



Horwath HTL

Hotel, Tourism and Leisure

Asset Management Services Agreement

Proposed Tapestry Collection by Hilton

Lee Merritt
Downtown Development Authority
Lawrenceville, GA
Via Email: LMerritt@OfficeWarehouse.com
Phone: 678-496-2342

July 2nd, 2024

The Global Leader in Hospitality Consulting

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Lee Merritt
Downtown Development Authority
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Phone: 678-496-2342

Dear Lee,

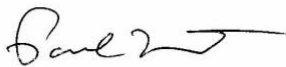
We are pleased to present our proposal for the asset management services for the proposed Tapestry Collection by Hilton in Lawrenceville, GA. We are committed to helping you achieve your outcomes on time and within your budget. **To the extent we have not accurately reflected your requirements, we would greatly appreciate the opportunity to modify the proposal as needed.**

Horwath HTL Atlanta – what makes us different?

- Asset management services provided are intended to fully represent ownership.
- Implementation of a collaborative approach with owners, operators, brands and all other stakeholders involved.
- Established long-term agreements with no encumbrance. All agreements are terminable at will by the owner.
- Implementation of a team approach in which every hotel under contract will be assigned to the Partner, Consultant, and Analyst with experts by discipline to support.
- Cost effective and highly competitive pricing.
- Leveraging our consulting knowledge, resources, and data to assist the operator with best-in-class ideas, strategies, and tactics.

We trust that these services can be helpful to you and we look forward to receiving your executed Authorization to Proceed. In the meantime, if you have any further questions or require clarification on any point, please do not hesitate to contact me.

Sincerely,



Paul Breslin, CHA, CHE, ISHC
Managing Director

I. HORWATH HTL EXPERTISE

At Horwath HTL, our focus is one hundred percent on hotel, tourism and leisure consulting. Our services cover every aspect of hotel real estate, tourism and leisure development. Our clients choose us because we have earned a reputation for impartial advice that will often mean the difference between failure and success. Each project we help is different, so we need all of the experience we have gained over our 100-year history. We are a global brand with 52 offices in 38 countries, who have successfully carried out over 30,000 assignments for private and public clients. We are part of the Crowe Global network, a top 10 accounting and financial services network. We are the number one choice for companies and financial institutions looking to invest and develop in the industry. We are Horwath HTL, the global leader in hotel, tourism and leisure consulting.

Horwath HTL adds value to hospitality investments by providing independent analysis and advice that you can rely upon to deliver results. Through benchmarking against the market, we ensure optimum performance and the attainment of realistic forecasts. We understand what strategies and management practices result in increased cash flow and asset value, and take an assertive position in an asset management role as owner representative to maximize returns and asset values over time. Our experts have extensive managerial experience and are perfectly acquainted with all operational, real estate and financing agendas.

The local Horwath HTL team involved in this assignment has over 100 years of combined experience in the hospitality, service, and tourism industry. The project will be led and conducted by Paul Breslin, as the Managing Director of the Atlanta office of Horwath HTL. In addition, the team assigned to this project will include:

- Hua Rong - Director
- John Duran - Sr Consultant
- Kendy Han – Analyst
- Jessica Santos – Analyst

2. ASSET MANAGEMENT

Our approach when undertaking asset management engagements is to seek to maximize the value of your interests by both:

- Ensuring that the hotels are operating to their maximum potential in terms of revenue generation and profit conversion
- Managing and protecting the physical asset.

We provide a full range of services designed to protect and enhance the value of your investments over the short and long term. Our scope of service is below:

2.1. Market Review (On-Going)

In order to ensure that our actions and advice are appropriate at all times, we will undertake an initial review of the competitive environment within which the property operates. This will include but is not limited to:

- Evaluation of the relevant competitors displaying similar market characteristics.
- Identifying any hotel projects under construction in order to assess their likely impact on the asset.
- Recommendation of market positioning from a branding and financial standpoint.
- Analysis of historical demand sources and patterns to collect an optimal mix of business (seasonality, major corporate contributors to market, etc.)

2.2. Diagnostic Review of the Property (On-Going)

As part of our site visits to the property, we will undertake a diagnostic review to assess the extent to which both the physical product and services levels are in line with the applicable brand standards. During this visit we will independently and professionally assess over 160 different aspects of the physical and service product grouped under main headings such as for example:

- The reservation processes
- Guest check-in
- The public areas
- The room product
- The food & beverage outlet(s)
- Room service
- Quality of food and service
- Quality of ancillary facilities and services

We will summarize in a report providing scores for each of the elements and clear, concise accompanying comments as appropriate.

2.3. Review of Operator Agreements and On-Going Compliance

The relationship between the Owner and the Operator, and the specific rights and responsibilities of each, are clearly defined in the Operator Agreements (“OAs”) you have in place. We will begin this engagement by undertaking a thorough review of these Operator Agreements for each of the properties. The purpose of this review will be to familiarize ourselves with the general and specific terms of the relationship that exists. Specifically, it will be to:

- Understand the basis of calculation of all fees payable by you;
- Understand Operator’s rights and responsibilities as operators of the properties;
- Understand your rights and responsibilities as owner of the properties;
- Understand each party’s rights of redress in the event of default on a particular obligation by the other.

It is important to note that in a well-managed relationship between the Owner and the Operator, the Owner may find that it is possible to receive information and exert influence beyond the contractual rights and obligations.

2.4. Budget Review (Annual)

We understand that the financial year end for the property runs concurrent with the calendar year and ends on December 31. Upon engagement, we will familiarize ourselves with the budget, reviewing the extent to which we consider it to be reasonable and pointing out to you where we feel it might be overly soft or challenging.

Thereafter, on an annual basis prior to the financial year-end, we will:

- Work with the Operator to ensure that their budget for the coming year is submitted for approval by the required date;
- Review and challenge these as appropriate with a view to ensuring that they are stretching while getting buy-in from the operator that they are achievable;
- Ensure that they are geared to delivering the maximum income stream to you while enhancing the fabric of the buildings.

2.5. Periodic Review

For the first six months of our engagement, we will visit the hotel bi-monthly and prepare a detailed review of the hotel's performance, assessing results against budget. Specifically, we will review:

- Individual revenue performance against the market, key revenue drivers
- Profit and loss; budget vs. actual, flow-thru
- Cash and debt management
- Capital expenditures (CapEx)
- Sub-licenses and leases
- Sales and marketing; performance against plan, real-time adjustments against market shifts
- Guest Satisfaction

After the initial six-month period of bi-monthly property visits and reporting, we plan to visit each hotel quarterly. The emphasis in each of our periodic reviews will be to work proactively and collaboratively with the Operator to develop a mutually respectful and beneficial relationship that enables us to protect your interests and ensure that each of the hotels is being operated as effectively as possible. Where we identify specific and genuine areas of concern, we will report these back to you and work with the Operator to have them addressed as quickly as possible.

The findings and outcome of our periodic reviews will be summarized in a standard report which can be referred back to as required to ensure that issues have been addressed, problems have been rectified, specific actions have been completed, targets have been met, etc.

2.6. Instigate, Review, and Approve Requests for Capital Expenditure

Part of our asset management service will be to ensure that the use of the asset is optimized and that its fabric is maintained. It should be the Operator's responsibility to develop a maintenance and capital expenditure plan to ensure this. We will review these plans regularly to ensure they are adequate and assess for approval any capital expenditure requests that arise out of them. Additionally, we will be mindful of any opportunities which may exist to redevelop any parts of the building which may not be being optimized, for example through:

- Partial or total refurbishment;
- Redeployment of specific areas to different use (e.g. converting bedrooms to breakout rooms or vice-versa, converting underused meeting space to restaurants, etc.);
- Redeveloping food and beverage concepts;
- Reviewing whether specific parts of the business should be operated or leased out (e.g. restaurants, leisure facilities)

We will review and approve requests for owner capital expenditure as appropriate, subject to the terms of the Operator Agreement.

2.7. Additional Services not part of this Agreement

Some Asset Management services may require significant time and talent involvement from the team and will be covered under a separate fee. These services include, but are not limited to:

- Refinancing of the loan for the hotel
- Rebranding of the hotel
- Property Improvement Plan assistance and management
- Revisiting and negotiating the operator agreement/engagement
- Any other services outside of the regular Asset Management services performed

3. TIMING AND TERMINATION

Unless otherwise specifically agreed, our engagement shall be exclusive and commence on the 1st day of the following month when you return a signed copy of the Authorization to Proceed. Unless otherwise agreed, it shall continue on a perpetual basis until terminated by either party upon giving 60-day written notice or upon opening the above-mentioned hotel.

Either party may immediately terminate this engagement in the event that the other party fails to remedy a material or persistent breach of any of the terms of this agreement within 14 days after the service of a written notice detailing the facts that give rise to the material or persistent breach.

In the event of such a termination of the engagement, Horwath HTL shall be entitled to, and shall be paid, fees for all Services provided to that time.

4. FEES AND EXPENSES

Our fee for Asset Management services is **\$2,500** per month. With this, our property visit fee will be \$500 per day for each visit. In addition, Horwath HTL shall be reimbursed for actual costs of all travel expenses incurred in performing the site analysis services described herein, including lodging, meals, transportation, as well as expenses incurred in obtaining the necessary market information such as STR reports (\$660 each), and other customary out-of-pocket expenses, which can be estimated and agreed with you before they are incurred, if required. (“Expenses”). You will be furnished with reasonable documentation supporting all reimbursement requests. All reasonable efforts will be made to control the amount of Expenses. An initial retainer fee of \$1,500 will be due upon execution of this agreement and will be applied to the first month of the service.

All amounts due shall be payable to **Panther Hospitality LLC d/b/a Horwath HTL** upon receipt of invoice, and payment is to be made to Horwath HTL at **2472 Jett Ferry Rd Suite 400-302 Dunwoody, GA 30338**. Payments are to be made no later than 15 days of receipt of invoice, in U.S. dollars, using either a check drawn on a U.S. bank or a wire transfer of funds to the account Panther Hospitality LLC d/b/a Horwath HTL. Overdue invoices will accrue interest at a rate of 1.5% per month. If any type of action becomes necessary to enforce collection of bills rendered, you will be responsible for all collection costs, including but not limited to, court costs and reasonable legal fees. Horwath HTL may extend the time for payment on any part of billings rendered without affecting the understanding outlined above.

5. GENERAL TERMS AND CONDITIONS

These General Conditions shall apply to all dealings between you and Horwath HTL and, for the avoidance of doubt, shall be treated as applying separately to each engagement given by you to Horwath HTL.

5.1. Governing Law

The General Conditions and the terms of the Engagement shall be governed and construed in accordance with the laws of the State of Georgia. You and Horwath HTL agree to submit to the exclusive jurisdiction of the Courts of the State of Georgia.

5.2. Performance of the Services

Horwath HTL shall exercise all reasonable skill and care in providing the Services under the engagement and shall inform you if it becomes apparent that the Services need to be varied. You and Horwath HTL shall confirm in writing any variation of the Services to be provided under this engagement.

5.3. Assignment and Sub-Contracting

With the prior consent of Horwath HTL, you shall have the right to assign the whole or any part of the benefit or to transfer in any way the obligation contained in the engagement, and such consent shall not be unreasonably withheld.

Horwath HTL shall have the right to sub-contract the performance of all or part of the Services from time to time. Should this occur, Horwath HTL will nevertheless and unless otherwise specifically agreed, remain responsible for the due and proper performance of the Services.

5.4. Information provided by You

You shall promptly provide to Horwath HTL all information as is necessary or reasonably requested by Horwath HTL in order to enable Horwath HTL to properly perform the Services. You accept that Horwath HTL is entitled to rely on the accuracy, sufficiency and consistency of any and all information supplied by you. Horwath HTL accepts no liability for any inaccuracies contained in information disclosed by you, whether prepared by you or by a third party and whether or not supplied directly to Horwath HTL by that third party.

5.5. Information provided by Horwath HTL

Copyright of all material of whatever nature prepared by Horwath HTL and provided to you or otherwise generated in the course of carrying out the Services shall remain the property of Horwath HTL. No part of any report, document or publication may be reproduced or transmitted or disclosed in any form or by any means, or stored in any database or retrieval system of any nature, without the prior written permission of Horwath HTL.

All information and advice made available by Horwath HTL to you is for your sole use, and for the sole purpose for which it was prepared in connection with the Services.

5.6. Confidentiality and Non-Disclosure

Except where required by law or where you have waived such rights in writing, Horwath HTL shall keep all confidential information provided by you confidential. Horwath HTL shall ensure that all persons employed by it or working under its direction in the course of performing the Services abide strictly by the obligation to keep all confidential information provided by you as confidential.

All confidential information provided by you will be returned, destroyed or erased upon your request. Save that Horwath HTL reserves the right to retain one copy of the confidential information for the purpose of compliance with professional, legal or regulatory requirements or obligations (subject always to its continuing duty to treat such information as confidential).

5.7. Third Party Liability

You acknowledge that with respect to Horwath HTL's own sub-contractors, Horwath HTL does not warrant the performance, work or the products of others and you shall not hold Horwath HTL responsible for the inspection or supervision of the execution of such performance, work or products. This provision is not abated where the performance, work or products of others is incidental and/or inevitable to the Services provided by Horwath HTL.

Unless otherwise specifically agreed in writing neither these General Terms and Conditions of Business or the Services provided pursuant to the engagement are intended, either expressly or by implication, to confer any benefit on any third party (excepting that is as provided specifically herein to the employees and subcontractors of Horwath HTL). The liability of Horwath HTL to any third party is expressly disclaimed.

5.8. Delay

Where matters beyond the control of Horwath HTL cause delay in the performance of Services, you shall not hold Horwath HTL responsible for that delay.

5.9. Liability

Horwath HTL's liability for loss or damage shall be limited to such sum as Horwath HTL ought reasonably to pay having regard to its direct responsibility for the same and on the basis that all other third parties shall, where retained by you, be deemed to have provided contractual undertakings in terms no less onerous than this clause in respect of the performance of their services in connection with the instruction, and shall be deemed to have paid to you such proportion as may be just and equitable having regard to the extent of their responsibility for such loss or damage.

Unless otherwise agreed, the liability of Horwath HTL to you for loss or damage claimed in respect of any engagement shall, notwithstanding the provisions of the paragraph above, be limited to the aggregate of all professional fees paid to Horwath HTL over the course of a calendar year under this agreement. Unless finally and judicially determined to have been caused by fraud, wilful default or negligence of Horwath HTL, you hereby agree to indemnify and hold harmless Horwath HTL against all actions, claims, proceedings, losses, damages, costs and expenses arising from or in any way connected with the engagement or the provision of Services hereunder. Unless and until any such agreement is reached and recorded in writing, Horwath HTL will accept no responsibility nor owe monies to you which relate to matters beyond the scope of the Services.

You hereby acknowledge that any action, claim or proceedings arising out of the Services provided under this engagement shall be brought against Horwath HTL and not against any employee or subcontractor of Horwath HTL involved directly or indirectly in the delivery of the Services.

The above paragraphs of this Clause do not apply to liability for death or personal injury arising out of negligence, which liability shall be unlimited.

5.10. Complaints Resolution Procedure

You hereby agree not to take any action or commence any proceedings against Horwath HTL without first having referred your complaint to Horwath HTL.

5.11. On line Services

In order to facilitate delivery of the Services and/or general communication with you, Horwath HTL may offer and/or provide electronic systems and/or software to you which shall be provided on the then prevailing terms and conditions by which Horwath HTL receives such electronic systems and/or software.

5.12. Severance

Any provision of this agreement which is declared void or unenforceable by any competent authority or court shall, to the extent of such invalidity or unenforceability, be deemed severable and shall not affect the other provisions of this agreement, which will continue unaffected.

5.13. Definitions

“Affiliate”: means each subsidiary, associate and holding company and each subsidiary and associate of any such holding company and their respective directors, officers, employees and agents.

“Horwath HTL”: means Horwath HTL whose office is located at 1200 Ashwood Parkway, Suite 185, Atlanta, Georgia, 30338 together with its successors and assigns or such Affiliate thereof as may be named in the Proposal as providing the Services.

“General Conditions”: means these General Terms and Conditions of Business subject only to such amendments as may be agreed with Horwath HTL.

“Instruction”: shall mean the requirements set out in this agreement and includes the details of the Services, Fees, Expenses and Disbursements, together with these General Conditions and any conditions and/or documents expressly referred to herein, all of which shall be read as one as if set out in full herein.

“Schedule”: shall mean, where appropriate, any description of Services, Fees, Expenses and Disbursements, whether letter, list or other document.

“Special Conditions”: shall mean any conditions specifically applicable to the engagement and which, in case of conflict with the General Conditions, shall prevail.

“Services”: shall mean the services to be provided by Horwath HTL as specified in this proposal or variations or amendments thereto agreed by Horwath HTL in writing.

“Agreed by Horwath HTL” and “consent of Horwath HTL” shall mean the agreement in writing by an authorized person in Horwath HTL (or of any successor or assign).

AUTHORIZATION TO PROCEED ASSET MANAGEMENT

FOR PROPOSED TAPESTRY COLLECTION BY HILTON

To indicate your acceptance of this proposal and confirmation to engage Horwath HTL, please complete this form and forward it to Horwath HTL at the following address:

Horwath HTL
2472 Jett Ferry Rd
Suite 400-302
Dunwoody, GA 30338
Attention: Paul Breslin, Managing Director
Email: PBreslin@HorwathHTL.com

Following is the Horwath HTL wiring information:

Receiving Bank: Renasant Bank
Routing number: 084201294
SWIFT: RNSTUS42
Bank Address: 3415 George Busbee Pkwy NW, Kennesaw, GA 30144
Beneficiary Name: Panther Hospitality LLC dba Horwath HTL
Beneficiary Account: 8012933004

I, _____ on behalf of

_____, hereby
engage Horwath HTL for asset management services as described above, and accept the terms and conditions of this
proposal.

Signature _____

Title _____

Date _____

* We request that you confirm the identity and address of the party to whom we are to report, or to whom we should address the invoice, if different from above.