a current basis (and preserve for no less than four (4) years or IHG's record retention requirements, whichever is longer), complete and accurate records concerning Gross Suites Revenue and all financial, operating, marketing and other aspects of the Hotel, and maintain an accounting system which fully and accurately reflects all financial aspects of the Hotel and its business. Such records shall include but not be limited to books of account, tax returns, governmental reports, register tapes, daily reports, and complete quarterly and annual financial statements (profit and loss statements, balance sheets and cash flow statements). The requirement to preserve records as set forth herein shall continue beyond the expiration or sooner termination of the License Term.

C. Audit.

IHG may require Licensee to have the Hotel's Gross Suites Revenue and/or monies due hereunder computed and certified as accurate. During the License Term and for two years afterward, IHG and its authorized agents will have the right to verify information required under this License by requesting, receiving, inspecting and auditing, at all reasonable times, any and all records referred to above wherever they may be located (or elsewhere if reasonably requested by IHG). If any such inspection or audit discloses a deficiency in any payments due hereunder, and the deficiency in any payment is not offset by overpayment, Licensee shall immediately pay to IHG the deficiency and interest thereon as provided in paragraph 3.B.(5) along with an audit fee of \$3,000, as such amount may be increased on a System-wide basis. No acceptance by IHG of any audit fee or deficiency payment shall be deemed to waive any right of IHG to pursue a default under the License by reason of such underpayment. If the audit does not result in a deficiency being assessed, then no audit fee will be assessed. If the audit discloses an overpayment, IHG will credit this overpayment, without interest, against future payments due from Licensee under this License or if this License has terminated, promptly refund it, without interest, to Licensee.

D. Annual Financial Statements.

Licensee will submit to IHG as soon as available but not later than 90 days after the end of Licensee's fiscal year, and in a format as reasonably required by IHG, complete financial statements for such year. Licensee will certify them to be true and correct and to have been prepared in accordance with generally accepted accounting principles and the Uniform System, consistently applied, and any false certification will be a breach of this License.

9. Indemnity and Insurance:

A. Indemnity.

Licensee will indemnify IHG, its parents, subsidiaries and affiliated entities and each of their respective officers, directors, employees, agents, successors and assigns (collectively, the "Indemnitees") against, hold them harmless from, and promptly reimburse them for all payments of money (fines, damages, legal fees, expenses, settlement amounts, judgments, etc.) by reason of any claim, demand, tax, penalty, or judicial or administrative investigation or proceeding whenever asserted or filed (even where negligence of any of the Indemnitees is alleged), regardless of whether any of the foregoing is reduced to judgment, arising from any claimed

occurrence at or related to the Hotel or any act, error, neglect, omission or obligation of Licensee or anyone associated or affiliated with Licensee or the Hotel. Licensee agrees to give IHG written notice of any such judicial or administrative investigation or proceeding or any other event that could be the basis for a claim for indemnification by any Indemnatee within three days of Licensee's knowledge of it. At the election of IHG, Licensee will also defend IHG and the other Indemnitees against the indemnified matters. In any event, IHG will have the right, through counsel of its choice, to control any matter to the extent it could directly or indirectly affect IHG and/or any of the other Indemnitees. IHG will have the right, at any time it considers appropriate, to offer, order, consent or agree to settlements or take any other remedial or corrective actions it considers expedient with respect to any action, suit, proceeding, claim, demand, inquiry or investigation, if, in IHG's sole judgment, there are reasonable grounds to do so. Under no circumstance will IHG or any of the other Indemnitees be required to seek recovery from third parties or otherwise mitigate its or their losses to maintain a claim against Licensee. Licensee agrees that any failure to pursue recovery from third parties or mitigate loss will in no way reduce the amounts recoverable by IHG or any of the other Indemnitees from Licensee. Licensee agrees to pay IHG all expenses including attorneys' fees and court costs, incurred by IHG or any of the other Indemnitees, and their successors and assigns, to remedy any defaults of or enforce or defend itself or any rights under this License (including without limitation any claim, cross-claim or counter-claim brought by Licensee), to effect termination of this License or collect any amounts due under this License.

B. Insurance.

During the License Term, Licensee will comply with all insurance requirements of any lease or mortgage covering the Hotel, and IHG's specifications for insurance as to the amount and type of coverage as may be reasonably specified by IHG from time to time in writing, and will in any event maintain on the Hotel as a minimum, the following insurance underwritten by a reputable insurer approved by IHG:

- (1) employer's liability with minimum limits of \$1,000,000 per occurrence;
- (2) worker's compensation insurance;
- (3) employment practices liability insurance (including coverage for harassment, discrimination and wrongful termination and covering defense and indemnity costs) with a limit of \$1,000,000 in the aggregate;
- (4) the holder of the liquor license will maintain liquor liability insurance with single limit coverage for personal and bodily injury and property damage of at least \$10,000,000 per occurrence naming IHG and its parents, subsidiaries and affiliates (and Licensee if applicable) as additional insureds; and
- (5) commercial general liability insurance (including coverage for product liability, completed operations, contractual liability, host liquor liability and fire legal liability) and business automobile liability insurance (including hired and non-owned liability) with single-limit coverage for personal and bodily injury and property damage of at least \$10,000,000 for each occurrence, naming IHG and its parents, subsidiaries and affiliates as additional insureds. In connection with all construction at the Hotel during the License Term, Licensee will cause the general contractor to maintain commercial general liability insurance (including coverage for product liability, completed operations and contractual liability) and business automobile liability insurance (including hired and non-owned liability) with limits of at least \$10,000,000 per occurrence for personal and bodily injury and property damage underwritten with insurers approved by IHG. IHG and its parents, subsidiaries and affiliates will be named as additional insureds.
- (6) If multiple locations are insured on policies containing an aggregate limit, then the aggregate limit must apply on a per location aggregate basis.
- (7) Licensee will ensure the royalties, Services Contributions and any other sums payable to IHG are insured within the Licensee's business interruption insurance policy. The policy should insure against 'all risks' of physical loss or damage, and be endorsed to provide for payments to be made directly to IHG.
- (8) All policies must be written on a fully insured basis. Deductibles or self-insured retentions are subject to IHG's approval on an individual basis.

C. Evidence of Insurance.

At all times during the License Term, Licensee will furnish to IHG certificates of insurance evidencing the term and limits of coverage in force, names of applicable insurers and persons insured. Revised certificates of insurance shall be forwarded to IHG each time a change in coverage or insurance carrier is made by Licensee, and/or upon renewal of expired coverages. At IHG's option, Licensee may be required to provide certified insurance policy copies. If Licensee fails to procure or maintain the insurance coverages and limits set forth in paragraph 9.B., IHG will have the right and authority (but not the obligation) to procure such insurance at Licensee's cost, including any costs incurred by IHG for procurement and maintenance of such insurance.

10. Transfer:

A. Transfer by IHG.

IHG shall have the right to transfer or assign this License or any of IHG's rights, duties or obligations hereunder, in whole or in part, to any person or legal entity without requirement of prior notice to, or consent of, Licensee.

B. Transfer by Licensee.

Licensee understands and acknowledges that the rights and duties set forth in this License are personal to Licensee, and that IHG has granted this License in reliance on the business skill, financial capacity, and personal character of Licensee (if Licensee is a natural person), and upon the owners, members, partners or stockholders of Licensee (if Licensee is a partnership, company, corporation or other legal entity (an "Entity")). Accordingly, neither Licensee nor any immediate or remote successor to any part of Licensee's interest in this License, nor any natural person or Entity which directly or indirectly owns an Equity Interest (as that term is defined below) in Licensee or this License, may sell, assign, transfer, convey, pledge, mortgage, encumber, or give away, any direct or indirect interest in this License or Equity Interest in Licensee, except as expressly provided in this License. Any purported sale, assignment, transfer, conveyance, pledge, mortgage, or encumbrance, by operation of law or otherwise, of any interest, collaterally or otherwise, in this License or any Equity Interest in Licensee not in accordance with the provisions of this License shall be null and void and shall constitute a material breach of this License, for which IHG may terminate this License without opportunity to cure pursuant to paragraph 12.C. of this License.

- (1) For the purposes of this paragraph 10, the term "Equity Interest" shall mean any stock ownership, membership or partnership interests in Licensee and the interests of any partner, whether general or limited, in any partnership, with respect to such partnership, and of any stockholder, member or owner of any corporation or company with respect to such corporation or company, which partnership, corporation or company is Licensee hereunder or which partnership, corporation or company owns a direct or indirect beneficial interest in Licensee. References in this License to "publicly traded Equity Interests" shall mean any Equity Interests which are traded on any securities exchange or are quoted in any publication or electronic reporting service maintained by the National Association of Securities Dealers, Inc. or any of its successors.
- (2) If Licensee is an Entity, Licensee represents that the Equity Interests in Licensee are directly and (if applicable) indirectly owned, as shown in Attachment "A".
- (3) In computing changes of Equity Interests pursuant to this paragraph 10, limited partners will not be distinguished from general partners, and IHG's judgment will be final if there is any question as to the definition of Equity Interests or as to the computation of relative Equity Interests, including transfers of Equity Interests, the principal considerations being:
 - (a) direct and indirect power to exercise control over the affairs of Licensee;
 - (b) direct and indirect right to share in Licensee's profits; and
 - (c) amounts directly or indirectly exposed at risk in Licensee's business.

C. Transfer of Equity Interests That Are Not Publicly Traded.

Except where otherwise provided in this License, Equity Interests in Licensee that are not publicly traded may be transferred, issued, or eliminated with IHG's prior written consent, which will not be unreasonably withheld; provided that after the transaction:

- (a) Less than 50% of all Equity Interests in Licensee will have changed hands since Licensee first became a party to this License, or
- (b) Less than 80% of all Equity Interests in Licensee will have changed hands since Licensee first became a party to this License, and no Equity Interest(s) will be held by any natural person or Entity other than those who held them when Licensee first became a party to this License.

D. Transfers of Publicly Traded Equity Interests.

- (1) Except as otherwise provided in this License, publicly traded Equity Interests in Licensee may be transferred without IHG's consent but only if:
 - (a) immediately before the proposed transfer, the transferor owns less than 25% of the Equity Interests in Licensee;
 - (b) immediately after the transfer, the transferee will own less than 25% of the Equity Interests in Licensee; and
 - (c) the transfer is exempt from registration under federal securities law.
- (2) Publicly traded Equity Interests may be transferred with IHG's written consent, which may not be unreasonably withheld, if the transfer is exempt from registration under federal securities law.
- (3) The chief financial officer of Licensee shall certify annually to IHG that Licensee is in compliance with the provisions of this paragraph 10.D. Such certification shall be delivered to IHG with the annual financial statements referred to in paragraph 8.D.

E. Transfer of the Hotel by Natural Person.

- (1) Licensee, if a natural person, may, with IHG's consent, which will not be unreasonably withheld, transfer the Hotel to Licensee's spouse, parent, sibling, son, daughter, niece or nephew, provided that:
 - (a) adequate provision acceptable to IHG is made for the management of the Hotel;
 - (b) the transferee executes a new license agreement for the unexpired term of this License, on the standard form then being used to license new hotels under the System, except the fees charged thereunder shall be the same as those contained herein including any adjustments to such fees as may have been implemented from time to time in accordance with the terms of this License, and Licensee executes a termination agreement of this License on IHG's then current form; and
 - (c) Licensee guarantees, on IHG's then current form, the performance of the new licensee's obligations under the newly executed license agreement.
- (2) Licensee if a natural person, may, without the consent of IHG, upon 30 days' prior written notice to IHG, transfer the Hotel to a corporation entirely owned and controlled by Licensee, provided that prior to such transfer:
 - (a) adequate provision acceptable to IHG is made for the management of the Hotel;
 - (b) the transferee executes a new license agreement for the unexpired term of this License, on the standard form then being used to license new hotels under the System, except the fees charged then shall be the same as those contained herein including any adjustments to such fees as may have been implemented from time to time in accordance with the terms of this License; and Licensee executes a termination agreement of this License on IHG's then current form; and
 - (c) Licensee guarantees, on IHG's then current form, the performance of the new licensee's obligations under the newly executed license agreement.
- (3) If Licensee is a natural person, upon Licensee's death, Licensee's interest in the License may pass in accordance with Licensee's will, or, if Licensee dies intestate, in accordance with the laws of intestacy governing the distribution of Licensee's estate, provided that:
 - (a) adequate provision acceptable to IHG has been made for management of the Hotel;
 - (b) IHG gives written consent, which consent will not be unreasonably withheld;

- (c) the transferee(s) of Licensee's interest in the License is one or more of the decedent's spouse, parents, siblings, sons, daughters, nieces or nephews; and
- (d) Licensee's heirs or legatees promptly advise IHG and the transferee promptly executes a new license agreement for the unexpired term of this License, on the standard form then being used to license new hotels under the System, except the fees charged thereunder shall be the same as contained herein including any adjustments to such fees as may have been implemented from time to time in accordance with the terms of this License, and Licensee's executor or estate administrator executes a termination agreement of this License on IHG's then current form.

F. Transfers of Equity Interests in the Licensee Upon Death To Family Members.

- (1) If an Equity Interest in an Entity is owned by a natural person, the Equity Interest may pass upon such person's death, in accordance with such person's will, or, if such person dies intestate, in accordance with the laws of intestacy governing the distribution of such person's estate, provided that:
 - (a) adequate provision acceptable to IHG is made for management of the Hotel;
 - (b) IHG gives written consent, which consent will not be unreasonably withheld;
 - (c) the transferee(s) of such Equity Interest is one or more of the decedent's spouse, parents, siblings, sons, daughters, nieces or nephews; and
 - (d) the transferee(s) or such other natural person or Entity as IHG may approve, assumes, in writing, on a continuing basis, the decedent's guarantee, if any, of Licensee's obligations under this License.

G. Registration of a Proposed Transfer of Equity Interests.

- (1) Any public offering, private placement or other sale of securities in or by Licensee or the Hotel ("Securities") requires IHG's consent. All materials for the offer or sale of those Securities disseminated to any prospective purchaser thereof, filed with any governmental or quasigovernmental entity or intended for distribution to any form of media must be submitted to IHG for its review at least sixty (60) days before the date Licensee disseminates or distributes those materials or files them with any governmental agency, including any materials to be used in any offering exempt from registration under any securities laws. Licensee must submit to IHG a non-refundable Twenty Five Thousand Dollar (\$25,000) processing fee with the offering materials and pay any additional costs IHG may incur in reviewing such materials, including reasonable attorneys' fees. Except as legally required to describe the Hotel in the offering materials, Licensee may not use any of the Marks or otherwise imply IHG's participation or that of its affiliates, officers, directors, members, managers and employees in such offering or its/their endorsement of any Securities or any Securities offering. IHG will have the right to approve any description of this License or Licensee's relationship with IHG, or any use of the Marks, contained in any prospectus, offering memorandum or other communications or materials used by Licensee in the sale or offer of any Securities. IHG's review of these documents will not in any way be considered IHG's agreement with any statements contained in those documents, including any projections, or IHG's acknowledgment or agreement that the documents comply with any applicable laws.
- (2) Licensee may not offer and/or sell any Securities unless Licensee clearly discloses to all purchasers and offerees in any and all Securities offer and/or sale materials that:
 - (i) neither IHG, nor any of its affiliates, nor any of their respective officers, directors, managers, agents or employees, will in any way be deemed an issuer or underwriter of the Securities, as those terms are defined in applicable securities laws; (ii) neither IHG, its affiliates nor any of their respective officers, directors, managers, agents and employees will have any liability or responsibility for any financial statements, projections or other financial information contained in any prospectus, offering and solicitation material or similar written or oral communication; plays (or will play) any role in the offer or sale of Licensee's securities; has any responsibility for the creation or contents of any offering and/or solicitation materials (including any prospectus); in no fashion controls (or will control) Licensee's day-to-day business operations or any element or instrumentality thereof; that any individual or entity purchasing Securities must understand that its sole

recourse for any alleged or actual impropriety relating to the offer and sale of such Securities and/or Licensee's operation of its business will be against Licensee (and/or, as may be applicable, the seller of such Securities); and, that in no event may such purchaser seek to impose liability arising from or related to such activity, directly or indirectly, upon any of IHG, its affiliates or any of their respective officers, directors, managers, agents or employees.

- (3) Licensee expressly agrees that its obligations to indemnify and hold harmless IHG and the other indemnitees under paragraphs 9.A. and 14.J. of this License extends to and embraces liabilities arising from or relating to, directly or indirectly, any and every element of Licensee's offer and/or sale of Securities which Licensee may propose to or does engage in, including (without limitation) any statements, representations or warranties that Licensee and/or its affiliates may give to or receive from any proposed or actual purchaser of such Securities and/or any claim that Licensee, its affiliates and/or the officers, directors, managers, members, agents and employees of each of the foregoing, or Licensee's assignee, engaged in fraud, deceit, violation of securities laws or other illegality in connection with Licensee's proposed or actual offer and/or sale of Securities. As with all other indemnification obligations set forth in this License, this specific indemnification obligation will survive the termination or expiration of this License.

H. Change of Ownership.

- (1) Notwithstanding any other term or provision of this License to the contrary, neither this License nor any right or interest herein is assignable or transferable by Licensee.
- (2) If Licensee (i) receives an offer to purchase or lease the Hotel or any portion thereof, (ii) desires to sell or lease the Hotel or any portion thereof, or (iii) wishes to convey the Hotel, Hotel site, or any interest in the Hotel or Licensee, Licensee shall give prompt written notice thereof to IHG, stating the identity of the prospective transferee, purchaser or lessee and the terms and conditions of the conveyance, including a copy of any proposed agreement and all other information with respect thereto, that IHG may reasonably require.
- (3) Any (i) transfer of Equity Interests in an Entity (other than a transfer expressly permitted hereunder), or (ii) transfer of all or a material part of the Hotel or Hotel site (if the Hotel or Hotel site is owned directly or indirectly by Licensee or by a natural person or Entity that owns any Equity Interest in Licensee), to a new owner shall constitute a change of ownership requiring submittal of an application for a new license.
- (4) IHG shall process such change of ownership application in accordance with IHG's then current procedures, criteria and requirements regarding fees, upgrading of the Hotel, financial capacity and guaranty requirements, curing of outstanding defaults, operational abilities and capabilities, prior business dealings, market feasibility and other factors deemed relevant by IHG. If such change of ownership application is approved by IHG, the new owner and IHG shall, upon termination of this License by IHG, enter into a new license agreement on IHG's then current form. The new license agreement shall contain IHG's then current terms (except for duration, which shall not be less than the remaining License Term but may be longer to reflect the new term agreed by IHG as part of the approval of the change in ownership of the Hotel), and if required by IHG, shall contain specified upgrading of the Hotel and other requirements.
- (5) If a change of ownership application for the proposed new owner is not approved by IHG and the conveyance of the Hotel, Hotel site, or any Equity Interest in the Hotel or Equity Interest in Licensee to the proposed new owner occurs, then IHG shall have the right to terminate this License pursuant to paragraph 12.C. hereof and IHG shall be entitled to all of its remedies.

I. Transfer of Real Estate.

If (i) the real property used in the operation of the Hotel is owned directly or indirectly by Licensee or by a natural person or an Entity that owns any Equity Interest in Licensee and (ii) Licensee, or that natural person or Entity proposes to transfer all or a substantial part of such property to a third party, such transfer shall constitute a transfer under the provisions of this License requiring an application for a new license agreement, unless Licensee receives IHG's prior written consent for the transaction. Licensee may however, without IHG's consent, mortgage or otherwise grant a

security interest in the real estate or other tangible assets of the Hotel (but specifically excluding this License or any right or interest herein) in connection with commercially reasonable financing for the Hotel with a third party bank or other commercial lending institution which is not a competitor of IHG or any of its parents, subsidiaries or affiliated entities. The selling, offering for sale, or establishment or registration of any condominium, cooperative, flat, timeshare, fractional interest, or interval ownership or regime or any similar type of ownership or regime relating to all or any part of the Hotel is prohibited.

J. Management and Name of the Hotel.

Licensee must at all times retain and exercise direct management control over the Hotel's business. Licensee shall not enter into any lease, management agreement, or other similar arrangement for the operation of the Hotel or any part thereof (including, without limitation, retail or food and/or beverage service facilities) with any natural person or entity, without the prior written consent of IHG in each instance. The approval by IHG of any such lease, management agreement or other similar arrangement for operation of the Hotel or any part thereof shall in no way relieve, reduce, mitigate or waive any of the responsibilities of Licensee under this License, it being understood that all such responsibilities shall at all times remain the obligation of Licensee. Licensee must provide IHG with all information requested by IHG from time to time regarding ownership, control and management of the Hotel and of Licensee.

IHG has the exclusive right to name the Hotel. The name of the Hotel may not be changed unless IHG determines, at its election, to do so.

K. Employees of the Hotel.

None of Licensee's employees will be considered to be IHG's employees. Licensee acknowledges and agrees that Licensee, or its management company engaged to operate the Hotel, as may be applicable, is the sole employer of the employees working at the Hotel and that IHG does not directly or indirectly control employment policies, discipline, recruitment or termination and that Licensee is solely responsible for all employment decisions, regardless of whether Licensee has received guidance with respect to such matters from IHG. Neither Licensee nor any of Licensee's employees whose compensation Licensee pays may in any way, directly or indirectly, expressly or by implication, be construed to be IHG's employee for any purpose, including but not limited to with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. IHG will not have the power to hire or fire Licensee's employees. Licensee expressly agrees, and will never contend otherwise, that IHG's authority under this License to approve certain of Licensee's employees for qualification to perform certain functions for the Hotel does not directly or indirectly vest in IHG the power to hire, fire or control any such employee. Licensee further agrees that any such minimum requirements established by IHG are solely for the purpose of ensuring that the Hotel is at all times operated in accordance with the Standards and with the attributes of the Brand known to, and desired by, the consuming public and associated with the Marks. Moreover, Licensee agrees that any training provided by IHG for Licensee's employees is intended to impart to those employees, under Licensee's ultimate authority, the various procedures, protocols, systems and operations of the Hotel and in no fashion reflects any employment relationship between IHG and such employees. Finally, should it ever be asserted that IHG is the employer, joint employer or co-employer of any of Licensee's employees in any private or government investigation, action, proceeding, arbitration or other setting, Licensee irrevocably agrees to assist IHG in defending said allegation, including, if necessary, appearing at any venue requested by IHG to testify on IHG's behalf and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that IHG is the employer, joint employer or co-employer of any of Licensee's employees.

11. Condemnation And Casualty:

A. Condemnation.

Licensee shall, at the earliest possible time, give IHG full notice of any proposed taking of all or any part of the Hotel by eminent domain. If IHG acknowledges that the Hotel or a substantial part thereof is to be taken, IHG will give due and prompt consideration, without any obligation, to changing the site of the Hotel to a nearby location selected by Licensee and approved by IHG as promptly as reasonably possible and in any event within four months of the taking, provided that Licensee has promptly filed an application to change the Location of the Hotel. Such application would not require payment to IHG of any additional franchise application fee. If the condemnation of all or any material part of the Hotel building occurs in the last two years of the License Term, the License shall automatically terminate effective upon the date of the taking. If the new location and Licensee's application are approved by IHG, Licensee shall promptly execute an addendum to this License substituting the new location, and Licensee shall open a new hotel at the new location in accordance with IHG's specifications within two years of the closing of the Hotel if the new hotel is a new development or within one year of the closing of the Hotel if the new hotel is a conversion of an existing building and the new hotel will thenceforth be deemed to be the Hotel licensed under this License. If a condemnation takes place and a new hotel is not, for whatever reason, approved by IHG to become the Hotel under this License (or if it is reasonably evident to IHG that such will be the case), the License will terminate forthwith upon notice thereof by IHG to Licensee and Licensee shall have no liability for the liquidated damages set forth in paragraph 12.E. of this License.

B. Casualty.

If the Hotel is damaged by fire or other casualty, Licensee will immediately notify IHG and expeditiously repair the damage; provided, however, if all or virtually all of the Hotel is destroyed by such fire or other casualty, either IHG or (unless caused by the intentional act of Licensee or its agent) Licensee may terminate this License by fifteen days prior notice to the other delivered within sixty days of the date of the fire or other casualty. If Licensee terminates this License in accordance with this provision, Licensee shall have no liability for the liquidated damages set forth in paragraph 12.E. of this License so long as neither Licensee nor any of its affiliates, principals, shareholders, members, partners or other owners, either directly or through another person or entity, develops, leases, or operates the site as a hotel or other lodging or residential facility of any kind or sort for at least five years following the date of termination (or the originally scheduled termination date of this License, if earlier) other than pursuant to another license with IHG.

Unless the License is terminated properly pursuant to the foregoing provision, Licensee will close the Hotel if required by the extent of the damage or if otherwise required by IHG; will repair or rebuild the Hotel in accordance with IHG's Standards; will commence reconstruction within three months after the fire or other casualty; will expeditiously continue on an uninterrupted basis with such reconstruction; and will if the Hotel was closed, reopen the Hotel for continuous business operations as soon as practicable (but in any event within eighteen months after the fire or other casualty), giving IHG at least forty-five days advance notice of the date of reopening if the Hotel was closed. If the Hotel was closed, Licensee may not reopen the Hotel or promote or otherwise hold the Hotel out as a hotel in the System unless and until IHG determines that the reconstruction is completed in accordance with IHG's then current Standards. If the Hotel is not required to be closed, all work to repair damage shall be conducted so as to minimize interference with the Hotel's operation and guests. If the damage is not repaired in accordance with this paragraph, the License will forthwith terminate upon notice thereof by IHG to Licensee and Licensee shall be responsible for full liquidated damages under paragraph 12.E. of this License. Notwithstanding anything else herein to the contrary, during the time the Hotel is closed, Licensee shall pay IHG a monthly royalty of 2% of Gross Suites Revenue based on the average monthly Gross Suites Revenue for the preceding twelve months prior to the date of the fire or other casualty or, if the Hotel has not been in the System for twelve months, based on the average monthly Gross Suites Revenue for the period during which the Hotel has been in

operation in the System. Said payment shall be in lieu of all other System fees under paragraph 3.B. of this License.

C. No Extensions of Term.

Nothing in this paragraph 11 will or is intended to extend the License Term.

12. Termination:

A. Expiration of Term.

This License will expire without notice **fifteen (15) years from the Term Commencement Date**, subject to earlier termination as set forth herein. This License is not renewable, and Licensee acknowledges and agrees that this License confers upon Licensee absolutely no rights of license renewal following the expiration of the License Term. The parties recognize the difficulty of ascertaining damages to IHG resulting from premature termination of the License, and have provided for liquidated damages which represent their best estimate as to the damages arising from the circumstances in which they are provided.

B. Termination by IHG on Advance Notice.

- (1) In accordance with notice from IHG to Licensee, this License will terminate (without any further notice unless required by law), provided that:
 - (a) the notice is mailed at least 30 days (or longer, if required by law) in advance of the termination date;
 - (b) the notice reasonably identifies one or more breaches of Licensee's obligations;
 - (c) the breach(es) are not fully remedied within the time period specified in the notice.
- (2) If Licensee shall have engaged in a violation of this License, for which a notice of termination was given and termination failed to take effect because the default was remedied during the then preceding 12 months, the period given to remedy defaults will, if and to the extent permitted by applicable law, thereafter be 10 days instead of 30 (provided, however, if there have been two or more violations of the License in the preceding twelve months for which notices of termination were given, upon the next violation, if and to the extent permitted by applicable law, the License may be terminated by IHG immediately upon notice).
- (3) In any judicial proceeding in which the validity of termination is at issue, IHG will not be limited to the reasons set forth in any notice sent under this paragraph.
- (4) IHG's notice of termination or suspension of services shall not relieve Licensee of its obligations under this License.

C. Immediate Termination by IHG.

This License may be terminated by IHG immediately (or at the earliest time permitted by applicable law) if:

- (1)
 - (a) Licensee or any guarantor of Licensee's obligations hereunder shall generally not pay its debts as they become due, or shall admit in writing its inability to pay its debts, or shall make a general assignment for the benefit of creditors;
 - (b) Licensee or any such guarantor shall commence any case, proceeding or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property;
 - (c) Licensee or any such guarantor shall take any corporate or other action to authorize any of the actions set forth above in paragraphs (a) or (b);

- (d) any case, proceeding or other action against Licensee or any such guarantor shall be commenced seeking to have an order for relief entered against it as debtor, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property, and such case, proceeding or other action: (i) results in the entry of any order for relief against it which is not fully stayed within seven business days after the entry thereof, or (ii) remains undismissed for a period of 45 days;
- (e) an attachment remains on all or a substantial part of the Hotel or of Licensee's or any such guarantor's assets for 30 days;
- (f) Licensee or any such guarantor fails, within 60 days of the date of entry of a final judgment or tax lien against Licensee or a guarantor of this License in any amount exceeding \$50,000, to discharge, vacate or reverse the judgment or tax lien or to stay execution of it, or if appealed, to discharge the judgment within 30 days after a final decision is rendered in the appeal;
- (2) Licensee voluntarily or involuntarily loses possession or the right to possession of all or a significant part of the Hotel, except as otherwise provided in paragraph 11;
- (3) Licensee, or any entity or individual having a direct or indirect ownership interest in it, contests in any court or proceeding IHG's ownership of the System or any part of it, or the validity of any of the Marks or other service marks or trademarks or other intellectual property associated with IHG's businesses;
- (4) A breach of paragraph 9 or paragraph 10 occurs;
- (5) Licensee fails to continue to identify the Hotel to the public as a System hotel, engages in any action that violates IHG's proprietary rights under paragraph 7 or ceases to operate the Hotel as a System hotel;
- (6) Any action is taken toward dissolving or liquidating Licensee or any guarantor hereunder, if it is an Entity, except for any such actions resulting from the death of a partner; or
- (7) Licensee (or any principal stockholder, owner, member or partner of Licensee as the case may be) is, or is discovered to have been, convicted of a felony (or any other offense if it is likely to adversely reflect upon or affect the Hotel, the System or IHG in any way);
- (8) Licensee maintains false books and records of account or submits false reports or information to IHG;
- (9) Licensee knowingly fails to comply with the requirements of the License and/or the Standards on safety, security, or privacy for its guests at the Hotel or on the reputation of the management, employees or operation of the Hotel, and such failure may significantly adversely reflect upon or affect the Hotel, the System or IHG, its parents, subsidiaries and/or affiliates in any way;
- (10) A breach of paragraph 14.M. occurs;
- (11) Licensee uses any of the Marks before being authorized to do so by IHG;
- (12) Licensee uses any of the Marks in any manner prohibited, or not expressly authorized or permitted by this License; or
- (13) Licensee refuses to allow, or to cooperate with, IHG's inspection or audit of the Hotel following a reasonable attempt by IHG to schedule during normal business hours.

D. De-Identification of Hotel Upon Termination.

Licensee will take whatever action is necessary to assure that no use is made of any part of the System at or in connection with the Hotel after the License Term ends. This will involve, among other things, returning to IHG the Standards and all other materials proprietary to IHG, ceasing the use of any of IHG's trademarks or service marks, physical changes of distinctive System features of the Hotel, including removal of the primary freestanding sign down to the structural steel, and all other actions required to preclude any possibility of confusion on the part of the public and to ensure that the Hotel is no longer using all or any part of the System or otherwise holding itself out to the public as a Candlewood Suites hotel. Anything not done by Licensee in this regard within 30 days after termination may be done at Licensee's expense by IHG or its agents who may enter upon the premises of the Hotel for that purpose.

E. Payment of Liquidated Damages.

The parties recognize the difficulty of ascertaining damages to IHG resulting from premature termination of this License, and have provided for liquidated damages, which liquidated damages represent the parties' best estimate as to the damages arising from the circumstances in which they are provided and which are only damages for the premature termination of this License, and not as a penalty or as damages for breaching this License or in lieu of any other payment. If the License is terminated pursuant to paragraphs 12.B. or 12.C. above, Licensee will promptly pay to IHG, as liquidated damages, a lump sum equal to the total amounts required under paragraphs 3.B.(1), (3) and (4) during the 36 calendar months of operation preceding the termination or such shorter period as equals the unexpired License Term at the time of termination, or if the Hotel has not been in operation in the System for 36 months, the greater of:

- (1) 36 times the monthly average of such amounts for the period during which the Hotel has been in operation in the System, or
- (2) 36 times such amounts as are due for the one month preceding such termination.

IHG and Licensee acknowledge and agree that it would be difficult to determine the injury caused to IHG by termination of this License. IHG and Licensee therefore intend and agree the above liquidated damages calculation to be a reasonable estimate of IHG's probable loss and not a penalty or in lieu of any other payment.

13. Relationship Of Parties:

A. No Agency Relationship.

Licensee is an independent contractor. Neither party is the legal representative nor agent of, or has the power to obligate (or has the right to direct or supervise the daily affairs of) the other for any purpose whatsoever. IHG and Licensee expressly acknowledge that the relationship intended by them is a business relationship based entirely on and circumscribed by the express provisions of this License and that no partnership, joint venture, agency, fiduciary or employment relationship is intended or created by reason of this License. Licensee acknowledges and agrees, and will never contend otherwise, that Licensee alone will exercise day-to-day control over all operations, activities and elements of Licensee and the Hotel and that under no circumstance shall IHG do so or be deemed to do so. Licensee further acknowledges and agrees, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which Licensee is required to comply with under this License, whether set forth in the Standards or otherwise, do not directly or indirectly constitute, suggest, infer or imply that IHG controls any aspect or element of the day-to-day operations of Licensee or the Hotel, which Licensee alone controls, but only constitute standards Licensee must adhere to when exercising its control of the day-to-day operations of Licensee and the Hotel.

B. Licensee's Notices to Public Concerning Independent Status.

Licensee will take such steps as are necessary and such steps as IHG may from time to time reasonably request to minimize the chance of a claim being made against IHG for anything that occurs at the Hotel or for acts, omissions or obligations of Licensee or anyone associated or affiliated with Licensee or the Hotel. Such steps may, for example, include giving notice in guest suites, public rooms and advertisements and on business forms and stationery, etc., making clear to the public that IHG is not the owner or operator of the Hotel and is not accountable for what happens at the Hotel. Unless required by law, Licensee will not use IHG's name, the Marks or any other trademarks, service marks or other intellectual property owned or licensed by IHG or any of its affiliates or any similar words in its corporate, partnership, entity or trade name, nor authorize or permit such use by anyone else. Licensee will not use IHG's name, the Marks or any other trademarks, service marks or other intellectual property owned or licensed by IHG or any of its affiliates to incur any obligation or indebtedness on behalf of IHG.

Licensee shall not register IHG's name, the Marks or any other trademarks, service marks or other intellectual property owned or licensed by IHG or any of its affiliates as part of any internet domain name or Uniform Resource Locator (URL) and may not display or use any of the Marks or

other intellectual property rights related to the System in connection with any web site. Licensee shall not promote, maintain, implement or be responsible for any web site in connection with the licensed Hotel without the prior written approval of IHG, and if approved by IHG, any such web site shall comply with all of IHG's web site requirements as set forth in the Standards or otherwise.

14. Miscellaneous:

A. Severability and Interpretation.

The remedies provided in this License are not exclusive. In the event any provision of this License is held to be unenforceable, void or voidable as being contrary to the law or public policy of the United States or any other jurisdiction entitled to exercise authority hereunder, all remaining provisions shall nevertheless continue in full force and effect, unless deletion of the provision(s) is deemed unenforceable, void or voidable, impairs the consideration for this License in a manner which frustrates the purpose of the parties or makes performance commercially impracticable. In the event any provision of this License requires interpretation, such interpretation shall be based on the reasonable intention of the parties in the context of this transaction without interpreting any provision in favor of, or against, any party hereto by reason of the draftsmanship of the party or its position relative to the other party.

B. Binding Effect, Choice of Law, No Jury Trials, No Punitive Damages and IHG's Right to Injunctive Relief.

- (i) This License shall become valid when executed and accepted by IHG in Atlanta, Georgia. It shall be deemed made and entered into in the State of Georgia. This License, all relations between the parties and, any and all disputes between the parties, whether sounding in contract, tort, or otherwise, shall be governed and construed under, and in accordance with, the laws and decisions (except any conflicts of law provisions) of the State of Georgia. In entering into this License, Licensee acknowledges that it has sought, voluntarily accepted and become associated with, IHG, who is headquartered in Atlanta, Georgia. Licensee hereby expressly and irrevocably submits itself to the non-exclusive jurisdiction of the U.S. District Court for the Northern District of Georgia, Atlanta Division and the State and Superior Courts of DeKalb County, Georgia for the purpose of any and all disputes. However, IHG remains entitled to seek injunctive relief in the federal or state courts either of Georgia or of the state of the Hotel's Location or of IHG's principal place of business. Should Licensee initiate litigation against IHG, its parents, subsidiaries or one of its affiliated entities, Licensee must bring such action in the courts identified above; provided, however, the foregoing will not constitute a waiver of any of Licensee's rights under any applicable franchise law of the state in which the Hotel is located.
- (ii) To the extent either IHG or Licensee initiates litigation relating to this License or any matter relating to their relationship, IHG and Licensee irrevocably and unconditionally waive their rights to a trial by jury. This waiver will apply to all causes of action that are or might be included in such action, including claims related to the enforcement or interpretation of this License, allegations of state or federal statutory violations, fraud, misrepresentation, or similar causes of action, and in connection with any legal action initiated for the recovery of damages by either of us.
- (iii) IHG and Licensee hereby irrevocably and unconditionally waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, consequential or other similar damages in any litigation, action, claim, suit, arbitration, mediation or proceeding, at law or equity, arising out of, pertaining to or in any way associated with this License, or any other documents entered into in connection with this License, and the parties covenant never to advance or pursue

any such claim for punitive damages and agree that, in the event of a dispute, only actual damages shall be sought as relief to the exclusion of all others.

- (iv) Licensee explicitly affirms and recognizes the unique value and secondary meaning attached to the System and the Marks. Accordingly, Licensee agrees that any noncompliance by it with the terms of this License, or any unauthorized or improper use of the System or the Marks by Licensee, will cause irreparable damage to IHG. Licensee therefore agrees that if Licensee engages in this non-compliance, or unauthorized and/or improper use of the System or Marks, during or after the period of this License, IHG will be entitled to both temporary and permanent injunctive relief against Licensee from any court of competent jurisdiction, in addition to all other remedies which IHG may have at law. Licensee consents to the entry of these temporary and permanent injunctions, without IHG being required to prove the inadequacy of money damages as a remedy, without being required to post a bond and without waiving any other rights or remedies at law or in equity.

C. Exclusive Benefit.

This License is exclusively for the benefit of the parties hereto, and it may not give rise to liability to a third party. No agreement between IHG and anyone else is for the benefit of Licensee.

D. Entire Agreement.

This is the entire agreement between the parties pertaining to the licensing of the Hotel and supersedes all previous negotiations and agreements between the parties pertaining to the licensing of the Hotel as a Candlewood Suites brand hotel. Nothing in the preceding sentence is intended, however, to disclaim any representations IHG made in the franchise disclosure document that IHG provided to Licensee. No change in this License will be valid unless in writing signed by both parties. No failure to require strict performance or to exercise any right or remedy hereunder will preclude requiring strict performance or exercising any right or remedy in the future.


E. IHG Withholding Consent.

- (1) In no event may Licensee make any claim for money damages based on any claim or assertion that IHG has unreasonably withheld, delayed and/or denied any consent or approval under this License. Licensee waives any such claim for damages. Licensee may not claim any such damages by way of setoff, counterclaim or defense. Licensee's sole remedy for such a claim will be an action or proceeding to enforce the subject License provision(s) for specific performance or for declaratory judgment.
- (2) IHG's consent, whenever required, may be withheld if any breach by Licensee exists under this License. Approvals and consents by IHG will not be effective unless evidenced by a writing duly executed on behalf of IHG.

F. Notices.

Notices will be effective hereunder when and only when they are in writing and delivered personally or mailed by Federal Express or comparable overnight or express delivery service or by certified mail to the appropriate party at its address, hereinafter set forth, or to such person and at such address as may subsequently be designated by one party to the other.

IHG: Holiday Hospitality Franchising, LLC
Three Ravinia Drive, Suite 100
Atlanta, Georgia 30346
Attn: Vice President, Franchise Licensing and Compliance

Licensee: MAC Hospitality, LLC


G. Authority.

Licensee represents and warrants to IHG that the entities and persons signing this License on behalf of Licensee are duly authorized to do so and to bind Licensee to enter into and perform this License. Licensee further represents and warrants to IHG that Licensee and the entities and persons signing this License on behalf of Licensee have obtained all necessary approvals and that their execution, delivery and performance of this License will not violate, create a default under or breach any charter, bylaws, agreement or other contract, license, permit, order or decree to which they are a party or to which they are subject or to which the Hotel is subject. If Licensee has not already done so prior to the execution of this License, Licensee agrees to submit to IHG by the date specified by IHG all of the documents and information that IHG required or requested in the license application and in connection with the licensing process. Licensee acknowledges that its breach of the representations and warranties in this paragraph; its failure to comply with IHG's requirements for the submission of information and documents; or any omission or misrepresentation of any material fact in the information or documents submitted to IHG in connection with the license application and/or the licensing process will constitute a material breach of Licensee's obligations under this License.

H. General Release and Covenant Not to Sue.

Licensee and its respective heirs, representatives, successors and assigns, hereby release, remise and forever discharge IHG and its parents, subsidiaries and affiliates and their directors, employees, agents, successors and assigns from any and all claims, whether known or unknown, of any kind or nature, absolute or contingent, if any there be, at law or in equity, from the beginning of time to, and including, the date of IHG's execution of this License, and Licensee and its respective heirs, representatives, successors and assigns do hereby covenant and agree that they will not institute any suit or action at law or otherwise against IHG, directly or indirectly relating to any claim released hereby by Licensee; provided, however, that nothing contained in this release is intended to disclaim or require Licensee to waive reliance on any representation that IHG made in the Franchise Disclosure Document that it provided to Licensee. This release and covenant not to sue shall survive the termination of this License. Licensee shall take whatever steps are necessary or appropriate to carry out the terms of this release and covenant not to sue upon IHG's request.

I. Performance of the Work; Termination Prior to Authorization to Use System.

Licensee agrees to perform the construction, upgrading and renovation work, including, without limitation, the purchase of furniture, fixtures and equipment set forth on Attachment "B" attached hereto and incorporated herein by reference (the "Work"). Licensee acknowledges that its agreement to perform the Work is an essential element of the consideration relied upon by IHG in entering into the License and agrees that Licensee may be authorized, in IHG's sole judgment to use the System at the Hotel prior to completion of the Work, but only during such time as Licensee is actively meeting its performance obligations in full compliance with the requirements of Attachment "B" of this License. Licensee shall not commence its operation of the System, or any part thereof, at the Hotel unless and until it receives IHG's written authorization to do so. Licensee's failure to perform the Work in accordance with IHG's requirements and specifications (including the progress, milestone, completion and other dates specified in Attachment "B" of this License) shall constitute a material breach of Licensee's obligations under this License.

J. Reimbursement of Expenses.

Licensee agrees to pay IHG all expenses, including reasonable attorneys' fees and court costs, incurred by IHG, its parents, subsidiaries, affiliated entities, and their successors and assigns to remedy any defaults of or enforce or defend itself or any rights under this License (including without limitation any claim, cross-claim or counter-claim brought by Licensee), effect termination of this License, or collect any amounts due under this License.

K. Business Judgment.

IHG and Licensee recognize and agree, and any mediator or judge is affirmatively advised, that certain provisions of this License describe the right of IHG to take (or refrain from taking) certain actions in the exercise of its business judgment as to the long-term overall interests of the System, and/or upon its determination that the change was adopted in good faith and is consistent with the long-term overall interests of the System. Where such judgment has been exercised by IHG, neither a mediator, nor a judge, nor any trier of fact, shall substitute his, her or their judgment for the judgment so exercised by IHG.

L. Descriptive Headings.

The descriptive headings in this License are for convenience only and shall not control or affect the meaning or construction of any provision in this License.

M. Anti-Terrorism, Anti-Bribery and Trade Sanctions Compliance:

- (1) Licensee represents, warrants and covenants that neither it nor any entity or individual having a direct or indirect ownership interest in it, any guarantor of Licensee's obligations under this License ("**Guarantor**") nor any of Licensee's affiliates nor any officer, director, employee, member, partner or shareholder of any of the foregoing, has been or is now:
 - (a) directly or indirectly owned or controlled by the government of any nation subject to trade sanctions or embargoes imposed by any of the Sanctioning Bodies (as defined below in sub-paragraph (4));
 - (b) acting on behalf of any government of any nation subject to the trade sanctions or embargoes imposed by any of the Sanctioning Bodies,
 - (c) identified by any of the Sanctioning Bodies as a Prohibited Person;
 - (d) in violation of any applicable law relating to anti-money laundering, anti-terrorism, anti-bribery, trade sanctions or embargoes, including without limitation, the UK Bribery Act 2010, the US Foreign Corrupt Practices Act, the US Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (US Patriot Act) and related regulations and executive orders related to the foregoing laws (the "**Relevant Laws**").
- (2) Licensee further warrants and represents and covenants that:
 - (a) Licensee, any Guarantor and any Person having a direct or indirect ownership in Licensee will comply with the Relevant Laws; and
 - (b) all individuals authorized to represent Licensee in carrying out its obligations under this License are eligible under applicable United States immigration laws to travel to the United States for training or any other purpose in carrying out Licensee's obligations under this License.
- (3) For the purposes of this paragraph 14.M., "**Person**" means any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any national, provincial, state, county or municipal government or any bureau, office, department or agency thereof and any fiduciary acting in an agency capacity on behalf of any of the foregoing. "**Prohibited Person**" means any person identified by Her Majesty's Treasury of the United Kingdom ("**UK**"), the Office of Foreign Assets Control of the Department of the Treasury of the United States ("**US**"), the European Union ("**EU**") or the United Nations ("**UN**"), (collectively, "**Sanctioning Bodies**") or any other Person with whom IHG, or any of its affiliated companies, is otherwise prohibited from transacting business.

N. Capital Reserve; Renovations of the Hotel.

- (1) IHG may require Licensee to establish a capital reserve (the "Capital Reserve") in an amount not in excess of 5% of Gross Revenue annually to be used for capital expenditures and the upgrading of the Hotel, including the renovation of public areas, guest rooms, and guest room corridors and the replacement of FF&E ("Capital Reserve"). IHG shall give Licensee no less than ninety (90) days notice of imposing such requirement to establish a Capital Reserve as the same may be established or changed by IHG from time to time. In such event, Licensee must establish a Capital Reserve account funded monthly in a bank selected by Licensee. Licensee shall make expenditures from such account for the purposes hereinbefore specified in accordance

with IHG's requirements. Licensee acknowledges that the Capital Reserve may not be sufficient to maintain the Hotel as a first class facility in accordance with IHG's Standards and Licensee shall promptly provide any necessary additional funds to meet IHG's product quality and consumer quality requirements, as well as Licensee's renovation obligations specified herein.

- (2) Throughout the License Term, regardless of whether IHG has required Licensee to establish a Capital Reserve, Licensee must complete significant renovations of the Hotel, including, but not limited to, the public areas, guest rooms, and guest room corridors in order to maintain the Hotel as a first class facility. These mandatory renovations include: (a) replacing Soft Goods at least every five (5) to six (6) years after such Soft Goods were installed and (b) replacing Case Goods at least every (10) to twelve (12) years after such Case Goods were installed; and, if necessary replacing such Soft Goods and Case Goods more frequently in order to (i) maintain compliance with the Standards and IHG's quality and guest satisfaction programs; (ii) remove risk of injury to persons or property; or (iii) ensure compliance with all applicable laws.
- (3) Licensee must fund all ordinary and extraordinary maintenance and repair, capital improvements and renovations of the Hotel.
- (4) For purposes of this paragraph 14.N. the following definitions apply:
 - (a) **"Gross Revenue"** means all revenues and income of any nature derived directly or indirectly from the Hotel or from the use or operation thereof, including without limitation room sales; food and beverage sales; telephone, fax and internet revenues; rental or other payments from lessees, subleases, concessionaires and others occupying or using space or rendering services at the Hotel (but not the gross receipts of such lessees, subleases or concessionaires); and the actual cash proceeds of business interruption, use, occupancy or similar insurance.
 - (b) **"Soft Goods"** means textile, fabric vinyl and similar products used in finishing and decorating the Hotel, its public areas, guest rooms, and guest room corridors, such as wall and floor coverings, window treatments, cornice or valance coverings, carpeting, bedspreads, lamps, lamp shades, artwork, decorative items, pictures, wall decorations, upholstery and all other unspecified items of the same class.
 - (c) **"Case Goods"** means furniture and fixtures used in the Hotel, its public areas, guest rooms, and guest room corridors, such as chests, armoires, chairs, beds, headboards, desks, tables, television sets, mirrors, lighting fixtures and all other unspecified items of the same class.
 - (d) **"FF&E"** means Case Goods, Soft Goods, signage, including exterior signage, as well as other improvements and personal property used in the operation of the Hotel except for those supplies and equipment which are generally classified as "operating supplies" or "operating equipment".
- (5) Licensee shall inform IHG of the dates of installation of Soft Goods and Case Goods, which dates IHG shall be entitled to verify.
- (6) Licensee must submit its renovation plans for the Hotel to IHG for IHG's review and approval prior to starting any renovations, and Licensee shall not start any renovations until IHG has approved the scope of the plans and the plans' compliance with the Standards.
- (7) IHG shall have the right to require Licensee to make renovations to the Hotel to conform the Hotel's FF&E to then current Standards and Candlewood Suites brand design criteria.

O. Counterparts.

This License may be executed in any number of counterparts, each of which will be deemed an original and all of which constitute one and the same instrument. IHG and Licensee hereby acknowledge and agree that electronic signatures, facsimile signatures or signatures transmitted by electronic mail in "pdf" format shall be legal and binding and shall have the same full force and effect as delivery of an original signed counterpart.

15. SPECIAL STIPULATIONS:

A. Management Company Requirement.

Notwithstanding Paragraph 10.J. of this License, the Hotel shall at all times be operated by a management company acceptable to IHG. IHG shall have the right to approve any proposed management company and to approve any contract with respect to the operation of the Hotel, and such management company's policies and procedures must comply with the Standards and the requirements of this License. The management of the Hotel by an acceptable management company must be continuous and uninterrupted during the term of the License. Licensee shall be in default under this paragraph if any of the preceding conditions are not met. Notwithstanding that the management company must be acceptable to IHG, Licensee acknowledges and agrees that it is solely responsible for the selection, conduct and performance of the management of the Hotel and IHG has no responsibility or obligation in connection with such selection, conduct or performance. The management contract between Licensee and the management company must be acceptable to IHG and executed prior to the Term Commencement Date. If any approved management company stops operating the Hotel for the Licensee for any reason, Licensee must notify IHG immediately.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this License, as of the date first stated above.

LICENSEE:

MAC HOSPITALITY, LLC

By: _____
Member

By: _____
Member

By: _____
Member

By: _____
Member

IHG:

HOLIDAY HOSPITALITY FRANCHISING, LLC

**By: Six Continents Hotels, Inc.,
its sole managing member**

By: _____
Jenny Tidwell
Vice President
Franchise Licensing and Compliance

ATTACHMENT "A"

Facilities and Services (paragraph 1): N/A

Site-Area and general description: 3 floors, Interior corridor

Fee owners (names and addresses): MAC Hospitality, LLC



Separate parcels for signs: N/A

Number of approved guest suites: 150 rooms

Concessions and shops: N/A

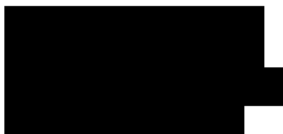
Parking facilities (number of spaces, description): 174

Swimming pool: Outdoor

Other facilities and services: Fitness Center, Business Center

Ownership of Licensee (paragraph 10):

MAC HOSPITALITY, LLC



100%



ATTACHMENT “B”

THE WORK

Property Improvement Plan

Proposed Change of Ownership of the
Candlewood Suites Dallas Market Cntr-Love Field
Dallas, Texas

Date of Issue: January 25, 2022



CANDLEWOOD SUITES

IHG[®] HOTELS & RESORTS



REGENT



KIMPTON
HOTELS & RESTAURANTS

HOTEL
INDIGO

VOCO



CROWNE PLAZA



ATWELL
SUITES



IHG[®] REWARDS

I. HOTEL INFORMATION

Property Name: Candlewood Suites Dallas Market Cntr-Love Field		PIP Visit Date: 01/11/2022
Address: 7930 North Stemmons Freeway		Location #: 9945
City,ST: Dallas, Texas 75247		Project #: 47954
Applicant Name: Sanjeet Mac	Office: [REDACTED]	InnCode: DALSF
Company: TBD Sanjeet Mac	Cell: [REDACTED]	Proposed Action: Change of Ownership
[REDACTED]	[REDACTED]	
[REDACTED]	[REDACTED]	
Email: [REDACTED]		

BUILDING	GUEST ROOM AREA	Type	Qty.
Year Built: 1998	# of Rooms: 150	<i>Studio Suite</i>	38
Addition:	# of Rooms:	<i>1 Bedroom Suite</i>	95
Highest Story: 3	# of Guest Floor: 3	<i>2 Bedroom Suite</i>	9
Exterior Materials: Brick/EIFS		<i>ADA</i>	2
Guest Corridor Type: Interior		<i>ADA Suites</i>	6
# of Parking Spaces: 174	Type: Surface	Total Rooms:	150
# of Guest Elevators: 2	# of Service Elevators: 0		
Internet: Wireless	Public Areas		
Wireless	Guest Areas		
HVAC: Split System	Public Areas		
PTAC	Guest Areas		
Employee Restroom: <input checked="" type="checkbox"/>			
Employee Breakroom: <input checked="" type="checkbox"/>			

LIFE SAFETY	MEETING SPACE	Name	SF
Emergency Generator: <input type="checkbox"/>			
Hardwire Smoke Detectors: <input checked="" type="checkbox"/> Commercial Areas		Total Meeting Space (SF):	0
<input checked="" type="checkbox"/> Guest Corridor			
<input checked="" type="checkbox"/> Guest Rooms			
Sprinkler System: <input checked="" type="checkbox"/> Commercial Areas			
<input checked="" type="checkbox"/> Guest Corridor			
<input checked="" type="checkbox"/> Guest Rooms			

GUEST AMENITIES		GUEST AMENITIES	
Fitness Room:	<input checked="" type="checkbox"/>	Square Ft:	450
Business Center:	<input checked="" type="checkbox"/>	Indoor Pool:	<input type="checkbox"/>
Sets of Public Restrooms:	2	Outdoor Pool:	<input checked="" type="checkbox"/>
Guest Laundry:	<input checked="" type="checkbox"/>	Whirlpool:	<input type="checkbox"/>
# of Vending Areas:		Max Depth (ft.):	
Other Amenities:	Gazebo	Max Depth (ft.):	3
		Max Depth (ft.):	

IHG CONTACTS			
PIP Regional Manager:	Armon White Regional Manager, Property Improvements	Phone:	(770) 695-2139
		Email:	armon.white@ihg.com
Plan Review Regional Manager:	Vin Mendoza Regional Manager, Plan Review	Phone:	(678) 735-1341
		Email:	vin.mendoza@ihg.com

UNDERSTANDING THE PIP & RESOURCES

All architectural and design drawings, construction documents, color boards and materials specifications related to this Property Improvement Plan (PIP) must be submitted to IHG's Design & Construction Studio for review and approval prior to making any commitment to purchase materials or commencing any work. IHG reserves the right to require the owner to replace or modify any materials or work not formally submitted to and approved by IHG's Design & Construction Studio.

All work is to be performed in accordance with the Candlewood Suites Brand Standards, and all FF&E is required to meet Candlewood Suites Brand Standards.

Resources:

Please refer to IHG's Design & Construction Studio website www.ihgdesignconnect.com for various resources required for the successful implementation of your PIP.

Questions regarding this PIP and other design and construction issues can be answered by contacting the IHG PIP Regional Manager or Plan Review Regional Manager.

The findings in this PIP will not be effective six months after the date of this PIP unless a license agreement is executed within that time period, unless extended in writing by IHG.

COMPLETION OF THE PIP

The following are the due dates for completion of each component of the PIP, unless specified elsewhere in the PIP.

Design Milestones:

Submission of Plans Due By.....	5/1/2022
Submission of Furniture, Fixtures & Equipment.....	5/1/2022
Design Approval to Proceed with Renovation.....	6/1/2022

Renovation Completion Milestones:

Exterior Areas.....	12/1/2022
Public Areas.....	12/1/2022
Recreational Areas.....	12/1/2022
Heart of House Areas.....	12/1/2022
Guest Room Areas.....	9/1/2022
Final Completion.....	12/1/2022

After this PIP is completed, the owner shall continue to maintain the hotel as a first-class facility, including replacing soft goods and case goods in all areas of the hotel including, but not limited to, the guest rooms, corridors, and public areas on the timelines outlined in the license agreement or more frequently to maintain compliance with brand standards.

All requests for extensions of due dates must be submitted in writing to IHG, addressed to the appropriate PIP Regional Manager and must be specifically approved in writing by IHG. As a condition to approving an extension of a due date, IHG may require that the PIP be modified to include upgrading or renovation of additional areas or items (in addition to any charges that might be due).

IHG will conduct field-inspections at the hotel on or about the Renovation Milestone dates. Should the above Renovation Milestone dates not be met, thereby requiring additional inspections, IHG may charge the owner up to \$5,000.00 for each additional inspection (in addition to any other charges that might otherwise be due).

Basis of Design

Beacon 4.0 is the basis for all requirements noted throughout this report, including finishes, FF&E and décor as well as the reconfiguration of public and guest suites areas to accommodate the key components of the Beacon 4.0 design. Please refer to the Beacon 4.0 Design Guide for more information.

I.) EXTERIOR AREAS

A. Overall Area

1. Replace trash receptacles.

B. Site

1. Repair and paint or replace dumpster enclosure gates.
2. Repair damaged or broken curbs. Repaint curbs.
3. Repair or replace broken stone wall.
4. Repair all damaged parking surfaces, and re-stripe.
5. Repair all damaged sidewalks.
6. Replace wood perimeter fencing.

C. Landscaping

1. Provide additional perimeter landscaping at beds below HVAC grills.

D. Building

1. Replace damaged or missing window screens.
2. Guest Suites which are main road-facing were noted to be very noisy. Either replace entirely with new triple-glazed windows or install additional storm-type window at inside of each room.

E. Gazebo

1. Adjust metal doors below grills within stone surround so they close properly.

II.) PUBLIC AREAS

A. Lobby

1. Provide new accent wall (tv wall).
2. Remove Lending Locker. Brand items to be stored in heart of house.
3. Replace seating.

B. Candlewood Cupboard

1. Provide Candlewood Cupboard signage.
2. Remove table and chairs.
3. Replace window treatment.
4. Remove chest freezers.
5. Remove decorative accessories.

C. Public Restrooms

1. Provide baby changing station.

D. Guest Laundry

1. Repair or replace non-functioning laundry equipment.

III.) RECREATIONAL AREAS

A. Overall Area

1. Replace trash receptacles.

B. Gym

1. Provide cord covers.
2. Replace window treatments.
3. Provide brand specified wall graphic.
4. Provide 2 robe/towel hooks to be mounted 48" AFF.
5. Clean/repair HVAC grilles..

C. Outdoor Pool Area

1. Refinish pool deck.
2. Replace outdoor dining chairs.
3. Remove or replace outdoor dining umbrellas.
4. Replace outdoor dining tables.

IV.) HEART OF HOUSE AREAS

A. Housekeeping/Laundry

1. Repair/replace any damaged flooring.

B. Employee Restroom

1. Repair/replace any damaged flooring.
2. Replace any damaged or discolored ceiling tiles.

C. Employee Breakroom

1. Repair/replace any damaged flooring.

V.) GUEST ROOM AREAS

A. Corridors

1. Replace any damaged or discolored ceiling tiles.
2. Replace all decorative lighting (sconce & ceiling-mounted) throughout corridors. In conjunction, install additional lighting throughout the corridors wherever there are dark areas – noted near room 328 and 341.

B. Stairwells

1. Remove or replace window treatments.

C. Guest Suites Living/Sleeping Area

1. Replace window treatments.

D. Guest Suites Kitchen Area

1. Repair/refinish any damaged or discolored surfaces at kitchen cabinetry.

E. Guest Bathrooms

1. Replace ceiling lighting.
2. Remove towel shelf.
3. Provide towel bar.
4. Replace vanity mirror.
5. Clean and refinish tub/shower surround. Replace white joint sealant with color-matched sealant.

VI. LIFE SAFETY & ACCESSIBILITY

A. Life Safety

Some Life Safety deficiencies were noted during the PIP inspection. Other deficiencies may exist as only a limited property evaluation was conducted in conjunction with this PIP. Full compliance with IHG's Global Brand Safety Standards in addition to local, state and national codes is the sole responsibility of the owner. An evaluation by a licensed engineer or architect is strongly recommended

Heart of House Areas:

1. Maintenance / Engineering: Provide a wall mounted fire extinguisher, selected based on the type of anticipated fire.

B. ADA (Americans With Disabilities Act)

US Hotels:

All areas of the hotel are required to be in compliance with Local, State and Federal disability regulations, including the ADA. Owner is solely responsible for ensuring that the hotel complies with all applicable accessibility standards including the ADA. The ADA requirements and design standards can be found at www.ada.gov, or you can contact (800) 514-0301 with questions concerning ADA requirements. Consult your architect about changes to the ADA Accessibility Guidelines which went into effect on March 15th, 2012. *IHG requires that each hotel submit a complete ADA certificate to ensure that the hotel conforms to and complies with the design standards and requirements of the ADA, the ADA Architectural Guidelines ("ADAAG"), and all other related or similar state and local laws, regulations and other requirements governing public accommodations for persons with disabilities in effect.*

The commissioning of an ADA/accessibility Property Report by a professional specializing in ADA and accessibility compliance is strongly recommended to ensure full compliance with all accessibility laws.

Question? Visit the U.S. Dept. of Justice web site: <http://www.usdoj.gov/crt/ada> or call: (800) 514-0301

All ADA/accessibility deficiencies must be corrected in conjunction with the other requirements outlined in this PIP for each area of the hotel and be completed by the PIP due dates.

ACKNOWLEDGEMENT PAGE

Proposed Change of Ownership of the Candlewood Suites Dallas Market Cntr-Love Field Dallas, Texas

Location # 9945 - Project # 47954
January 25, 2022

I understand that the above captioned Property Improvement Plan ("PIP") does not obligate Holiday Hospitality Franchising, LLC ("HHFL" also referred to as "IHG") in any way to approve my franchise application or issue a license agreement and that HHFL expressly reserves the right to deny such application or deny offering a franchise. I further acknowledge that this report is a summary of the work that will be required, and that all work must be completed in conformity with all applicable Candlewood Suites Brand Standards. I understand that if the franchise application is approved and a license agreement is executed, as a licensee I will be responsible for compliance with all local, state and federal laws, regulations and codes. The work outlined in this PIP does not address all requirements that may be mandated by local, state or federal codes, laws or regulations. As a licensee, I should check and ensure that all work on the property pursuant to this PIP or in connection with any other alteration or improvements complies with the applicable local, state and federal laws, regulations and codes.

I further acknowledge and agree that the due dates in this PIP and the dates specified in the license agreement, if any, have been mutually agreed upon, and I understand that all work must be satisfactorily completed by each due date. All requests for waivers or variances of or from the Standards or the requirements of the PIP must be submitted in writing to HHFL and must be approved in writing by HHFL, and requests for extensions to any due date must be requested in writing from HHFL in advance of the due date and must be approved in writing by HHFL. I understand and agree that as a condition to approving a due date extension, HHFL may require that the PIP be modified to include upgrading or renovation of additional areas or items (in addition to any charges that might be due). I have indicated my agreement to this PIP, including, without limitation, the terms set forth on this page by affixing my signature in the space below.

I further understand that if a license agreement is executed, the hotel must be operated in conformity with Candlewood Suites Brand Standards, and that it will continue to be subject to quality evaluations and guest feedback measurements. The hotel will be required to maintain acceptable ratings or scores in product quality, services and guest expectations as measured by HHFL through the Guest Love metric or otherwise and must maintain an acceptable quality evaluation. Failure to do so may be grounds for default under the license agreement.

The findings in this report are no longer effective six months after the date of this report unless a license agreement is executed within that time, unless extended in writing by HHFL.

ACCEPTED BY:

Signature

Date

Print Name

Entity

Hotel Name

ATTACHMENT "C"



ACCESSIBILITY CERTIFICATION

Hotel Location Code: _____

Location #: _____

Hotel Name (as it appears in the IHG Website): _____

Hotel Address: _____

Licensee: _____

This certification is intended to comply with the accessibility standards and/or the Travelers with Disabilities Section of the relevant brand standards as well as the InterContinental Hotels Group Design & Construction standards, all of which require compliance with Title III of the Americans with Disabilities Act (ADA), including the 1991 and/or 2010 ADA Standards for Accessible Design (ADA Standards), and all other applicable accessibility requirements. These standards require as follows:

- a. For newly constructed hotels: (1) a pre-construction certification of the final plans for the building and building site submitted prior to the commencement of construction by an architect with professional experience applying the requirements of the ADA and the ADA Standards; and (2) a post-construction certification submitted after an inspection of as-built conditions signed by Licensee.
- b. For renovations required for relicensing, conversions, brand changes or changes of ownership: a post-renovation certification submitted after an inspection of as-built conditions signed by Licensee.
- c. For voluntary renovations: a post-renovation certification submitted after an inspection of as-built conditions signed by Licensee.

Please select the option for which this Certification is submitted:

- ☐ **Newly Constructed Hotel** (Must submit Certification Options A & B below)
- ☐ **Renovation Required for Relicensing, Conversion, Brand Change or Change of Ownership** (Must submit Certification Option B below)
- ☐ **Voluntary Renovation** (Must submit Certification Option B below)

CERTIFICATION

Please select the Option(s) for which Licensee is submitting this Certification.

☐ **Option A: Newly Constructed Hotel - Pre-Construction Certification**

The undersigned certifies that (1) he/she is an architect with professional experience applying the requirements of the ADA and the ADA Standards; and (2) the final plans for construction of this building and building site are in compliance with Title III of the ADA and any other applicable accessibility laws, ordinances or requirements, to the best of his/her knowledge, information, and belief.

Name of Architect: _____

Name of Firm: _____

Signature: _____

Title: _____ Date: _____

☐ **Option B: Licensee Post-Construction or Post-Renovation Certification**

The undersigned Licensee, to the best of his/her knowledge, information, and belief, certifies that this building and building site have been built, renovated or altered in compliance with Title III of the ADA and any other applicable accessibility laws, ordinances or requirements, including, but not limited to, any accessibility laws or requirements regarding the following:

- The appropriate number and distribution of accessible guest rooms
- Features in accessible guest rooms
- Parking and exterior accessible routes
- Public entrances and interior accessible routes
- Service counters
- Public and common restrooms
- Meeting rooms
- Food and beverage establishments
- Swimming pools, spas, and fitness centers

Name of Licensee Principal Correspondent: _____

Signature: _____

Date: _____

By receiving or accepting this Certification, IHG is not confirming that Licensee and/or Licensee's property are in compliance with all applicable federal, state, and local accessibility requirements. Per the relevant license agreement, Licensee is solely responsible for compliance with all applicable accessibility requirements, including the ADA and the 1991 and/or 2010 ADA Standards for Accessible Design.

GUARANTY

As an inducement to Holiday Hospitality Franchising, LLC ("IHG") to execute the License dated _____ between IHG and MAC Hospitality, LLC ("Licensee"), for the Candlewood Suites® hotel located at 7930 North Stemmons Freeway, Dallas, TX 75247, ("License"), the undersigned (sometimes referred to as the "guarantor(s)"), jointly and severally, hereby unconditionally warrant to IHG and its successors and assigns that all of Licensee's representations in the License and the application submitted by Licensee to obtain the License are true, and guarantee that all of Licensee's obligations under the License, including any amendments thereto whenever made (all hereafter collectively referred to as the "License"), will be punctually paid and performed.

Upon default by the Licensee and notice from IHG, the undersigned will immediately make each payment and perform each obligation required of Licensee under the License. Without affecting the obligations of the undersigned under this Guaranty, IHG may, without notice to the undersigned, extend, modify or release any indebtedness or obligation of Licensee, or any of the guarantor(s), or settle, adjust or compromise any claims against Licensee or any of the guarantor(s). The undersigned waive notice of amendment of the License and notice of demand for payment or performance by Licensee.

Upon the death of an individual guarantor, the estate of such guarantor will be bound by this Guaranty but only for defaults and obligations hereunder existing at the time of death, and the obligations of the other guarantors will continue in full force and effect.

The Guaranty constitutes a guaranty of payment and performance and not of collection, and each of the guarantors specifically waives any obligation of IHG to proceed against Licensee or any money or property held by Licensee or by any other person or entity as collateral security, by way of set off or otherwise. The undersigned further agree that (i) this Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time payment of any of the guaranteed obligations is rescinded or must otherwise be restored or returned by IHG upon the insolvency, bankruptcy or reorganization of Licensee or any of the undersigned, all as though such payment had not been made and (ii) the guaranteed obligations shall not be reduced, limited, terminated, discharged or otherwise affected by any such insolvency, bankruptcy, reorganization or similar proceedings affecting Licensee or its assets or the release or discharge of Licensee from any of its obligations under the License.

This Guaranty shall become valid as of the Term Commencement Date of the License, which is _____. It shall be deemed made and entered into in the State of Georgia, and the undersigned agree that this Guaranty and the obligations provided for hereunder shall be governed and construed in all respects by the internal laws and decisions (except any conflicts of law provisions) of the State of Georgia, including all matters of construction, validity, enforceability and performance.

To the extent permitted by law, the undersigned (i) consent and submit, at IHG's election and without limiting IHG's rights to commence an action in any other jurisdiction, to the personal jurisdiction and venue of any courts (federal, superior or state) situated in the County of DeKalb, State of Georgia; (ii) waive any claim, defense or objection in any such proceeding based on lack of personal jurisdiction, improper venue, forum non conveniens or any similar basis; and (iii) expressly waive personal service of process and consent to service by certified mail, postage prepaid, directed to the last known address of the undersigned, which service shall be deemed completed within ten (10) days after the date of mailing thereof.

The undersigned agree to pay IHG all expenses, including reasonable attorneys' fees and court costs, incurred by IHG, its parents, subsidiaries, affiliates, and their successors and assigns, to remedy any defaults of or enforce any rights under this Guaranty or the License, effect termination of this Guaranty or the License, or collect any amounts due under this Guaranty or the License.

IN WITNESS WHEREOF, each of the undersigned has signed this Guaranty under Seal, as of this _____ date of _____, 202_.

Guarantors:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]