



LAWRENCEVILLE

GEORGIA

DOWNTOWN DEVELOPMENT AUTHORITY AGENDA

Monday, August 12, 2024
5:00 PM

Council Chambers
70 S. Clayton St, GA 30046

Call to Order

Approval of Agenda

Downtown Development Business

- [1.](#) Presentation on Honest Alley Study
- [2.](#) August 2024 Downtown Development Authority Treasurer's Report
- [3.](#) Metro Atlanta Redevelopment Summit Sponsorship
- [4.](#) Hotel Construction Monitor
- [5.](#) Hotel Asset Manager
- [6.](#) Hotel Development Agreement
- [7.](#) Hotel Management Agreement
- [8.](#) Intergovernmental Agreement between the City of Lawrenceville and the Downtown Development Authority Transferring Lightnin Rental to the Downtown Development Authority
- [9.](#) Discussion of Façade Grant Consideration

Mainstreet Business

Other Business

Citizen Comments

Executive Session - Real Estate

Final Adjournment



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AGENDA REPORT
MEETING: DOWNTOWN DEVELOPMENT AUTHORITY
AGENDA CATEGORY: DOWNTOWN DEVELOPMENT AUTHORITY BUSINESS

- Item:** Honest Alley Study
- Department:** Downtown Development Authority
- Date of Meeting:** Monday, August 12, 2024
- Fiscal Impact:** none
- Presented By:** Helen Balch, Deputy Director, Planning and Development
- Action Requested:** Honest Alley Study

Summary: Honest Alley Study



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AGENDA REPORT

MEETING: DOWNTOWN DEVELOPMENT AUTHORITY

AGENDA CATEGORY: DOWNTOWN DEVELOPMENT AUTHORITY BUSINESS

- Item:** August 2024 Downtown Development Authority Treasurer’s Report
- Department:** Downtown Development Authority
- Date of Meeting:** Monday, August 12, 2024
- Fiscal Impact:** none
- Presented By:** Board Member Perry Ward, Treasurer
- Action Requested:** August 2024 Downtown Development Authority Treasurer’s Report

Summary: August 2024 Downtown Development Authority Treasurer’s Report

Attachment:

- August 2024 Downtown Development Authority Treasurer’s Report

Downtown Development Authority of Lawrenceville
Repo date 08/01/24
Since Our Last Meeting

Checking Account (978)

Date	Description	Check #	Deposits	Withdrawals	Balance
06/30/24	Balance from last meeting				\$324,879.43
07/02/24	KB Advisory Group- College Cor TAD- pd online	240702		\$11,225.00	\$313,654.43
07/02/24	City of Lawrenceville - 50% DDA Exe. Director	1070		\$12,500.00	\$301,154.43
07/03/24	CoStar - autopay	240703		\$285.60	\$300,868.88
07/19/24	CoStar - autopay	240703		1,000.00	\$299,868.88
07/19/24	Mixed drink tax - May 2024	240719 742	\$13,456.95		\$313,325.83
07/31/24	Interest		\$26.02		\$313,351.85
Totals			\$13,482.97	\$25,010.60	
07/31/24	Actual Account Balance				\$313,351.80

Money Market Account - City \$1M (995)

Date	Description	Check/Ref #	Deposits	Withdrawals	Balance
06/30/24	Balance from last meeting				\$114,962.77
07/09/24	Lawrenceville Utility -135 Clayton St	240709		\$ 62.00	\$ 114,900.77
07/16/24	MPT- earnest \$ 185 Park Access Dr			\$ 10,000.00	\$ 104,900.77
07/16/24	Outgoing wire fee			\$ 30.00	\$ 104,870.77
07/31/24	Interest		\$18.64		\$ 104,889.41
Totals			\$18.64	\$ 10,092.00	
07/31/24	Actual Account Balance				\$104,889.41

Hotel Escrow Account (2342)

Date	Description	Check #	Deposits	Withdrawals	Balance
06/30/24	Balance from last meeting				\$1,334.93
07/31/24	Interest		\$0.11		\$1,335.04
Totals			\$0.11	\$0.00	
07/31/24	Actual Account Balance				\$1,335.04



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AGENDA REPORT

MEETING: DOWNTOWN DEVELOPMENT AUTHORITY

AGENDA CATEGORY: DOWNTOWN DEVELOPMENT AUTHORITY BUSINESS

- Item:** Metro Atlanta Redevelopment Summit Sponsorship
- Department:** Downtown Development Authority
- Date of Meeting:** Monday, August 12, 2024
- Fiscal Impact:** none
- Presented By:** Chairman Lee Merritt
- Action Requested:** Metro Atlanta Redevelopment Summit Sponsorship

Summary: Metro Atlanta Redevelopment Summit Sponsorship



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AGENDA REPORT

MEETING: DOWNTOWN DEVELOPMENT AUTHORITY

AGENDA CATEGORY: DOWNTOWN DEVELOPMENT AUTHORITY BUSINESS

- Item:** Hotel Construction Monitor
- Department:** Downtown Development Authority
- Date of Meeting:** Monday, August 12, 2024
- Fiscal Impact:** none
- Presented By:** Chairman Lee Merritt
- Action Requested:** Hotel Construction Monitor

Summary: Hotel Construction Monitor

Attachment:

- Hotel Construction Monitor



Owner Representation • Construction Management • Consulting Services

June 26, 2024

Ms. Lee Merritt
Chairman
Downtown Development Authority of Lawrenceville, Georgia
70 South Clayton Street
Lawrenceville, GA 30046

Re: Tapestry Collection Hilton Hotel
Lawrenceville, Georgia

Subj: Construction Monitor Services
Project: 24-015

Dear Ms. Merritt:

Please accept this proposal to provide Construction Monitoring Services for the Tapestry Collection Hilton Hotel in Lawrenceville, Georgia.

This document shall serve as a binding Agreement between **Alcala Construction Management, Inc.** (“ALCALA”) (Consultant) and **Downtown Development Authority of Lawrenceville, Georgia** (Client), upon execution.

Project Description:

The hotel is planned to be developed on an approximately 1.94-acre parcel in Downtown Lawrenceville, Georgia. The proposed Hotel is anticipated to be built and developed as a 120-room Tapestry Collection hotel. The proposed Hotel is owned and developed by the Downtown Development Authority (DDA). The proposed brand for this project is the Tapestry Collection by Hilton. The hotel programs and development budgets were provided by NorthPointe Hospitality, the Owner’s Representative of the subject Hotel, overseeing the construction.

The proposed property is projected to open in September 2025 and is expected to feature an upscale restaurant & bar and a market in the lobby, an optional rooftop restaurant & bar, a fitness center, a business center, and meeting spaces. The City has developed a parking deck of 380 spaces, including 113 on the top level that will be designated for hotel use and 268 for public use. The total development cost for the project is \$38,370,727 or \$319,756 per key, including the \$2,000,000 costs for the optional rooftop restaurant & bar, provided by Davenport & Company.

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CGC 1520802**



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SCOPE AND FEES:

ALCALA will work on behalf of the Client to provide construction oversight, in capacity as Construction Monitor, to ensure the project comes in on time and within budget. ALCALA will work in conjunction with the contractor and architect to review the payment draws and to provide a monitoring report that will be made publicly available, via posting on EMMA by Client, for all bondholders who financed the project.

Pre-Construction Document Review (PDR) Report

The PDR will evaluate the state of the documents related to design, planning, construction, and budget, and will be provided prior to finance closing. PDR reports typically include:

- Executive Summary
- Project Scope
- Evaluation of Construction and Design Agreements
- Summary of Contractor’s CPM Schedule (when submitted)
- Project Budgets
 - Total Project Source and uses
 - GMP Contract Amount
 - Contractor’s Schedule of Values
 - Contingencies
 - Sufficiency of Funds
- Insurances
 - Contractor
 - Architect
- Engineering Reports
 - Geotechnical Reports
 - Environmental Site Assessments (dated within 180 days of Closing)
- Construction Documents and POS
 - Drawings
 - Specifications
 - Preliminary Official Statement – Appendix A
 - ALTA Survey
- Review GMP Contracts
- Utilities, Permits, Approvals
- Conclusion

Documents required for review are listed on a Document Checklist which will be provided via separate cover and are requested a minimum of 30 days prior to Report submission.

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Monthly Construction Monitoring

Site visits will focus on the following items, which will be discussed in the monthly reports, as applicable:

- Construction Schedule
 - Actual Progress vs. Planned Schedule
 - Tracking Actual Dates of Substantial Completion vs. Contractual Dates
 - Potential Delay Items
 - Potential Extensions of Time – Change Orders, Weather, etc.

- Application and Certification for Payment
 - Billing Percentage
 - Stored Materials
 - Retainage
 - Proper Documentation

- Budget
 - Pending and Potential Changes
 - Change Order Documentation
 - Listing of Disputed Items
 - Buy-Out Status
 - Actual Billing vs. Planned Billing Projection
 - Status of Allowances
 - Construction Contingency Status
 - Sufficiency of Hard Cost Funds to Complete the Project

- Quality Issues/Open Items
 - Construction Quality Issues
 - Open Items
 - Compliance with Contract Documents
 - Protection of Materials Stored On Site

- Recap of Construction Contract Items
 - Contract Duration (Days, Weeks, or Months)
 - Weather Delays
 - Dates of Substantial Completion
 - Liquidated Damages or Penalties
 - Fee (Lump Sum or Percentage)
 - Retainage

- Electronic Site Key Plan and Digital Photographs (Approximately 25-36 at peak)

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Construction Monitor will certify, for each Disbursement Request for Hard and Soft Costs, per requirements of the Construction Disbursement and Monitoring Agreement (CDMA):

1. Construction is on time/on budget
2. Sufficiency of funds remaining in the Project Fund to complete the Project
3. There are no pending change orders that would adversely impact the time/budget

Should Construction Monitor not be able to certify the items listed above, an explanation will be provided to Client by Consultant as to why not; thus, this will provide Client the opportunity to help resolve any outstanding issues which will/may enable Construction Monitor to provide such certification.

Site visits will be conducted on a monthly basis, with dates and times to be mutually agreed upon and established at the initial project meeting. We recommend that site visits be attended by representatives of the main team members, including the Owner (or its representative), Developer, Architect, and Contractor, whenever possible. Visits will focus on construction progress, quality, and budget status. A meeting will be held, as part of the site visit, to discuss the items outlined in the monthly report.

Fees:

Pre-Construction Document Review –\$9,500.00 for time associated with producing and uploading the PDR Report, available via web-based mail.

Monthly Oversight Monitoring – Billed at \$7,500 per site visit, plus reimbursable expenses (outlined below). The fee includes site visit, plus the time associated with producing and uploading Reports, which will be available via web-based mail.

Additional Services – Including additional meetings, site visits, conference calls, detailed estimates, quantity take-offs, shop drawing review, etc., in addition to the regular monthly site visits will be billed as follows, plus reimbursable expenses:

- Hourly Rate - Billed at \$300 per hour, plus expenses
- Daily Rate – Billed at \$3,500 per day, plus expenses

Requests for additional services must be submitted by Client to Consultant, either by electronic mail (Email), FAX, or other written correspondence, and must include general scope of work being requested.



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Reimbursable Expenses:

All reasonable travel expenses, such as airfare, lodging, rental vehicle, fuel, tolls, parking, meals, and mileage (expensed at \$0.85 per mile) are in addition. Copies of receipts will be included, if requested by Client. Reports will be provided via web-based mail for Client to view.

Client to provide Consultant all documents necessary for completion of work; i.e., 3rd party reports, construction plans, specifications, etc. at no expense to consultant.

Payment:

Payment is due within 25 days of Consultant’s posting of Report(s) for Client view, and Consultant’s submission of electronic invoice in a manner and format consistent with Client’s construction draw process established in connection with the bonds issued to finance development and construction of the Project.

Consultant’s Qualifications:

Consultant shall perform all services under this Agreement in a professional and timely manner using its best professional judgment, and with the degree of care and skill ordinarily exercised under similar circumstances by members of the consulting profession performing the kind of services to be performed hereunder.

Consultant represents and warrants that Consultant and its representative(s) assigned to perform the services under this Agreement possess the requisite skill, training, and experience to render the services contemplated by this Agreement.

Indemnification:

Client shall indemnify and hold harmless Consultant and all its personnel, representatives, consultants, etc. from and against any and all damages, losses and expenses (including reasonable attorney's fees) arising out of, resulting from, or attributable to, claims made by third parties and relating to the Project or the services performed under this contract, but only to the extent not arising out of, resulting from, or attributable to, Consultant’s willful misconduct, gross negligence, or breach of this Agreement. Services provided by Consultant are not to be construed as legal advice or professional architectural or engineering services, but rather construction consulting as it relates to the property and project scope. Consultant does not assume or accept responsibility for design, construction, code compliance, or imply any warranties or guarantees for work performed by other parties in connection with this project.

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Exclusions and Disclaimer:

The scope of work is limited to readily accessible areas only. No testing is included. Client will be the sole addressee of each Report. The Reports are objective in nature with conclusions and recommendations based on observations, interviews, and other documentation as may be provided or otherwise available to Consultant. Although intended to be comprehensive in nature, Reports are subject to errors and omissions, and variations of interpretation. Client shall immediately contact Consultant upon discovery of any errors and/or omissions.

Safety:

Consultant requires safe access to all areas and shall not be required to walk on roofs or other areas which have a slope greater than 4:12, or any area which Consultant deems as unsafe. ALCALA does not provide ladders for access to any areas. OSHA approved; safe access shall be provided by others.

Insurance:

Consultant shall maintain Commercial General Liability and Workers Compensation coverage as follows:

CGL - \$1,000,000 each occurrence	WC & EL - \$100,000 Each Accident
\$ 100,000 Premises	\$100,000 Each Employee
\$ 15,000 Med Exp	\$500,000 Policy Limit
\$1,000,000 Personal Injury	
\$2,000,000 General Aggregate	
\$2,000,000 Products & Completed Operations Agg	

Additional coverage required by client may result in a premium charge to client under this contract.

Schedule:

Bond financing is anticipated in Fall, 2024. The construction period is estimated at approximately eighteen (18) continuous months, immediately following financing.

Monthly Monitoring Report

Report is due five (5) business days after date of inspection and receipt of all documentation from Client, including Disbursement Request, and delivered via web-based mail.

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Pre-Construction Document Review Report (Optional)

Report is due twenty (20) business days after receipt of all Project documents (listed on the Document Checklist) from Client.

Renewal and/or Termination:

Services which extend beyond two (2) years from the execution of this agreement may be subject to renegotiation. Either party upon written notification may terminate the contract. In such an event, or if the Project is cancelled, postponed, or rescheduled after execution of this agreement, Consultant shall be paid in full for all services performed under this agreement, including reimbursable expenses and percentage of work completed.

Applicable Law:

Consultant shall comply with all applicable laws in performing services. This Agreement shall be construed in accordance with the laws of the State of Georgia.

Complete Agreement:

This Agreement contains the entire agreement between the parties hereto with respect to matters covered herein. No other agreements, representations, warranties, or other matters, oral or written, shall be deemed to bind the parties hereto with respect to the subject matter hereof. Terms and conditions of this agreement can only be changed if agreed to in writing by both parties.

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Acceptance:

If the foregoing correctly sets forth the understanding between Client and Consultant, please indicate your agreement by signing in the space provided below, at which time this shall become a binding contract.

This proposal shall be valid for thirty (30) days from the date signed by Consultant. If not executed in that period, the Agreement may be withdrawn or subject to modifications.

Lee, Merritt, Chairman
Downtown Development Authority of Lawrenceville, Georgia

Date

June 26, 2024

Rick Alcala, President
Alcala Construction Management, Inc.

Date

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AGENDA REPORT
MEETING: DOWNTOWN DEVELOPMENT AUTHORITY
AGENDA CATEGORY: DOWNTOWN DEVELOPMENT AUTHORITY BUSINESS

Item: Hotel Asset Manager
Department: Downtown Development Authority
Date of Meeting: Monday, August 12, 2024
Fiscal Impact: none
Presented By: Chairman Lee Merritt
Action Requested: Hotel Asset Manager

Summary: Hotel Asset Manager

Attachments:

- REVPAR International
- JLL
- Horwath HTL

June 13, 2024

Mr. Keith Lee
Chief Financial Officer
City of Lawrenceville
70 South Clayton Street
PO Box 2200
Lawrenceville, GA 30046



1020 N. Fairfax Street
Suite 320
Alexandria, VA 22314
Phone: (703) 838-9707

Email: keith.lee@lawrencevillega.org

Re: The Lawrence Hotel, a Tapestry Collection by Hilton, Lawrenceville, GA

Dear Mr. Lee:

REVPAR International, Inc. is pleased to submit this proposal for our services in connection with undertaking consulting/advisory services relative to the above-referenced hotel.

ABOUT REVPAR INTERNATIONAL

REVPAR International, Inc. is a full-service advisory and asset management firm exclusively dedicated to the hospitality (lodging) industry. The firm was established in 1992, giving it 30+ years of successful service to the hospitality industry and its various stakeholders. During that time, we have undertaken thousands of hospitality-related projects, including market studies, appraisals, acquisition analysis, and asset management assignments. For a list of projects undertaken by the professionals at REVPAR International, please visit our website at www.revparintl.com. Additional information on REVPAR International is provided in the Addenda.

Specific to technical services and asset management, REVPAR International’s advisors are trusted, experienced individuals working on behalf of a variety of owners, operators, and other participants in the hospitality industry. As asset managers, REVPAR International’s advisors act as fiduciaries for ownership and other non-operational stakeholders in the hotel asset seeking to accomplish the objectives of such clients through a wide variety of assignments. Essentially, we are here to assist our clients achieve higher financial returns on their hospitality investments and/or create enduring value in a lodging asset.

UNDERSTANDING THE ENGAGEMENT

We understand that the City of Lawrenceville issuing bonds to support the develop of an upscale hotel in downtown Lawrenceville. At this time, you may require general advisory and technical services on a variety of items on an as-needed basis during the financing, pre-development, development, construction and pre-opening periods of the project. Once the hotel opens, you may require asset management services to ensure that the hotel operator’s objectives remain aligned with that of the City of Lawrenceville’s going forward. Based on the foregoing, our approach to the assignment has been divided into two separate components as follows:

- Component 1 – Technical Advisory and Pre-Opening Services
- Component 2 – Asset Management Services

We have described each of the components in more detail on the following pages.

METHODOLOGY

COMPONENT 1 – TECHNICAL ADVISORY AND PRE-OPENING SERVICES

REVPAR International will advise and/or assist you as Owner on an as-needed basis (or more frequently if requested) during the financing, development and construction process relative to the hotel project. In

essence, the objective of our technical services is to provide you with on-going access to our knowledge base, experience and contacts within the industry, which in turn can be used by you to make the most informed decisions as regards the project and the operator's decisions so as to bring it to fruition in an expeditious and cost-effective manner. Examples of the technical services that can be provided under this agreement include, but are not necessarily limited to, the following areas of assistance:

1. Review, negotiate and/or advise on the hotel management agreement to be secured with the 3rd party hotel operator;
2. Assist with pertinent advice and analysis relative to the upcoming bond offering which will provide financing for the hotel;
3. Attend meetings as needed or requested between Owner and/or any of its consultants or team members to review pertinent aspects of the project and development;
4. Recommend/suggest or validate any value engineering to assist in meeting budget objectives;
5. Undertake market research and due diligence work as needed;
6. Assist Owner with any brand or financing/lender issues or requests as needed;
7. Review, negotiate and/or advise on the value/relevancy of any proposed leases, technical services, operating agreements put forth by the hotel operator or 3rd parties for services or products to be used at the Asset and assist in direct negotiations with the vendors on behalf of ownership and/or the Hotel Operator;
8. Evaluation of and assistance in interpretation of any terms of the hotel management or franchise agreement;
9. Review and approve the pre-opening budget for subsequent Owner approval; this includes all pre-opening labor, OS&E, sales and marketing programs, and IT;
10. Review and approve pre-opening payments to hotel operator based on submitted invoices;
11. Evaluation of key staff:
 - a. Review credentials and experience of proposed new hires to the hotel executive management team and interview all such candidates on behalf of Owner; subsequently make recommendations to Owner, as appropriate.
 - b. Review compensation packages of key executive management personnel for reasonableness and approval by ownership. The executive management team is defined as the General Manager, Director of Finance, Rooms Director, Director of Sales and Marketing, Director of Revenue Management, F&B Director, Human Resource Director, Chief Engineer, Executive Housekeeper, and the Executive Chef;
12. Evaluate pre-opening marketing and sales efforts for Asset with the objective of assessing budgets and ROI and ability to create awareness in pertinent markets;
13. If needed, we will recommend potential PR agencies for the Asset and, at Owner's request, conduct a formal or informal "RFP-style" process to select an agency for the Asset;
14. Assist in the arrangement of appropriate opening functions and ceremonies for the Asset;
15. Participate in brand and operator inspections and reviews from time-to-time in coordination with Project Manager, as applicable, during the construction and pre-opening period, as the Owner may request; and
16. Use our efforts as reasonably expected in our capacity as an advisor to do all other things reasonably necessary for the proper and timely opening of the Asset in accordance with industry standards, within the confines of the Pre-Opening Budget.

Please note that our advice and recommendations are not intended for the purpose of determining constructability or compliance with applicable codes and laws.

COMPONENT 2 – ASSET MANAGEMENT SERVICES

Upon receipt of the annual budget plan and based upon your authorization to proceed, REVPAR International will provide on-going asset management services to the City of Lawrenceville, acting as their

owner's representative with the hotel management team.

Prior to commencing the work, we will meet with you to discuss and understand your overall objectives of the Asset over the short and long term - to include sales and marketing, guest satisfaction, financial, and human resources, among others, along with any specific strategies anticipated, and the time frame over which that is to occur. These objectives will then be used as the basis of our asset management strategy and tasks while asset managing the hotel on your behalf. We can also discuss the advantages, disadvantages, opportunities and limitations associated with your financial objectives for the Asset and our strategy to achieve them.

ANNUAL BUDGET PLAN

Initially, we will review and approve the annual budget plan for the first operating year of the Asset in conformance with the terms of the hotel management agreement. If such first operating year is shorter than six months, we will review the plan for the second operating year. The annual budget plan shall be generated and provided to Owner by Operator according to the terms of the hotel management agreement, but typically at least 30 to 60 days prior to the anticipated opening date. Once the annual budget plan has been approved, we will then begin our on-going asset management services, which are summarized in the following tasks.

WEEKLY/MONTHLY ASSET MANAGEMENT SERVICES

1. Review monthly financial statements and related reports of management and analyze performance, where applicable, against budget, comparable hotels, competitive hotels, and owner's expectations/objectives.
2. Review weekly and monthly STR reports.
3. Participate in monthly Owner meeting and question management with respect to financial performance, sales and marketing trends, and general operations and CapEx.
 - a) Assist/coach management in the identification and exploitation of new revenue opportunities if and as available in order to boost positioning, guest experience and profitability.
 - b) Assist/coach management in the identification of opportunities to reduce particular expenses together with the potential risks and profitability enhancements associated with such cost cutting.
 - c) Monitor the performance of management and assist and coach management in identifying areas with potential for improvement or areas where management may not be in full compliance with current industry standards.
4. Review monthly (and quarterly) forecasts submitted by management and analyze same against the annual operating budget, year-to-date trending, current booking pace, and reservation levels, etc.
5. Maintain current knowledge of Asset and corporate initiatives and proposed changes in delivery standards that have the potential to positively or negatively impact the performance of the Asset or its ability to service its guests and groups.
6. Review weekly and monthly social media reports on hotel, and all guest service-related reports and scores on the Asset to ensure that it meets and ideally exceeds customer expectations and ranks within the defined top ranking of the brand system.
7. Ongoing review of Asset's market position and competitive set position to ensure that the Asset is properly positioned against its most consistent and direct competitors.
8. Monitor local and regional economic, demographic and legal developments (e.g., employment trends, capital market movements, zoning changes, etc.) that have the potential to materially impact the Asset (either positively or negatively) and develop strategies to accentuate or mitigate, as the case may be, the impact thereof on the Asset.
9. Participate in weekly revenue management and operations call.
10. Ongoing review and analysis of all pricing policies and other revenue centers together with a detailed analysis of major line-item expenses including departmental expenses, undistributed expenses, and

fixed charges.

11. Review and analysis of any capital requests submitted by management so that we can develop recommendation as to their need and ROI potential to the Asset.
12. Review and analysis of any proposed equipment leases, space leases, licenses, concessions or similar arrangements concerning the Asset put forth by management for owner approval.
13. Monitor hospitality industry developments (e.g., employment issues, union factors, ADA legislation, occupancy tax trends, etc.) that have the potential to materially impact the Asset (either positively or negatively) and develop strategies to accentuate or mitigate, as the case may be, the impact thereof on the Asset operation.
14. Assist management company on large CapEx projects but not directly conduct any PM services.
15. Review menu engineering and make recommendations/suggestions on proposed outlet and catering menu changes.
16. Assist property level team with engaging parent brand from ownership perspective to address issues at Asset in a more timely, efficient fashion.
17. Review, comment, and negotiate potential extensions/addendums to the HMA.
18. Periodically evaluate and comment on PR strategy, digital media, ROAS performance, and other media.

Please note that we would plan to visit the Asset once every other month, typically done in conjunction with distribution and review of the monthly financial package provided by the Operator to the Owners. For the interim months, we would conduct the meeting virtually.

ANNUAL ASSET MANAGEMENT SERVICES

1. Review Annual Budget Package/Plan as submitted by Operator, to include:
 - a. Financial operating budget
 - b. Sales and marketing plan
 - c. Management's assessment of the Asset's competition, its competitive position, changing market mix and local visitation trends; review of any large group accounts and other sources of demand
2. Question management accordingly to ensure that the marketing plan creates a well-conceived basis for pricing and other operational decision-making in the year ahead.
3. Review and thoroughly analyze management's proposed annual operating budget, especially as it evolves from the marketing plan and perceived changes in the local operating environment. Compare budget to the actual and/or budgeted performance of comparable hotels.
4. Question and challenge management, as appropriate, in order to ensure that the annual operating plan is sufficiently aspirational without being unrealistic.
5. Evaluate the hotel's cost of acquisition by channel/market segment.
6. Make approval recommendation to ownership, as appropriate, and "benchmark" Asset's actual financial results against such approved annual budget thereafter.
7. Review and thorough analysis of management's proposed annual capital plan and any justification thereof. Thoroughly question and challenge management with respect to the return-on-investment or other support for any given capital project in order to ensure that funds are invested strategically.
8. Review timing of capital projects with respect to displacement of business, as necessary, in order to minimize same.
9. Review material contracts for goods and services (including insurance policies, if applicable) utilized by management and "benchmark" same against the "market" for such goods and services adjusting, as necessary, to ensure a fair comparison.
10. Review the Asset's or management's relationships with vendors or service providers, if any, and the cost-benefit of such relationship.
11. Review credentials and experience of on-site management team.
12. Evaluate real estate assessments (if applicable) for opportunities to successfully challenge values and

realize savings on ad valorem taxes. As appropriate, recommend 3rd party experts to challenge local assessments and assist such experts in order to maximize prospects for success.

In conjunction with the delivery of the Annual Plan by the Operator to ownership (typically about 30 to 45 days out from January 1st), we would plan to visit the Asset and have the Operator present the Annual Plan to us, along with ownership, along with their supporting rationale and strategies in achieving it. From here, we will make recommended changes to the plan as appropriate until it is finalized and approved by Ownership.

QUARTERLY OR AS-NEEDED ASSET MANAGEMENT SERVICES

1. **Interview Management Candidates** – Review credentials and experience of proposed new hires to the management team. Interview all such candidates on behalf of Client and make recommendations to Client, as appropriate.
2. **Quarterly Operational Review Meetings** – In our experience, it is helpful to organize quarterly meetings at the Asset with ownership and management to review all aspects of current operations and the current forecast.
3. **Evaluation and Recommendation of Sales and Marketing Affiliations** – Evaluate all marketing and sales affiliations of the Asset with the objective of increasing revenue and awareness of the Asset to all its target and aspiration markets. If needed, REVPAR will recommend potential new agencies for the Asset and, at Client’s request, conduct a formal or informal “RFP-style” process to select an agency for the Asset. The Asset Manager will also assist Owner in the negotiation of key contracts with any sales and marketing agency.

EXCLUDED SERVICES

The above Services are not intended to include (i) any advisory or asset manager services of a type that are not generally provided within the above scope, (ii) “extraordinary” advisory or asset management services that would not generally be contemplated within agreements of this type or provided to the Asset in consideration for the compensation described herein, or (iii) specialized services that are only properly provided by specifically licensed or credentialed professionals. Among the excluded services, without limitation, are the following:

- Accounting or preparation of annual or monthly profit and loss statements;
- Acquisition due diligence services;
- Appraisal or formal valuation services;
- Hotel brand changes, evaluation, or negotiation;
- Capital project management services;
- Design, construction, engineering, mechanical, structural, electrical or similar services;
- Detailed market research, consumer surveys, focus groups, or similar services;
- Forensic accounting, auditing, fraud detection, or bookkeeping services;
- Insurance loss adjustment and related advisory services;
- Legal advice or services, including litigation support services;
- Management/operator changes, evaluation, or negotiation;
- Negotiation and finalization of major ground leases or hotel management agreements;
- Negotiation of joint venture or partnership agreements or loan documents, etc.;
- Origination of debt and equity;
- Preparation and prosecution of challenges to ad valorem tax assessments;
- Promotional, public relations and media relations services;
- Real estate brokerage; and
- Others.

Some of the foregoing services may be offered by or available through REVPAR or its strategic partners even though they are not contemplated as services to be provided to the City of Lawrenceville and under this Agreement. The City of Lawrenceville may negotiate a separate agreement with REVPAR with respect to any Excluded Services that they desire to have REVPAR provide with respect to the Asset and as to which REVPAR is otherwise qualified to perform.

Also, in any instance where an aspect of the hotel operations falls outside our field of expertise, we would look to hire a 3rd party expert as needed (based upon your approval) to assist in those areas. Examples include IT-setup, insurance risk management, property condition reports, facility engineering, legal issues, etc.

DELIVERABLES

All REVPAR International deliverables will be submitted to you electronically in Adobe PDF format. Following are the deliverables for each component:

- Component 1 – REVPAR International will prepare letters/memos as needed.
- Component 2 - REVPAR International will utilize a proprietary model to submit a MAME (Monthly Asset Management Evaluation) report by the end of the month for the previous month. REVPAR’s MAME report summarizes and analyzes financial and operation information, as well as highlights key metrics, relevant data, and our findings and conclusions about the Operator’s recent achievements or lack thereof, for Asset for the previous month and on a cash basis.

PROFESSIONAL FEES, EXPENSES AND RETAINER

Our professional fees for undertaking the above assignment are based on our hourly rates multiplied by the time required to complete the assignment. Our hourly billing rates are as follows:

Project Director	\$565.00 to \$610.00
Project Managers	\$250.00 to \$425.00
Analysts	\$125.00 to \$240.00
Administrative Staff	\$100.00

Based on the foregoing, our professional fees for providing the services outlined will be as follows.

- Component 1 - Technical Advisory Services ⁽¹⁾ Hourly up to a max of \$8,500 per month
- Component 2 - Asset Management Services ⁽²⁾

Base Monthly Fee	One percent (1.0%) of total revenues or \$8,500.00 per month, whichever is greater.
Incentive Asset Management Fee	2.0% of change in year-over-year EBITDA (Before Reserve & Operator IMF) starting with Year 3.

Notes: ⁽¹⁾ The quoted fees are for the first 4 months. After the initial 4 months, The City of Lawrenceville and REVPAR agree to meet to discuss the progress of the assignment and, based on that review, will review the terms of the Agreement and any need to revise the fee structure going forward.

⁽²⁾ The quoted monthly fees are for the first 12 months. After the first year, The City of Lawrenceville and REVPAR agree to meet to discuss the progress of the assignment and, based on that review, will review the terms of the Agreement and any need to revise them going forward.

In addition, we request reimbursement for out-of-pocket expenses incurred in performance of the assignment such as travel, subsistence of the consultants during fieldwork, telephone, economic/demographic information, and overnight courier services. Please note that all asset management assignments are charged an annual \$1,250 flat fee for IT costs and access to secondary data sources such as *CoStar* data, *CBRE Benchmarkers*, etc.

BILLING

We will invoice the City of Lawrenceville for our fees each month. As is customary in assignments of this nature, we request a retainer prior to commencing the work. *REVPAR* shall apply the retainer against the last bill. All fees and expenses are payable prior to submission of any final deliverable or report.

This Proposal assumes that *REVPAR* is engaged to perform traditional technical advisory and asset management services on behalf of the City of Lawrenceville as the entity in control of the Asset. Please be advised that portions of this Proposal, including, without limitation, the quoted fee and engagement term, may need to be revised if *REVPAR*'s role were to materially change from that contemplated herein.

TIMING

Based on current commitments, we would be prepared to commence the assignment immediately upon your authorization to proceed and receipt of the requested retainer. Barring any unusual circumstances, timing for each component will be as follows:

- Component 1 – We will be available to you on an as needed basis.
- Component 2 – Upon the opening date of the hotel.

TERM AND TERMINATION

The City of Lawrenceville and *REVPAR* agree to meet 4 months and 12 months after the Effective Date of Component 1 and Component 2, respectively, to discuss the progress of the assignment and, based on that review, will review the terms of the Agreement and any need to revise them going forward.

Notwithstanding anything to the contrary contained or implied herein the City of Lawrenceville shall have the right to terminate our Component 1 services upon thirty (30) days prior written notice to *REVPAR*. Sepcific to Component 2, the City of Lawrenceville shall have the right to terminate our Component 2 services upon sixty (60) days prior written notice to *REVPAR*. In the event of a termination of our Component 1 services, there is no termination fee. In the event of termination of our Component 2 services in this Agreement by the City of Lawrenceville prior to the end of the initial 12-month period of the formal opening date of the hotel, *REVPAR* shall be entitled to an early termination fee equal to two (2) months of professional fees.

ACCEPTANCE

If the foregoing correctly states the nature of the work you wish undertaken at this time, you agree to the *General Provisions* on the following page, and arrangements are satisfactory, please sign a copy of the “Acceptance and Retainer Invoice” page (provided on the last page) and return it to us, as our authorization to schedule the assignment. If you have any questions or require further explanation, please let us know.

We certainly appreciate the opportunity to submit this proposal and look forward to working with you on this interesting assignment.

Sincerely,
REVPAR International, Inc.



Richard E. Pastorino
CEO/Principal

GENERAL PROVISIONS

SCOPE OF WORK

REVPAR International shall perform the services defined in this proposal provided that this proposal is properly executed within thirty (30) days. Otherwise, the proposal shall be deemed null and void and no services will be provided in connection therewith.

All Services rendered by REVPAR hereunder shall be performed to the best of REVPAR's ability in the best interests of the Client with respect to the Subject Hotel. REVPAR shall perform the Services and tender its recommendations with a view toward (a) maximizing the profits of the Subject Hotel and (b) creating the maximum asset value in the Subject Hotel, always consistent with the precepts of prudent real estate and lawful, safe hospitality operations. To the extent that REVPAR is made aware of specific objectives and intentions of the Client with respect to the Subject Hotel or any aspect thereof, then REVPAR shall discharge its obligations hereunder with such specific objectives and intentions in mind. **The Client expressly acknowledges that any recommendations made by REVPAR in the course of performing the Services hereunder necessarily involve subjective judgments and may result in unintended, adverse consequences. REVPAR shall not be responsible for any such negative consequences so long as REVPAR acted in good-faith and with reasonable care and diligence.**

PAYMENTS

Subsequent to receiving the "retainer," REVPAR International will invoice the Client upon completion of each component or on a monthly basis at rates shown in the "Professional Fees" section. Any estimates of professional fees or expenses as stated in the proposal shall not be construed as a fixed quote but only an estimate unless otherwise specifically stated in this proposal. REVPAR International will provide any additional services over and above the defined scope at our standard hourly rates unless other arrangements are agreed to in writing. The professional fees and hourly rates provided are valid for ninety (90) days from the date of this proposal unless otherwise stated in the proposal.

REVPAR International also requires reimbursement for out-of-pocket expenses incurred in performance of the assignment, such as travel, meals, and lodging. Such out-of-pocket expenses shall be billed to the Client at cost without mark-up or premium. In addition to the foregoing, all projects are charged a flat fee for economic-demographic data and IT costs.

Payments will be due and payable in full within thirty (30) days of the date of the invoice. If fees and expenses that have been invoiced to the Client are not paid in full within thirty (30) days of the due date, REVPAR International reserves the right to pursue all lawful remedies including work stoppage and retention of all documents. In the event a lien or suit is filed or arbitration is sought to collect overdue payments under the Agreement, the Client agrees that the prevailing party shall be entitled to collect for its legal fees, court costs, and all other expenses reasonably related to the claim in question. In the event the Client fails to pay an invoice in full, REVPAR International shall have the right to institute collection procedures. The Client shall be responsible for all costs of collection including litigation costs, reasonable attorney's fees, and court costs.

OWNERSHIP OF DOCUMENTS

All reports, data, calculations, and supporting records or materials acquired, compiled or prepared by REVPAR International as instruments of services shall remain the property of REVPAR International. During the course of the assignment, REVPAR International will deliver the stated deliverables per the proposal. Under no circumstances shall the Client be entitled to any proprietary computer models, which have been

specifically designed by REVPAR International for the preparation of hospitality-related feasibility studies, valuations, and appraisals, among other analyses. These models will remain the property of REVPAR International, Inc.

The Client agrees that all reports and other work furnished to the Client or its agents, which are not paid for, will be returned upon demand and will not be used by the Client for any purpose whatsoever.

USE AND DISTRIBUTION OF DELIVERABLES

Our report and any associated materials submitted to the Client may not be used in any prospectus or printed material used in connection with the sale of securities or real estate, or participation interests to the public, or in any newspaper publicity or other public forum, without our express prior written consent. The scope of our study and reports thereon will not include the possible impact of zoning or environmental regulations, licensing requirements, or other restrictions concerning the proposed project except where such matters have been brought to our attention and are disclosed in the report.

Reuse of any material described above by the Client on extensions of this project or on any other project without REVPAR International's written authorization shall be at the Client's risk, and the Client agrees to indemnify, defend, and hold harmless REVPAR International from all claims, damages and expenses, including attorney's fees, arising out of such unauthorized use or reuse.

AGENCY, LIABILITY & INDEMNITY

In taking any action pursuant to this Agreement, REVPAR will be acting as an agent for the Client subject to the conditions and limitations hereunder, and all debts and liabilities to 3rd persons incurred by REVPAR in the course of its activities hereunder, shall be the debts and liabilities of the Client and REVPAR shall not be liable for any such debts or liabilities. Nothing in this Agreement shall be construed as (a) creating a partnership or any other relationship between the parties hereto, except that of principal and agent, or (b) as requiring REVPAR to bear any portion of any losses arising out of or connected with the Subject Hotel or operations of the Subject Hotel. REVPAR, including its agents, employees and subcontractors, shall not be liable to the Client, the management team or to any other person or entity for any act or alleged act of omission, negligence or gross negligence in the performance of or arising from this Agreement, excepting only fraud. The Client shall indemnify REVPAR, including its officers, employees, agents and subcontractors (individually and collectively, the "Indemnitees"), from and against any and all damages, including attorney's fees and other litigation defense costs, which the Indemnitees may incur in connection with or arising from REVPAR's performance under this Agreement. The indemnification set forth in this section shall survive the termination of this Agreement and remain enforceable by the Indemnitees against the Client after the Maturity Date or any other earlier termination of this Agreement.

Since the estimates contained in our report will be based on assumptions about circumstances and events that are inherently subject to uncertainty and variations, we cannot guarantee that the results will actually be achieved. We will exercise our best efforts, however, and will assign to the work professional personnel having the required competence. In any event, our liability to you for any damages arising out of our results or recommendations will not be greater than the amount paid to us for the professional services provided. You will indemnify and hold us harmless from, and at our option will defend us against, costs or liabilities of any nature whatsoever which result from claims against us by third parties in connection with our work on your behalf, except that this indemnification

will not apply to the extent that a final judicial decision results in a finding of gross negligence or willful misconduct against us.

Any projections of future rents, expenses, net operating income, mortgage debt service, capital outlays, cash flows, inflation, capitalization rates, discount rates, or interest rates are intended solely for analytical purposes and are not to be construed as predictions of REVPAR International and/or the appraiser. They represent only the judgment of the authors as to the assumptions likely to be used by market participants and sellers active in the marketplace, and their accuracy is no way guaranteed.

No shareholder, trustee, partner, member, beneficiary, director, officer, manager, security holder, employee, agent, representative or other person acting for or on behalf of REVPAR International or Owner shall have any personal liability for any obligations entered into for or on behalf of such party, and the assets of any such person shall not be subject to any claims or actions relating to any obligations of such party. This shall survive the termination of this project and proposal.

ASSIGNMENT

REVPAR may not assign, pledge or encumber its interest, or any portion thereof, in this Agreement without the prior written consent of the Client, which consent shall not be unreasonably withheld. The Client may, without the consent of REVPAR, assign its interest in this Agreement to any successor-in-interest that acquires all or substantially all of interest in the Subject Hotel provided that the Client shall remain secondarily liable to REVPAR for the contractual obligations hereunder of such successor-in-interest to the Subject Hotel that becomes the Client's assignee hereof. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns.

CONFLICT OF INTEREST & CONFIDENTIALITY

During the Term hereof, REVPAR will not enter into an asset management agreement for another hotel that competes directly with the Subject Hotel without the Client's prior consent. REVPAR will keep confidential any and all sensitive information about the Subject Hotel which REVPAR may obtain during the course of providing the Services hereunder.

USE OF NAMES AND IMAGES BY REVPAR INTERNATIONAL

The Client hereby agrees that REVPAR may use the name and/or image of the Subject Hotel and the identity and/or any trademarks or servicemarks of the Subject Hotel for REVPAR's own promotional purposes. REVPAR may, without in any way limiting the generality of the preceding sentence, distribute a press release describing its engagement by the Client as evidenced by this Agreement. This provision shall survive the termination of this Agreement and shall remain in full force and effect

by and between the parties hereto.

NOTICES

All notices relating to termination, assignment, or material breach shall be sent to the parties at the addresses listed below by certified mail or overnight courier. All other notices may be sent by regular mail. Notice by facsimile or email transmission shall be effective upon receipt but shall be confirmed by certified mail or overnight courier, as is appropriate to the type of notice. Notices to the parties shall be addressed as follows, provided, however, that either party may, from time to time, designate different individuals and/or addresses to which notices are to be delivered.

To Client	To REVPAR International:
Mr. Keith Lee Chief Financial Officer City of Lawrenceville 70 South Clayton Street PO Box 2200 Lawrenceville, GA 30046	Mr. Richard E. Pastorino Principal REVPAR International, Inc. 1020 N. Fairfax Street Suite 320 Alexandria, VA 22314
Email: keith.lee@lawrencevillega.org	T: (703) 650.9640 Email: r.pastorino@revparintl.com

MISCELLANEOUS PROVISIONS

(a) Any waiver of any provision hereof shall be deemed to be given only for the provision or the occasion involved, and shall not be deemed a waiver of any other provision or for the future. (b) This Contract shall be governed by and shall be construed and interpreted in accordance with the law of the State of Florida. (c) Headings have been inserted for convenience only, and shall not be considered in, or affect in any way, the interpretation of this Contract. (d) In the event that a dispute arises under this Agreement, the prevailing party in any litigation or arbitration will be entitled to recover all costs and expenses incurred in this action, including reasonable attorney's fees.

ENTIRE AGREEMENT

This agreement constitutes the entire Agreement between the parties and shall supersede any and all negotiations or prior oral and/or written agreements between the parties prior to the date hereof, and no modification of the Agreement shall be binding unless evidenced by an agreement in writing signed by the parties.

Any change in this agreement shall be confirmed in writing.

ACCEPTANCE & RETAINER INVOICE

June 13, 2024

BILL TO		FROM
Mr. Keith Lee Chief Financial Officer City of Lawrenceville 70 South Clayton Street PO Box 2200 Lawrenceville, GA 30046 Email: keith.lee@lawrencevillega.org		REVPAR International, Inc. 1020 N. Fairfax Street, Suite 320 Alexandria, VA 22314 Telephone: (703) 838-9707 Email: accounting@revparintl.com Federal Tax ID Number: 52-1795367
PROJECT INFORMATION		PROPOSAL NUMBER:
Proposed Hotel Lawrenceville, GA		7227
ACCEPTANCE	RETAINER	
Component 1 – Technical Advisory Services	\$8,500.00	
Name	_____	
Signature	_____	
Date	_____	
Component 2 - Asset Management Services	\$8,500.00	
Name	_____	
Signature	_____	
Date	_____	
TOTAL DUE		<input type="text"/>
(Please add retainer amounts)		

ADDENDA



REVPAR
International

HOSPITALITY ADVISORY & ASSET MANAGEMENT

WASHINGTON, DC | MIAMI | DENVER



*Customized
Advice and
Representation
to Hotel
Stakeholders*

Development

Operations

Asset Management





We are a full-service advisory and asset management firm exclusively dedicated to the hospitality industry. The firm was established in 1992, giving it 30 years of successful service to the needs of the hospitality industry at large and its various stakeholders. Since inception, our consultants have undertaken over 4,500 projects throughout the United States, Caribbean, Europe, Middle East, and Asia. We have worked on virtually every U.S. hotel brand within the industry.

We serve the needs of the hospitality industry-at-large and its various stakeholders, by providing unparalleled sector experience; a broad industry network; global reach; and well-researched, detailed reports.

Premier Hospitality Advisory & Asset Management

Global in Scope

- North America
- Central America
- Caribbean
- Asia
- Europe
- Middle East

**We Bring 30+ Years of Building and Solidifying Relationships
With Industry Stakeholders - Including Owners, Brands, 3rd
Party Operators, Lenders, & Vendors**

Asset Types

We advise on all hospitality-related facilities with dedicated industry expertise.

Lodging Establishments

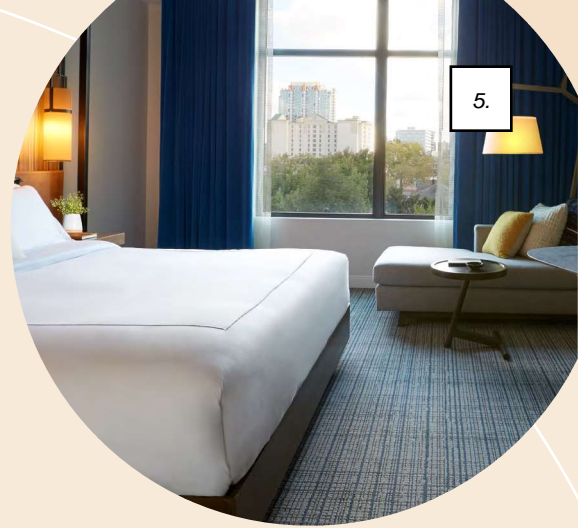
- All-Inclusive Resorts
- All-Suite Hotels
- Condo-Hotels
- Convention Hotels and Resorts
- Cottages
- Destination Resorts
- Extended-Stay
- Full-Service
- Inns
- Limited-Service
- Luxury Hotels
- Recreational Lodging
- Select-Service
- University-Related Hotels

Meeting Facilities

- Civic Centers
- Convention/Conference Centers
- Executive Conference Centers
- Meeting/Banquet Halls

Restaurants/ Food & Beverage

- Cafeterias
- City County and Community Clubs
- Concessions
- Contract Food Service
- Employee Food Service
- Full Menu Restaurants (Formal & Casual)
- Grab and Go
- Limited Menu Restaurants
- Lodging Food Service (Within Hotels and Free-Standing)
- Military Food Service
- Quick Service Restaurants
- Recreation Food Service
- Theme Restaurants



Other Recreational Facilities

- Bowling Alleys/Centers
- Campgrounds/RV Parks
- Child Development Centers
- Clubs
- Entertainment Complexes
- Field and Court Sports
- Fitness Centers
- Golf Courses and Clubhouses
- Marinas
- Tennis
- Recreation Centers
- School Age Centers
- Spas
- Swimming
- Youth/Teen Centers





Our Core Services and Clients

Our services are customized and tailored to your needs and situation.

For Proposed Facilities

- Appraisals and valuation studies
- Brand evaluation, selection, and negotiation
- Development services
- Due diligence
- Economic impact analysis
- Facilities planning and recommendations
- Feasibility studies (market and financial)
- Litigation support
- RFP process for brands, operators, architects, etc.
- ROI analysis
- Technical advisory services

For Existing Facilities

- Acquisition due diligence
- Appraisals and valuation studies
- Asset management
- Brand evaluation, selection, and negotiation
- CapEx and PIP requirement assessments
- Value enhancement strategies / Repositioning
- Feasibility studies (market and financial)
- Litigation support
- Management/ownership issues and deal structure
- Operational reviews
- RFP process to identify brands, operators, etc.

Our Clients

- Private Hotel Investors (Stateside & International)
- Hotel Operators (Branded & Independent)
- Hotel Developers
- Banks and Financial Institutions
- Country and City Clubs
- Universities and Colleges
- Fortune 500 Companies
- Public-Sector Government Agencies (City, County, State, and National)
- International Tourism Agencies
- U.S. Military/Department of Defense
- Law Firms
- Other Professional Groups

Asset Repositioning/Redevelopment/ Capital Project Modeling

- Identify best redevelopment strategies and product/brand positioning;
- Prepare and evaluate pro forma projections for multiple scenarios;
- Analyze all factors relating to deferred maintenance, brand PIPs, and market appropriate renovations/refurbishments;
- Prepare detailed property assessment reports for redevelopment plans and CapEx programming.

Ongoing Asset Review Services

- Comprehensive operational reviews;
- Ensure effective cost-containment practices;
- Evaluate the operator’s ability to contain costs and maximize hotel profitability;
- Develop and implement new revenue opportunities;
- Prepare economic feasibility and ROI analyses for asset related projects;
- Participate in the development of annual asset strategic plans, capital improvement plans, and operating budgets; and
- Benchmark the operator’s performance against comparable defined competitive hotel set and comparable assets, if applicable.

Internal Asset Valuations

- Prepare internal asset valuations to assess ROI;
- Prepare detailed pro forma operating results and valuation estimates for ownership;
- Monitor performance of hotel’s market and competitive sets;
- Analyze market conditions and assess how it will impact the asset’s revenues and profitability.

Asset Management Services



Custom Services

Tailored to

Your Needs

Our Value to You

- Trusted & Experienced Asset Managers
- Extensive Management, Market & Financial Knowledge
- Hands on Experience With All Chain Scales
- Current on Brand Standards
- Investor Profile Experience
- Wide Variety of Strategies and On-Going Tasks
- Ensure You Achieve the Highest Financial Returns
- Create Enduring Value



LUXURY RESORTS



UPPER-UPSCALE HOTELS



UPSCALE HOTELS



MIDSCALE & ECONOMY HOTELS

Preserving &
Enhancing
Owner Value



REVPAR International

HOSPITALITY ADVISORY & ASSET MANAGEMENT



Richard E. Pastorino, ISHC
CEO/Principal

TELEPHONE: (703) 838-9707

EMAIL: r.pastorino@revparintl.com



Christopher Cylke, ISHC
Chief Operating Officer

TELEPHONE: (954) 376-4754

EMAIL: c.cylke@revparintl.com

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DENVER
(720) 210-9111





jll.com

Global Hotel Asset Management

Introduction to JLL global hotel
asset management services



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Our team	29



1

JLL global hotel
asset management

JLL global hotel asset management leadership

With an unrivaled reach, our Global Asset Management team helps asset investors get the best returns out of the world's most unique, exclusive and rewarding hotel properties.



Katie Krieger
Executive Vice President
Chicago



Susie Park
Executive Vice President
New York City



Rastko Djordjevic
Managing Director
Munich



Joris Overbeek
Senior Vice President
Amsterdam



Maximilian Aubele
Senior Vice President
London



Aboudi Asali
Executive Vice President
Dubai



Wayne Godwin
CEO of Sub Saharan Africa
Nairobi



Ricardo Mader
Executive Director
São Paulo



Xander Nijens
Senior Managing Director
Singapore



Sashi Rajan
Executive Vice President
Singapore



Nathan Cook
Executive Vice President
Tokyo



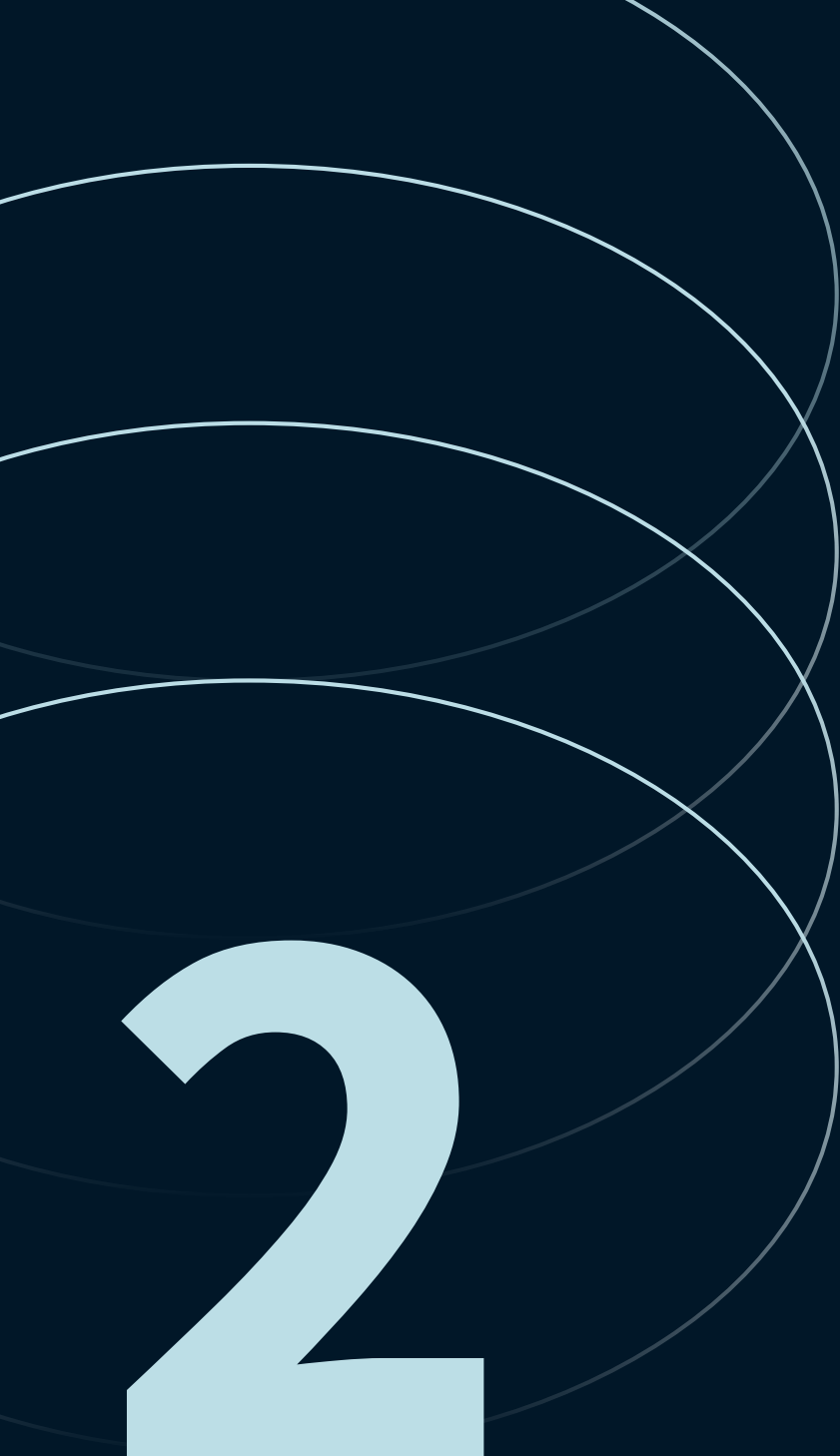
Ross Beardsell
Executive Vice President
Sydney



Tao Zhou
Managing Director
Shanghai



Sander Soekhradj
Vice President
Dubai



Achievements & track record

Global asset management achievements

Asset management assignments over the past three years

\$15.0B in asset value

135 hotels

46,000 rooms

69 brands





Americas track record

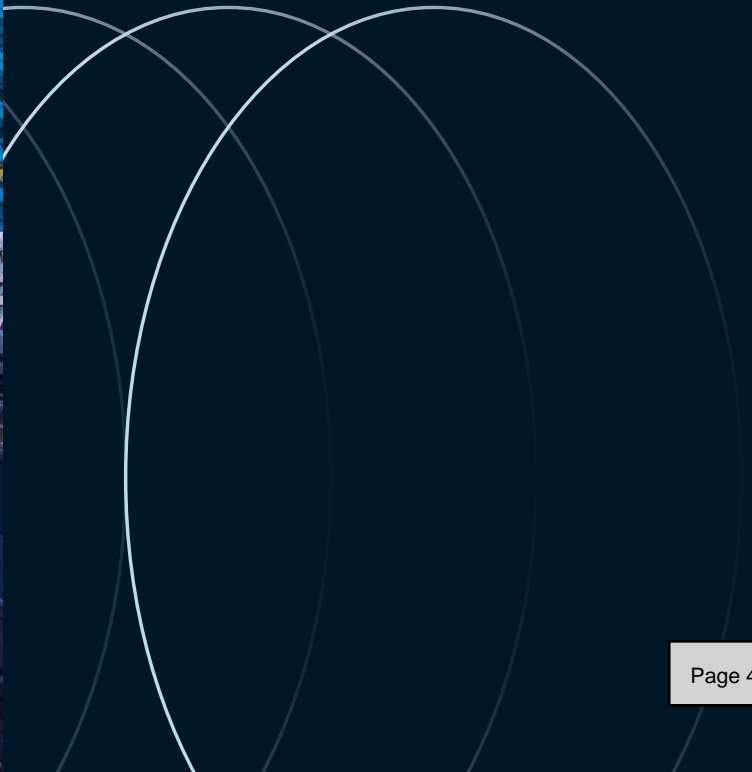
*Asset management assignments over
the past three years*

87 hotels

22,275 rooms

25 brands

in **3** different countries





APAC track record

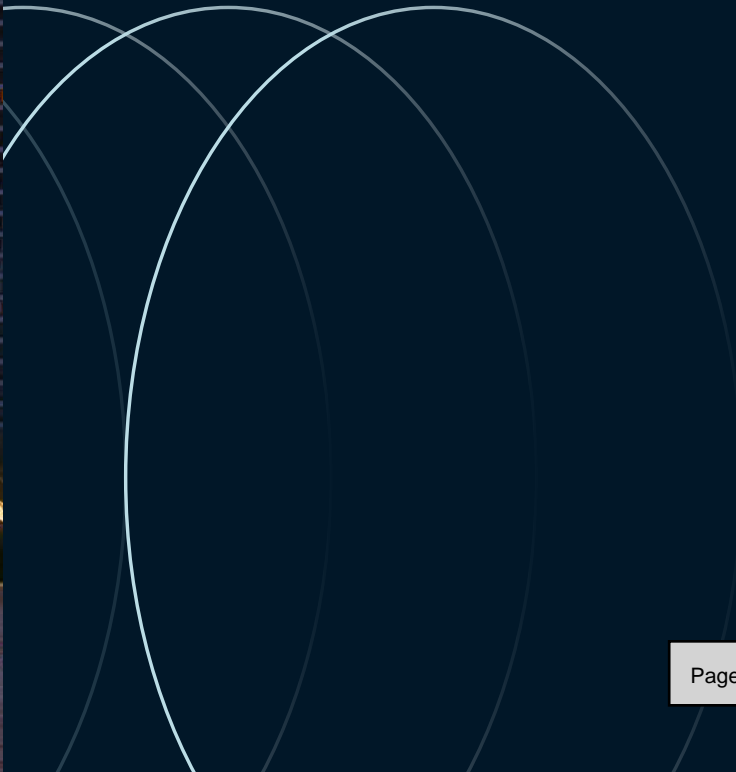
*Asset management assignments over
the past three years*

46 hotels

12,167 rooms

9 brands

in **7** different countries



EMEA track record

*Asset management assignments over
the past three years*

22 hotels
6,557 rooms
20 brands
in **14** different countries



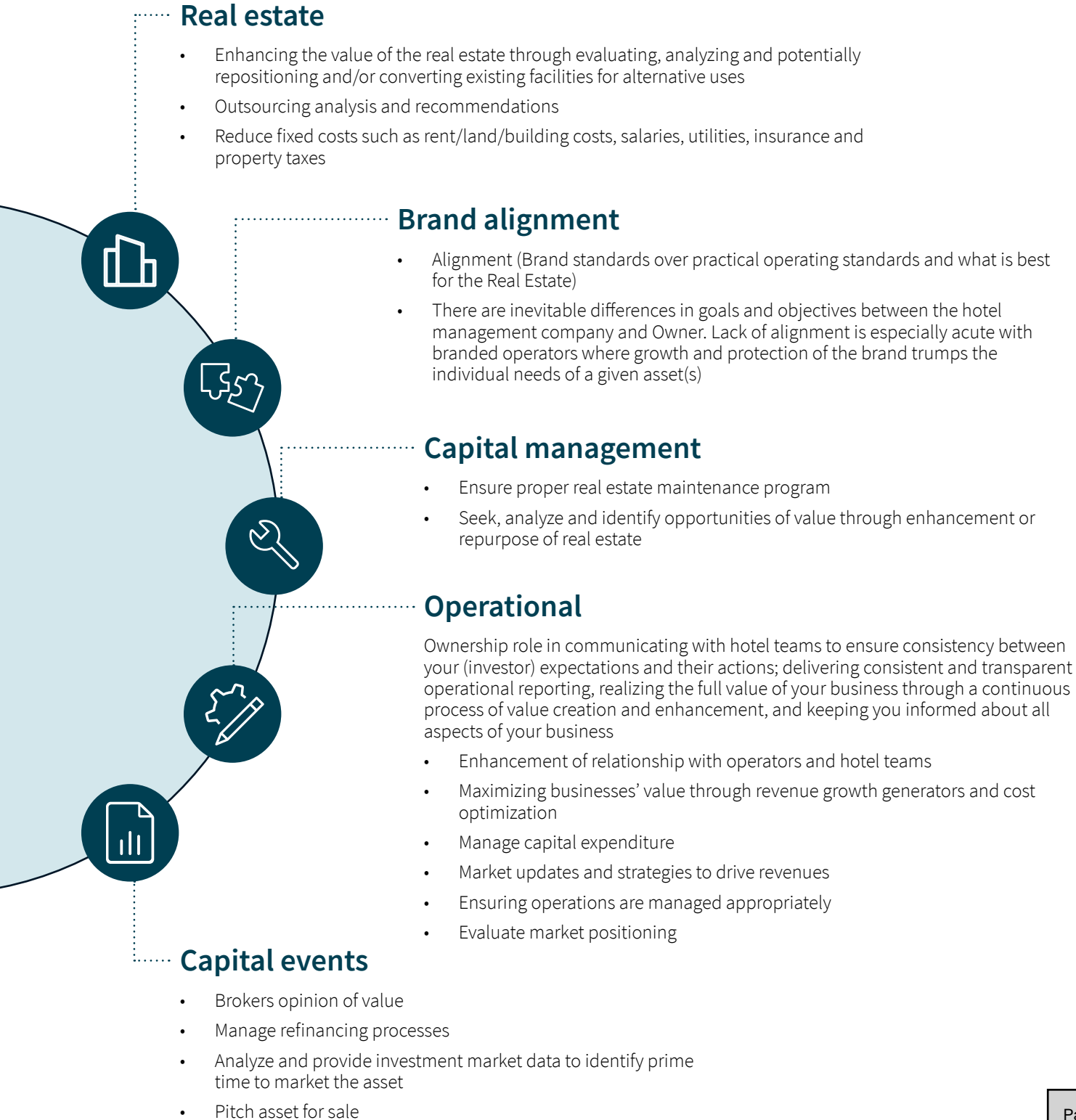


3

Why JLL?

The role of asset manager

Aligning advice, operations and risk management and capital allocation, and management of events, to provide three key deliverables: prediction of change; development of new ideas; and the delivery of exceptional and sustainable results.



Our role as asset manager

The path to success is set before a hotel opens and JLL will be a meticulous steward of the asset, ensuring that the key pre-opening activities are appropriate and localized.



Owner



JLL's
Asset Management Team



Hotel Team,
Operator, and/or
Brand

Pre-opening

During the pre-opening stage, JLL gains a firm understanding of the property, oversees critical path to a successful opening, and challenges the Operator to a more assertive, yet realistic first operating Budget

Operations

Having established our trust with the Operator as part of the pre-opening process, JLL serves as the “middle-man” representing the Owner to monitor performance, recommend areas of improvement and continuously drive top line revenues and profitability



Manage

performance proactively by providing an independent view and constantly challenging management



Maximize

return on investment and the asset's inherent market value, while developing / preserving an exit strategy



Improve

cash flow by optimizing operations and increasing profitability from various business units



Optimize

capital expenditures to ensure Owner's funds are spent wisely and an optimal ROI is achieved

What makes JLL different

Wider perspective, better tools, more data



Our asset management team is **fully integrated** within the wider JLL enterprise, supported by leading professionals looking after the full spectrum of hospitality real estate, including Investment Sales, Operator Selections, Valuations and Project Development Services.



Unmatched access to local, regional and **global benchmarks**, key financials metrics and operational best practices. Across the globe we have access to thousands of hotel P&Ls with an incredibly diverse range of market supply, performance and investment data.



We are constantly investing in **new tools**, technology, and systems to allow us to better analyze hotels anywhere in the world, which can only be funded by our global portfolio.



Being a truly **global team** and working with 100+ hotels around the world, including practically every major brand and operator, gives us a much wider perspective than most local players, regional investors or global operators.



Being equipped with this extensive access to data, insights, perspectives and tools, allows us to ask the right questions and to **constructively challenge** the operations teams.

Hilton Experience

We know Hilton hotel operations



**LondonHouse Chicago,
Curio by Hilton**
Chicago, IL



**The Porter Portland,
Curio by Hilton**
Portland, OR



Hilton Minneapolis
Minneapolis, MN



Hilton Columbus Downtown
Columbus, OH



**Hilton Garden Inn Seattle
Downtown**
Seattle, OR



**The Diplomat Beach
Resort**
Hollywood, FL

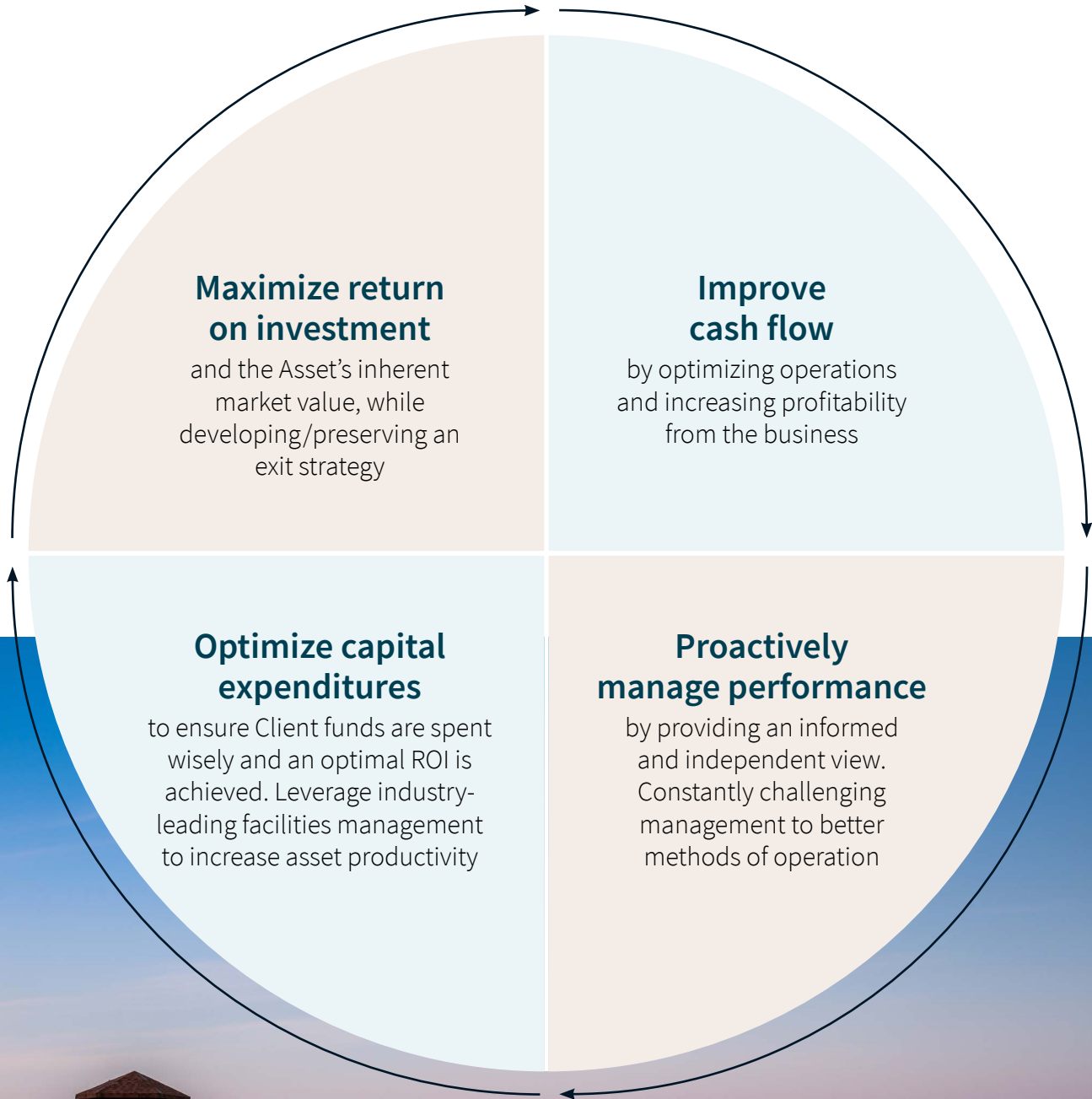


4

Our approach

Our responsibilities and approach

Our asset management style mandates that we do whatever it takes to ensure we deliver enhanced value for our clients



Global data intelligence

Research

We have made an extensive commitment to industry research over the past decade, integrating this intelligence into all our services and providing clients with a unique competitive advantage.

When making critical decisions about hotel and hospitality real estate needs, owners want to know that their asset managers are armed with relevant data and proven resources.

Our global research team at JLL Hotels & Hospitality is dedicated to providing a seamless research service, from local data sourcing and tailored assignment analysis to the development of comprehensive asset management strategies.



450
global researchers

70
countries

160+
local markets

Business intelligence

Our extensive track record of working with major international hotel operators has helped us develop a proprietary database of detailed performance statistics. This has given us unparalleled knowledge of all major global and regional brands. We have oversight of their best practices and key operational requirements for every hotel, resort and serviced apartment product across the hospitality spectrum.

At JLL Hotels & Hospitality we integrate multiple data sources into one platform in order to enable our asset management team to make well informed decisions in real time.





5

Our firm

JLL at a glance

For over 200 years, JLL (NYSE: JLL), a leading global commercial real estate and investment management company, has helped clients buy, build, occupy, manage and invest in a variety of commercial, industrial, hotel, residential and retail properties. A Fortune 500® company with annual revenue of \$20.8 billion and operations in over 80 countries around the world, our more than 108,000 employees bring the power of a global platform combined with local expertise. Driven by our purpose to shape the future of real estate for a better world, we help our clients, people and communities SEE A BRIGHTER WAYSM. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. For further information, visit jll.com.



\$20.8B
in revenue



106,000+
employees



300+
corporate offices



80
countries



5.4B
s.f. managed



Hotels & hospitality group - How we're different

Unparalleled national and global reach

JLL Hotels & Hospitality Group has been a top global hospitality advisor for over 30 years. Our professionals maintain continuous communication with the leading players in the industry including lenders, owners, brands, management companies, legal experts, public and private entities, and domestic and global capital providers. This ensures our clients benefit from our highly experienced, well-connected, fully-integrated and comprehensive advisory team worldwide.

Unmatched connectivity

With experts based in 48 cities worldwide, we provide clients with specialized knowledge and real-time insights in key markets across the globe. We have a team of over 400 advisors dedicated to hotels and hospitality.

Global hotel desk

Our specialized team of cross-border investment sales professionals is strategically located in the Middle East, Asia Pacific, the Americas and Europe. We are dedicated to connecting international capital to align global portfolio requirements with local market needs. This ensures that our clients receive tailored and value-driven solutions in their investment endeavors across borders.

Integrated hospitality suite

We pride ourselves on delivering consistent and connected service throughout the entire lifecycle of a hotel investment. From initial analysis and due diligence to acquisition, management and eventual exit strategies. Our team ensures a seamless and comprehensive approach that maximizes value for our clients.



209

global hotels & hospitality advisors



38

global hotels & hospitality offices

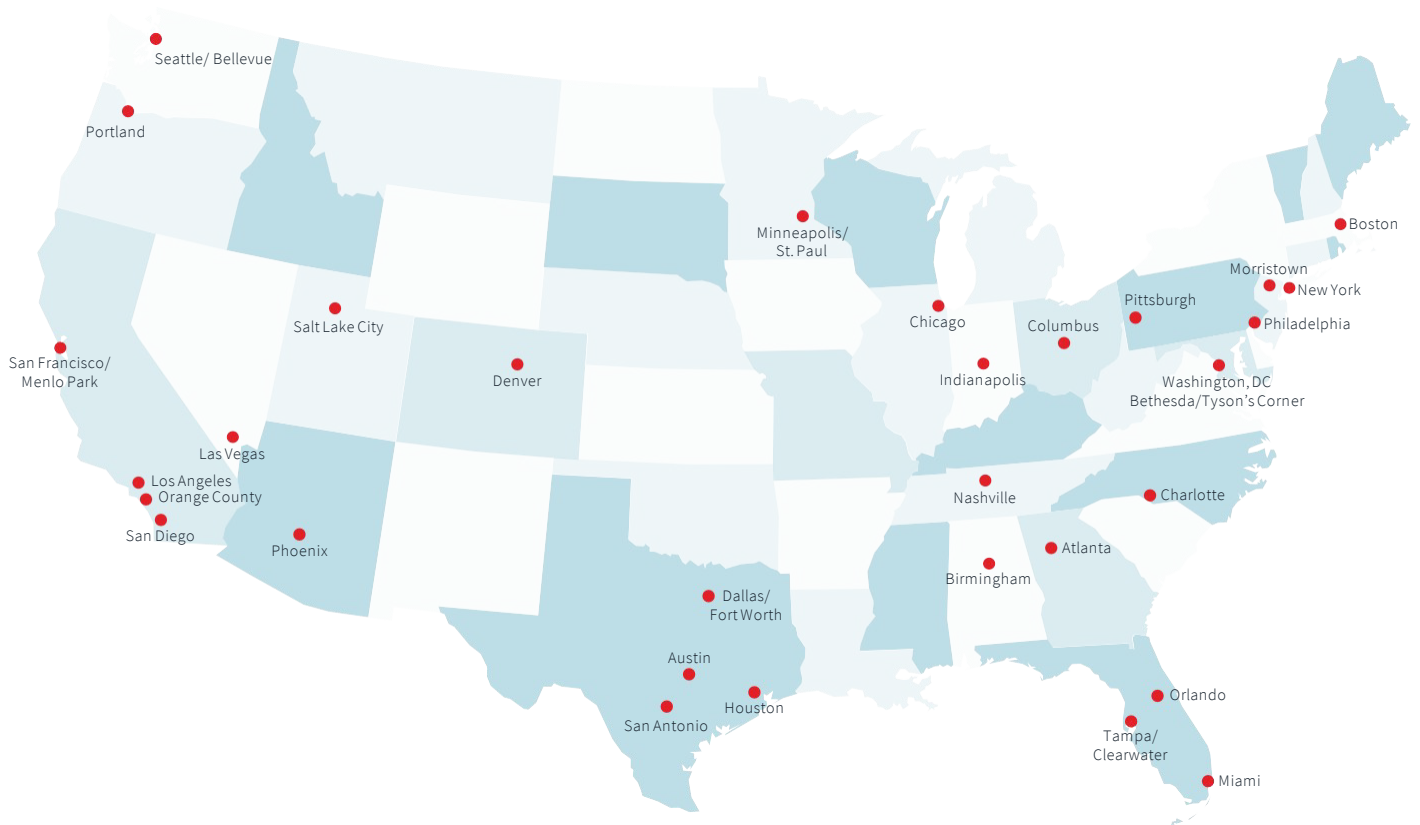


\$7.3B

global investment sales advisory volume in 2023



Local, national and global



82

professionals on U.S. teams in all major U.S. markets

13

U.S. capital markets offices with hospitality professionals

\$15.9B

in asset value under management

\$2.9B

Americas investment sales advisory in 2023

\$3.3B

Americas debt & equity in 2022

\$6.2B

Americas total transaction volume in 2023

Hotels & hospitality group service offerings

Global asset management

Our globally connected advisors, backed by local experts, work in tandem to ensure your assets achieve maximum value.

Hotel investment sales

Unlock the full potential of your hotel property and achieve optimal sales results by leveraging our unparalleled access to a global marketplace.

Hotel investment banking

Efficiently source the necessary funds for your investment and strategically determine the optimal terms and deal structure to maximize your returns on investment.

Loan sales

Our firm offers expert advisory services specializing in the sale of commercial and consumer loans, as well as Real Estate Owned (REO) assets associated with hotel properties.

Strategic advisory

Take your business to the next level with our expertise in creating, studying, and implementing strategic initiatives. Our guidance will assist you in selecting the optimal operator and brand, ensuring maximum value for your assets.

Hotel development

Achieve winning hotel investments by leveraging our comprehensive development services. Our team of experts provides end-to-end support throughout the entire development process.

Project and development services

We specialize in bringing hospitality projects to life, transforming concepts into thriving realities. From inception to completion, we provide comprehensive support in every stage of project development.

Value and risk advisory

Gain real-time value and risk advice that empowers you to make confident investment decisions.

Hotel property tax

Unlock cost savings by navigating property tax reductions for your properties.

Tourism and destination advisory

We offer comprehensive advisory services in tourism planning and asset development to help you unlock the full potential of your tourism-related projects.





6

Scope of services

Scope of services

Pre-opening asset management

General

- Evaluate the pre-opening commercial business plan, positioning strategy and action plan
- Evaluate and advise if the brand and operator are following the agreed pre-opening process, timeline and budget
- Evaluate and advise on managements capabilities and competencies to successfully carry through the pre-opening process
- Support in the coordination of the resources provided by the brand operator / franchise support services, ensuring that the management team is fully leveraging the services and benefits offered

Finance

- Advise and monitor the proposed pre-opening budget and timeline, and evaluate the initial working capital requirement
- Develop short-medium- and long-term P&L projections and advise ownership on local benchmark performance.
- Identify areas for cost improvements
- Evaluate the operating service equipment budget and delivery timeline progress
- Advise on reporting structure and frequency
- Review rental and 3rd party agreements, if applicable

Rooms department

- Review and benchmark targeted room revenue
- Review the rate structure and relative competitive price positioning
- Review targeted segmentation
- Review revenue management structure - internal versus cluster
- Review business mix (business vs. leisure vs. long-stay vs. group etc.) to ensure its optimal positioning in each segment.
- Review business plan and confirm that forecasts are in line with market conditions

Human resources & operations

- Participate in interviews with senior leadership team and advise on suitable candidates
- Assist the owner in revising the competencies and suitability of the key management team
- Evaluate the proposed organizational chart and benchmark staffing levels to similar properties
- Evaluate the staffing guide and hiring timeline for senior executives with a focus on training needs
- Support in the coordination of the Brand immersion for the GM, management team and creation of a training plan by the training manager to comply with all Brand standards;
- Evaluate the staggered training plans in relation to the target opening date

Sales and marketing

- Evaluate the proposed competitive set including thorough site visits
- Advise on the desired positioning and unique selling proposal identified by the Operator for every business unit (i.e. Rooms, F&B outlets, Spa, etc.)
- Advise on the pre-opening and post-opening sales & marketing strategy and plan
- Support in the creating of the Hotel brand working hand in hand with the marketing agency
- Evaluate the progress of the pre-opening sales and marketing activities and the contracting progress for each market segment
- Evaluate distribution channel setup and presence
- Evaluate regional and global brand support and group business lead generation progress
- Evaluate internal and external communication and PR plan on local, national and global level
- Evaluate the sales trips, trade show presence and corporate and local sales call action plan
- Assess the timeline for launch of the pre-opening sales and reservation departments

IT / Technology support

- Evaluate the timeline for the installations of all IT Systems and property management systems (PMS)
- Evaluate planned IT implementation projects and their alignment with the given brand standards as well as the long-term vision of the Hotel

Scope of services

On-going asset management

Rooms department

- Review of the positioning of the hotel in terms of price and quality
- Benchmark the property's performance to market and competitive set performance in terms of occupancy, ADR and RevPAR
- Review of business mix and its alignment with the infrastructure as well as desired positioning of the respective hotel
- Review of rooms inventory distribution and performance by room category
- Review of premium room category capture by season
- Review of revenue management structure – internal vs. regional cluster (if applicable)
- Review of business plan and forecast by segment
- Review of the impact of the loyalty program on the overall performance (if applicable)
- Assess departmental profitability and benchmark against market norms

Other operating departments

- Review of product offerings available (Fitness, Spa, Parking, Laundry, etc...)
- Review rental income for leased spaces and apartments and their alignment with market norms
- Review of revenue and cost structure of the available services
- Review of potential additional revenue and income streams

F&B department

- Review positioning of each outlet in terms of product and service offering geared towards both in-house and outside clientele.
- Review concept of each outlet and its alignment with recent market trends
- Review of the revenue contribution of all F&B outlets (restaurant, bar, room service, banquets & catering, etc...)
- Review of the cost structure of all F&B outlets as well as the respective profit levels
- Assess departmental profitability and benchmark against market norms

Undistributed operating expenses

- Review of the costs for affiliation (royalty fees, corporate offices reimbursable, loyalty program fees, etc...) and their compliance with the management agreement (if applicable)
- Benchmark of the various cost centers against generic market averages and competition statistics in terms of per available-room, per-occupied-room and ratio of total revenues

Sales & marketing

- Review of the market as well as the competitive set
- Review of the relevance of the hotel's primary competitive set and any alternative sets
- Review of the positioning analysis and SWOT analysis
- Evaluation of the Sales & Marketing activities
- Review of the contribution and management of various booking channels (Direct, GDS, OTAs, etc...)
- Review of the Sales & Marketing structure and organisation on property as well as regional support
- Review of the engagement of the corporate office and cluster sales office
- Evaluation of the Sales & Marketing plan and actions
- Review of the public relations plan on local, regional and international levels
- Review guest satisfaction reports (internal, ReviewPro, Revinate, etc.)

Repairs, maintenance & CapEx

- Review of on-going and potential technical issues
- Review of on-going and planned CapEx measures including funding and timeline
- Review of five to ten-year CapEx plan and its alignment with the desired positioning of the asset

Scope of services

On-going asset management

Strategic assistance & coordination of service providers

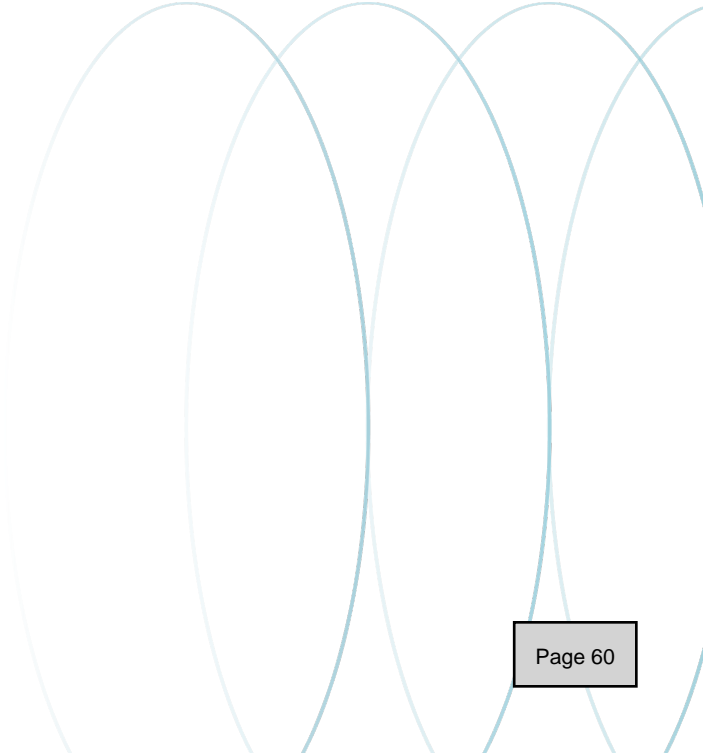
- Assist with the selection and on-boarding of potential new service providers incl. property managers, tenants or project managers
- Coordinate services with third-party service providers of:
 - Tax and VAT returns
 - Auditing
 - Account preparation
 - Legal matters
 - Insurances
 - Leasing contracts
- JLL acts as central touchpoint for all key stakeholders of the asset

Human resources & operations

- Interview with general management and selected senior leadership
- Review of the organizational structure as well as the manning guide and its alignment towards the positioning of the respective hotel
- Review of vacant key management positions and envisaged timeline for replacement
- Review of the level of support provided by the corporate office of the operator (if applicable)

Finance

- Review of historical and planned operating performance
- Identification of potential cost savings and need of resources
- Review of cash flow statements and full year cash flow forecasts
- Review of reporting calendar for ownership and list of information provided
- Review of accounts receivable and accounts payable, identifying potential risks





Terms & fees

Proposed terms

Factoring in the Client’s requirements and understanding that our Fee must be competitive, please see below our proposed fee structure:

Start Date

July 01, 2024

Term

48 months

Termination

3 months notice,
after a period of initial 12 months

Monthly Fees

Pre-opening period \$5,000 / month
On-going period \$10,000 / month
(On-going begins 3 months prior to hotel opening as determined on January 1, 2025)

Miscellaneous

All out-of-pocket expenses related to undertaking of this assignment including air travel, accommodation and sustenance shall be based on actual cost reimbursement and paid through the monthly JLL invoice.

Asset Management meetings shall be held monthly/quarterly based on client needs.

TAXES AND OTHER EXPENSES

- Fees are net of withholding taxes, GST and VAT expenses, which will be charged in addition to the above fees, if applicable, provided always that the Client shall not be liable for JLL's income taxes.
- All payments will be **due within 15 days** of receipt of the invoice by the Client. In the event of payments not being received by the due date, JLL reserves the right to suspend work on the assignment until any overdue payment is received.
- Any third-party consultants and advisors with whom JLL may liaise on behalf of the Client are to be appointed and reimbursed directly by the Client.

TERMINATION

- After a period of twelve (12) months, the Client shall have the right to terminate the agreement by giving three (3) months notice of termination in writing to JLL.



Our team

Our team



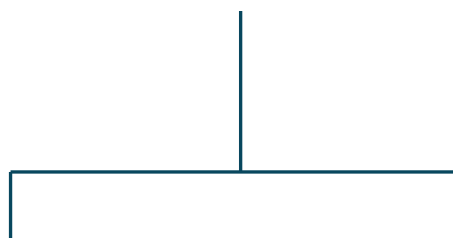
JLL Executive Vice President, Katie Krieger will be the Lead Asset Manager for your project and will ultimately be responsible for the completion and delivery of our services.



Katie Krieger
Executive Vice President
Lead Asset Manager



Rastko Djordjevic
Managing Director
Head of Asset Management



Diana Milano
Analyst



Dan Fenton
Managing Director

JLL Analyst Diana Milano will provide asset management support and financial analysis.

JLL Managing Director Dan Fenton will provide sales and marketing expertise.

JLL global asset management team

Asset management & operator selection - Americas



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JLL SEE A BRIGHTER WAY

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JLL Hotels & Hospitality



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

July 2nd, 2024

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

Dear Lee,

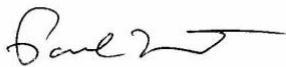
We are pleased to present our proposal for the asset management services for the proposed Tapestry Collection by Hilton in Lawrenceville, GA. We are committed to helping you achieve your outcomes on time and within your budget. **To the extent we have not accurately reflected your requirements, we would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



LAWRENCEVILLE

GEORGIA

AGENDA REPORT
MEETING: DOWNTOWN DEVELOPMENT AUTHORITY
AGENDA CATEGORY: DOWNTOWN DEVELOPMENT AUTHORITY BUSINESS

Item: Hotel Development Agreement
Department: Downtown Development Authority
Date of Meeting: Monday, August 12, 2024
Fiscal Impact: none
Presented By: Chairman Lee Merritt
Action Requested: Hotel Development Agreement

Summary: Hotel Development Agreement

Attachment:

- Development Agreement for the Lawrence Hotel

DEVELOPMENT AGREEMENT

dated as of [_____], 2024

between

DOWNTOWN DEVELOPMENT AUTHORITY OF LAWRENCEVILLE, GEORGIA,
a public body corporate and politic created and existing under the laws of the State of Georgia

AS OWNER

AND

NORTHPOINTE HOSPITALITY MANAGEMENT & DEVELOPMENT, LLC,
a Georgia limited liability company,

AS DEVELOPER

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DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (“**Development Agreement**” or this “**Agreement**”), dated [____], 2024 (“**Effective Date**”), is entered into by and between the **DOWNTOWN DEVELOPMENT AUTHORITY OF LAWRENCEVILLE, GEORGIA**, a public body corporate and politic created and existing under the laws of the State of Georgia, including its successors and assigns (the “**DDA**” or “**Owner**”), and **NORTHPOINTE HOSPITALITY MANAGEMENT & DEVELOPMENT, LLC**, a Georgia limited liability company (“**Developer**”). The DDA and Developer are referred to herein collectively as the “**Parties**” and individually as a “**Party**.” Capitalized terms used but not defined in the body of this Development Agreement have the meanings ascribed to them in the Index of Defined Terms, attached hereto as Exhibit A.

RECITALS:

A. The DDA is a public body corporate and politic duly created and validly existing under and pursuant to the Downtown Development Authorities Law of the State of Georgia, O.C.G.A. § 36-42-1, *et seq.*, as amended.

B. The governing body of the City of Lawrenceville, Georgia (the “**City**”), has, by proper resolution, declared that there is a need for the DDA to function in the City, as required by the terms of the Act, and the DDA has been duly created and activated pursuant to the terms of the Act, and the DDA’s directors have been elected as provided therein and are currently acting in that capacity.

C. The DDA is the owner of that certain real property lying and situated in the City described on Exhibit B, consisting of approximately 1.94 acres of real property, together with all rights and appurtenances pertaining to thereto, including, without limitation, all right, title and interest of the DDA in and to adjacent streets, alleys, and rights-of-way (collectively, “**Property**”).

D. In connection with the Existing Development Deal (defined hereinafter), the DDA determined that the development of a mixed-use development on the Property with hotel, meeting space, structured public parking and street level retail components (i) will develop and promote for the public good and general welfare trade, commerce, industry, and employment opportunities in the City, (ii) will promote the general welfare of the State of Georgia by creating a climate favorable to the location of new industry, trade, and commerce and the development of existing industry, trade, and commerce within the City, and (iii) will help revitalize and redevelop the central business district of the City, and the DDA, in effectuating the mixed-use development, will be acting in furtherance of the public purposes for which the DDA was created.

E. The DDA further determined that the most favorable method for effectuating the mixed-use development was to lease the Property to a third-party developer to construct and operate the mixed-use development, and in furtherance thereof, the DDA and an affiliate of Developer, RIO Lawrenceville, LLC, a Georgia limited liability company (“**Initial Developer**”), entered into numerous agreements (the “**Existing Development Deal**”) whereby Initial Developer leased the Property from the DDA and planned to develop, construct and operate on

the Property a 120+ room hotel with 5,000 square feet of meeting space (the “**Hotel**”), retail space (the “**Retail**”), and a three-tiered parking garage to serve the Hotel and Retail and the downtown business district of the City (the “**Parking Deck**”; and together with the Hotel and Retail, collectively, the “**Project**”).

F. Initial Developer completed construction of the Parking Deck and transferred ownership to the DDA per the terms of the Existing Development Deal, but Initial Developer was unable to complete the remaining portions of the Project, and as a result, the Initial Developer, the DDA and Developer entered into that certain Omnibus Unwind and Termination Agreement, dated March 20, 2024 (the “**Unwind Agreement**”), pursuant to which the parties terminated and unwound the outstanding portions of the Existing Development Deal and cancel and terminate that certain Note, Loan, and Security Agreement, executed by Initial Developer and agreed, instead, that the DDA would (i) assume all of Initial Developer’s rights in the Project, (ii) hire an affiliate of Developer to manage the Hotel pursuant to a hotel management agreement that satisfies the requirements of Revenue Procedure 2017-13 (“**QMA**”) and provide pre-opening and technical services pursuant to a Pre-Opening and Technical Services Agreement (“**PTSA**”), and (iii) retain Developer to oversee, manage and coordinate the Project Development Work pursuant to the terms of this Agreement.

G. The DDA has determined that the most feasible method of financing the Project is for the DDA to issue its revenue bonds in the aggregate principal amount of [\$_____] (the “**Bonds**”).

H. The Parties desire to enter into this Agreement to set forth the terms and conditions under which Developer will oversee, manage and coordinate the Project Development Work on behalf of the DDA.

NOW, THEREFORE, for and in consideration of the Ten Dollars (\$10.00) in hand paid by the Parties, one to the other, the covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the DDA and Developer hereby agree as follows:

Article I
APPOINTMENT AND ACCEPTANCE; MANAGER'S AUTHORITY

Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference as an integral part of this Agreement.

Appointment of Developer. The DDA hereby appoints Developer, and Developer accepts appointment, as the exclusive independent contractor to perform the Development Services upon and subject to the terms and conditions set forth in this Agreement. Developer shall perform the Development Services for the exclusive benefit of the DDA, in an expeditious and economical manner, using Developer’s commercially reasonable efforts, skill, judgment, and abilities, and in accordance with the Developer Standard. Developer accepts the fiduciary relationship of trust and confidence established by this Agreement between Developer and the DDA, and covenants that it shall not incur debts or other liabilities on behalf of DDA unless the

same are approved by the DDA, which approval will be deemed given if the liability is a Project cost contained in the Project Budget approved by the DDA.

Developer's Authority. Except as otherwise expressly provided in this Development Agreement, during the Term, Developer is not, and shall not be, authorized by the provisions hereof or otherwise, to: (a) enter into any Project Documents or other agreements that are or purport to be in the DDA's name, or amend or modify any such agreement, or grant any waiver or forbearance thereunder, except as contemplated and in full compliance with the requirements of Section 3.07; (b) commence, institute, defend, litigate, or settle any legal proceeding to which the DDA is a party (except with respect to Developer's own interests therein, if any); (c) take any other action that is inconsistent with the scope of its duties and obligations hereunder; or (d) represent or hold itself out as having the DDA to do any of the foregoing. If, for any reason whatsoever, Developer is unable to determine whether or not it is authorized to take (or refrain from taking) any action for and on behalf of the DDA as contemplated hereby, Developer must notify the DDA and request that the DDA provide clarification to Developer, in writing, as to the authority of Developer hereunder to take (or refrain from taking) any action for and on behalf of the DDA. Upon any such request from Developer, the DDA shall promptly provide such clarification to Developer. DDA and Developer hereby acknowledge that (i) Developer will assist DDA in identifying the counterparties to, and negotiation of, the Project Documents, and (ii) DDA will be required to execute all Project Documents on its own behalf (unless otherwise specifically addressed by Section 3.08). Notwithstanding that Developer will not be a party to the Indenture or Project Documents, Developer shall act on behalf of the DDA to enforce performance of the counterparty to each Project Document, and shall otherwise comply with the obligations of Developer with respect to the Project Documents set forth in this Agreement, including, without limitation, those set forth in Section 3.01(b) hereof.

Section I.04 Compliance with Developer Standard.

(a) In Developer's performance of its obligations under this Agreement, and under any other contract entered into with respect to the Project Development Work, Developer shall, and shall cause its employees, agents and contractors to, comply in all material respects with: (i) Applicable Law; (ii) Permits; (iii) the Franchise Agreement; (iv) Industry Practices; (v) the requirements and standards set forth in the Project Documents; and (vi) the terms and provisions of this Development Agreement (collectively, the "**Developer Standard**"). It is Developer's responsibility to ensure that the Project Development Work complies with the Developer Standard, provided that provision for payment of the cost of such compliance has been made (except insofar as this Development Agreement provides that the cost of such compliance shall be borne by Developer). Notwithstanding any other provision in this Agreement to the contrary, Developer will not be in breach of this Agreement or the Project Management Standard to the extent that (i) the Developer has not been given executed copies of all Permits, the Indenture, the Disbursement Agreement, and Project Documents, or (ii) the DDA fails to perform its obligations under this Agreement, or (iii) the DDA fails to take any commercially reasonable action pursuant to a Project Document recommended by the Developer.

(b) In Developer's performance of its obligations under this Agreement, Developer shall use commercially reasonable efforts to comply with such practices, methods,

and actions which are consistent with the highest industry standards and in the same manner as is customary and usual in oversight, management and coordination of the design, development, construction and furnishing of comparable mixed-used developments with comparable financial resources and budgetary parameters and with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of any enterprise of like character and with like aims (“**Industry Practices**”).

Developer's Right to Access and Use the Property and the Improvements. Except as otherwise expressly provided herein, in its role as Developer hereunder, Developer shall have the right and authority during the Term to access and use the Property and Improvements for the purposes of fulfilling its obligations under this Development Agreement.

Franchise Agreement. Developer acknowledges that the DDA and Hilton Franchise Holding LLC, a Delaware limited liability company (“**Franchisor**”), are parties to that certain Franchise Agreement, dated [_____], 2024, a copy of which is attached hereto as **Exhibit C** (as amended from time to time, the “**Franchise Agreement**”), pursuant to which the Hotel will be operated as a Hilton Tapestry Collection franchise. With respect to the Franchise Agreement:

(a) Developer shall (i) advise the DDA as to whether the Project Development Work is being conducted in accordance with the terms and conditions of the Franchise Agreement, and (ii) use commercially reasonable efforts to ensure that the Project Work is being conducted in accordance with the Franchise Agreement, unless replaced by a franchise agreement provided by the DDA. Without the prior written consent of both the DDA and any lender, each acting in its individual discretion, Developer shall not, for any reason:

(1) cause, consent to, or permit any termination of the Franchise Agreement (in whole or in part) or cause, consent to, or permit any suspension of performance of services thereunder, unless replaced by a franchise agreement provided by the DDA;

(2) cause, consent to, or permit any amendment or modification, or any variance, impairment, replacement, or waiver of timely compliance with respect to any material terms or conditions of the Franchise Agreement; or

(3) permit to be done any act under the Franchise Agreement, or omit or refrain from any act under the Franchise Agreement, where such act done or permitted to be done, or such omission of or refraining from action, that could be reasonably expected to be done, or such omission of or refraining from action, that could be reasonably expected to have a Material Adverse Effect on the Hotel or the Project or cause a breach or default of the Franchise Agreement.

(b) As the franchisee under the Franchise Agreement, the DDA acknowledges that it will receive all official communication from the Franchisor; provided, however, that Developer acknowledges and agrees that the DDA will request that Franchisor include Developer as a copy party on any notices sent to the DDA under the Franchise Agreement. If

the Developer receives any communications from Franchisor that states or asserts that the DDA, the Hotel, the Hotel Manager, and/or Developer is in breach or violation of the terms of the Franchise Agreement, then Developer shall provide the DDA, promptly upon its receipt thereof, a copy of such communication from the Franchisor, and any subsequent communications between the Developer and the Franchisor.

(c) Developer shall provide the DDA with a copy of any report, analysis, summary or other information provided to Franchisor by Developer pursuant to the Franchise Agreement, promptly after providing same to the Franchisor.

Article II
TERM

The term of this Development Agreement shall commence on the Effective Date and terminate on the date that is thirty (30) days after Final Completion of the Work (the “**Term**”); provided, however, that either Party may terminate this Development Agreement in accordance with Article VII. Following expiration or earlier termination of this Development Agreement, as applicable, Developer shall have a continuing obligation to comply with any provision of this Development Agreement intended for the DDA’s protection or benefit, or that expressly survives completion of the Projection Development Work or the expiration or termination of this Agreement, for the survival period expressly set forth herein, and if none, then for one year following Final Completion of the Work.

Article III
DEVELOPER’S DUTIES AND RESPONSIBILITIES

Section III.06 Managing Development and Construction of the Project.

(a) Development Services. Subject to this Agreement, Developer has the sole responsibility to manage, direct, supervise, coordinate and control the Project Development Work (collectively, the “**Development Services**”). The Development Services include, without limitation:

(1) Assisting the DDA with and leading (subject to the DDA’s input and final approval) the process of identifying, soliciting proposals from, selecting, and negotiating contracts with the Project Team for the completion of the Project Development Work, and advising the DDA and making recommendations concerning (i) scope of services to be provided by the Project Team, (ii) fees, and (ii) administration, management and oversight of contracts with the Project Team at the DDA’s direction;

(2) assisting the DDA in establishing a Project Budget in accordance with Section 3.01(e), and preparing (and updating, as necessary) a preliminary construction schedule in conjunction with the Construction Contractor, in critical path form, for the design, construction and installation of the Project in accordance with the Design Documents (“**Construction Schedule**”), in each instance for the DDA’s approval;

(3) after the DDA awards the Construction Contract and before the Construction Contractor or any subcontractor commences work on the site, assisting the

DDA in the preparation of all necessary site logistics plans, traffic flow diagrams and plans for the performance of the applicable work, showing the use of designated roadways or street lights, the closing of any roadways, streets and/or sidewalks, and the re-routing of any traffic, and assisting in obtaining necessary government approvals required to implement such traffic plans;

(4) ensuring that the Project Development Work is completed in accordance with the Developer Standard, the Project Budget and the Construction Schedule;

(5) assisting the DDA with and reviewing the processing of change orders, advising the DDA concerning the necessity for, scope of and recommended cost of change orders, and negotiating on the DDA's behalf (but with the DDA's input and approval) all change orders with the Construction Contractor, and advising the DDA on whether, and ensuring that, the final Project Budget and/or Construction Schedule, as applicable, is/are accurately revised to reflect approved change orders;

(6) reviewing and approving all Construction Contract invoices from the Construction Contractor, for subsequent approval and payment by the DDA;

(7) coordinating the arrangement and maintenance of insurance during the development and construction of the Project, as required under Article V;

(8) assisting the DDA to purchase, equip and furnish the Project with furnishings, fixtures and equipment approved by the DDA in preparation for opening, and managing and coordinating moving into the Project;

(9) as requested by the DDA, assisting the DDA in complying with its contracting protocols and procurement policies;

(10) supervising, coordinating and monitoring the submission of applications for obtaining all required Permits, and ensuring the procurement of such Permits by the appropriate party;

(11) use commercially reasonable efforts to cause the Construction Contractor to provide an update to the DDA each month, commencing sixty (60) days after a notice to proceed is issued to the Construction Contractor, stating (i) whether or not the construction and expected completion are on schedule, and if not, in what respects the Work is behind schedule, and (ii) whether any defaults or events that with notice, passage of time or both would constitute a default exist under the Construction Contract or related agreements, certificates, Permits or other documents, including, without limitation, any default of payment obligations to Construction Contractor or any subcontractors (reports shall include, without limitation, Construction Schedule progress, payment status, construction document status, request for information (RFI) log, submittal log, and owner and contractor meeting minutes);

(12) at the completion of construction of the Project, coordinate the obtaining of the applicable certificate(s) of occupancy; and

(13) manage the development of a punch list and the inspection and completion of the items thereon for Final Completion.

(b) Prosecution of the Project Development Work. Except as otherwise provided in this Agreement, Developer shall at all times use commercially reasonable efforts to promptly and faithfully advise the DDA and enforce the rights of the DDA to cause the Project Development Work to be performed under the Project Documents by each Person thereto to be performed in accordance with the terms and provisions thereof, and shall assist the DDA as required to keep and perform all of the covenants and conditions contained in the Project Documents to be kept and performed by the DDA; provided, however, that except as otherwise provided in this Agreement, Developer shall not be in breach of its obligations under this section to the extent that its failure to so perform is caused by (x) the negligence of willful misconduct of the DDA or any of its employees or agents, or (y) the failure of the DDA, its employees or agents, to follow the commercially reasonable advice or recommendations of the Developer, or (z) the failure of the DDA to perform its obligations under this Agreement or the applicable Project Document, so long as such failure is not caused by Developer's failure to perform its obligations under this Agreement. Developer will enforce, in accordance with the Developer Standard and for the benefit of the DDA, the obligations of all Persons under the Project Documents, and will promptly, after Developer learns of the same, notify the DDA of any material default by any Person under any of the Project Documents, and of the remedy or course of action sought by Developer in response to such default. Acting in accordance with the Developer Standard to achieve Substantial Completion will include good faith, diligent, commercially reasonable efforts to advise the DDA and cause the Work to meet the milestones set forth in the Construction Schedule necessary to achieve Substantial Completion by the Substantial Completion Date in accordance with the Construction Contract. In connection therewith, to the extent any such milestones are not met due to Developer's failure to act in accordance with the Developer Standard, Developer shall promptly develop and present to the DDA a plan for expediting the Work to cause future milestones to again be met to the extent necessary to achieve Substantial Completion by the Substantial Completion Date; provided, however, that nothing herein shall be construed as limited the DDA's right to declare default, as provided in this Development Agreement.

(c) DDA Design Approval Rights; Architect and Architectural Services Agreement. Developer will oversee, and cause to be created, the Design Documents, and the DDA will have final approval rights over the Design Documents; provided, however, neither the Developer's oversight of, nor the DDA's approval of, the Design Documents shall be construed as representing or implying that the Design Documents will, if followed, result in properly designed Improvements, and shall not be considered or construed as having made any express or implied warranty whatsoever as to the adequacy, quality, fitness or purpose of any physical conditions, materials, workmanship, plans, specifications, drawings or other requirements pertaining to the construction of the work contemplated therein, and the DDA expressly disclaims any and all such warranties. Such approval shall in no event be construed as representing or guaranteeing that any improvement built in accordance with the applicable plans and specifications will be built in a good or workmanlike manner. Neither Developer nor the DDA shall be responsible or liable for any defects in the approved Design Documents or any other plans or specifications submitted, revised, or approved, any loss or damage

arising from the noncompliance of the approved Design Documents or such other plans and specifications, nor any defects in construction undertaken pursuant to the approved Design Documents or such other plans and specifications.

(d) Geotechnical and Soils Testing. Without limitation of any other provision in this Agreement, Developer shall cause the appropriate engineers and/or geotechnical experts of the architectural and engineering design team engaged by the Architect in connection with architectural or engineering services for the Project (the “**A/E Team**”), or under contract to the Developer or the DDA, to conduct all appropriate soils and materials testing using certified independent laboratories and to furnish to the DDA copies of reports of such testing otherwise prepared by or for such engineers. All such reports may be relied upon by the DDA and any other Person involved with or providing financing of the Project and Developer shall cause the appropriate engineers and/or geotechnical experts of the A/E Team or under contract to Developer or the DDA to deliver appropriate reliance letters.

(e) Project Budget and Plans and Specifications. Developer will assist the DDA in preparing a final budget of all Project costs (the “**Project Budget**”) based on the Design Documents and Construction Documents that the DDA has previously prepared and approved (collectively, the “**Plans and Specifications**”). Developer shall use commercially reasonable efforts to ensure that the Project Budget is developed using sound architectural and construction principles and include analysis of the Project site conditions (including, without limitation, surface/subsurface conditions, pedestrian/vehicular access to the Project site during and after construction), and such other features and measures that are customarily and reasonably a part of mixed-use commercial developments and supporting infrastructure similar to the Project.

(f) Change Orders. The DDA shall have sole authority to execute any Change Order increasing the [Guaranteed Maximum Price] set forth in the Construction Contract, or altering the Project Schedule.

(g) Amendments to Contracts. The DDA shall have sole authority to execute any amendment of a material nature to a contract appertaining the performance of services on the Project or provision of materials to the Project.

Applications for Payment. Developer shall review applications for payment by the Construction Contractor, review and certify certificates for payment issued by Architect and make written recommendations to the DDA concerning payment. Developer’s certification for payment shall constitute a representation to the DDA that, to the best of the Developer’s knowledge, information, and belief, the Project Development Work has progressed to the point indicated and the quality of the work is in accordance with the Construction Documents. The issuance of a certificate for payment shall further constitute a representation from the Developer that the Construction Contractor is entitled to payment in the amount certified. In addition, Developer and the DDA shall cooperate with one another to develop an orderly procedure for review and payment of Project costs and expenses, including fees for the Architect and other consultants. All disbursements will be made pursuant to the Disbursement Agreement.

Permits. Developer shall obtain, or cause to be obtained, all Permits, licenses and easements required for the construction of the Project in accordance with the Plans and Specifications, including any and all utility, parking, access (including curb-cuts and highway access), construction, recreational, building, tap-on permits issued by the appropriate Governmental Authority, and the final building permit, which must be obtained in a timely manner in order for the Project to be complete in accordance with the Construction Schedule. Developer shall (i) maintain or cause to be maintained in full force and effect all Permits now held or hereafter acquired with respect to the Project, and (ii) perform, observe, fulfill and comply in all material respects with (or cause the performance, observance, fulfillment and compliance in all material respects of and with) all of the obligations, covenants and conditions contained in such Permits. Developer, upon written request therefor from the DDA, shall provide the DDA with copies of all Permits, including, without limitation, any occupancy permit, county fire marshal approval and other required Permits pertaining to the occupancy of the Project following the completion of construction before full or partial occupancy may occur.

Independent Contractor Status. Developer is serving as the Developer for the design, development and construction of the Project. The Parties intend for Developer to function as an independent contractor of the DDA. This Development Agreement shall therefore not be deemed to create an employer/employee, partnership, joint venture, principal-agent or other relationship between Developer and the DDA. Developer is neither an owner of the Project nor a lessee of the Project or any portion thereof for federal income tax purposes, and therefore Developer will not be entitled to, and will not take, any federal income tax depreciation or amortization deductions, any investment tax credit or any deductions with respect to the Project or any portion thereof.

Employees. Subject in every case to this Development Agreement, the Franchise Agreement, the Project Budget, the Project Documents, and compliance with all Applicable Laws that affect employers generally (including, without limitation, those concerning workers' compensation, social security, unemployment insurance, hours of labor, wages, working conditions and like subjects), Developer shall have the following rights and obligations, directly and through its position as the manager of Project Development Work:

- (a) sole and exclusive discretion with respect to the number, qualifications and duties of the personnel to be employed by Developer to perform the Development Services;
- (b) the sole and exclusive right and responsibility to screen, test, investigate, interview, hire, train, supervise, discharge, and pay all personnel necessary to conduct the Development Services; and
- (c) sole and exclusive discretion with respect to compensation and benefits of its employees.

In the event such services are contracted or subcontracted pursuant to Section 3.07, the foregoing rights and responsibilities shall devolve upon and belong to the applicable contractor or subcontractor. SUCH PERSONNEL SHALL IN EVERY INSTANCE BE EMPLOYEES OF DEVELOPER, OR IF CONTRACTED OR SUBCONTRACTED, OF THE APPLICABLE CONTRACTOR OR SUBCONTRACTOR, AND UNDER NO CIRCUMSTANCES SHALL

ANY INDIVIDUAL EMPLOYED AT ANY TIME OR IN ANY CAPACITY IN RESPECT OF THE DEVELOPMENT SERVICES BE CONSIDERED EMPLOYEES OF THE DDA OR THE TRUSTEE, FOR ANY PURPOSE WHATSOEVER.

The Indenture and Disbursement Agreement. Developer represents and warrants and covenants that it: (i) has reviewed the Disbursement Agreement and the Indenture provisions described in clause (ii) below; and (ii) agrees to take commercially reasonable measure to ensure that the DDA complies with those provisions, requirements and limitations of Sections 413 and 805 of the Indenture and the provisions, requirements and limitations of the Disbursement Agreement.

[Intentionally Omitted].

Contracts and Subcontracts; Required Terms.

(a) **Form of Contracts; Compliance.** For all Non-Material Contracts and Specified Contracts (as those terms are defined below), Developer shall use the DDA’s standard procurement forms, or such other forms as the DDA shall require, and manage the award of contracts in accordance with the below requirements.

(b) **Non-Material Contracts and Specified Contracts and Required Terms.** Notwithstanding any conflicting provision of the Agreement to the contrary, Developer shall be authorized to execute agreements on behalf of the DDA, without the DDA’s approval if such agreements meet the following conditions (each a “**Non-Material Contract**”): (i) the agreement require total annual payments of less than fifty thousand dollars (\$50,000); and (ii) the agreement has a term of less than one (1) year (unless such agreement is terminable by Developer (on behalf of the DDA) upon not more than thirty (30) days’ notice without fee or penalty). Any contract to which the DDA is a party, or that identifies the DDA as a responsible party or otherwise references the DDA, or has an expected spend of more than Fifty Thousand Dollars (\$50,000.00) per Fiscal Year (each a “**Specified Contract**”), must incorporate the contract addendum attached hereto as Schedule 3.08(b). The DDA shall be responsible for the direct payment of all costs, fees and expenses due to a counterparty pursuant to a Non-Material Contract, a Specified Contract or any contract with a Project Team member as required pursuant to the terms of such agreements. Developer shall use commercially reasonable efforts to advise the DDA on its payment obligations pursuant to such agreements.

Liens. To the extent the DDA has paid all amounts properly due and owing under the Project Documents, Developer shall not create or permit to exist a lien in respect of the Project without the prior written consent of the DDA and the Trustee, other than those created by the Indenture and the Security Deed (as defined in the Indenture) or in existence as of the Effective Date. In no event may Developer take any action that would cause or permit any mortgage, lien, pledge, charge, lease, easement, servitude, right of others, security interest or encumbrance of any kind in respect of the Project to exist, other than those created by the Indenture and the Security Deed or in existence as of the Effective Date.

Access to Project. The DDA, the Trustee, and their respective agents, attorneys, accountants, employees, invitees, or licensees shall have at all times during the Term: (i) full and complete access to the Project, subject to reasonable limitations as to the number of persons that may be permitted to be given access and the timing of such access (including requiring at least 24 hours prior written notice); (ii) the right to tour any portion of the Project to observe and to permit others to observe the Development Services performed by Developer or contractor, provided only that such tours shall be conducted in compliance with Developer's safety standards and Applicable Laws and shall not unreasonably interfere with the construction of the Project or Developer's ability to perform its obligations hereunder; (iii) the right to conduct inspections of all or part of the Project at reasonable intervals for the purposes of verifying compliance with the terms of this Development Agreement; and (iv) the right to inspect and copy any and all books and records of Developer pertaining to the Development Services and the Project Development Work (including, without limitation, all Permits, all contracts, insurance records under Article V, and Project financial records) and to discuss the Project Development Work with appropriate representatives of Developer or any contractor. Developer shall cooperate with the DDA, the Trustee, and their respective agents, attorneys, accountants, employees, invitees, or licensees in such inspections, and the DDA, the Trustee, and their respective agents, attorneys, accountants, employees, invitees, or licensees shall conduct such inspections or cause such inspections to be conducted so as not to unreasonably interfere with Developer's performance of its obligations hereunder. Developer shall, and shall cause each subcontractor to, provide any of the DDA or the Trustee at any time upon reasonable request with any Project related Information so requested.

Litigation. Developer and the DDA will notify each other in writing, within five (5) Business Days of receiving notice thereof, of any actual, pending or threatened claim, demand, mechanic's lien, litigation or adversarial proceeding that could reasonably be expected to materially and adversely affect the Project or such party. Each party will notify the other in writing and within five (5) Business Days of any matter that a party reasonably believes could result or does result in a material adverse change in the financial condition or operation of each party or the Project.

Maintenance of Property and Improvements. Developer agrees that it will, on behalf of the DDA, use commercially reasonable efforts to keep the Property and Improvements, or cause the Property and Improvements to be kept, in as reasonably a safe condition as its activities thereon or the Project Development Work shall permit, and maintain the Property and Improvements, or cause the Property and Improvements to be maintained, in a neat and clean condition, including daily removal of trash and debris at the Property.

Article IV
DEVELOPER'S COMPENSATION AND CERTAIN OBLIGATIONS TO OR FOR THE
BENEFIT OF DEVELOPER

Section IV.01 Developer's Compensation.

(a) In consideration for Developer's performance of the Development Services in accordance with and subject to the terms of this Development Agreement, Developer shall be paid the fees at the intervals set forth on Schedule 5.01(a) attached hereto ("**Developer Fees**"). If the DDA shall fail to pay the Developer Fees on time as set forth on

Schedule 5.01(a), such amount shall thereafter accrue interest at one and [one-half percent (1.5%)] per month from until paid.

(b) It is expressly understood and agreed that Developer Fees shall be the exclusive basis of payment to Developer for Development Services. Developer shall not be entitled to any additional or further payments for the services to be rendered by Developer pursuant hereto or to the reimbursement of any costs incurred by Developer in performing any of its obligations hereunder except as expressly provided herein.

(c) Affiliates of Developer may be compensated for services included in the Project Budget, provided that the services provided by any affiliate must be pursuant to a contract that meets the requirements of a Specified Contract (without regard to the annual amounts payable thereunder) that has been approved in writing by the DDA after specific disclosure that such Specified Contract is with an affiliate of Developer, and amounts paid or payable thereunder shall not exceed amounts that would be charged by an unrelated third party for similar services.

Article V
INSURANCE AND INDEMNIFICATION

DDA’s Insurance.

Developer shall advise the DDA as to (a) the insurance coverages and amounts that are customarily carried, and (b) such risks as are customarily insured against by others, in connection with the development and construction of facilities of similar character and size to the Project (including, without limitation, builder’s risk, casualty and liability policies) (collectively, the “**DDA’s Insurance**”). Subject in all cases to the requirements of the Indenture, DDA shall obtain the DDA’s Insurance at its sole cost and expense. Developer and the Trustee shall be named as additional insureds on the DDA's liability insurance policies that are a part of the DDA's Insurance to the extent applicable. The DDA shall provide evidence of the coverage afforded under the DDA’s Insurance policies to the Developer. Any builder’s risk insurance carried by DDA hereunder shall be primary as to any insurance obtained pursuant to Section 5.02.

Insurance Maintained by Developer.

(a) **General Requirements.** All insurance policies and renewals thereof that are required to be carried by the DDA, Developer or a Project Team member hereunder shall:

- (1) be issued by insurance carriers authorized to conduct business in the State of Georgia having an A.M. Best guide rating no less than A- VIII and an S&P rating of no less than A;
- (2) be written on an occurrence (and not “claims made”) basis;
- (3) contain a provision whereby the insurer agrees to give to the DDA and the Trustee at least thirty (30) days' prior written notice of any cancellation or material modification;

(4) include insurer's waiver of subrogation as against the DDA;

(5) with respect to insurance policies and renewals thereof that are required to be carried by Developer or Project Team member hereunder, be primary and without right of contribution of any other insurance carried by or on behalf of the DDA (except for builder's risk insurance carried by DDA, which shall be primary to any insurance carried by Developer);

(6) list the DDA, the Trustee and the Developer as an additional named insured, except professional liability and worker's compensation insurance), be payable to the Trustee as a mortgagee and not as a coinsured, and, in the case of all policies of insurance carried by any lessee for the benefit of DDA, all such policies shall be payable to Trustee as loss payee;

(7) provide for a term of not less than one (1) year;

(8) include a standard mortgagee endorsement clause in favor of the Trustee;

(9) for all commercial general liability policies, include by endorsement as named insured to the policy: each DDA Indemnified Person, each Trustee Indemnified Person, the parent companies, subsidiaries, affiliate companies and partnerships and all of their directors, officers, agents, representatives and employees of the DDA and the Trustee; and

(10) comply with any other insurance requirements provided in this Development Agreement.

(b) Developer and all Project Team members performing Work at the Project, at their sole cost and expense, shall maintain insurance coverage in the types and amounts listed below at all times during which they are performing Work at the Project, and Developer shall ensure that all Project Team members comply with such requirements on behalf of the DDA (provided, however, that the Umbrella Liability limits set forth in subsection (5) below shall only apply to the Developer and Construction Contractor, and all other Project Team members shall only be required to carry \$5,000,000 of Umbrella Liability coverage):

(1) General Liability (including contractual liability)

- \$2,000,000 General Aggregate (per project)
- \$1,000,000 Products/Completed Operations
- \$1,000,000 Each Occurrence
- \$1,000,000 Personal/Advertising Injury (any one person or organization)
- \$ 50,000 Fire Damage (any one fire)
- \$ 5,000 Medical payments (any one person or occurrence)

(2) Automobile Liability

\$2,000,000 Bodily Injury/Property Damage combined single limit
Statutory Personal Injury Protection per occurrence. Coverage
should also include owned, hired, non-owned and leased
automobiles, garage-keepers liability, statutory uninsured and
underinsured motorist's liability

(3) Workers' Compensation

In amounts required by Applicable Law

(4) Employer's Liability

\$100,000 Each Accident
\$500,000 Disease – Policy limit
\$100,000 Disease – Each Employee

(5) Umbrella Liability

Umbrella Liability insurance in an amount
not less than \$15,000,000 each occurrence and \$15,000,000
aggregate coverage, and listing the DDA as additional named
insured. The policy must include, at a minimum, coverage for
bodily injury, property damage and advertising/personal injury
arising from premises, operations, independent contractors,
products completed operations, and liability assumed under an
insured contract both oral and written. This coverage may provide
for a deductible not to exceed \$25,000 per incident.

(c) Developer shall deliver, and shall cause each Project Team member to
deliver, to the DDA and the Developer (as applicable) certificates, or at the request of the
DDA, certified copies, of the policies evidencing the insurance required above, which must be
before the commencement of the Development Services and from time to time at the request
of the DDA for so long as the Developer or Project Team member (as applicable) is required
to maintain such insurance. Each policy shall (1) require the insurer to notify the DDA and
the Developer (as applicable) at least 30 days before any cancellation, nonrenewal or material
modification of the policy, and (2) waive all rights of subrogation against the DDA. Upon the
Developer receipt of any notice of cancellation, nonrenewal or material modification of a
policy, the Developer shall, and shall cause each applicable Project Team member to, within
ten (10) days thereafter, procure other policies of insurance that are acceptable to the DDA
and similar in all respects to the policy or policies about to be canceled or altered.

Event of Loss or Event of Total Loss.

(a) Developer shall provide the DDA with prompt written notice of any actual
or threatened Event of Loss or Event of Total Loss. “**Event of Loss**” means any loss of,
destruction or damage to, or Taking of any part of the Project. “**Event of Total Loss**” means
(i) all or substantially all of the Project is damaged to the extent of being completely or

substantially completely destroyed such that operations must be permanently discontinued; (ii) any damage to the Project that results in an insurance settlement with respect thereto on the basis of the Project being completely or substantially completely destroyed; or (iii) any Taking. “**Taking**” means all or substantially all of or a material portion of the Project is taken by exercise of eminent domain or a similar right or power by a Governmental Authority or a Governmental Authority shall order the Project to cease to construction and/or operations permanently, or sale or transfer in lieu of a condemnation or taking of the Project or any part thereof.

(b) If an Event of Loss or an Event of Total Loss occurs, Developer shall prepare or cause to be prepared and promptly deliver to the DDA an estimate of the total costs and schedule to repair or reconstruct the Project, as applicable. Subject in any event to the requirements of the Indenture, if the DDA is permitted to elect, and does so elect, in its sole reasonable discretion and after consultation with Developer, to repair or reconstruct the Project, Developer shall be responsible for the oversight and management of the repair or reconstruction. All reasonable costs and expenses incurred by or on behalf of Developer and pre-approved by the DDA pursuant to this Section shall be incorporated by Developer into the Project Budget. In the event the DDA elects, in its sole discretion, not to repair or reconstruct the Project, the loss proceeds will be applied in accordance with the terms of the Indenture.

Section V.04 Indemnification.

(a) Developer Indemnity. Developer shall indemnify, defend and hold each DDA Indemnified Person, and each Trustee Indemnified Person, and, together with the DDA Indemnified Persons, each an “**Indemnified Person**”) harmless from and against all Developer-Indemnified Liabilities. Notwithstanding the foregoing sentence, such indemnity shall not be available to the extent that the Developer-Indemnified Liability is determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the negligence, willful misconduct or fraud of the Indemnified Person seeking indemnification.

(b) Procedure for Indemnification.

(1) DDA Indemnified Persons. In the event that any action or proceeding is brought against any DDA Indemnified Person with respect to which indemnity may be sought hereunder, Developer, upon written notice from such DDA Indemnified Person shall assume the investigation and defense thereof, including the employment of counsel selected by such DDA Indemnified Person, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that such DDA Indemnified Person shall have the right to review and approve or disapprove any such compromise or settlement in its reasonable discretion. Each DDA Indemnified Person shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof. Developer shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such DDA Indemnified Person may only employ separate counsel at the expense of Developer if, in the reasonable judgment of such DDA

Indemnified Person, a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel.

(2) Trustee Indemnified Persons. In the event that any action or proceeding is brought against any Trustee Indemnified Person with respect to which indemnity may be sought hereunder, Developer, upon written notice from such Indemnified Person, shall assume the payment of all expenses related thereto, and such Indemnified Person shall retain the full power to litigate, compromise or settle the same in its sole discretion.

(c) Use and Benefit of Funds held under the Indenture. Except as may be derived from insurance proceeds as set forth in Subsection (d), below, Developer acknowledges and agrees that its obligation to defend, indemnify and hold the Indemnified Persons harmless from and against Developer-Indemnified Liabilities shall not be funded from amounts or Funds held under the Indenture or diminished in any respect by the availability of such Funds or the use or application by the DDA of such Funds to satisfy any Liabilities (including Developer-Indemnified Liabilities) hereunder and that such use or application by the DDA or the Trustee of Funds under the Indenture for such purpose in accordance with the provisions of the Indenture shall not affect in any manner Developer's obligation to pay or reimburse the DDA therefor.

(d) Sources of Funds; Waiver of Subrogation. It is the DDA's and Developer's intent to look first to the insurance coverage required pursuant hereto for both legal defense and payment of any Liabilities, subject to the provisions of this Section. Notwithstanding any indemnity language to the contrary, in the event that Liability arises which is covered by the insurance required pursuant to the Indenture or this Development Agreement, Developer shall cause such insurance to be paid in accordance with such policies, and to the extent of such payment, the procedures related to indemnity below shall not apply; provided, that the foregoing shall not have any effect whatsoever on an Indemnified Person's underlying right to indemnity. As to any Liabilities paid by insurance, the Parties agree to waive all rights of subrogation, regardless of whether the negligence or fault of the other party or other party's agents, officers, or employees causes or is alleged to have caused such claim, liability, loss or damage.

(e) Survival. The rights of any Indemnified Person to indemnity hereunder shall automatically expire twenty (24) months after the expiration or termination of this Development Agreement, regardless of cause.

(f) Third-Party Beneficiaries. The Trustee, and to the extent of their rights hereunder to indemnification and exculpation from pecuniary liability, each Indemnified Person (other than a Party), is a third-party beneficiary of this Development Agreement, entitled to enforce its rights hereunder in his, her, its or their own name.

Article VI
LIMITATION OF LIABILITY

Limited Obligations of the DDA. Notwithstanding anything to the contrary in this Agreement or in any other document or instrument to which the DDA is a party, whether express or by implication or construction or interpretation or otherwise), it is understood and agreed that in the performance of the DDA's obligations under this Agreement, including, without limitation, the obligations contained in the agreements contemplated by this Agreement, any obligation the DDA may thereby incur for the payment of money (including, without limitation, payment of the Management Fee and payment of amounts arising out of liability (directly or indirectly) for any claims, proceedings, costs or expenses of any kind in connection with this Agreement or any other document or instrument to which the DDA is a party related to the Project, its financing, development, construction or otherwise), shall not constitute a general obligation of the DDA, but instead shall constitute a limited obligation of the DDA payable solely out of the proceeds of the Bonds, and no recourse shall be had or claim shall be made against any other assets, properties, or revenues of the DDA to satisfy any obligations of the DDA under this Agreement or any of the agreements contemplated herein.

Section VI.02 Other Limitations.

(a) Neither Party shall be liable hereunder for incidental, special, punitive or consequential damages (including, lost revenues or lost profits) arising out of or in connection with this Development Agreement or any Development Services provided by Developer, even if such Party has previously been advised of the possibility of such damages; provided, that the foregoing limitation shall not apply to the extent that such incidental, special, punitive or consequential damages: (i) are the direct result of Developer's gross negligence, willful misconduct, fraud, malice and/or criminal activity; or (ii) are third-party damages for which an Indemnified Person is held or alleged to be liable and for which Developer is responsible under Developer's indemnification obligations to such Indemnified Person or Persons hereunder.

(b) NEITHER (A) THE DDA NOR ANY JOINT VENTURES (IF ANY), MEMBERS, OFFICERS, DIRECTORS OR EMPLOYEES OF THE DDA, NOR (B) THE DEVELOPER NOR ITS MEMBERS, OFFICERS, DIRECTORS OR EMPLOYEES, SHALL HAVE ANY PERSONAL LIABILITY WHATSOEVER WITH RESPECT TO THIS AGREEMENT. DEVELOPER AGREES THAT IT SHALL LOOK SOLELY TO THE DDA'S INTEREST IN THE PROCEEDS OF THE BONDS FOR THE SATISFACTION OF ANY CLAIM, JUDGMENT OR DECREE REQUIRING THE PAYMENT OF MONEY BY THE DDA BASED ON ANY DEFAULT HEREUNDER, AND NO OTHER PROPERTY OR ASSETS OF THE DDA, ITS AFFILIATES, SUCCESSORS, MEMBERS OR ASSIGNS, SHALL BE SUBJECT TO LEVY, EXECUTION OR OTHER ENFORCEMENT PROCEDURES FOR THE SATISFACTION OF ANY SUCH CLAIM, JUDGMENT, INJUNCTION OR DECREE.

Article VII
TERMINATION; sUSPENSION

Section VII.02 Termination for Cause.

(a) By DDA. This Development Agreement may be terminated upon the occurrence of an Developer Termination Default under this Section at any time during the Term by the DDA by delivery of a written termination notice to Developer (an “**DDA Termination Notice**”). The DDA Termination Notice shall: (i) state that Developer's termination is being initiated pursuant to this Section; (ii) include a reasonable description of the grounds for such termination and the alleged conduct or event constituting the Developer Termination Default; and (iii) be effective on the third (3rd) Business Day following delivery of the DDA Termination Notice to Developer (such effective date, or any other effective date of termination of this Development Agreement, being referred to herein as the “**Termination Date**”). Developer shall notify the DDA and the Trustee promptly in writing upon the occurrence of any Developer Termination Default.

(b) “**Developer Termination Default**” means the occurrence of any of the following:

(1) The willful misconduct, malice, fraud and/or criminal activity of Developer or any of its key employees, its members, officers, agents or representatives, or any act materially outside the scope of Developer's authority hereunder to the extent such acts have a Material Adverse Effect on the DDA or the Project;

(2) [Intentionally Omitted]

(3) Developer's violation of any material Applicable Law in connection with the performance of its obligations hereunder, and failure to cure any such violation within 45 days thereafter, unless, in the reasonable judgment of the DDA, the violation, regardless of such cure, has a Material Adverse Effect on the DDA and/or the Project;

(4) Developer's failure to cure, at Developer's sole expense, any default by Developer (other than a default under Subparagraphs (1), (4), (5), (6), (7), (10) or (11) of this Subsection (b)) of any of its material obligations hereunder within the cure period specified herein, and if none specified, forty-five (45) days after written notice of such default has been given by the DDA or the Trustee and received by Developer (with receipt determined in accordance with Section 11.01), and such notice of default must reasonably specify the alleged breach; provided, however, that except with respect to a default under Subparagraph (8) of this Subsection (b), if a particular default cannot reasonably be cured within a forty-five day (45) day cure period, Developer shall have an additional thirty (30) days to cure any such default so long as Developer begins to cure promptly after receiving notice of the default from the DDA;

(5) Developer makes a general assignment for the benefit of creditors or third parties;

(6) Developer files in any court a petition in bankruptcy, or insolvency, or for a reorganization, or for the appointment of a receiver or trustee of all or a substantial part of its property;

(7) Developer commences or consents to any case, proceeding, or other action (A) seeking reorganization, arrangement, adjustment, liquidation, dissolution, or composition of Developer or Developer's debts under any Applicable Law relating to bankruptcy, insolvency, reorganization, or relief of debts, or (B) seeking appointment of a receiver, trustee, or similar official for Developer or for all or any part of Developer's property;

(8) any case, proceeding, or other action against Developer is commenced (A) seeking to have an order for relief entered against Developer as debtor, (B) seeking reorganization, arrangement, adjustment, liquidation, dissolution, or composition of Developer or Developer's debts under any Applicable Law relating to bankruptcy, insolvency, reorganization, or relief of debtors, or (C) seeking appointment of a receiver, trustee, or similar official for Developer or for all or any part of Developer's property;

(9) [Intentionally Omitted];

(10) any breach of or material inaccuracy in any of the representations or warranties made by Developer in Section 8.01(a) – (c) hereof (collectively, the “**Fundamental Reps and Warranties**”);

(11) any breach of or material inaccuracy in any of the representations or warranties made by Developer (other than the Fundamental Reps and Warranties) that has a Material Adverse Effect on the construction and completion of the Project and/or the DDA;

(12) Developer abandons the Project;

(13) an event of default shall have occurred and be continuing under the Indenture (after the expiration of any applicable cure or grace period) as a result of Developer’s breach in its obligations under this Agreement, and such default has a Material Adverse Effect on the construction and completion of the Project as a Hilton Tapestry Collection franchise; or

(14) an event of default shall occurred and be continuing under the Franchise Agreement (after the expiration of any applicable cure or grace period) as a result of Developer’s breach in its obligations under this Agreement, and (i) Developer has failed to cause such default to be cured within the cure period set forth in the Franchise Agreement after being notified of the default by the DDA or Franchisor, or (ii) such default has a Material Adverse Effect on the construction and completion of the Project as a Hilton Tapestry Collection Franchise.

(c) By Developer. This Development Agreement may be terminated by Developer during the Term if a DDA Default has occurred and has not been cured within the time periods specified in the definition of “DDA Default”.

Termination for Convenience. DDA may terminate this Agreement for convenience in whole or in part upon written notice to Developer in the event that the DDA determines, in its reasonable discretion, that (a) economic conditions in the downtown Lawrenceville hotel submarket are no longer projected to be viable to support profitable operation of the Project, (b) the Project has lost the political support of the applicable governmental officials, agencies, bodies and/or instrumentalities necessary to effectuate development and operation of the Project, and/or (c) it is in the best interests of the City to terminate and no longer pursue development of the Hotel portion of the Project. In the event DDA terminates this Agreement for convenience, Developer shall be entitled to (i) payment for services satisfactorily performed prior to termination, calculated on a pro rata or other equitable basis determined by the DDA in its sole discretion (“**Earned Fees**”), and (ii) a lump sum termination fee in the amount of One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00) (“**Termination Fee**”). In no event shall Developer be paid for work performed or costs incurred after receipt of notice of termination, or for costs incurred by suppliers or subcontractors which could have been avoided. The Earned Fees and Termination Fee shall be the sole and exclusive remedy of Developer for DDA’s termination for convenience. DDA will not pay the Developer any loss of anticipated fees, profits or revenue or other economic loss arising out of or resulting from such termination. Upon receipt of notice of termination, unless the notice directs otherwise, the Developer shall do the following: discontinue all Development Services, entering into contracts for services, supplies, assistance, facilities, and materials used in connection with performing the Development Services, cause subcontractors to cease their Development Services, and shall promptly cancel all existing orders and contracts that are chargeable to this Agreement; and furnish the DDA with copies of all materials related to the Project within Developer’s possession or control within seven (7) days of receiving the DDA’s notice of termination.

Developer’s Duties on Termination. Prior to any termination or expiration of this Development Agreement, Developer shall, without additional reimbursement or payment, other than payment of Developer Fees otherwise due hereunder:

(a) Complete Development Services. Provide Development Services through such date reasonably requested by the DDA to allow the DDA to identify, engage, and transition the Development Services to a successor development and construction manager;

(b) Disclose Specified Contract Defaults. Disclose to the DDA in writing any breach or default by a counterparty to any Specified Contract of which Developer has actual knowledge (such disclosure to contain a description of such failure to comply and what steps, if any, have been taken to remedy same);

(c) Assign Warranties. If applicable and if requested by the DDA, assign to the DDA, to a successor Developer, or to a Person or entity designated by the DDA, all contracts with vendors, contractors, subcontractors, or others relating to the Development Services, or the development and construction of the Project, and any warranties of such

vendors, contractors, subcontractors, and others, to the extent that such contracts and warranties are assignable and all requisite consents have been obtained;

(d) Deliver Books and Records. If applicable, deliver to another Person designated by the DDA (or relinquish Developer's control over) (i) all information, including books and records in Developer's possession, relating to the Project, (ii) all financial records and all other records created or maintained by Developer, and in the DDA's discretion, required for the DDA or a successor Developer to take over the Development Services; and (iii) all Project materials, supplies, contracts, original documents and other items of personal property owned by the DDA and in Developer's possession or control; and

(e) Other Action. Reasonably cooperate with the DDA and take any and all such further reasonable action as may be requested by the DDA to ensure transfer of the Development Services to any successor Developer or any Person designated by the DDA. For the avoidance of doubt, reasonable action shall include, without limitation, the transfer of all Permits (if applicable) that may be transferred, or the provision of information necessary for the successor Developer or Person designated by the DDA to obtain all Permits necessary for the Project Development Work.

Termination on Destruction. Subject to the terms and conditions set forth in Section 5.03, the DDA [or Trustee] may terminate this Development Agreement, upon thirty (30) days' prior written notice to Developer, upon the Event of Total Loss of the Project and the determination by the DDA not to repair or reconstruct the Project pursuant to the terms of the Indenture.

Section VII.05 Payments Upon Termination.

(a) The DDA will be responsible for the direct handling and payment of invoices received under any Project Document after notice of any termination hereunder. Upon notice of termination by any Party for any reason, Developer will submit to the DDA an estimate of the additional liabilities and obligations incurred by the Project through the Termination Date, and all other obligations of the DDA hereunder (including without limitation all Unpaid Developer Fees).

(b) In connection with a termination under Section 7.01(a), the DDA Termination Notice shall be accompanied by payment (but nevertheless subject to the DDA's limitation on liability under Section 6.01) to Developer or an invoice, as applicable, of all Unpaid Developer Fees through the Termination Date, less any cost or expense for remedying the Developer Termination Default, including the cost of replacing Developer with another Developer, and any collections costs and reasonable attorneys' fees. If an amount is owing to the DDA pursuant to any Termination under Section 7.01(a), Developer shall pay such amount within five (5) Business Days of receiving an invoice for the same.

(c) Subject to the DDA's limitation on liability under Section 6.01, in connection with any termination hereunder (except any termination under Section 7.01(a) or a termination at the direction of the Trustee), the DDA shall pay to Developer all Unpaid Developer Fees through the Termination Date on or before the Termination Date, unless such

failure is due to insufficient funds available therefor under and in accordance with the Indenture, in which case the DDA will not be required to make any payment until sufficient funds become available for such purposes as provided in the Indenture.

Possession of the Project. Concurrently with the date of the termination of this Development Agreement, and following the payment of all Developer Fees and expenses due and owing to Developer under the terms of this Development Agreement, Developer shall deliver to or at the direction of the DDA, (i) all keys and other items providing for access to the Project, and (ii) possession of the Project, including vacation of any space in the Project occupied by Developer or its agents.

Suspension by DDA. DDA may, without cause, order the Developer in writing to suspend the Development Services, and cause a suspension of the Project Development Work, in whole or in part for such period of time as the DDA may determine. If the DDA suspends the Development Services and/or orders the Developer to cause a suspension of the Project Development Work, without cause, for more than thirty (30) consecutive days, the Developer shall be compensated for services performed prior to notice of such suspension. When the Development Services and the Project Development Work, as applicable, are resumed, the Developer shall be compensated for reasonable expenses incurred as a direct result of the interruption and resumption of the Development Services and/or the Project Development Work. If appropriate, the Developer’s fees for the remaining services and the time schedules shall be equitably adjusted. If the DDA suspends the Development Services and/or the Project Development Work for more than ninety (90) consecutive days for reasons other than the fault of the Developer, the Developer may terminate this Agreement by providing the DDA not less than thirty (30) days’ written notice, and payment of the Termination Fee.

Article VIII
REPRESENTATIONS, WARRANTIES, AND COVENANTS

Section VIII.01 Developer's Representations and Warranties.

Developer represents and warrants to the DDA and the Trustee as of the Effective Date (and any additional date specified below) as follows:

(a) it is duly organized, validly existing and in good standing as a limited liability company under the laws of the State of Georgia and is qualified to conduct its business in the State of Georgia; further, it has the requisite authority and power to execute and deliver this Development Agreement and to perform its obligations hereunder; and it has taken all necessary action to authorize such execution, delivery and performance;

(b) the execution, delivery and performance of this Development Agreement does not conflict with or violate any Applicable Law, any provision of Developer’s constituent documents, any order or judgment of any court or governmental agency applicable to it or any of its assets or any contractual restriction binding on it or its assets;

(c) this Development Agreement constitutes the legal, valid and binding obligation of Developer, enforceable against Developer in accordance with its terms, subject to

applicable bankruptcy, insolvency, reorganization, moratorium and similar laws relating to the enforcement of creditors' rights generally and subject to principles of equity;

(d) Developer possesses the requisite skills, qualifications, experience and personnel to perform the Development Services and its covenants and obligations hereunder; and

(e) all representations made by Developer in connection with its application for any Permit that Developer filed with respect to the Project are true and correct as of the date hereof (including, if amended, as so amended), and Developer has provided such additional or updated information to the issuer of any such Permit as required to comply in all material respects with the requirements therefor.

DDA’s Representations.

The DDA represents and warrants to the Developer as of the Effective Date (and any additional date specified below) as follows:

(a) The DDA is a public body corporate and politic created and existing under the laws of the State of Georgia; further, it has the requisite authority and power to execute and deliver this Development Agreement and to perform its obligations hereunder; and it has taken all necessary action to authorize such execution, delivery and performance;

(b) the execution, delivery and performance of this Development Agreement does not conflict with or violate any Applicable Law, any provision of the DDA’s constituent documents, any order or judgment of any court or governmental agency applicable to it or any of its assets or any contractual restriction binding on it or its assets; and

(c) this Development Agreement constitutes the legal, valid and binding obligation of the DDA, enforceable against the DDA in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws relating to the enforcement of creditors' rights generally, to principles of equity, to the exercise of judicial discretion in appropriate cases, to the limitations on legal remedies against Georgia governmental entities such as the DDA, and to limitations on the DDA's liability hereunder.

Article IX
CONFIDENTIALITY

Confidential Information. Developer agrees not to directly or indirectly use or disclose any confidential, proprietary business, or trade secret information of the DDA or the Project (collectively, “**Confidential Information**”), to any third party, except as the DDA may explicitly authorize in writing. The obligations of nondisclosure of the Confidential Information under this Section shall not apply to any part of the Confidential Information that (a) was already known to Developer before receiving such information from the DDA, (b) is or becomes known to the public or generally available to the public through no fault of Developer, (c) is rightfully furnished to Developer from a third party who has not received such Confidential Information, directly or indirectly, from the DDA under an obligation of nondisclosure or nonuse, (d) is independently developed by or for Developer without use of Confidential Information received from the DDA, (e) is required to be disclosed under any continuing disclosure agreement entered

into with respect to the Bonds, or (f) is contained in any reports given to the DDA that become subject to the Georgia Open Records Act (“GORA”). The obligation of nondisclosure of the Confidential Information herein shall not be breached by disclosure required in a judicial proceeding or governmental investigation; provided, that Developer gives the DDA prior notice of such requirement and affords the DDA an opportunity to oppose such disclosure or seek a protective order or other appropriate remedy. Notwithstanding the foregoing or anything herein to the contrary, Developer acknowledges that the DDA is an “authority” for purposes of GORA and that this Development Agreement and confidential information received from Developer that is covered hereby, including, but not limited to, any proprietary materials, will be considered public records and will be subject to disclosure under GORA, except for information falling within one of the exemptions therefrom. The DDA is required to and shall comply with all Applicable Laws, including GORA, in relation to any records, documents and information related to the DDA's dealings and relationship with Developer. Nothing herein shall be deemed or construed as a limitation on the DDA's discretion relating to compliance with the GORA or other Applicable Law. Nevertheless, the DDA will use reasonable efforts to provide notice to Developer of any request under GORA but shall have no liability arising out of its failure to do so in a timely manner or at all. The provisions of this Section shall survive the consummation of the transactions contemplated by this Agreement, and any expiration or earlier termination of this Agreement.

Article X
RESTRICTIVE COVENANTS; EXCLUSIVE DEALINGS.

Engaging in Competitive Business. During the Restricted Period, neither Developer, nor any Person controlling, controlled by or under common control with Developer, shall directly or indirectly through an affiliate or otherwise, as sole proprietor, corporation, partner, member, employee, shareholder, principal, agent, consultant, manager, advisor, director, officer, control person, operator, or in any other capacity or manner whatsoever without the DDA’s prior written consent in its sole discretion:

(a) engage in the business of constructing or developing (or assisting another Person in the construction or development of) a Hotel Facility, in whole or in part, in the Restricted Territory; or own (beneficially or of record), Control or have any interest whatsoever (including as an equity holder, lender or otherwise) in any enterprise that shall engage in the activities set forth in this Subsection (a); or

(b) own, manage, lease, operate, Control or participate in any manner in the ownership, management, leasing, operation or control of, or have any financial interest in, or aid or assist anyone else in the conduct of (including through the provision of consulting services to) an operating Hotel Facility in the Restricted Territory; or own (beneficially or of record), control or have any interest whatsoever (including as an equity holder, lender or otherwise) in any enterprise that shall engage in the activities set forth in this Subsection (b).

Further Agreements and Acknowledgements.

(a) Developer expressly agrees that the DDA has a legitimate and protectable business interest justifying the existence of the restrictions contained in Section 10.01 (collectively, the “**Restrictive Covenants**”).

(b) The DDA and Developer have carefully considered the nature and extent of the Restrictive Covenants and the rights and remedies conferred upon the DDA under the Restrictive Covenants and hereby expressly acknowledged and agreed that: (i) the Restricted Period and the Restricted Territory and all other restrictions contained in the Restrictive Covenants are designed to protect the legitimate and protectable business interests of the DDA; (ii) the Restrictive Covenants are reasonable and necessary and fully required to protect the legitimate and protectable business interests of the DDA; (iii) the Restrictive Covenants impose a reasonable restraint upon Developer; (iv) any violation of the terms of any of the Restrictive Covenants could have a substantial detrimental effect on the DDA's business and the Project; (v) the Restrictive Covenants do not stifle Developer's inherent skill and experience; (vi) the Restrictive Covenants would not operate as a bar to Developer's means of support; and (vii) Developer expressly acknowledges that Developer shall have the ability to practice Developer's business outside of the Restricted Territory and that the Restrictive Covenants shall not inhibit Developer's ability to practice Developer's business or profession.

(c) Developer agrees and acknowledges that any damages resulting from any violation of the Restrictive Covenants would be difficult to ascertain and, for that reason, Developer expressly agrees that, in the event of any violation any of the Restrictive Covenants, the DDA shall be entitled to preliminary and permanent injunctive relief restraining any such violation of any or all of the Restrictive Covenants either directly or indirectly, from any court of competent jurisdiction, without proof of actual damages, and without the need to post any bond, and such right of the DDA shall be cumulative and in addition to any other remedy which the DDA may desire or seek. Developer expressly waives the defense in an action in equity that the DDA's legal remedy is adequate and hereby agrees that the DDA would suffer irreparable harm if Developer violates the Restrictive Covenants. Developer acknowledges that the Restrictive Covenants have been called to the attention of Developer and Developer understands that the Restrictive Covenants are a material covenant of this Development Agreement and that the DDA would not have entered into this Development Agreement without the existence of the Restrictive Covenants.

(d) If a court having jurisdiction over this Development Agreement shall determine that the Restricted Period or the Restricted Territory or any other restriction contained in any of the Restrictive Covenants is overbroad or is unenforceable for any reason whatsoever, it is the intention of the DDA and Developer that the Restrictive Covenants shall not thereby be terminated or void, but shall be deemed amended to the extent required by such court to render them valid and enforceable to the greatest extent permissible by such court and the applicable law and public policy.

(e) If Developer violates any Restrictive Covenant, and the DDA or any of the DDA's successors and assigns (including the Trustee) brings legal action for injunctive or other relief, such party bringing the action shall not, as a result of the time involved in obtaining the relief, be deprived of the benefit of the full period of such Restrictive Covenant, unless a court of competent jurisdiction holds that such Restrictive Covenant is not

enforceable in whole or in part. Accordingly, for any time period that Developer is in violation of any Restrictive Covenant, such time period shall not be included in calculating the Restricted Period.

(f) The DDA and all successors and assigns of the DDA, including the Trustee and the Beneficial Owners of the Bonds and all successors and assigns of the Trustee, are third-party beneficiaries of the Restrictive Covenants. The Restrictive Covenants are intended for the benefit of, and may be enforced by the DDA, the DDA's successors and assigns and the Trustee and its further assigns.

(g) The existence of any claim or cause of action by Developer against the DDA, whether predicated upon this Development Agreement or otherwise, shall not constitute a defense to the enforcement of the Restrictive Covenants by the DDA, the DDA's successors and assigns and the Trustee and its further assigns, but shall be litigated separately.

Article XI
MISCELLANEOUS

Notices. All notices or other communications required or desired to be given with respect to this Agreement shall be in writing and shall be delivered by hand or by courier service, or sent by registered or certified mail, return receipt requested, bearing adequate postage and properly addressed as provided below, or by email as provided below. Each notice given by mail shall be deemed to be given by the sender when received or refused by the party intended to receive such notice; each notice delivered by hand or by courier service shall be deemed to have been given and received when actually received by the party intended to receive such notice or when such party refuses to accept delivery of such notice; each notice given by email shall be deemed given as of the date of the email transmission, provided a hardcopy of the emailed notice is given the following business day by one of the other means of delivery permitted in this Section. Upon a desired change of address by any party, such party shall give written notice of such change to the other parties in accordance with the foregoing. Inability to deliver because of changed address or status of which no notice was given shall be deemed to be receipt of the notice sent, effective as of the date such notice would otherwise have been received.

If to the DDA:

Downtown Development Authority of Lawrenceville,
Georgia
70 S. Clayton Street
P.O. Box 2200
Lawrenceville, GA 30046
Attention: Lee Merritt, Chairman
Tel: (770) 617-0295
Email: LMerritt@OfficeWarehouse.com

And to:

Downtown Development Authority of Lawrenceville,
Georgia
70 S. Clayton Street
P.O. Box 2200
Lawrenceville GA 30046

Attention: Barry Mock, Executive Director
Tel: (678) 407-6392
Email: barry.mock@lawrencevillega.org

With a copy to (which shall not constitute notice):

Mahaffey Pickens Tucker, LLP
1550 North Brown Road, Suite 125
Lawrenceville, GA 30043
Attention: Christopher D. Holbrook
Tel: (770) 232-0000
Email: cholbrook@mptlawfirm.com

If to Developer:

Northpointe Hospitality Management & Development, LLC
c/o Northpointe Hospitality Management
5019 West Broad Street, Suite M239
Sugar Hill, GA 30518
Attention: Greg Winey
Email: Gwiney@northph.com

With a copy to (which shall not constitute notice):

Morris, Manning & Martin LLP
1600 Atlanta Financial Center
3343 Peachtree Road NE
Atlanta, GA 30326
Attention: Daniel R. Weede, Esq.
Tel: (404) 495-3680
Email: dweede@mmmlaw.com

and

HSR Development Services



Attention: Harvey Rudy
Tel: (404) 725-5356
Email: harvey@hsrds.com

If to the Trustee:

U.S. Bank Trust Company, National Association
2 Concourse Parkway, Suite 800
Atlanta, GA 30328-5588
Attention: Corporate Trust Department
Tel: (404) 898-8831
Email: zacchaeus.buckner@usbank.com

Consents and Approvals. All consents and approvals and waivers required or asserted hereunder shall be in writing, signed by the party from whom such consent, approval, waiver or notice is requested. Nothing herein shall affect the requirement for any consent or approval required under the Indenture.

Cooperation. Developer shall cooperate with the DDA promptly, as and when reasonably requested by the DDA, in order to assist the DDA and the Trustee in the performance of their respective duties, responsibilities and obligations hereunder, including executing and delivering documents, certificates or instruments reasonably necessary for the DDA or the Trustee to perform their respective duties, responsibilities and obligations hereunder.

Section XI.04 Assignment.

(a) **DDA Assignment.** The DDA shall have the right to convey, transfer or assign this Agreement or its rights, duties or obligations hereunder, in whole or in part, as expressly contemplated in the Assignment of Contracts (as defined in the Indenture), and to the City or any other tax-exempt entity without the consent of Developer so long as such transferee expressly assumes this Agreement in writing and a copy of the same is provided to Developer. Upon such conveyance, transfer or assignment, the DDA shall be released of all further obligations as to this Agreement or the rights, duties or obligations so conveyed, transferred or assigned as long as such assignee assumes all of the DDA’s obligations under this Agreement as a condition to the conveyance, transfer or assignment. Promptly upon any assignment by the DDA, the DDA shall give notice thereof to Developer and each lender together with an address for notices of such assignee.

(b) **Developer Assignment.** This Agreement shall not be assignable by Developer, either directly or indirectly, without the prior written consent of the DDA, which consent shall not be unreasonably withheld.

Interpretation. Where appropriate to the context, words of one gender include all genders, and the singular includes the plural and vice versa. References to this Development Agreement shall include a reference to all Recitals, Schedules and Exhibits hereto, as the same may be amended, modified, supplemented or replaced from time to time. References to any agreement, document or instrument shall mean a reference to such agreement, document or instrument as the same may be amended, modified, supplemented or replaced from time to time. References to Applicable Law shall mean a reference to such Applicable Law as the same may be amended, modified, supplemented or restated and be in effect from time to time, including rules and regulations promulgated thereunder. The words “include” or “including” mean “including, without limitation,” or “including, but not limited to,” whether or not they are followed by such phrases or words of like import. Whenever in this Development Agreement the

DDA covenants to “cause” any Person to take any action, it is expressly understood and agreed that the DDA shall not be required to take any affirmative action and the DDA's obligation to so “cause” shall be fully satisfied solely by (i) including reasonable and appropriate provisions in the Indenture or other agreement providing for the obligation of such Person to take such action, and (ii) not knowingly and actively preventing such action from being taken.

Amendments. This Development Agreement may not be amended or modified except in a written instrument signed by Developer and the DDA; provided that if any such modification would adversely affect the interests of the Trustee or the Beneficial Owners of the Bonds, no such modification shall be effective without the prior written consent of the Trustee (who may rely upon the direction of the Beneficial Owners of the Bonds in providing any such consent). Developer shall make the representation and warranties set forth in Section 8.01 in connection with any such amendment or modification.

Complete Agreement. This Development Agreement, together with all schedules and exhibits attached hereto and made part thereof, supersedes all previous agreements, understandings and representations made by or between the Parties; provided that in the event of any conflict between the provisions hereof and the provisions of the Indenture, the Indenture shall control.

Governing Law. This Development Agreement shall be governed by and construed in accordance with the laws of the State of Georgia, without regard to conflicts of law principles. All claims of whatever character arising out of this Development Agreement, or under any statute or common law relating in any way, directly or indirectly, to the subject matter hereof or to the dealings between the DDA and any other Party hereto shall be brought in any state or federal court of competent jurisdiction located in Gwinnett County, Georgia. By executing and delivering this Development Agreement, each Party irrevocably: (i) accepts generally and unconditionally the exclusive jurisdiction and venue of such courts; (ii) waives any defense of forum non conveniens; (iii) agrees not to seek removal of such proceedings to any court or forum other than as specified above. The foregoing shall not be deemed or construed to constitute a waiver by the DDA of any prior notice or procedural requirements applicable to actions or claims against or involving governmental units and/or political subdivisions of the State of Georgia that may exist at the time of and in connection with such matter.

Dispute Resolution.

(a) **Mediation.** Any controversy, dispute or claim arising out of or relating to this Agreement or the performance, enforcement, breach, termination or validity of this Agreement, shall first be submitted to nonbinding mediation and subsequently shall be determined by litigation. The venue for mediation shall be in Gwinnett County, Georgia. The mediation process shall be administered by a mutually acceptable mediator selected in accordance with the Commercial Arbitration Rules and Mediation Procedures of the American Arbitration Association (the “AAA”) or the guidelines of the State of Georgia Alternative Dispute Resolution. The cost of the mediator will be split equally between the parties unless they agree otherwise in writing.

(b) Attorneys' Fees. Should either Party employ an attorney to enforce any of the provisions hereof, or to protect its interest in any matter arising under this Agreement, or to specifically enforce this Agreement, the party that prevails shall be entitled to recover from the other party all reasonable costs, charges and expenses, including reasonable attorneys' fees, expended in connection therewith. In case litigation is instituted arising directly or indirectly out of this Agreement, the losing party shall pay to the prevailing party its reasonable attorney's fees, together with all expenses, which may reasonably incur in taking such action, including, without limitation, expert witness fees. If an appeal is taken from any judgment or decree of the trial court, the losing party shall pay the prevailing party in the appeal its reasonable attorney's fees in such appeal. Such sums shall be in addition to all other sums provided by law.

(c) Continued Performance; Withholding of Payment. So long as the DDA shall continue to make payments for undisputed amounts due under this Agreement, neither the occurrence of an event nor the pendency of a claim shall constitute grounds for the suspension of performance by the Developer of its obligations under this Agreement, in whole or in part; provided, however, that: (i) the DDA shall be entitled to withhold payment of disputed amounts due under this Agreement (and Developer shall continue performing its obligations under this Agreement unabated despite such payments being withheld) during the occurrence of any Developer-Indemnified Liabilities or violation of any material Applicable Law in connection with the performance of Developer's obligations under this Agreement (as determined by the DDA in its commercially reasonable judgement); and (ii) the DDA shall be entitled to withhold payment of disputed amounts due under this Agreement (and Developer shall continue performing its obligations under this Agreement unabated despite such payments being withheld) for any cause other than those set forth in clause (i) above for up to 60 days while the Parties attempt to resolve the payment of disputed amounts through mediation in accordance with Section 11.09(a), and if the parties are unable to resolve the dispute through mediation, Developer shall be entitled to suspend performance under this Agreement if the DDA has not made payment of such disputed amounts, provided that such 60-day deadline for mediating the payment dispute shall be tolled day-for-day for any delay that the mediator determines in its reasonable discretion is attributable to Developer's failure to negotiate any such dispute diligently and in good faith.

Severability. In case any one or more of the provisions contained herein shall for any reason be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalid provision shall be deemed severable, and shall not affect the validity or enforceability of any other provisions of this Development Agreement, all of which shall remain fully enforceable.

Captions and Headings. The captions and headings used herein are solely for convenience, and shall not be deemed to constitute a part of the substance of the Agreement for purpose of its construction.

Change of Control.

(a) During the Term of this Development Agreement, Developer will not permit or consent to a Change in Control of Developer without the consent of the DDA, which consent shall not be unreasonably withheld.

(b) A Change of Control prior to Final Completion of the Project will be an event of default under the Development Agreement unless the DDA consents to the Change of Control prior to the Change of Control taking place.

(c) “**Change of Control**” means that:

(1) [[_____] [and [_____]]] ([each, a] “**Northpointe Owner**”) and any other Northpointe Owner approved pursuant to Subsection (d) below, except as a result of the death, disability or retirement of any one or more of them, but subject to compliance with Subsection (d), below, [collectively] cease to own a majority of the ownership interests in and control the decision making of (i) _____, a _____ [limited liability company], the sole member of Developer (“**Developer Sole Member**”); or

(2) Developer Sole Member ceases to directly or indirectly own a majority of the ownership interests in and Control Developer.

(d) If one or more Northpointe Owners who are natural persons die, become disabled, or retire and, but for compliance with this Subsection (d) such death, disability, or retirement would constitute a Change of Control under subsection (c)(1) above, Developer must notify Trustee in writing within ninety (90) days of such occurrence. Unless waived in writing by Trustee, the deceased or retired Northpointe Owner shall be replaced by an individual or entity approved by the Trustee within one hundred eighty (180) days.

Section XI.13 Assignment to the Trustee under the Assignment of Contracts; Exercise of Remedies by Trustee.

(a) Developer acknowledges (i) that the DDA, pursuant to the Assignment of Contracts, shall assign to the Trustee, for the benefit of the Beneficial Owners of the Bonds, its rights, remedies, powers and privileges hereunder and (ii) that the Trustee may further assign such rights, remedies, powers and privileges to the extent contemplated by the Indenture. Developer agrees that the Trustee, as the assignee of the DDA, shall, subject to the terms of the Indenture, have the right to enforce the indemnification provisions hereof that expressly reference the Trustee, and Developer agrees to cooperate fully with the Trustee in the exercise of such rights and remedies. Developer further agrees to give the Trustee copies of all notices it is required to give to the DDA hereunder.

(b) Developer further acknowledges that if the Trustee exercises its remedies under the Assignment of Contracts, the Trustee may assume and become a party to this Development Agreement in its sole discretion.

No Construction Against Preparer. No provision of this Agreement shall be construed against or interpreted to the disadvantage of any Party by any court or other governmental or

judicial authority by reason of such Party’s having or being deemed to have prepared or imposed such provision.

Time is of the Essence. The Parties agree that this Agreement was entered into with the understanding that time is of the essence. If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, expires on a Saturday, Sunday or legal or bank holiday, then such time period shall be automatically extended through the close of business on the next regularly scheduled Business Day.

Police/Regulatory Powers. DDA cannot, and hereby specifically does not, waive or relinquish any of the City’s regulatory approval or enforcement rights as they may relate to regulations of general applicability which may govern the subject matter of this Agreement. Nothing in this Agreement shall create or be deemed to create an affirmative duty of the DDA to abrogate the City’s sovereign right to exercise its police powers and governmental powers by approving or disapproving or taking any other action in accordance with its zoning and land use codes, administrative codes, ordinances, rules and regulations, federal laws and regulations, and state laws and regulations. In addition, nothing herein shall be considered the approval or issuance of a development order or zoning by agreement, or both.

Further Assurances. The Parties shall perform such other acts, and shall execute, acknowledge and deliver such other instruments, documents and other materials as the other Party may reasonably request in order to effectuate the transactions contemplated by this Agreement. All of the documents executed by the Parties shall be duly authorized, legal, valid and binding obligations of the Party executing same. The Parties shall cooperate, including without limitation, executing any other documents, following the Effective Date, as reasonably necessary to effectuate the intent of all terms and conditions set forth in this Agreement. The provisions of this paragraph shall survive the expiration or earlier termination of this Agreement.

Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which, together, shall constitute one and the same instrument. Facsimile or .pdf electronic copies of this Agreement signed by a Party shall be binding and enforceable as if the same were an executed original.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Development Agreement as of the Effective Date.

**DOWNTOWN DEVELOPMENT AUTHORITY
OF LAWRENCEVILLE, GEORGIA**

By: _____
Name: _____
Title: _____

**NORTHPOINTE HOSPITALITY
MANAGEMENT & DEVELOPMENT, LLC**

By: _____
Name: _____
Title: _____

Schedule 3.08(b)

Contract addendum to be attached to (and incorporated in) all Specified Contracts

CONTRACT ADDENDUM

1. This contract addendum (this “**Addendum**”) shall become a part of the _____ Agreement (the “**Agreement**”) by and between _____ (“**Contractor**”) and NORTHPOINTE HOSPITALITY MANAGEMENT & DEVELOPMENT, LLC (“**NorthPointe**”) on behalf of, and as the authorized representative of, DOWNTOWN DEVELOPMENT AUTHORITY OF LAWRENCEVILLE, GEORGIA (“**DDA**”) for professional services defined therein and required by DDA to develop a 120+ room hotel with 5,000 square feet of meeting space (the “**Hotel**”), retail space (the “**Retail**”), and a three-tiered parking garage to serve the Hotel and Retail and the downtown business district of the City of Lawrenceville, Georgia (the “**Parking Deck**”; and together with the Hotel and Retail, collectively, the “**Project**”) and the Agreement shall be amended as specifically set forth in this Addendum. In the event of any conflict between the terms of this Addendum and the terms of the Agreement, the terms of this Addendum shall control, otherwise, all of the provisions of the Agreement shall remain in full force and effect as stated in the Agreement. Any defined terms, which are not otherwise defined in this Addendum, shall have the meanings set forth in the Agreement.

2. To the extent Contractor generates any documents (including without limitation shop drawings, schedules, etc.) for the Project (“**Contractor Documents**”), such Contractor Documents will be deemed a “work for hire” product and DDA shall be deemed the owner of such Contractor Documents and shall have the right to use the Contractor Documents on the Project, including without limitation completion of the Project if this Contract is terminated for any reason. To the extent it is later determined that any Contractor Documents are not a “work for hire” product, the parties agree to treat any Contractor Documents as if they are a “work for hire” product. Contractor agrees to take any action necessary to transfer any and all intellectual property rights it may have with respect to any Contractor Documents to DDA. Contractor further represents and warrants that the use of any such Contractor Documents does not infringe upon the intellectual property rights of any third party and Contractor agrees to indemnify, defend and hold harmless the DDA and NorthPointe and their members, officers, agents and employees from any and all liabilities, claims, damages, penalties, demands, judgments, actions, proceedings, losses or costs, including but not limited to reasonable attorneys’ fees and paralegals’ fees, arising out of or resulting from the use of any Contractor Documents. The terms of this Section shall survive the termination of the Agreement.

3. DDA (or NorthPointe on behalf of the DDA) may terminate the Agreement (without fee, penalty, or other damages payable by DDA) upon written notice to Contractor. Upon such termination DDA shall pay Contractor all accrued fees due Contractor and reimbursements authorized under the Agreement that are due and owing through the effective date of termination.

4. If any action is brought to enforce the terms and conditions of the Agreement, the prevailing party in such action shall be awarded its reasonable attorney's fees and costs expended in prosecuting and/or defending the subject action.
5. The scope of work, including anticipated required permits, is based on Contractor's past experience. Contractor has included all services reasonably inferred from the requirements of the scope of work section of this Agreement.
6. Notwithstanding anything herein to the contrary, DDA and NorthPointe shall have no indemnification obligations of Contractor.
7. Notwithstanding anything herein to the contrary, if DDA (or NorthPointe on behalf of the DDA) asserts a good faith dispute with Contractor concerning Contractor's services, the DDA shall be permitted to pay the undisputed portion of Contractor's services, while withholding that portion of sums representing the amount in dispute. As long as DDA continues to make payment with respect to the undisputed portion of Contractor's services, Contractor shall be required to continue providing services with respect to the undisputed portion of its contract services.
8. Neither the DDA nor NorthPointe shall be responsible for any bodily injury, death or loss or damage to property damages suffered by Contractor and Contractor hereby ___waives of all rights that the Contractor may have against DDA or NorthPointe for any bodily injury, death or loss or damage to property at the Project.
9. Contractor shall, at all times, indemnify and save harmless DDA and NorthPointe, and their respective officers, agents, and employees on account of any claims, damages, losses, litigation, expenses, counsel fees, and compensation arising out of any claims, damages, personal injuries, property losses and/or economic damages sustained by or alleged to have been sustained by any person or entity, but only to the extent caused by the acts, omissions, or negligence of the Contractor, its agents, employees, or subcontractors in connection with the project. Contractor shall not be responsible for any damages caused by any act or omission whereby DDA committed a willful act, or gross negligence.
10. If applicable, along with each invoice for payment submitted by Contractor to DDA, Contractor shall provide DDA with an electronic CAD drawing file representing the most up to date version of Contractor's design documents and specifications.
11. If applicable, at all times hereto, Contractor shall use only qualified personnel, experienced in the work and services to be performed. Contractor shall use licensed design professionals whenever necessary.
12. Contractor shall issue DDA and NorthPointe written notification within five (5) calendar days of discovering any facts that would require additional services, or increase the cost of Contractor's services, or the cost of construction of the project. Said notification is for the purpose of allowing NorthPointe, on behalf of DDA, to take such action as is reasonably necessary to mitigate damages and control project related costs.

13. Contractor shall have sole responsibility for all other obligations to or for its employees arising from or connected with employment, including but not limited to, paying any and all salary, wages, commissions, fringe benefits and other remuneration, for paying any and all Social Security taxes, state and federal unemployment taxes, employment taxes and all other taxes and governmental assessments, and for paying all workers' compensation insurance and benefits. Contractor shall comply with all applicable laws regarding its employees, including, without limitation, compliance with the State of Georgia's E-Verify Private Employer Requirements.

14. PERSONS EMPLOYED, RETAINED OR ENGAGED BY CONTRACTOR, OR ANY PERMITTED SUBCONTRACTOR OF CONTRACTOR, TO PERFORM ANY SERVICES WITH RESPECT TO THE PROJECT SHALL IN EVERY INSTANCE BE EMPLOYEES OF [NAME OF CONTRACTOR OR ANY PERMITTED SUBCONTRACTOR OF SUCH CONTRACTOR] AND UNDER NO CIRCUMSTANCES SHALL ANY INDIVIDUAL EMPLOYED AT ANY TIME OR IN ANY CAPACITY IN RESPECT OF THE DEVELOPMENT SERVICES OR THE PROJECT, THE CONDUCT OF BUSINESS AND OPERATIONS OF THE PROJECT, OR ANY CONSTRUCTION, MAINTENANCE OR OPERATION THEREOF BE CONSIDERED EMPLOYEES OF THE DOWNTOWN DEVELOPMENT AUTHORITY OF LAWRENCEVILLE, GEORGIA, FOR ANY PURPOSE WHATSOEVER.

15. THE DDA'S LEGAL AND FINANCIAL RESPONSIBILITIES UNDER THIS CONTRACT ARE LIMITED TO FUNDS AVAILABLE FOR SUCH USES FROM THE SOURCES PROVIDED THEREFOR UNDER THE BOND FINANCING. CONTRACTOR ACKNOWLEDGES AND AGREES THAT THE DDA IS NOT LIABLE OR OBLIGATED IN ANY MANNER TO PAY OR CAUSE TO BE PAID TO CONTRACTOR ANY FEES, COSTS, PENALTIES, DAMAGES, LIQUIDATED DAMAGES, EXPENSES INDEMNITIES, OR REIMBURSEMENTS OR TO MAKE ANY OTHER PAYMENTS IN CONNECTION WITH THE HOTEL OR ANY OTHER MATTER WITHIN THE SCOPE OF OR CONTEMPLATED BY THIS AGREEMENT EXCEPT ONLY TO THE EXTENT THAT MONIES ARE AVAILABLE FOR SUCH PURPOSE AS EXPRESSLY SET FORTH IN THE INDENTURE AND THEN ONLY TO THE EXTENT THAT FUNDS ARE AVAILABLE EXPRESSLY FOR SUCH PURPOSE UNDER THE PRIORITY OF PAYMENTS SET FORTH IN THE INDENTURE ("AVAILABLE MONIES").

16. Contractor shall, at all times, carry the following insurance:

- 1. General Liability (including contractual liability)
 - \$2,000,000 General Aggregate (per project)
 - \$1,000,000 Products/Completed Operations
 - \$1,000,000 Each Occurrence
 - \$1,000,000 Personal/Advertising Injury (any one person or organization)
 - \$ 50,000 Fire Damage (any one fire)

\$ 5,000 Medical payments (any one person or occurrence)

2. Automobile Liability

\$2,000,000 Bodily Injury/Property Damage combined single limit
Statutory Personal Injury Protection. Coverage should also include
owned, hired, non-owned and leased automobiles, garage-keepers
liability, statutory uninsured and underinsured motorist's liability

3. Workers' Compensation

In amounts required by Applicable Law

4. Employer's Liability

\$100,000 Each Accident
\$500,000 Disease – Policy limit
\$100,000 Disease – Each Employee

5. Umbrella Liability

Umbrella Liability insurance in an amount not less than \$5,000,000 each occurrence and \$5,000,000 aggregate coverage, and listing the DDA as additional named insured. The policy must include, at a minimum, coverage for bodily injury, property damage and advertising/personal injury arising from premises, operations, independent contractors, products completed operations, and liability assumed under an insured contract both oral and written. This coverage may provide for a deductible not to exceed \$25,000 per incident.

Contractor shall deliver to the DDA and NorthPointe certificates, or at the request of the DDA or NorthPointe certified copies, of the policies evidencing the insurance required above before the commencement of the work and from time to time at the request of the DDA or NorthPointe for as long as the Contractor is required to maintain such insurance. Each policy shall: (1) require the insurer to notify the DDA and NorthPointe at least 30 days before any cancellation, nonrenewal or material modification of the policy; (2) be primary and without right of contribution of any other insurance carried by or on behalf of the DDA; (3) be written on an occurrence (and not "claims made") basis; (4) list the DDA and the Developer as additional insureds, except professional liability and worker's compensation insurance; and (5) waive all rights of subrogation against the DDA and or NorthPointe. Upon the DDA's receipt of any notice of cancellation, nonrenewal or material modification of a policy, the Contractor and subcontractors shall,

within ten (10) days thereafter, procure other policies of insurance that are acceptable to the DDA and similar in all respects to the policy or policies about to be canceled or altered.

Schedule 5.01(a)

Developer Fees

1. Developer Fees: \$1,200,000.00

2. Developer Fees Payment Schedule: Subject to Section 3 below:
 - (a) \$240,000 to be paid upon the later to occur of (x) closing of the Bond Financing, and (y) execution of the Construction Contract; and

 - (b) the remaining \$960,000 to be paid in equal monthly installments on the first day of each month over the course of the Construction Schedule for the Project.

3. Construction Delays:
 - (a) Notwithstanding Section 2 above, if the Architect at any time determines that (i) the construction of the Project has fallen behind the Construction Schedule by more than 60 days, or (ii) the Project Costs are in excess of the Project Budget (subject to any Change Orders), and such delay or overage results from a default in the performance of Developer’s obligations under this Agreement (as determined by mediation in accordance with Section 11.09 hereof), then 40% of the Management Fee then or in the future due to be paid shall not be due and payable until and unless the Architect determines that the construction of the Project is no longer more than 60 days behind the Construction Schedule and/or the Project Costs are not in excess of the Project Budget (subject to any Change Orders), as applicable.

 - (b) Notwithstanding Section 3(a) above, if the Project is completed after the completion date set forth in the Project Schedule without exceeding Project Budget (taking into account available contingencies and Change Orders), all Unpaid Developer Fees then due shall become due and payable upon the issuance of the certificate of occupancy for the Project and once all liens related to the construction of the Project have been extinguished or bonded over.

EXHIBIT A

Index of Defined Terms

“**AAA**” has the meaning set forth in Section 11.09.

“**A/E Team**” has the meaning set forth in Section 3.01(d).

“**Applicable Law(s)**” shall mean all existing and future laws (including common laws), rules, regulations, statutes, treaties, codes, ordinances, permits, certificates, orders and licenses of and interpretations by, any Governmental Authority, and judgments, decrees, injunctions, writs, orders or like action of any court, arbitrator or other administrative, judicial or quasi-judicial tribunal or agency of competent jurisdiction (including, without limitation, (i) those pertaining to health, safety or the environment, (ii) those pertaining to the design, construction, use, operation or occupancy of the Property or any portion thereof, and (iii) the Georgia Local Government Public Works Construction Law, codified at Chapter 91 of Title 36 of the Official Code of Georgia Annotated).

“**Architect**” means the architect of record for the Project, Ponder & Ponder, Architects, or any replacement thereof.

“**Architect’s Contract**” means that certain Agreement between Ponder & Ponder, Architects, and Owner, dated September 19, 2018, as revised on March 18, 2019, on April 18, 2019, on October 26, 2022, on July 7, 2024, and on July 18, 2023.

“**Architectural Services Agreement**” means the Architect’s Contract and any other agreement with respect to architectural services entered into with respect to the Project, collectively or as applicable.

“**Assignment of Contracts**” means that certain Assignment of Contracts, dated as of [month 1] 1, 2024, from the DDA to the Trustee, including the Direct Agreement, dated as of [month 1] 1, 2024, among the Developer, the DDA, and the Trustee.

“**Authorized Authority Representative**” means the Chairman, Vice-Chairman or Secretary of the DDA and any other person authorized by resolution of the DDA to act as an Authorized Signatory under the Indenture or otherwise with respect to the Bonds or the Project, which Person(s) shall be acting solely in its representative capacity on behalf of the DDA and not individually.

“**Authorized Signatory(ies)**” means any officer, director or other person designated by resolution of the Board of Directors of the DDA (whether such resolution is adopted in connection with the issuance of the Bonds or otherwise) or by the DDA’s Bylaws as an “Authorized Signatory” or similar title empowered to, among other things, execute and deliver on behalf of the DDA, the Indenture and the Bonds.

“**Beneficial Owner**” means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including Persons holding Bonds through nominees, depositories or other intermediaries).

“**Bond Counsel**” means a firm of attorneys, selected by the DDA, whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized.

“**Bond Financing**” means the issuance of the Bonds.

“**Bonds**” has the meaning set forth in the Recitals hereof.

“**Business Day**” means any day other than a Saturday, Sunday, a legal holiday on which banking institutions located in the State of Georgia are authorized by law or executive order to remain closed.

“**Change Order**” means any amendment or modification of the Construction Contract.

“**City**” has the meaning set forth in the Recitals.

“**Conceptual Design Documents**” means the conceptual design documents of the Project illustrating, among other things, the site plan, configuration, scale and relationship of the Project components as further described in the Architectural Services Agreement.

“**Construction Contract**” means that certain [Standard Form of Agreement Between Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price, AIA Documents A102™-2017, between Construction Contractor and [DDA], dated [_____].

“**Construction Contractor**” means [_____].

“**Construction Documents**” means the plans, architectural drawings, and specifications prepared by the Architect and its consultants setting forth in detail the requirements for construction of the Project.

“**Construction Schedule**” has the meaning set forth in Section 3.01(a)(2).

“**Control**” means the ownership, directly or indirectly, in the aggregate of more than fifty percent (50%) of the beneficial ownership interests of a Person, and the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through the ability to exercise voting power, by contract or otherwise. The terms “controlled by,” “controlling” and “under common control with” shall have the respective correlative meaning thereto.

“**DDA Default**” means the occurrence and continuation of any of the following: (i) [to the extent that funds under the priority of payments in the Indenture are available therefor], the Trustee, having received a written request therefor approved by the DDA, fails to pay (A) within seven (7) Business Days after the date such payment is to be made under this Agreement, any

Developer Fees due to Developer, or (B) on or before the later of seven (7) Business Days after the date such payment is to be made under the Indenture or the date on which any such payment is due to a third party, any Request submitted in accordance with the Indenture; or (ii) the DDA's failure to cure any other material breach of any of its obligations hereunder within thirty (30) days after receiving written notice alleging a default and reasonably specifying the alleged material breach has been given by Developer to the DDA; provided, however, that if a particular default cannot reasonably be cured within such thirty day (30) day cure period, the DDA shall have an additional forty-five (45) days to cure any such default so long as the DDA begins efforts to cure within such period and pursues such cure with reasonable diligence.

“DDA Indemnified Person(s)” means, individually or collectively, as applicable, (i) the DDA, and (ii) each and all of the DDA's past, present and future directors, board members, governing members, trustees, commissioners, elected or appointed officials, officers, employees, Authorized Signatories, attorneys, contractors, subcontractors, agents and advisers (including counsel and financial advisers), and each of their respective heirs, successors and assigns.

“DDA's Insurance” has the meaning set forth in Section 5.01.

“DDA Termination Notice” has the meaning set forth in Section 7.01(a).

“Design Development Documents” means the documents developed during the Design Development Phase consisting of drawings and other documents to fix and describe the size and character of the entire Project as to structural, mechanical and electrical systems, materials and other essential systems as further described in the Architectural Services Agreement.

“Design Development Phase” has the meaning set forth in the Architectural Services Agreement.

“Design Documents” means the Conceptual Design Documents, the Schematic Design Documents, the Design Development Documents, and the Construction Documents (as such may be amended from time-to-time consistent with this Agreement and the other Project Documents).

“Developer Fees” has the meaning set forth in Section 4.01(a).

“Developer-Indemnified Liabilities” means, subject to the restriction and limitations contained in Section 5.04(a), Liabilities arising from any acts or omissions of Developer, its agents, representatives, contractors or employees constituting gross negligence, willful misconduct, malice or fraud and/or criminal activity in connection with the services of Developer, its agents, representatives, contractors (including, without limitation, any subcontractors) or employees arising out of or relating to the Project Development Work.

“Developer Sole Member” has the meaning set forth in Section 11.12(c).

“Developer Termination Default” has the meaning set forth in Section 7.01(b).

“Developer Standard” has the meaning set forth in Section 1.04(a).

“**Development Services**” has the meaning set forth in Section 3.01(a).

“**Disbursement Agreement**” means the Construction Disbursement and Monitoring Agreement, dated as of [month 1] 1, 2024, among the DDA, the Developer, the Construction Monitor named therein, and the Trustee.

“**Earned Fees**” has the meaning set forth in Section 7.02.

“**Event of Loss**” has the meaning set forth in Section 5.03(a).

“**Event of Total Loss**” has the meaning set forth in Section 5.03(a).

“**Final Completion**” means the date set forth in the Construction Contract on which all of the Work has been completed in accordance with the Design Documents, the DDA has received all local governmental approvals for the use and occupancy of the Project, including, without limitation, a certificate of occupancy, and all of the other requirements and certifications set forth under the Construction Contract for completion of the Work have been satisfied (including, without limitation, completion of all punch list items).

“**Fiscal Year**” means the twelve (12) month period terminating on July 1 of each year, or any other annual accounting period hereafter selected and designated by the DDA as its Fiscal Year.

“**Franchise Agreement**” has the meaning set forth in Section 1.07.

“**Franchisor**” has the meaning set forth in Section 1.07..

“**Fund**” or “**Funds**” means any one or more, as the case may be, of the separate special funds established by the Indenture.

“**Fundamental Reps and Warranties**” has the meaning set forth in Section 7.01(b)(10).

“**Governmental Authority**” means any agency, authority, board, branch, division, department or similar unit of any federal, state, county, city, town, district, or other governmental entity or unit having jurisdiction over or validly imposing requirements on the applicable Person or the Project, but excluding the DDA.

“**Hotel Facility**” means a hotel, motel, inn or similar structure providing lodging.

“**Hotel Manager**” means the person engaged by the DDA to conduct the day-to-day operations of the Hotel, initially the Developer.

“**Improvements**” mean all buildings, fixtures, streets, curbs, sewers, drainage and flood control structures, sidewalks, fences, utilities, landscaping, signs and other structures or improvements of every kind and nature included in the Project and that exist, at any time, and any and all alterations, replacements, additions, upgrades or substitutions related thereto on, above and below the Property or any portion thereof.

“**Indenture**” means that certain Trust Indenture, dated as of [Month] 1, 2024, between the DDA and the Trustee, as the same may be amended from time to time.

“**Industry Practices**” has the meaning set forth in Section 1.04(b).

“**Liabilities**” means any and all fees, costs and charges, losses, damages, claims, actions, liabilities and expenses of any conceivable nature, kind or character (including, without limitation, reasonable fees and expenses of attorneys, accountants, consultants and other experts, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) in any way related to the Bonds or the Project to which the Indemnified Parties, or any of them, may become subject under any statutory law or regulation (including federal or state securities laws and regulations and federal tax laws or regulations) or at common law or otherwise.

“**Material Adverse Effect**” means (a) if a Person other than the DDA is referenced (i) a material adverse effect upon the business, operations, properties, assets or condition (financial or otherwise) of such other Person, or (ii) the cessation or material impairment of the ability of the DDA or such other Person to perform its non-monetary obligations under any Bond Document, or (b) if the Project is referenced, a material adverse effect upon the business, operations, assets or condition (financial or otherwise) of the Project, or upon the ability of the Project to be in compliance with the terms of the Indenture. In determining whether any individual event would result in a Material Adverse Effect, notwithstanding that such event does not of itself have such effect, a Material Adverse Effect shall be deemed to have occurred if the cumulative effect of such event and all other then-occurring events and existing conditions would result in a Material Adverse Effect.

“**Non-Material Contract**” has the meaning set forth in Section 3.08(b).

“**Party**” and “**Parties**” has the meaning set forth in the Preamble hereof.

“**Permits**” means licenses, approvals, permits, certificates, variances, authorizations, entitlements, registrations, and the like required by Applicable Law or any Governmental Authority having jurisdiction over the DDA or the Project for the performance of any construction of the Project and for any and all activities of the Developer in or about the Project.

“**Plans and Specifications**” has the meaning set forth in Section 3.01(e).

“**Project**” has the meaning set forth in the Recitals.

“**Project Budget**” has the meaning set forth in Section 3.01(e).

“**Project Development Work**” means all work required to be performed pursuant to the Project Documents to design, permit, develop, construct and furnish the Project in accordance with the Project Scope.

“**Project Documents**” means the Architect’s Contract, the Construction Contract, the Franchise Agreement, and all other agreements between the DDA and other Persons or professionals providing materials or services under agreements executed in connection with the Project Development Work.

“**Project Scope**” means the scope of the Project as set forth in the Design Documents.

“**Project Team**” means (i) the Architect, the engineer who prepares the plans and specifications (if different than the Architect), and such other design and design-related consultants as may be appropriate, (ii) the Construction Contractor and the general contractor’s subcontractors, suppliers, and materialmen, and (iii) such other consultants and professionals that perform consulting services for the Project, including without limitation, testing laboratories and surveyors.

“**Request**,” means, when used with reference to the DDA, a written certificate, statement, request, direction, requisition or order signed on behalf of the DDA by an Authorized Authority Representative (or, if required by the express provisions of the Indenture to be made by the Developer, then by an officer or employee authorized to sign on its behalf).

“**Restricted Period**” means the period of time during which the DDA or the City or any of its instrumentalities, divisions or units, owns the Project or any portion thereof.

“**Restricted Territory**” means the geographic area within the city limits of the City.

“**Restrictive Covenants**” has the meaning set forth in Section 10.01.

“**Schematic Design Documents**” means the schematic design documents of the Project illustrating, among other things, the scale and relationship of the Project components which also contain square footage for the building interior spaces, building exterior spaces (including plazas, balconies, decks and other similar components), as well as major architectural and interior finishes, as further described in the Architectural Services Agreement.

“**Specified Contract**” has the meaning set forth in Section 3.08(b).

“**Substantial Completion**” means the stage in the progress of the Work when the Project or designated portion thereof is sufficiently complete in accordance with the Construction Contract so that the DDA can occupy and operate the Project for its intended use; provided, however, the Work or any designated portion thereof will not be considered Substantially Complete until all Project systems and equipment included in the Project are safely operational and commission as designed, all designated or required governmental inspections and certifications (including, but not limited to, all applicable certificates of occupancy) for the Work have been made and posted, and the Certificate of Substantial Completion shall be submitted to and accepted by [the DDA] in accordance with the Construction Contract and this Development Agreement.

“**Substantial Completion Date**” means the date set forth in the Construction Contract when the Project or designated portion thereof is sufficiently complete in accordance with the Construction Contract so that the DDA can occupy and operate the Project for its intended use, subject only to the completion of minor punchlist items.

“**Taking**” has the meaning set forth in Section 5.03(a).

“**Term**” has the meaning set forth in Article II.

“**Termination Fee**” has the meaning set forth in Section 7.02.

“**Trustee**” means U.S. Bank Trust Company, National Association, a national banking association.

“**Trustee Indemnified Person(s)**” individually or collectively, as applicable, (i) the Trustee, and (ii) the officers, directors, agents, attorneys and employees of the Trustee.

“**Unpaid Developer Fees**” means any properly accrued but unpaid Developer Fees.

“**Work**” means all work to be performed pursuant to the Construction Contract to construct the Project in accordance with the Design Documents.



LAWRENCEVILLE

GEORGIA

AGENDA REPORT

MEETING: DOWNTOWN DEVELOPMENT AUTHORITY

AGENDA CATEGORY: DOWNTOWN DEVELOPMENT AUTHORITY BUSINESS

- Item:** Hotel Management Agreement
- Department:** Downtown Development Authority
- Date of Meeting:** Monday, August 12, 2024
- Fiscal Impact:** none
- Presented By:** Chairman Lee Merritt
- Action Requested:** Hotel Management Agreement

Summary: Hotel Management Agreement



LAWRENCEVILLE

GEORGIA

AGENDA REPORT

MEETING: DOWNTOWN DEVELOPMENT AUTHORITY

AGENDA CATEGORY: DOWNTOWN DEVELOPMENT AUTHORITY BUSINESS

- Item:** Intergovernmental Agreement between the City of Lawrenceville and the Downtown Development Authority Transferring Lightnin Rental to the Downtown Development Authority
- Department:** Downtown Development Authority
- Date of Meeting:** Monday, August 12, 2024
- Fiscal Impact:** none
- Presented By:** Chairman Lee Merritt
- Action Requested:** Intergovernmental Agreement between the City of Lawrenceville and the Downtown Development Authority Transferring Lightnin Rental to the Downtown Development Authority

Summary: Intergovernmental Agreement between the City of Lawrenceville and the Downtown Development Authority Transferring Lightnin Rental to the Downtown Development Authority



LAWRENCEVILLE

GEORGIA

AGENDA REPORT
MEETING: DOWNTOWN DEVELOPMENT AUTHORITY
AGENDA CATEGORY: DOWNTOWN DEVELOPMENT AUTHORITY BUSINESS

- Item:** Discussion of Façade Grant Consideration
- Department:** Downtown Development Authority
- Date of Meeting:** Monday, August 12, 2024
- Fiscal Impact:** none
- Presented By:** Barry Mock, Executive Director
- Action Requested:** Discussion of Façade Grant Consideration

Summary: Discussion of Façade Grant Consideration