

FRANCHISE DISCLOSURE DOCUMENT



Hard Rock Hotel Licensing, Inc.

A Florida corporation

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Hard Rock Hotel Licensing, Inc. offers franchises for the development and operation of a full-service hotel establishment that provides lodging and food and beverage of a distinctive character and quality under the name "Hard Rock Hotel."

The total investment necessary to begin operation of a Hard Rock Hotel with 400 guest rooms ranges from \$115,525,666 to \$219,938,000. This includes an amount ranging from \$2,358,166 to \$3,782,000 that must be paid to us and our affiliates.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the franchisor at 6100 Old Park Lane, Orlando, Florida 32835 or by phone at (407) 445-7625.

The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission (the "FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: March 6, 2018

State Cover Page

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in EXHIBIT "A" for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. ALL DISAGREEMENTS BE SETTLED BY ARBITRATION OR LITIGATION IN ORLANDO, FLORIDA. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE OR LITIGATE WITH US IN FLORIDA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT FLORIDA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS. SOME STATE FRANCHISE LAWS PROVIDE THAT CHOICE OF LAW PROVISIONS ARE VOID OR SUPERSEDED. YOU MIGHT WANT TO INVESTIGATE WHETHER YOU ARE PROTECTED BY A STATE FRANCHISE LAW. YOU SHOULD REVIEW ANY ADDITIONAL DISCLOSURES AND RIDERS ATTACHED TO THIS DISCLOSURE DOCUMENT FOR DISCLOSURES REGARDING STATE FRANCHISE LAWS.
3. THERE IS NO EXCLUSIVE TERRITORY ASSOCIATED WITH THIS FRANCHISE. THEREFORE, WE AND OTHER HARD ROCK HOTEL FRANCHISEES MAY DIRECTLY COMPETE WITH YOU.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: March 6, 2018

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ITEM 1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, “HRH,” “we” or “us” means Hard Rock Hotel Licensing, Inc., the franchisor. “You”, “your” or the “Licensee” means the person who buys the franchise. Your owners will have to guarantee your obligations and be bound by the provisions of the License Agreement and other agreements as described in this Disclosure Document. We do not expect people to sign the License Agreement in their individual capacities.

Corporate Information

We are a corporation incorporated in Florida on February 28, 2001. Our principal business address is 6100 Old Park Lane, Orlando, Florida 32835 and our telephone number is (407) 445-7625. Our agents for service of process are disclosed in EXHIBIT "A". We do business under the company name and under the name “Hard Rock Hotels” and no other name.

Business History

We offered franchises for Hard Rock Hotels from December 2001 to March 2004. We resumed offering franchises for Hard Rock Hotels in March 2007.

In addition to offering Hard Rock Hotel franchises, we also began offering franchises for Reverb hotels in 2017. Reverb hotels are upscale, select-service hotels that operate under the name “Reverb”. Reverb hotels include limited “grab and go” healthy food and beverage service, a lobby bar, a fitness facility and any other elements that we approve. Reverb hotels also offer a limited assortment of merchandise and retail items. As of the date of this Disclosure Document, we have not sold any Reverb hotel franchises. Reverb hotels are offered under a separate Franchise Disclosure Document.

We have never offered franchises in any line of business other than Hard Rock Hotels and Reverb hotels. In addition to offering Hard Rock Hotel and Reverb hotel franchises, we have, on occasion, entered into hotel management agreements with the owners of Hard Rock Hotels, pursuant to which we agree to manage the hotel on behalf of the owner.

We have never operated a Hard Rock Hotel. We are not engaged in any lines of business other than offering franchises for Hard Rock Hotels and Reverb hotels, administering the associated franchise systems and managing hotels.

Parents, Affiliates and Predecessors

Hard Rock Cafe International (USA), Inc. (“HRC”) is a predecessor of ours. HRC is also our affiliate and direct parent company. HRC administers the hotel reservation system that must be used at your Hotel. HRC will also provide you with hotel room sales and lead generation assistance and will administer the Hard Rock hotel room referral services program. HRC offered franchises for Hard Rock Hotels from January of 1998 until June of 2001. During that time, HRC sold 4 Hard Rock Hotel franchises. HRC has never offered franchises in any other line of business. HRC has also: (i) entered into trademark license agreements with the owners of non-franchised Hard Rock Hotels; (ii) entered into hotel management agreements with the owners of Hard Rock Hotels; and (iii) owned and operated Hard Rock Cafe Restaurants. Hard Rock Cafe Restaurants are sit-down restaurants that offer an American menu in a rock-music based environment. These restaurants promote the “amplified service” culture and house a variety of rock-n’-roll memorabilia. Hard Rock Cafe Restaurants also sell a variety of branded merchandise. HRC has never operated a Hard Rock Hotel. HRC shares our principal business address.

Our indirect parent company is Seminole Hard Rock Entertainment, Inc., whose principal business address is c/o Hard Rock Cafe International (USA), Inc., 6100 Old Park Lane, Orlando, Florida 32835. This parent company has never offered franchises in this or any other line of business and does not provide any goods or services to

our franchisees.

Our affiliate, Hard Rock Limited (“Hard Rock Limited”), has offered franchises for: (i) Hard Rock Hotel franchises since 1998; and (ii) Hard Rock Cafe Restaurants since 1983. As of the date of this Disclosure Document, Hard Rock Limited has sold a total of 18 Hard Rock Hotel franchises and 105 Hard Rock Cafe Restaurant franchises. Hard Rock Limited has never offered franchises in any line of business other than Hard Rock Hotels and Hard Rock Cafe Restaurants. In addition to offering franchises, Hard Rock Limited has, on occasion, entered into hotel management agreements for Hard Rock Hotels. Hard Rock Limited has never operated a Hard Rock Hotel. Hard Rock Limited does not provide any goods or services to our franchisees. Hard Rock Limited’s principal business address is c/o Appleby Global, 13-14 Esplanade, St. Helier, Jersey JE1 1BD, Channel Islands.

Our affiliate, Hard Rock Holdings Limited (“HRH Limited”), has offered franchises for: (i) Hard Rock Hotels since July 1997; and (ii) Hard Rock Cafe Restaurants since 2000. As of the date of this Disclosure Document, HRH Limited has sold a total of 3 Hard Rock Hotel franchises and 26 Hard Rock Cafe Restaurant franchises. In addition to offering franchises, HRH Limited has, on occasion, entered into trademark license agreements for Hard Rock Hotel & Casinos as well as trademark license agreements for Hard Rock Hotels. HRH Limited has never offered franchises in any line of business other than Hard Rock Hotels and Hard Rock Cafe Restaurants. HRH Limited has never operated a Hard Rock Hotel. HRH Limited does not provide any goods or services to our franchisees. HRH Limited shares our principal place of business.

Our affiliate, Hard Rock International Limited (“HRIL”), has offered franchises for Hard Rock Hotels since 2016. As of the date of this Disclosure Document, HRIL has sold 1 Hard Rock Hotel franchise. In addition to offering franchises, HRIL has, on occasion, entered into trademark license agreements for Hard Rock Hotels. HRIL has never offered franchises in any line of business other than Hard Rock Hotels. HRIL has never operated a Hard Rock Hotel. HRIL does not provide any goods or services to our franchisees. HRIL’s principal business place of business is 90 High Holborn, London WC1V 6XX.

Our affiliate, Hard Rock Cafe (UK) Limited (“HRC UK”), has offered franchises for Hard Rock Cafe Restaurants in China since September, 2016. As of the date of this Disclosure Document, HRC UK has sold a total of 0 Hard Rock Cafe Restaurant franchises. In addition to offering franchises, HRC UK directly owns and operates Hard Rock Cafe Restaurants. HRC UK Has never offered franchises in any line of business other than Hard Rock Cafe Restaurants. HRC UK has never operated a Hard Rock Hotel. HRC UK does not provide any goods or services to our franchisees. HRC UK’s principal business address is Seventh Floor, 90 High Holborn, London WC1V 6XX.

Our affiliate, Hard Rock Cafe International (STP), Inc. (“HRC-STP”), will lease to you certain articles of rock-n-roll memorabilia for use at the Hotel. HRC-STP has never offered franchises in this or any other line of business. HRC-STP has never operated a Hard Rock Hotel. However, it has operated Hard Rock Cafe Restaurants since 1982. HRC-STP shares our principal business address.

Except as described above, we do not have any parent companies, predecessors, or affiliates who have offered franchises or provide goods or services to our franchisees.

Description of Franchised Business

We offer the right to develop, operate, own, manage and promote a full-service hotel establishment that provides lodging and food and beverage of a distinctive character and quality under the Licensed Marks (“Hard Rock Hotels”). Under our form of Hotel License Agreement, which is attached to this Disclosure Document as EXHIBIT "D" (the “Hotel License Agreement” or “License Agreement”), you will operate a Hard Rock Hotel (your “Hotel”) at a location we approve (the “Licensed Location”) using our trademarks, service marks, trade names, logos, trade dresses and other commercial symbols we designate periodically (collectively, the “Licensed Marks”). You must also follow the procedures, standards, specifications, controls, systems, manuals, guides, and

other distinguishing elements or characteristics that we or our affiliates have developed for Hard Rock Hotels (the “Hotel System”).

Subject to our approval in our sole discretion, we also offer the right to develop, operate, own, manage and promote Hard Rock Hotels that include condominium units (“Hard Rock Condominium/Hotels”) under our form Condominium/Hotel License Agreement (the “Condominium/Hotel License Agreement”) that includes the terms of the Hotel License Agreement and the Condominium/Hotel License Rider attached to this Disclosure Document as EXHIBIT "F" (the “Condominium/Hotel License Rider”). Unless otherwise specified, the terms “License Agreement” and “Hotel License Agreement” include both the Hotel License Agreement and the Condominium/Hotel License Agreement and the term “Hotel” includes both Hard Rock Hotels and Hard Rock Condominium/Hotels. If we grant you a license to develop a Hard Rock Condominium/Hotel in our sole discretion, you will offer and sell the condominium units using the Licensed Marks and offer all condominium unit owners the option to participate in a rental program that we approve for you to rent the condominium units as hotel rooms.

HRC-STP will lease to you certain articles of rock-n’-roll memorabilia that will be displayed at the Hotel. A copy of the Memorabilia Lease is attached to the License Agreement as Exhibit “C” (the “Memorabilia Lease”).

Pursuant to the License Agreement, you will operate a retail store in your Hotel (the “Hotel Retail Store”). The Hotel Retail Store will sell products and merchandise bearing the Licensed Marks that we specify (“Branded Merchandise”). You must make available retail space at your Hotel meeting our size, design and layout specifications for the operation of a Hotel Retail Store. You will pay us a retail license fee based on gross revenue generated from the Hotel Retail Store.

We must approve all restaurants, bars, lounges, cafes and other eating establishments located in your Hard Rock Hotel (“Food and Beverage Outlets”), whether owned by you or third parties. The License Agreement does not grant you the right or option to own and operate a Hard Rock Cafe restaurant within your Hotel. You must separately obtain our written approval in order to establish and operate a Hard Rock Cafe restaurant within your Hotel. If we grant our approval, you must sign a separate Hard Rock Cafe Restaurant Franchise Agreement that will govern the development and operation of the Hard Rock Cafe Restaurant Franchise Agreement. However, we generally do not offer franchisees the right to operate Hard Rock Cafe restaurants within Hard Rock Hotels that are located in the United States because our current development strategy is to operate all Hard Rock Cafe restaurants within the United States as company-owned or affiliate-owned restaurants, with limited exceptions. We do not currently have a U.S. Franchise Disclosure Document for the grant of Hard Rock Cafe franchise rights.

Your Hotel must participate in HRC’s central reservation system (the “Reservation System”) at your sole cost and expense. Your Hotel must follow all requirements for participation in the Reservation System determined periodically by us and our affiliates (or our designee). A copy of the Reservation Agreement is attached as to the License Agreement Q (the “Reservation Agreement”). Your Hotel must also participate in HRC’s hotel room sales and lead generation program (the “Sales Referral Program”), which is described in more detail in the Manuals.

Market and Competition

The hotel business generally consists of the sale of lodging as well as food and beverages and certain ancillary goods and services. Hotel stays are typically purchased by visitors to the area, consisting of a combination of tourists and business visitors. Generally, the higher the level of tourism in the Hotel’s area, the higher the portion of tourist business, the higher the proportion of merchandise sales and the higher the degree of seasonality.

You will face direct competition from any hotel within the geographically competitive area of your Hotel. Your Hotel will also face competition from other hotels, particularly resort destinations, as well as other venues that

offer a combination of lodging, dining and entertainment.

Laws and Regulations

You must comply with a number of federal, state and local laws and regulations which apply to businesses generally and to the construction and operation of hotels. These include environmental laws and those relating to zoning and construction, permits and licensing; public accommodations and accessibility by persons with disabilities; labor; occupational safety; fire safety; health and food storage, preparation and service; the sale of alcoholic beverages (including liquor licensing laws); privacy and data collection; and laws regulating the posting of hotel room rates and the registration and identification of guests. You must also comply with real estate laws and securities laws if you are selling condominium units. In addition to these laws, laws of general application may have special relevance to hotels. Consult your attorney for more information on these and other laws.

ITEM 2. BUSINESS EXPERIENCE

Chief Operating Officer – Hotels & Casinos: Jon Lucas

Mr. Lucas been our and HRC's Chief Operating Officer since May 2017. From February 2015 until May 2017, Mr. Lucas served as our and HRC's Executive Vice President of Operations. From February 2013 to February 2015, he was President of HR Ohio Manager, LLC in Northfield, Ohio.

Senior Vice President of Finance and Treasurer: Thomas Gispanski

Mr. Gispanski has served as our and HRC's Senior Vice President of Finance and Treasurer since December 2014. From February 2006 until December 2014, he served as our and HRC's Vice President of Finance and Treasurer. He is a Director of HRH.

Senior Vice President of Business Affairs, General Counsel and Secretary: Jay Wolszczak

Mr. Wolszczak has served as our and HRC's Senior Vice President of Business Affairs and Secretary since December 2014. He has served as HRC's General Counsel since March 2001. From March 2001 until December 2014, he served as our and HRC's Vice President of Business Affairs and Secretary. He is a Director of HRH.

Vice President of Hotel and Casino Operations: Enzo Andrea Melotti

Mr. Melotti has served as our and HRC's Vice President of Hotel and Casino Operations since December 2014. From January 2005 until December 2014, he served as our and HRC's Senior Director of Hotel Operations.

Vice President of Business Affairs: Brian Alexander

Mr. Alexander has served as our and HRC's Vice President of Business Affairs since December 2014. From December 2009 until November 2014, he was Vice President, Legal with Wyndham Hotel Group in Parsippany, New Jersey.

Senior Vice President of Hotels: Michael "Dale" Hipsh

Mr. Hipsh has been our and HRC's Senior Vice President of Hotels since April 2017. From November 2014 until April 2017, Mr. Hipsh served as our and HRC's Vice President of Hotel & Casino Operations Development. From August 2010 until November 2014, he served as our and HRC's Senior Director of Operations Development.

Senior Director of Marketing – Hotels & Casinos: Nora Swire

Ms. Swire has served as our and HRC’s Senior Director of Marketing – Hotels & Casinos since January 2013.

Vice President, Finance - Hotels & Casinos: Jill Lemaster

Ms. Lemaster has served as our and HRC’s Vice President, Finance – Hotels & Casinos since February 2016. From January 2015 until February 2016, she served as our and HRC’s Senior Director of Finance – Hotels & Casinos. Ms. Lemaster has served as our and HRC’s Director of Finance – Hotels & Casinos from February 2012 until December 2014.

Director of Worldwide Sales: Greg Naylor

Mr. Naylor has been our and HRC’s Director of Worldwide Sales since June 2011.

Sr. Vice President, Hotel Business Development: Javier Sanchez

Mr. Sanchez has been our and HRC’s Sr. Vice President, Hotel Business Development since September 2014. From January 2013 to August 2014, he served as Vice President Development – Latin America for Realogy in Madison, New Jersey.

SVP, Head of North America Hotel Business Development: Michael Dean

Mr. Dean has been our and HRC’s SVP, Head of North America Hotel Business Development since December 2017. From December 2016 to November 2017, he served as Chief Development Officer of Carlson Rezidor Hotel Group in Minneapolis, Minnesota. From April 2012 to June 2016, he was Managing Director Hotels for GE Capital in Scottsdale, Arizona.

Sr. Head of Global Hotel Business Development: Todd Hricko

Mr. Hricko has been our and HRC’s Sr. Head of Global Hotel Business Development since August 2017. From November 2014 until August 2017, he served as Vice President of Hotel Development – USA & Canada. From January 2006 until July 2014, he served as Vice President, Acquisitions for Wyndham Worldwide in Parsippany, New Jersey.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5. INITIAL FEES

License Agreement

Application Fee

You must complete our form of franchise application to help us evaluate your qualifications to become a franchisee. At the time you submit your application, you must pay us a \$5,000 application fee.

Initial License Fee

At the time you sign the License Agreement, you must pay us an initial license fee equal to the greater of \$750,000 or \$750 per guest room. For a Hotel with 400 guest rooms, the initial license fee would be \$750,000.

Technical Services Fee

In addition to the application fee and initial license fee, you must pay us a technical services fee of \$1,500 per guest room. For a Hotel with 400 guest rooms, the technical services fee would be \$600,000. Fifty percent (50%) of this fee is payable when you sign the License Agreement (or, if required by us, upon the signing of a letter of intent to enter into the License Agreement) with the balance paid in equal installments each month until the opening of the Hotel for business.

Reimbursement of Costs/Expenses

You must reimburse us for our cost of conducting background checks on each of your owners that holds a 5% or greater equity interest in the franchisee entity. We estimate that these cost reimbursements will range from \$15,000 to \$100,000.

You must reimburse us for our costs and expenses in providing the staff of trainers to provide on-site training at the Hotel and to assist with the Hotel's grand opening. We estimate that these costs and expenses will range from \$50,000 to \$100,000, depending on the location of the Hotel.

All payments under the License Agreement are fully earned by us or our affiliates upon receipt and are not refundable. All fees and payments are uniformly imposed. For the purposes of calculating the application fee, initial license fee and technical services fee, "guest room" means each unit in the Hotel consisting of a room or suite of rooms generally used for overnight accommodation, including condominium units, entrance to which is controlled by the same key.

Condominium/Hotel License Agreement

If we approve your hotel project as a Hard Rock Condominium/Hotel, you must pay us a condominium unit fee equal to 3% of the condominium unit gross sales proceeds you receive from each sale of a condominium unit. The condominium unit fee is in addition to the fees and other amounts listed in Item 5. The condominium unit fee is due to us upon the closing of the sale of each condominium unit. The condominium unit fee is uniformly imposed and nonrefundable.

Memorabilia Lease

You must pay HRC-STP for the first month's rent under the Memorabilia Lease before HRC-STP ships the Memorabilia to the Hotel (Memorabilia is typically shipped approximately 30 to 90 days before the Hotel opens to the public). Your initial annual rent under the Memorabilia Lease is 10% of the sum of (i) the Memorabilia's Appraised Value (defined in Item 6) and (ii) framing costs in connection with the Memorabilia. HRC-STP prorates the first month's rent based on the number of days remaining in the month following shipment. For example, if HRC-STP ships the Memorabilia on January 29, your first month's rent will only cover January 29 to 31, and the first month's rent is 3/365 times the Annual Rent. The pre-opening rent due under the Memorabilia Lease typically ranges from \$4,166 to \$8,333 per month. In a Hotel with 400 guest rooms, we estimate that the total rent due before opening will range from \$4,166 to \$25,000.

You also must pay HRC-STP for its costs to ship the Memorabilia to the Hotel and to send a team to install the Memorabilia at the Hotel. These costs will vary depending on the size and location of the Hotel, but we expect them to range from \$25,000 to \$35,000. HRC-STP also will sell you mounting hardware, mannequins and plaques needed for the Memorabilia installation. We expect this amount to range from \$20,000 to \$28,000

depending on the size of the Hotel. Amounts due under the Memorabilia Lease are uniformly imposed and nonrefundable.

Reservation Agreement

You must pay HRC a one-time Reservation System set-up fee of \$10,000 at the time you sign the Reservation Agreement. The Reservation Fee is uniformly imposed and nonrefundable.

Artwork

Before opening, you must develop a guest room and public space art program and purchase artwork from an approved supplier and install it at the Hotel. Currently, the approved suppliers for artwork include us, HRC, HRC-STP and certain third party suppliers. The required quantity of artwork will depend on the size and configuration of the Hotel, but you will need at least 2 to 3 pieces per guest room plus pieces for corridors and public spaces. The guest room art cost ranges from approximately \$420 to \$720 per piece. Public space art will be included in the furniture, fixtures and equipment of the Hotel. In a Hotel with 400 guest rooms, we estimate that the total cost of artwork will range from \$350,000 to \$600,000. The cost of this purchase is nonrefundable.

Hard Rock Audio Visual System

You must acquire from an approved supplier the Hard Rock Audio Visual System which you will use to play an assortment of audio and video content on the Hotel’s audio visual system. Currently, the approved suppliers for the Hard Rock Audio Visual System include us, HRC, HRC-STP and certain third party suppliers. The current cost of the Hard Rock Audio Visual System is \$29,000, which includes the first year of maintenance, configuration, content and outbound shipping (but does not include wire, air-conditioned spaces and the equipment such as amplifiers, speakers, racks, controllers and other hardware to operate the system). The cost of this purchase is uniformly imposed and nonrefundable. Thereafter, you must pay an annual maintenance fee (currently \$5,000 per year). You must also arrange for proper licensing (ASCAP, BMI) and pay all required copyright royalties.

Computer System

You must purchase your Computer System from an approved supplier. Currently, the approved suppliers for the Computer System include us, HRC, HRC-STP and certain third party suppliers. In a Hotel with 400 guest rooms, we estimate that the total cost of the Computer System will range from 500,000 to \$1,500,000. The cost of this purchase is uniformly imposed and nonrefundable.

ITEM 6. OTHER FEES

LICENSE AGREEMENT			
Type of Fee (1)	Amount	Due Date	Remarks
Royalty Fee	Sum of 5% of Room Revenues and 2% of Food and Beverage Revenues (2)	20 th day of each month for Total Revenues generated during prior month	If you elect to participate in our Alternative Fee Arrangement described at the end of this Section, your Inclusive Fee will include your Royalty Fee and you will not pay a separate Royalty Fee.
Hotel Retail Store Fee	10% of Hotel Retail Store Revenues (2)	Same as Royalty Fees	None

LICENSE AGREEMENT

Type of Fee (1)	Amount	Due Date	Remarks
Marketing Fee	2% of Room Revenues (2)	Same as Royalty Fees	<p>The marketing fee is paid to us to promote Hard Rock Hotels on a national and international basis. In addition to the marketing fee, you must directly spend at least 1.5% of your Total Revenues on advertising and publicity for your Hotel. We do not require that you participate in an advertising cooperative.</p> <p>If you elect to participate in our Alternative Fee Arrangement described at the end of this Section, your Inclusive Fee will include the Marketing Fee and you will not pay a separate Marketing Fee.</p>
Loyalty Program / Frequent Traveler Fees and Contributions	Varies by program	On demand	See Note 3.
Service Fee (Sales Referral Program)	5% of the sum of the following amounts received by the Hotel: (a) revenues resulting from Bookings, (b) any cancellation fees relating to a Booking, (c) any nonrefundable deposit relating to a Booking and (d) any attrition payment made by all Bookings.	30 days after receipt of the revenues	<p>A "Booking" means a reservation for 10 or more hotel rooms at the Hotel entered into or recorded in the Reservation System as a result of a sale or lead generated by HRC.</p> <p>If you elect to participate in our Alternative Fee Arrangement described at the end of this Section, your Inclusive Fee will include the Service Fee and you will not separately pay the Service Fee described in this table.</p>
Reimbursement of Additional Staff Training Expenses	Varies depending upon type of additional training required	Within 10 days of invoice	See Note 4.
Reimbursement of Surveillance Expenses	\$75,000 per year, adjusted for inflation	Annually in arrears	You must participate in our quality assurance program. You must pay us \$75,000 annually in contribution to the costs and expenses that we incur relating to our representatives' services for inspection and on-site training (if any), including salary, travel and living expenses.
Reimbursement of Costs of Background Checks	Varies	10 days after invoicing	We must conduct a background check on all individuals who will hold a direct or indirect equity interest of 5% or greater in the franchisee entity. You must reimburse us for the costs we incur in conducting these background checks.
Required Purchases	Costs will vary depending on the circumstances	When goods are delivered, unless otherwise arranged	You must purchase certain products according to our standards and specifications or from approved or designated suppliers, which may include us or our affiliates.

LICENSE AGREEMENT			
Type of Fee (1)	Amount	Due Date	Remarks
Maintenance Fee for Audio Visual System	Currently, \$5,000 per year	Upon receipt of invoice	See Item 5 for a description of the Hard Rock Audio Visual System.
Securities Offering Review Fee	\$5,000 plus attorneys' fees	At time you submit securities offering materials	If you intend to offer securities in the franchisee entity (or any affiliate) to any person, you must send us, for review, all offering materials relating to the securities offering. You must send us the materials at least 60 days before distributing them to prospective buyers or filing them with any government agency.
Transfer Fee	\$50,000	Within 10 days of invoice	For the granting and processing of our consent to a transfer of the License Agreement by you. The prospective buyer must also pay our outside legal and probity investigation costs associated with the transfer.
Renewal Fee	50% of Initial License Fee	At time you sign renewal Hotel License Agreement	The term of the License Agreement is not renewable. However, if applicable law requires us to offer renewal rights in a given situation, you would need to pay us the renewal fee as a condition to renewal.
Audit	Varies	Immediately upon invoice from us	If an audit reveals any underpayment, you must pay us the deficiency amount plus interest at the Interest Rate (defined below). You must also pay all of our reasonable costs of the audit if the audit discloses that less than 98% of all Royalty Fees and Hotel Retail Store Fees were paid during the applicable operating year.
Late Payment Charge	Lesser of 5% per month or highest rate permitted by applicable law	Immediately upon invoice from us	Unpaid amounts due and owing bear interest, pro rata per day, on the past due balance.
Indemnity	Case-by-case basis	As incurred	You must indemnify us and our affiliates as described in Note 5.
Attorneys' Fees and Enforcement Costs	Varies	As incurred	See Note 6.
Early Termination Fee / Liquidated Damages	Varies	Immediately upon invoice from us	See Note 7.

- (1) All fees or charges above are imposed, collected by and payable to us or an affiliate and are nonrefundable unless otherwise stated. All fees are uniformly imposed except as disclosed in this Item. Some of our licensees are not required to pay the Marketing Fee. All fees, contributions, expenses and reimbursements due to us or our affiliates must be paid by wire transfer of immediately available funds to an account designated by us.
- (2) You must send us weekly reports (on the day of each week that we specify from time to time) of your Food and Beverage Revenue, Room Revenue, Hotel Retail Store Revenue, and Total Revenue. Each of these terms is defined below:

“Food and Beverage Revenue” means all revenues, income and proceeds of any kind from the sale of food and beverages at the Hotel.

“Room Revenue” means all revenues, income and proceeds of any kind from the rental of guest rooms (whether from cash, check, credit card, credit transactions or otherwise), including the fair market value of any barter and other non-cash property and services received by the licensee as an alternative to cash payments, excluding any federal, state and municipal excise, sales, resort, use, and other taxes collected from patrons or guests as a part of or based upon the sales price of any goods or services, including gross receipts, room, bed, admission, cabaret, or similar taxes. “Room Revenues” do not include: (i) Food and Beverage Revenues; and (ii) revenues from any other ancillary Hotel facilities. However, if the Hotel sells guest packages that include guest rooms and any other item (including, items in clauses (i) and (ii)), then the actual cost of the item incurred by the Hotel or licensee (as applicable) will be deducted in the calculation of Room Revenues.

“Hotel Retail Store Revenue” means all gross revenue and income or proceeds of any kind derived (including the full purchase price of purchases in whole or in part by means of gift certificates, advertising certificates or trade-ins) directly or indirectly, from the operation of the Hotel Retail Store.

“Total Revenue” means Room Revenue, Food and Beverage Revenue, and all other revenue and income of any kind derived by licensee directly or indirectly (whether from cash, check, credit card, credit transaction or otherwise) from the operation of the Hotel and the Hotel facilities, including the fair market value of any barter and other non-cash property and services received by Licensee as an alternative to cash payments, proceeds from use by guests of telephones, parking facilities, internet access, telecopiers, computers, in-room movies and other entertainment, any arcades or game rooms within the Hotel, resort fees, mandatory Hotel charges, other charges received by the Hotel from the use by guests, invitees and others of Hotel health club and other athletic or recreational or theater facilities or services provided by the Hotel, and other revenue and income, in each case attributable to the period under consideration, including rentals and other payments from licensees, lessees or concessionaires of retail space in the Hotel, including “Third Party Food and Beverage Outlets” (which are food and beverage outlets leased or licensed to third parties and not owned or operated by you, your affiliates or your management company) (but not gross receipts of such licensees, lessees or concessionaires) as determined in accordance with generally accepted accounting principles (excluding any sales taxes), provided that if such rental or other payments are less than 10% of the gross receipts of such licensee, lessee or concessionaire, then Total Revenues is deemed to include 10% of gross receipts of such licensee, lessee or concessionaire of retail space in the Hotel, rather than the actual amount of rentals or other payments. Total Revenues do not include:

- (i) applicable excise, sales, occupancy and use taxes, or similar government taxes, duties, levies, or charges collected directly from patrons or guests, or as a part of the sales price of any goods, services or displays, such as gross receipts, admission, cabaret, or similar or equivalent taxes;
- (ii) receipts from financing, sale or other disposition of the Hotel, capital assets, FF&E and other items not in the ordinary course of the Hotel’s operations and income derived from securities and other property acquired and held for investment;
- (iii) receipts from awards or sales relating to any taking, from other transfers in lieu of and under the threat of any taking, and other receipts relating to any taking, but only to the extent that such amounts are specifically identified as compensation for alterations or physical damage to the Hotel;
- (iv) proceeds of any hazard or casualty insurance, other than business interruption insurance;
- (v) revenues from the operation of the Hotel Retail Store and Third Party Food and Beverage

Outlets;

- (vi) gratuities to employees or service charges levied in lieu of such gratuities which, in either case, are paid to employees;
 - (vii) interest in funds held in the Reserve Fund for replacements and renewals of FF&E, renovations of public areas and guest rooms and repairs to and maintenance of the Hotel's physical facilities; and
 - (viii) any imputed value of complimentary hotel rooms.
- (3) You must participate in all loyalty, special marketing and frequent traveler programs that we establish from time to time. These programs and the fees associated with these programs are subject to change.

You must pay your fair share of the cost of system-wide programs and other marketing initiatives now existence or developed in the future, including Hard Rock Rewards and other frequent travel programs, market initiatives or other programs that we may develop. These fees and costs would be in addition to the Marketing Fees you are required to pay us.

Currently, we require that you participate in our "Hard Rock Rewards" program, which is our guest recognition program that is affiliated with "Hard Rock" and "Reverb" branded facilities. You must purchase certain equipment to install at your Hotel in connection with the Hard Rock Rewards program as required by the Manuals. In addition, you must obtain software licenses from third parties as specified in the Manuals at your cost in order to participate in the Hard Rock Rewards program. Under the current version of the program, you are not required to make any contributions to the Rewards program based on purchases made by Hard Rock Rewards members.

We reserve the right to change terms of the program, the costs and redemption reimbursement amounts, the calculation factors and the required equipment and software licenses at any time. We also may require you to participate in other special marketing programs or frequent traveler programs, and you must pay any fees and purchase any equipment that we require to participate in in these programs.

- (4) We do not charge you any fees for initial and ongoing training programs. However, if we send our trainers to your Hotel, you must reimburse us for all of our trainers' travel expenses, accommodations, subsistence and other similar expenses. In addition, you are responsible for all travel expenses, accommodations, subsistence and other expenses of your employees, including your employees' compensation, related to attendance at our training programs (some of which may be held at our headquarters or other training facilities that we specify).
- (5) You must indemnify us, our affiliates and our (and our affiliates') owners, directors, officers, employees and agents for any losses, expenses and other liabilities that we or they incur relating to the following:
- (i) any activities or events at or relating to the development, possession, ownership or operation of the Hotel;
 - (ii) any act or omission of you, any of your affiliates, or any of your (or your affiliates') officers, employees or agents;
 - (iii) any failure to provide any of the services contracted for relating to the operation of your Hotel or Hotel Retail Store or to honor and fulfill all of your contractual obligations and other commitments;
 - (iv) any breach by you or any of your affiliates of any representation, covenant or obligation in the

License Agreement or any related agreement;

- (v) any failure by you, your affiliate, your management company or any other person to obtain and maintain any applicable approval, license or permit required by us or any governmental agency;
 - (vi) any violation by you, your affiliate or your management company of any approval, license or permit relating to your Hotel or Hotel Retail Store;
 - (vii) any offer or sale of securities of the licensee entity or any affiliate of the licensee entity; or
 - (viii) any failure to pay any required taxes or other government impositions, assessments or similar amounts.
- (6) In any arbitration, suit or other action arising out of or relating to the License Agreement, the prevailing party is entitled to recover its reasonable fees, costs and expenses relating to the action or dispute, including reasonable judicial and extra-judicial attorneys' fees, expenses and disbursements and fees, costs and expenses relating to any mediation, appeal or enforcement action.
- (7) If we terminate the License Agreement prior to the expiration date (including terminations by or you due to condemnation or casualty), you must pay us an early termination fee as liquidated damages.

With the exception of terminations relating to condemnation or casualty, the amount of the early termination fee is calculated by applying a multiple to the sum of all "fees" (which includes the technical service fees, royalty fees, marketing fees, hotel retail store fees, reservation fees, fees under the ancillary agreements, and all other fees, contributions, expenses and reimbursements due to us or our affiliates) earned for the most recent 12 full month period as follows:

- (i) If the License Agreement is terminated after opening but on or before the 5th year anniversary of the opening date, then the multiple will be 6.0, and for purposes of computing liquidated damages, if the termination occurs before the 1st year anniversary of the opening date, then the parties will use the budget that you provide pursuant to Section 11.1.1(f) of the License Agreement for the applicable period to determine the "fees" for the most recent 12 full month period.
- (ii) If the License Agreement is terminated after the 5th year anniversary of the opening date but prior to the date that is 3 years before the expiration date, then the multiple will be 3.0.
- (iii) If the License Agreement is terminated after the date that is 3 years before the expiration date, then the multiple will be equal to (a) the number of months remaining between the effective date of the termination and the expiration date, with any partial months considered a fraction, the numerator of which is the number of days in the partial month and the denominator of which is the number of days in the full calendar month, divided by (b) 12.

If the License Agreement is terminated prior to the commencement of construction and you or any of your affiliates enter into a franchise, license, management, lease or other similar agreement or begin construction or operation of a hotel at the licensed location within 1 year after termination, then the liquidated damages amount shall equal \$3,600 multiplied by the number of approved guest rooms at the Hotel.

If the License Agreement is terminated after commencement of construction but prior to opening, then the liquidated damages amount shall equal \$3,600 multiplied by the number of approved guest rooms at the Hotel.

If the License Agreement is terminated by you or us due to condemnation or casualty, then the early termination fee is calculated by applying a multiple to the sum of all “fees” (as defined above) earned for the most recent 12 full month period as follows:

- (i) If the License Agreement is terminated on or before the date that is 3 years before the expiration date, then the multiple will be 3.0, and for purposes of computing liquidated damages, if the termination occurs before the 1st year anniversary of the opening date, then the parties will use the budget that you provide pursuant to Section 11.1.1(f) of the License Agreement for the applicable period to determine the “fees” for the most recent 12 full month period.
- (ii) If the License Agreement is terminated after the date that is 3 years before the expiration date, then the multiple will be equal to (a) the number of months remaining between the effective date of the termination and the expiration date, with any partial months considered a fraction, the numerator of which is the number of days in the partial month and the denominator of which is the number of days in the full calendar month, divided by (b) 12.

MEMORABILIA LEASE			
Type of Fee (1)	Amount	Due Date	Remarks
Annual Rental Fee	10% of sum of: (i) Appraised Value of memorabilia, plus (ii) actual cost of framing the memorabilia	First day of each month	See Note 2.
Installation / Relocation Costs	HRC-STP’s costs to install the memorabilia at the Hotel or replace existing memorabilia with new memorabilia	As incurred	Costs include customs, duties, taxes, travel, per diem fees (\$47/day subject to adjustment for inflation), airfare and hotel for the installation team.
Rotation Expenses	HRC-STP’s costs to remove existing memorabilia and replace with new memorabilia	As incurred	HRC-STP periodically rotates memorabilia among Hard Rock Hotels. The total rotation expense for each rotation is approximately \$40,000.
Costs to Maintain Memorabilia	HRC-STP’s costs to maintain or repair memorabilia	As incurred	You must maintain the memorabilia at your expense. If you do not, and HRC-STP repairs or maintains memorabilia, you must reimburse its costs.
Payment upon Loss of Memorabilia	Appraised Value of memorabilia, less net insurance proceeds	As incurred	If any memorabilia item is lost, stolen, destroyed or confiscated, you must pay this amount to HRC-STP.
Tax Reimbursement	Amounts of taxes HRC-STP pays	As incurred	You must pay all personal property and other taxes relating to memorabilia. If HRC-STP pays these taxes, you must reimburse HRC-STP.
Holdover Rent	200% of monthly annual rental fee	First day of each month	If you do not return the memorabilia to HRC-STP when the Memorabilia Lease terminates or expires, in addition to HRC-STP’s other remedies, you must pay monthly holdover rent equal to 200% of the monthly annual rental fee payment before the termination or expiration.

MEMORABILIA LEASE			
Type of Fee (1)	Amount	Due Date	Remarks
Interest on Late Payments	Lesser of 12% simple interest per annum or highest rate the law allows	As incurred	Due on all overdue payments under the Memorabilia Lease.
Costs upon Termination	HRC-STP's costs and expenses	As incurred	When the Memorabilia Lease terminates, you must reimburse HRC-STP for its costs and expenses to enforce termination and retake memorabilia, including removal, storage, transportation and insurance costs.
Indemnification	Will vary with the circumstances	As incurred	You must reimburse HRC-STP's costs relating to any liens on or claims to memorabilia, use of memorabilia, or enforcement of Memorabilia Lease.

- (1) All fees are uniformly imposed and nonrefundable.
- (2) The annual rental fee for the first 12 months under the Memorabilia Lease equals 10% of the sum of (i) the memorabilia's Appraised Value and (ii) the framing costs of the memorabilia. The annual rent typically ranges from about \$50,000 to \$100,000 per month for the initial 12-month period. The memorabilia's "Appraised Value" will be determined in accordance with HRC-STP's appraisal policies and will be included on a Schedule to the Memorabilia Lease before you sign it. The Appraised Value of the memorabilia necessary to furnish a 400 room Hard Rock Hotel is between \$500,000 and \$1,000,000, depending on the size and layout of your Hotel. You must pay the annual rental fee in equal monthly installments (but HRC-STP will prorate the first month's rent, as described in Item 5). If you receive any items of memorabilia associated with the music industry as donations, or for less than full or reasonable value, then those items become our property and part of the Memorabilia Lease, but you will not pay any annual rental fee based on those donated items. After the initial 12 month period under the Memorabilia Lease, and after each succeeding 12 month period, HRC-STP will adjust the annual rental fee for inflation, with the minimum adjustment being 3% of the then current annual rental fee.

CONDOMINIUM/HOTEL LICENSE RIDER			
Type of Fee (1)	Amount	Due Date	Remarks
Condominium unit fee	3% of gross sales proceeds from the sale of each condominium	Upon closing of sale	Applies only if we provide our approval for a Hard Rock Condominium/Hotel and if you sign a Condominium/Hotel License Rider.
Indemnification	Will vary with the circumstances	As incurred	You must reimburse us if we are held liable for certain claims arising out of the offer or sale of any securities or condominium units (including any violation of law related to such offer or sale), the Declaration of Condominium and the condominium project.

- (1) All fees are uniformly imposed and nonrefundable.

RESERVATION AGREEMENT			
Type of Fee (1)	Amount	Due Date	Remarks
Reservation Fees	See Note 3	Within 20 days of the date of receipt of HRC's monthly invoices	See Notes 2 and 3. If you elect to participate in our Alternative Fee Arrangement described at the end of this Section, your Inclusive Fee will include the Reservation Fees and you will not separately pay the Reservation Fees described in this table.
Late Payment Charge	Lesser of 5% per month or highest rate permitted by applicable law	Immediately	None
Withholding Taxes	Amounts paid (if any) will vary	As incurred	All payments to HRC will be increased as necessary to provide HRC with the same net amount it would have received if no withholding taxes had been applicable to such fees.
Sales Taxes	Amounts reimbursed will vary	As incurred	You must reimburse HRC for all sales taxes or other taxes imposed by applicable taxing authority on amounts that you pay to HRC (not including income tax).
Maintenance Fees	\$850 per month	Monthly	Fees will be applied toward the total costs and expenses incurred by HRC relating to the maintenance of the Reservation System.
Indemnification	Will vary with the circumstances	As incurred	You must indemnify HRC, us and our affiliates as described in Note 4.

- (1) All fees are uniformly imposed and nonrefundable.
- (2) The terms Net Bookings, GDS Booking, Internet Booking, CRO Booking, ADS Booking and IDS Booking are each defined in Section 1.1 of the Reservation Agreement.
- (3) The current reservation fees are listed in the table below:

**Hard Rock International
2018 Reservation Pricing Schedule per Booking Channel**

Channel	Description	Per Transaction	Talk Time/ Minute (English or Spanish)	Addtl. Notes
Set up Fee	Initial Set up of all systems. One time Fee	\$ 10,000.00		One time fee
Voice Agent Reservation	Reservations made via a reservations agent calling a toll free number based in one of our contracted call centers.	\$ 5.50	\$ 1.25	Additional languages will be priced separately based on property needs.
Booking engine reservations	Reservations made directly on the hotel's booking page or via hardrockhotels.com	\$ 3.80		Cost per actualized reservation. Charged after check out.
Mobile booking engine reservations	Reservations made using the mobile version of the hotel's booking engine or the mobile version of hardrockhotels.com booking page	\$ 3.80		Cost per actualized reservation. Charged after check out.
GDS Reservations	Reservations made via Global Distribution System such as Sabre, Galileo, Apollo, Amadeus or Worldspan.	\$ 11.55		Cost per actualized reservation. Charged after check out.
IDS Reservations	Reservations made via Opaque online travel agencies that require a GDS switch connection to access rates and inventory (like Priceline, Hotwire, etc.)	\$ 11.55		Cost per actualized reservation. Charged after check out.
Channel Connect	Cost per reservations made via Online Travel Agencies like Expedia.com, Booking.com, Hotels.com, etc. This fee is for connectivity only and exclusive of net rates/mark ups.	\$ 3.60		Cost per actualized reservation. Charged after check out.
System Maintenance	Monthly system maintenance and account management fee	\$ 850.00		Charged once a month or annually.
Other Fees				
Annual call center agents reservations training		\$1,500.00		Mandatory, charge per day. At least one day per year
Booking engine tracking tool		\$250.00		per month (optional)
Consortia management services		\$950.00		per season (optional)
Travel agent commission payment automated system		\$0.75		per transaction (optional)
Confirmations sent to guest via txt message		\$0.15		per txt (optional)

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The reservation fees are subject to change. You will also pay all travel agent commissions generated through the Reservation System for reservations at the Hotel within 10 days after receipt of an invoice for these commissions. Third parties not affiliated with HRC (for example, Expedia or Hotels.com) may impose fees in connection with the bookings made through the Reservation System and any such third party fees, expenses or commissions are in addition to, and not included within, the reservation fees described in this Disclosure Document. You are solely responsible for payment of telecommunications costs and long distance carrier costs incurred in connection with "CRO" generated bookings. You must pay HRC fees, and reimburse HRC for its reasonable expenses incurred, in connection with training provided by HRC with respect to the "CRO". The Hotel's property management system vendor may impose additional fees and require you to obtain certain licenses in order to establish a two-way interface with the Reservation System. If additional customization is required in connection with the set-up of the Reservation System for your Hotel, you must reimburse HRC for all costs incurred by HRC to meet the additional scope of work required for such customization. Any of the foregoing third party fees, expenses or commissions are in addition to and not included with the fees due to HRC as described in this Disclosure Document.

- (4) You must indemnify HRC, us, our other affiliates and our (and our affiliates') directors, officers, employees and agents for any losses, expenses and other liabilities that any such person(s) incur relating to the following:
- (i) any claim that the use of your system or data by HRC (or us or our other affiliates) infringes any

third party patent, copyright, trademark or other property right;

- (ii) any claimed occurrence at the Hotel or any act, omission or obligation of yours or anyone associated or affiliated with you, or by reason of or in connection with your performance or failure to perform or improper performance of any of its obligations under the Reservation Agreement;
- (iii) the use of the Hotel’s data, trademarks, names, copyrights or other intellectual property by HRC in fulfilling its obligations under the Reservation Agreement;
- (iv) the Hotel’s failure to honor reservations made by or through the Reservation System;
- (v) the Hotel’s failure to honor rates previously quoted to HRC and offered by HRC through the Reservation System to third parties,
- (vi) any use of third party products in conjunction with the Reservation System; or
- (vii) your failure to perform any of your obligations under the Reservation Agreement.

Alternative Fee Structure

At your option, you may elect to participate in our alternative fee arrangement (the “Alternative Fee Arrangement”). If so, then the Addendum that is attached to the License Agreement as Exhibit J will provide for the Alternative Fee Arrangement. Under the Alternative Fee Arrangement, you pay us a fee (the “Inclusive Fee”) of 10% of Total Revenues. Your payment of the Inclusive Fee is considered full payment of the Royalty Fee and the Marketing Fee under the License Agreement, the Reservation Fee under the Reservation Agreement and the fees payable to HRC under the Sales Referral Program, and so you will not separately pay those fees. The Inclusive Fee will be due and payable 10 days after the end of each month.

ITEM 7. ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Feasibility study	\$30,000 – \$50,000 (1)	As consulting firm requires	As agreed between the parties	Nationally recognized consulting firm
Application Fee	\$5,000(2)	Wire Transfer	Upon submission of application	Us
Background Check Cost Reimbursement	\$15,000 - \$100,000	Wire Transfer	As invoiced	Us or our affiliate
Initial License Fee	\$750,000 (3)	Wire transfer	Upon signing License Agreement	Us
Technical Services Fee	\$600,000 (4)	Wire Transfer	50% upon signing of License Agreement with balance paid in equal installments each month until opening	Us
Project Manager	\$500,000 - \$1,000,000 (5)	As arranged	As invoiced	Independent contractor
Real property	Market specific (6)			

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Phase 1 Environmental Assessment	\$50,000 - \$75,000 (7)	As arranged	Before you purchase the land	Engineer or consulting firm
Design, architect, engineer and structural and life/safety consultants fees	\$10,000,000 - \$12,000,000 (8)	As arranged	Before opening	Life safety firms
Construction	\$70,000,000 - \$140,000,000 (9)	As arranged	As invoiced	Independent contractors
Hotel Retail Store Work (construction and fit-out of the Hotel Retail Store)	\$750,000 - \$975,000 (10)	As arranged	As invoiced	Independent contractors, contractor/ suppliers and architect, designer and engineering firms
FF&E	\$14,000,000 - \$28,000,000 (11)	As agreed between the parties	As agreed between the parties	Contractor/ suppliers
Memorabilia Lease	\$49,166 - \$88,000 (12)	Wire Transfer	Monthly	HRC-STP
Hard Rock Audio Visual System	\$750,000 to \$1,250,000	As supplier requires	As invoiced	Us or our affiliate and suppliers
Reservation System Set-Up Fee	\$10,000	As incurred	Upon signing Reservation Agreement	HRC
Operating supplies and operating equipment	\$2,400,000 - \$5,200,000 (13)	As supplier requires	As supplier requires	Supplier
Artwork	\$350,000 - \$600,000	As arranged	As invoiced	Us or our affiliate and suppliers
Computer System	\$500,000 - \$1,500,000 (14)	As arranged	As invoiced	Us or our affiliate and suppliers
Development of Branded Website Platform	\$19,000 to \$25,000	As incurred	As invoiced	Supplier
Permits and licenses	\$140,000 - \$280,000 (15)	As government agencies require	As government agencies require	Governmental agency
Insurance	\$850,000 - \$915,000 (16)	As agent(s) requires	Before opening	Agent(s)
Pre-opening expenses	\$2,500,000 - \$4,000,000 (17)	Cash	As expenses occur	Employees, suppliers of goods and services
Utility deposits	\$245,000 - \$490,000 (18)	As incurred	Before opening	Utility companies
Contingency funds	\$10,000,000 - \$21,000,000 (19)	As arise	As agreed with contractor/supplies	Contractors/suppliers
Additional Funds (first 3 months)	\$1,012,500 - \$1,025,000 (20)	As expenses occur	Payroll weekly, other purchases according to agreed-upon terms	Employees, suppliers of goods and services and HRC-STP
Total costs (excluding real property and financing costs) (23)	\$115,525,666 - \$219,938,000 (21) (22)			

- (1) For all new or converted Hotels, we require a feasibility study from a nationally-recognized independent firm approved by us that discusses the market, competition and the perspective performance for your proposed Hotel.

- (2) The Application Fee is payable upon submission of the application.
- (3) The initial license fee is equal to the greater of \$750,000 or \$750 per guest room. We anticipate most Hard Rock Hotels will have approximately 400 rooms, which equates to a \$750,000 initial license fee. The initial license fee is payable at the time you sign the License Agreement.
- (4) The Technical Services Fee is \$1,500 per room. We will provide you with the technical advisory services described in Item 11. In addition to the Technical Services Fee, you must reimburse us for the actual costs we incur in providing these services, including all travel, accommodations and other expenses (but not salaries or other overhead).
- (5) You must engage a full time on-site project manager (the “Project Manager”) to act as your representative in connection with the design, construction and FF&E aspects of your proposed Hotel. The Project Manager begins work no earlier than 6 months before construction begins on your Hotel and concludes work no later than 90 days after your Hotel opens. We estimate your expenses associated with the Project Manager to range from approximately \$500,000 to \$1,000,000. This range is an estimate only and includes the salary and benefits of the Project Manager.
- (6) Hotels generally will be located in urban markets in the center of metropolitan sites and in high volume resort areas. We do not estimate the cost of real estate or site work premiums because of wide variations among geographic areas and at different sites. Hotel program and square feet requirements vary greatly with each market. Each hotel should be designed to compete effectively in the given market. However, our average net hotel room size is between 425 and 450 square feet and our 600 gross square feet, including corridors, stairs, service amenities and elevation lobby. Most hotels in the United States have between 160 and 650 rooms.

If we approve your Hotel to be a Hard Rock Condominium/Hotel, then you must pay us a Condominium Unit Fee equal to 3% of the gross sale proceeds from the sale of each condominium unit. We do not estimate the amount of the Condominium Unit Fee because of the wide variations among geographic areas and sites.

- (7) Before you purchase the land, you should, at a minimum, consider obtaining a Phase 1 environmental assessment to determine the environmental condition of the land. Based on this Phase 1 report, additional investigations and tests may be necessary before you make your purchase decision. Many lenders will require a Phase 1 report before financing can be approved. Costs of a Phase 1 report will vary depending on the particular site conditions.
- (8) You must engage a structural and life safety consultant (the “Life Safety Consultant”) to review the plans and specifications for the Hotel and provide you with recommendations regarding certain fire and life safety measures to implement in connection with the construction and development of the Hotel. This estimate includes the cost of engaging a Life Safety Consultant.
- (9) The cost of construction varies from site to site depending on the size and nature of the land on which the Hotel is built, the type of construction and materials used, union involvement, regional cost variations, competitive conditions and other factors. The cost also varies depending on whether you are converting an existing hotel to a Hard Rock Hotel. We must approve the final plans, design and specifications for your Hotel. You must construct the Hotel in accordance with our development standards. The estimate includes Food and Beverage Outlets, meeting and banquet facilities, public areas, site lighting, swimming pool, exercise room, landscaping, and exterior signs.
- (10) This estimate includes all costs associated with the construction of the premises for the Hotel Retail Store, which must be done at your sole cost. This work includes all exterior and interior signage; canopies and awnings, if any; interior partitions; and all furniture, equipment and fixtures. All signage

and architectural features must comply with the requirements and plans that we mandate.

- (11) The cost of furniture, fixtures and equipment will depend on the number and type of guestrooms, the scope and number of Food and Beverage Outlets, the design scheme that is selected, the number and size of meeting and banquet facilities planned, as well as other possible factors. This estimate includes the cost of furniture, fixtures and equipment for guestrooms, corridors, Food and Beverage Outlets and all public areas. We must approve all furniture, fixtures and equipment at your Hotel.
- (12) This estimate includes the cost of shipping, installation, mounting hardware, mannequins, and plaques. It also includes your initial rental payments that must be paid before opening (ranges from 1 to 3 months rent). Your rental payments for the initial 3 months after opening are separately disclosed under the "Additional Funds" category.
- (13) "Operating supplies" include food and beverage and other immediately consumable items such as fuel, soap, cleansing materials, matches, stationery and similar items. "Operating equipment" includes items such as chinaware, glassware, linens, silverware and uniforms.
- (14) You must obtain the Computer System we specify. This item estimates the computer hardware and the initial license, installation, set-up, support and training fees for the Computer System software components as well as the costs for certain of your employees to access our on-line based training courses through our Learning Platform, School of Hard Rock. This estimate does not include any costs necessary to configure the computers.
- (15) As states and localities require. This item also includes permits relating to music played or performed at the Hotel.
- (16) This estimate includes 1 to 2 months premium for required insurance coverage. Required minimum coverages are described in Section 12 of the License Agreement. This estimate also includes Builder's Risk Insurance allowance.
- (17) You will incur pre-opening expenses for salaries and wages; personnel training; sales; administrative and general expenses; project management; technical service; advertising; and opening festivities. Sales & marketing expenses vary greatly with each location based upon competitive conditions.
- (18) This estimates the amount of the security deposits for the utilities associated with your Hotel.
- (19) The term "Contingency" refers to funds that will be needed to manage development risks, unanticipated design or construction costs and other unanticipated expenses.
- (20) The estimate of additional funds for the initial phase of your Hotel is based on your staff salaries and operating expenses for the first 3 months of operation. It also includes 3 months' rent of memorabilia. The amount of required additional funds will vary and depend on factors such as the area of your Hotel, the occupancy rate of the Hotel and the relative effectiveness of you and your staff. We have prepared this estimate based on our extremely limited experience in licensing Hotels.
- (21) We do not finance any portion of your initial investment. Normally, you must provide equity capital for at least 20% to 50% of the total initial cost. You may supply the remainder by debt financing, but only if we approve your financing plan. Due to variations in the term of debt financing and other market factors and conditions, we cannot estimate the period and amount of loan repayments, the interest rate, or other terms and conditions of any financing. You must at all times maintain a loan-to-value ratio less than or equal to 70%.
- (22) We have prepared these estimates based on our extremely limited experience in licensing Hotels.

Except as expressly indicated otherwise, these estimates cover your initial cash investment up to the opening of your Hotel, but do not include real property costs, financing and related costs, or Condominium Unit Fees (applicable only if your Hotel is a Hard Rock Condominium/Hotel). You should not plan to draw income from the operation during the start-up and development stage of your Hotel. The actual duration of the start-up and development stage for Hard Rock Hotels vary materially from hotel to hotel, and we cannot predict the duration for your Hotel. You must have additional sums available (e.g., cash, bank lines of credit, liquid assets or other assets against which you may borrow) to cover other expenses and any operating losses you may sustain during and/or after your start-up and development stage. The amount of necessary reserves will vary greatly from licensee to licensee and will depend upon many factors, including: (a) the rate of growth and success of your business (which will in turn depend upon factors such as the demographic and economic conditions in the area in which your Hotel is located, the presence of other “Hard Rock Hotel” lodging establishments or other public awareness of our business and Licensed Marks within the general vicinity of your proposed Hotel); (b) your ability to operate efficiently and in conformance with our recommended methods of doing business; and (c) competition. The exact amount of reserves varies from hotel to hotel so we cannot meaningfully estimate the amount of reserves for your Hotel. Therefore, we urge you to retain the services of an experienced accountant or financial advisor (preferably with substantial experience in the lodging industry) to develop a business plan and financial projections for your particular Hotel.

- (23) The costs in this chart describe the estimated initial investment for a Hotel with 400 Guest Rooms, including lobby, Food and Beverage Outlets, meeting space, and pool/spa amenities. The estimate applies to both Hard Rock Hotels and Hard Rock Condominium/Hotels, however, Hard Rock Condominium/Hotels will also be subject to Condominium Unit Fees (as described in footnote (6) above).

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Source Restricted Purchases and Leases – Generally

We require that you purchase or lease certain “source restricted” goods and services for the development and ongoing operation of your Hotel. By “source restricted,” we mean that the good or service must meet our specifications and/or must be purchased from an approved or designated supplier (in some cases, an exclusive designated supplier, which may be us or an affiliate).

We will issue various bulletins and notices that will contain the specifications and standards for the products and services you must purchase as well as designated or approved suppliers. We may also list our required specifications and standards and our list of designated and approved suppliers in the Manual. As we determine consumer preferences and trends in the marketplace, or develop new marketing techniques, technologies, products and services, we anticipate that we will formulate and modify our standards and specifications as we consider appropriate and useful. We will notify you of changes to our standards and specifications through articles, newsletters, other bulletins or amendments to the Manuals. If you wish to procure or offer for sale any items or services that deviate from our Manuals, you must obtain our approval, which we may withhold in our sole discretion.

Supplier Criteria

Our criteria for evaluating a supplier include standards for quality, delivery, performance, design, appearance and price of the product or service as well as the dependability, reputation and financial viability of the supplier. Upon your request, we will provide you with any objective specifications pertaining to our evaluation of a supplier, although certain important subjective criteria (e.g., product appearance, design, taste, functionality, etc.) are important to our evaluation but cannot be described in writing.

To obtain our approval of a new supplier or product that you propose, you must send us a written proposal for

the new item or service, which must include a sample, a clear photograph and a valid reason for the change. We will then have 60 days to test the item for quality, value and presentation, and either grant or deny your request. If product specifications for the item are not in the Manuals, we will furnish the specifications to you at your request, unless the item is proprietary. We may require that: (i) the supplier have insurance protecting us and you; (ii) you reimburse us for the cost of our review of the supplier or product; and (iii) any supplier using our confidential information sign a confidentiality agreement in our favor.

Current Source Restricted Items

As described below in more detail, we currently require that you purchase or lease the following source restricted goods and services: the site for your Hotel; leases for real property; design and construction of your Hotel; Food and Beverage Outlets; furniture, fixtures and equipment; artwork; memorabilia; merchandise; Operating Supplies; Operating Equipment; insurance policies; advertising and promotional materials; accounting services; Hotel management services; services relating to the Reservation System; and services relating to the Sales Referral Program. We estimate that up to 75% of the total required purchases and leases that will be required to develop and establish your Hotel and 50% of your ongoing operating expenses will consist of source restricted goods or services.

Site Approval

You must select a site for your Hotel according to our criteria. We must approve the site for your Hotel.

Leasing Arrangements

We must approve the terms of any ground lease that you enter into, as lessee, for any portion of the premises for the Hotel. All leases that you enter into, as lessor, relating to any portion of the Hotel must be approved by us and must include a clause that prohibits and prevents any use or operation of the premises in a manner that would violate the noncompetition covenants described in the License Agreement. If the Hotel is part of a larger mixed use project, we must also approve the leases and any office management agreement between you (or your affiliate) and any third party tenant or manager of any non-hotel space in the project.

Hotel Design and Construction

After you obtain possession of the location for the Hotel and secure financing, you must design and develop the Hotel project (includes the Hotel Retail Store) in accordance with the Comprehensive Project Design (defined in Item 11), our development standards and the Manuals. The Comprehensive Project Design will include the plans, designs and specifications for the Hotel and the Hotel Retail Store. We must approve the Comprehensive Project Design and all of its components. We must also approve the identify and background of certain individuals or firms involved with the design and construction of your Hotel, including your contractors, designers, Project Manager, Life Safety Consultant and other consultants for preparing preliminary, final and other plans and specifications for the Hotel and construction.

Food and Beverage Outlets

We must approve all third party operators of Food and Beverage Outlets in your Hotel as well as the written agreement between you and the owner/operator of the Food and Beverage Outlet. We must also approve the concept and design elements of each Food and Beverage Outlet, including names, menus, hours of operation, etc. We may impose standards and specifications for fountain products and other beverages sold at the Hotel (including at Food and Beverage Outlets) and we may require that you only purchase such items from approved or designated suppliers.

Furniture, Fixtures and Equipment

Your furniture, fixtures and equipment (including items such as carpeting, cabinets, lighting, doors, televisions, interior plantings, communications equipment, computer hardware and software, telephone and call accounting systems, room management systems, point-of-sale systems, vehicles, gym equipment, cleaning and engineering equipment, recreational equipment, office equipment, etc.) must meet our specifications and must be approved by us. You may purchase certain of these items only from approved or designated suppliers. Certain equipment, such as certain components of your AV System and computer system, must be purchased exclusively from us or our affiliates.

Artwork

We must approve the artwork displayed at the Hotel. All artwork must be purchased from approved or designated suppliers. We (and our affiliates HRC and HRC-STP) are approved suppliers for certain artwork although we also have approved third party suppliers.

Memorabilia

You must lease your music memorabilia that will be displayed at your Hotel exclusively from our affiliate, HRC-STP. HRC-STP will ship the memorabilia and install it at your Hotel. You must also purchase the mounting hardware, mannequins and plaques needed for the Memorabilia installation from HRC-STP.

Merchandise

All merchandise and retail items sold at your Hotel Retail Store must be approved by us and must meet our standards and specifications. All branded merchandise bearing the Licensed Marks must be purchased from approved or designated suppliers.

Operating Supplies

All Operating Supplies (including consumable items used in the operation of the Hotel, such as fuel, soap, shampoo, toiletries, cleaning material, matches, napkins, stationery and similar items) must meet our standards and specifications. Certain Operating Supplies must be purchased from approved or designated suppliers.

Operating Equipment

All Operating Equipment (including china, glassware, silverware, linens, towels, uniforms and similar items use in the operation of the Hotel) must meet our standards and specifications. Certain Operating Equipment must be purchased from approved or designated suppliers.

Insurance

You must obtain the insurance coverage that we require from time to time (whether in the License Agreement, Memorabilia Lease or in the Manuals). You must purchase these policies from carriers who are qualified to do business in the jurisdiction in which your Hotel is located and that have a Best rating of at least AX. We must approve all insurance companies that you use. The required coverage includes: (i) Builder's Risk Insurance in an amount not less than the estimated cost of construction (during the construction period); (ii) All Risk property damage insurance; (iii) Business Interruption Insurance for 3 years of Royalty Fees and Hotel Retail Store Fees; (iv) general public liability insurance in an amount not less than \$10,000,000 per occurrence; (v) umbrella/excess liability insurance with a minimum of \$100,000,000 per occurrence; (vi) statutory workers' compensation and disability benefits insurance as required by law (except that employers liability coverage must be at least \$1,000,000); (vii) professional liability insurance with a minimum of \$10,000,000 per occurrence; (viii) products liability insurance with a minimum of \$10,000,000 per occurrence; (ix) fidelity and dishonesty

insurance and money and securities insurance in an amount not less than \$100,000; (x) privacy and security liability insurance and/or cyber insurance with a minimum of \$1,000,000 per occurrence and \$2,000,000 in the aggregate; (xi) insurance against loss, theft, damage, confiscation or destruction of the memorabilia for the full appraised value of each item of memorabilia. The insurance policies must include the various endorsements and other clauses required by Section 12 of the License Agreement.

If you operate a Hard Rock Condominium/Hotel, you must also obtain: (i) All Risk property damage insurance for the FF&E in the hotel condominium units; (ii) All Risk property damage for the FF&E in the condominium units; and (iii) professional liability insurance with a minimum of \$10,000,000 per occurrence.

Advertising and Promotional Materials

All advertising and promotional materials you use relating to your Hotel must conform in all respects with the guidelines in the Manual. Any deviation from these guidelines must be approved by us. We will issue our approval or disapproval within 20 days. We must approve all signage and other advertisements placed at the Hotel. Your signage must meet our signage guidelines and we must approve the supplier from whom you purchase your signage.

Accounting Services

You are required to provide us with audited financial statements relating to the operation of your Hotel on an annual basis. We must approve the independent certified public accountants that you use to prepare these financial statements.

Hotel Management Services

You must retain and exercise full operating control of the Hotel unless you sign a management agreement with a qualified management company to operate your Hotel. We must approve the management company you use as well as the management agreement you sign with them. The management agreement must incorporate the terms described in Section 5.3.2 of the License Agreement.

Reservation System

You must exclusively use the Reservation System administered by our affiliate HRC for the types of bookings specified in the Reservation Agreement. You will pay HRC fees in exchange for the services it provides in connection with the Reservation System.

Sales Referral Program

Your Hotel must also participate in HRC’s Sales Referral Program under the terms described in the License Agreement and Manuals. You will pay HRC fees in exchange for the services it provides in connection with this program. However, if you participate in the Alternative Fee Arrangement program, you will pay us an Inclusive Fee equal to 10% of Total Revenues, which will be considered to include full payment of the fees that would otherwise be payable by you to HRC with respect to the Sales Referral Program.

Below is a table that lists in greater detail the goods/services specified above that must be purchased from approved or designated suppliers:

Item	Provided by Third Party Supplier Proposed by You and Approved by Us	Provided by Third Party Supplier Designated by Us	Provided by Us or an Affiliate of Ours
Furniture, Fixtures and Equipment	Yes	No	No
Artwork	Yes	No	No

Item	Provided by Third Party Supplier Proposed by You and Approved by Us	Provided by Third Party Supplier Designated by Us	Provided by Us or an Affiliate of Ours
Memorabilia, interactive memorabilia, framing, labor and plaques	No	No	Yes
Fountain Drink Products	No	Yes	No
Mattresses	No	Yes	No
Bathroom Amenities	No	Yes	No
In-room linens and towels	No	Yes	No
Hard Rock Audio Visual System	Yes (for certain components)	Yes	Yes (for certain components)
Insurance Policies	Yes	No	No
Accounting Services and Call Accounting Services	Yes	No	No
Reservation System Services and CRS	No	Yes	Yes
Hotel Room Sales and Lead Generation Services	No	No	Yes
Referral Program Services	No	No	Yes
Services Relating to Design, Construction and Operation of Hotels, including but not limited to Architect, General Contractors, Interior Designer, and AV Design	Yes	No	Yes (for certain services)
Probity Investigation Services	No	No	Yes
Condominium Inspection Services (if applicable)	No	No	Yes
Digital Signage	Yes	No	No
Loyalty Program	No	Yes	Yes
Website Design and Analytics	No	Yes	No
Internet Television Services	Yes	No	No
Network Design and Support Services	Yes	Yes	No
Spa Management Software	Yes	No	No
Labor Scheduling Software	Yes	No	No
Golf Management Software	Yes	No	No
Quality Management System	No	Yes	No
Phone System	Yes	No	No

Item	Provided by Third Party Supplier Proposed by You and Approved by Us	Provided by Third Party Supplier Designated by Us	Provided by Us or an Affiliate of Ours
F&B Inventory and Menu Management Systems	Yes	No	No
Back Office Systems	Yes	No	No
Point of Sale System	Yes	No	No
Energy Management System	Yes	No	No
Property Management System	No	Yes	No
Sales & Catering System	No	Yes	No
Video and Music Distribution System	No	No	Yes
Revenue Management System	Yes	Yes	No
Business Intelligence Reporting System	Yes	No	No
Advertising & Design Agency and Public Relations Agency	Yes	No	No
Human Resources	Yes	No	No
eLearning System	No	Yes	No
Performance Management System	No	Yes	No
Applicant Tracking System	Yes	No	No
Nametags	Yes	No	No
Uniforms	Yes	No	No
Retail Inventory	Yes	No	No
Rock Shop Packaging Supplies, Basic Supplies, Window Graphics, Hardware, Glassware, Headwear, and Apparel	Yes	Yes	No
Rock Shop Primary Display	No	Yes	No
Hard Rock Pins	No	Yes	No
Hard Rock Accessories & Jewelry	No	Yes	No
Hard Rock Watches	No	Yes	No
Hard Rock Zippo Lighters	No	Yes	No
Hard Rock Plush Toys	No	Yes	No
Gym Equipment	No	Yes	No

Purchase Agreements

We have negotiated a purchase agreement, including favorable price terms, with suppliers for: (i) certain in-room Operating Supplies (shampoo, conditioner, shower gel, lotion, bath salt and soap); and (ii) gym equipment. We may, but need not, negotiate other purchase agreements in the future. There are no purchasing cooperatives although we reserve the right to establish one or more purchasing cooperatives in the future. You do not receive any material benefits for using designated or approved suppliers other than having access to any discounted pricing that we negotiate.

Franchisor and Affiliate Revenues from Source Restricted Purchases

We and our affiliates are approved or designated suppliers for certain goods and services that you must purchase. We may designate ourselves (or our affiliates) as approved or designated suppliers of other goods and services in the future. Currently, there are no third party approved or designated suppliers in which any of our officers owns an interest.

Currently, we are the only approved supplier for the technical services and FF&E and design services described in Item 11 of this Disclosure Document. We, HRC and HRC-STP are also approved suppliers (although not the only approved suppliers) for certain portions of the AV System and maintenance services, computer system and artwork. Our affiliate HRC-STP is the only approved supplier of the memorabilia that you must lease for your Hotel as well as certain hardware and equipment relating to the installation of the memorabilia. Our affiliate HRC is the only approved supplier of the Reservation System that you must use as well as the services associated with the Sales Referral Program.

We and/or our affiliates have license agreements with certain suppliers that allow use of our marks on their product. We and/or our affiliates do not derive any revenue from these agreements although we reserve the right to do so in the future. We and/or our affiliates reserve the right to receive additional rebates, discounts or other allowances and benefits from approved suppliers in the future and we have no obligation to remit any portion of these amounts to our franchisees or use them in any particular manner.

During the fiscal year ending December 31, 2017, we did not receive any revenue based on domestic licensee purchases or leases from approved or designated suppliers (including us).

Based on internally prepared financial statements, HRC-STP received \$149,537 based on domestic licensee purchases or leases from approved or designated suppliers (including HRC-STP) during the 2017 fiscal year. All of these revenues consist of memorabilia lease fees and loyalty fees.

During the fiscal year ending December 31, 2017, HRC did not receive any revenue based on domestic licensee purchases or leases from approved or designated suppliers (including HRC).

ITEM 9. FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and other items in this Disclosure Document.

* For purposes of the table below: "HLA" refers to the Hotel License Agreement; "CHLR" refers to the Condominium/Hotel Lease Rider; "ML" refers to the Memorabilia Lease; and "RA" refers to the Reservation Agreement.

	Obligation	Sections in Agreement	Disclosure Document Item
a.	Site Selection and Acquisition/Lease	HLA – §4.1 & 4.2 CHLR – Not Applicable ML – Not Applicable RA – Not Applicable	7, 9 & 11
b.	Pre-Opening Purchases/Leases	HLA – §4.1, 8.3, 8.7, 8.12 & 12 CHLR – Not Applicable ML – §2 & 5 RA – §2	7, 8 & 11

	Obligation	Sections in Agreement	Disclosure Document Item
c.	Site development and other pre-opening requirements	HLA – §4, 5 & 6.1 CHLR – Not Applicable ML – § 2, 4 & 5 RA – §2	7, 8 & 11
d.	Initial and Ongoing Training	HLA – §5.2 CHLR – Not Applicable ML – Not Applicable RA – Not Applicable	7, 8 & 11
e.	Opening	HLA – §4.12 CHLR – Not Applicable ML – Not Applicable RA – Not Applicable	7 & 11
f.	Fees	HLA – §4.6, 4.8, 4.11, 4.12, 4.14, 5.2, 6.3, 7.5, 8.10, 9, 10.8, 11.3, 14.1.16, 16.3, 16.5, 18.7, 19 & 20 CHLR – §2.2 & 3 ML – §4, 14, 16 & 31 RA – §5	5, 6, 7 & 11
g.	Compliance with Standards and Policies/Operating Manual	HLA – §4.1, 4.4, 4.5, 7, 8.1, 8.9 & 8.10 CHLR – Not Applicable ML – Not Applicable RA – Not Applicable	8, 9, 11 & 13
h.	Trademarks and Proprietary Information	HLA – §8.4 & 10 CHLR – §2.1, 2.3 & 6 ML – Not Applicable RA – §7	13 & 14
i.	Restrictions on Products/Services Offered	HLA – §2.1, 2.2, 2.4, 4.4, 7.1, 7.2, 8.1, 8.3 & 10.7 CHLR – Not Applicable ML – Not Applicable RA – Not Applicable	11 & 16
j.	Warranty and Customer Service Requirements	HLA – §7.5 CHLR – Not Applicable ML – Not Applicable RA – §9	8, 11 & 16
k.	Territorial Development and Sales Quotas	HLA – Not Applicable CHLR – Not Applicable ML – Not Applicable RA – Not Applicable	12
l.	Ongoing Product/Service Purchases	HLA – §8.12 CHLR – Not Applicable ML – Not Applicable RA – Not Applicable	8 & 11

	Obligation	Sections in Agreement	Disclosure Document Item
m.	Maintenance, Appearance and Remodeling Requirements	HLA – §7.1, 7.2 & 7.4 CHLR – §2.2 ML – §5, 7 & 8 RA – Not Applicable	6, 8 & 11
n.	Insurance	HLA – §7.2 & 12 CHLR – §12 ML – §13 RA – Not Applicable	7 & 8
o.	Advertising	HLA – §6 CHLR – §5, 6 & 7 ML – Not Applicable RA – Not Applicable	6, 7 & 11
p.	Indemnification	HLA – §4.14, 9.12 & 19 CHLR – §5, 6 & 14 ML – §17 RA – §8	6
q.	Owner’s Participation/ Management/Staffing	HLA – §5 CHLR – Not Applicable ML – Not Applicable RA – Not Applicable	11 & 15
r.	Records/Reports	HLA – §11 CHLR – §11 ML – Not Applicable RA – Not Applicable	6
s.	Inspections/Audits	HLA – §7.5 & 11 CHLR – §2.2 & 6 ML – §9 & 18 RA – Not Applicable	6 & 11
t.	Transfer	HLA – §16 CHLR – Not Applicable ML – §19 RA – §23	17
u.	Renewal	HLA Not Applicable CHLR – Not Applicable ML – §3 RA – §4	17
v.	Post-Termination Obligations	HLA – §15 & 17.2 CHLR – Not Applicable ML – §15 & 20 RA – §17	17

	Obligation	Sections in Agreement	Disclosure Document Item
w.	Noncompetition Covenants	HLA – §4.4 & 17 CHLR – Not Applicable ML – Not Applicable RA – Not Applicable	17
x.	Dispute Resolution	HLA – §18 CHLR – Not Applicable ML – §33 RA – §22	17
y.	Guaranty	HLA – §8.11 (and Exhibit A to HLA) CHLR – Not Applicable ML – Not Applicable RA – Not Applicable	15
z.	Liquidated Damages	HLA – §4.11, 14.1.16 & 20 CHLR – Not Applicable ML – Not Applicable RA – Not Applicable	

ITEM 10. FINANCING

Neither we nor any of our affiliates offers any direct or indirect financing to you. Neither we nor any of our affiliates guarantees your notes, leases or other obligations.

ITEM 11. FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Before the Hotel opens for business, we or an affiliate will:

1. Review and approve the site for your Hotel that meets our requirements. (License Agreement, Section 4.2) See Section below entitled “Methods Used to Select or Approve a Hotel Site” for more information about site selection.
2. Review and approve the overall scope and scale of the project (collectively, the “Programmatic Components”) for the Hotel. We will approve the Programmatic Components before you sign the License Agreement. The Programmatic Components do not reflect the comprehensive project design (the “Comprehensive Project Design”) that you must prepare during the design phase for the Hotel. The Comprehensive Project Design must comply with all of the Programmatic Components, the Manuals and the requirements of the License Agreement. We must approve the Comprehensive Project Design at least 90 days before you begin construction of the Hotel. If not specified in the Programmatic Components and the Comprehensive Project Design, we have the right to approve the designs and themes to be included in the Hotel for guest rooms, Food and Beverage Outlets, clubs, entertainment venues and live music venues. You are solely responsible for ensuring that your Hotel, as constructed and operated, complies in all respects with all applicable laws and all other requirements of all governmental authorities. (License Agreement, Section 4.1, 4.4 & 4.5)
3. Review and approve the type, concept and the design elements of any Food and Beverage Outlet located

at the Hotel. We will also approve: (a) any third party that you designate to operate a Food and Beverage Outlet; and (b) the lease or restaurant management agreement that you will enter into with the party that will operate the Food and Beverage Outlet. We will also approve the names, menus and concepts associated with the Food and Beverage Outlet and all tenants of commercial spaces in the Hotel (including those tenants or third party operators providing amenity services to the Hotel) and the leases associated with these tenants. (License Agreement, Section 4.4 & 5.3)

4. Review and approve: (a) all preliminary and final plans and specifications for the Hotel and all furniture, fixtures and equipment; (b) the identity and qualifications of the project manager of the Hotel and all contractors, designers, architects and consultants you propose for preparation of preliminary and final plans and specifications for the Hotel and the construction of the Hotel; (c) all menus; (d) a sample guest room containing all finishes, furniture, fixtures and equipment, decorative items and other furnishings; and (e) all such other information regarding the Hotel as we may reasonably request. You must obtain our approval of these items before construction begins. (License Agreement, Section 4.5)
5. Approve the identity of the Project Manager and Life Safety Consultant. (License Agreement, Section 4.8)
6. Render certain technical services to you, including: (a) consulting with you regarding vendor contracts for artwork, graphics, fixtures and other items as well as preliminary plans and specifications for the construction of the Hotel and related facilities (including landscaping, layout and related matters, advice on architects, contractors, engineers, designers, decorators, landscape architects, and such other specialists and consultants as may be necessary to complete your Hotel); and (b) advising you regarding preparing budgets for the initial purchase of FF&E. (License Agreement, Section 4.6)
7. Develop a written pre-opening program specifying, in reasonable detail: (a) any services that we will provide that we believe are reasonably necessary before the opening date regarding the aural or visual aspects of the Hotel that uniquely identify a facility as being a Hard Rock Hotel; (b) our estimated cost to provide these services (which you must bear during the pre-opening period); (c) sales and promotion during the pre-opening program; (d) required opening events; and (e) an estimate of other pre-opening costs and expenses related to these items. You may not open your Hotel until we provide our written authority to you. (License Agreement, Section 4.10)
8. Provide initial training to your management personnel before the opening date for your Hotel that we consider necessary for the proper operation of your Hotel. (License Agreement, Section 5.2) See Section below entitled "Training" for additional information.
9. Provide specification and/or all required application software to you for your property systems. (License Agreement, Section 8.7)
10. Make available to you the Manuals in computerized form via a secure internet website. The "Manuals" includes (i) the Manuals for Universal Standards Execution (online manual – approximately 400 pages), (ii) the Project Planning and Design Manual (339 pages), (iii) Design & Development Process Manual (18 pages), (iv) Storybook (31 pages), (v) Position Training Manuals (page numbers vary by position), (vi) BRAND Manual (45 pages), (vii) EATS Manual (34 pages), (viii) IDENTITY Manual (14 pages), (ix) RETUNE Manual (12 pages), (x) SHOP Manual (18 pages), (xi) SLEEP Manual (39 pages) and (xii) VIBE Manual (22 pages). The current table of contents for our Manuals that include tables of contents is included as EXHIBIT "G". In the event of any dispute or to the contents of the Manuals the master copy of the Manuals maintained by us at our principal office shall be controlling. We have the right in our sole discretion to modify the Manuals from time to time. You must comply with the Manuals, including all modifications we make to the Manuals. (License Agreement, Section 8.9)
11. Provide you with the specifications for the computer software and hardware required for the Reservation

System. (License Agreement, Section 8.10). See Section below entitled “Computer Systems” for additional information about the Reservation System.

12. Lease to you the memorabilia under the terms of the Memorabilia Lease. (License Agreement, 2.5).

During the operation of your Hotel, we or an affiliate will:

1. Periodically, and at our option, provide additional training programs to the Hotel’s management personnel. (License Agreement, Sections 5.2)
2. Provide reservation services for the Hotel under the Reservation Agreement. We may outsource some of the services provided by the Reservation System, and we may pay a portion of the reservation fees received from the Hotel to a third party in exchange for providing such services. (License Agreement, Section 8.10; Reservation Agreement, Section 3)
3. Maintain and administer the marketing program. (License Agreement, Section 6.3) See Section below entitled “Marketing Program” for additional information.
4. Take all actions we deem reasonably necessary to protect and promote the trademarks, the Hard Rock Hotel System and the operations and goodwill of the Hotel. (License Agreement, Section 10.1)
5. Administer the Sales Referral Program, under which you will pay fees for referrals to your Hotel and you will be paid fees for referrals you make to other Hotels. (License Agreement, Section 6.3)

In providing the pre-opening and post-opening assistance and the other services described in this Item 11, we act only in an advisory capacity. We are not responsible for: (i) the adequacy or coordination of any plans or specifications; (ii) the structural integrity of any structures or the systems thereof; (iii) compliance with applicable laws such as the Americans with Disabilities Act and any building code of any governmental authority; (iv) compliance with any insurance requirement; or (v) obtaining any necessary permits. All of these items are your responsibility and you must pay all associated costs. (License Agreement, Section 4.9)

Marketing Program

You must contribute 2% of your Room Revenues (the “Marketing Fees”) to our marketing fund that is used to promote public awareness and usage of Hard Rock Hotels (the “Marketing Program”). However, if you participate in our Alternative Fee Arrangement program, then your Marketing Fees will be considered paid in full by your payment of the Inclusive Fee equal to 10% of Total Revenues. We will utilize the Marketing Fees for any of the following expenditures, in our discretion: (i) developing maintaining, administering, directing, preparing, or reviewing advertising and marketing materials, promotions and programs; (ii) public awareness of any of the Licensed Marks; (iii) public and consumer relations and publicity; (iv) brand development; (v) research and development of technology, products and services; (vi) website development and search engine optimization; (vii) development and implementation of quality control programs; (viii) changes and improvements to the Hotel System; (ix) the fees and expenses of any advertising agency we engage, in our discretion, to assist in producing or conducting advertising or marketing efforts; (xi) any other programs or activities that we deem necessary or appropriate to promote or improve the Hotel System; and (xi) our or our affiliates’ expenses associated with direct or indirect labor, administrative, overhead or other expenses incurred in connection with promotional, marketing or advertising efforts or any of the foregoing activities.

We will have sole discretion as to the nature and type of any media placement, the allocation (if any) between international, national, regional and local markets, and the nature and type of advertising copy and other materials and programs. We are not obligated to insure that you or any particular licensee will receive direct or pro rata benefits from our advertising and promotional placement. We are not obligated to expend all or any minimum portion of the Marketing Fees received during any specific period of time or to refund any

contribution. We may choose to engage an advertising agency to assist us to produce and conduct advertising efforts and we may pay the agency from the Marketing Fees received. Hotels owned by us or our affiliates and located in the United States are not required to contribute to the Marketing Program on a pro-rata basis with franchised Hotels located in the United States. The Marketing Fee is not uniformly imposed on all franchised Hard Rock Hotels and some Hard Rock Hotels are not required to pay a sales and marketing fee.

We are under no obligation to provide you with any accounting of the receipts and disbursements related to the Marketing Program and we are not required to have the financial statements of the Marketing Program audited. We are not required to maintain a separate account for the Marketing Fees and we may commingle Marketing Fees with other monies. We may spend in any fiscal year an amount more or less than the total contributions to the Marketing Program in that year and we may invest any surplus for future use by the Marketing Program. During the fiscal year ending December 31, 2017, expenditures related to the Marketing Program were allocated to the following categories by percentage: (i) production 0%; (ii) media placement 50%; (iii) administrative expenses 0%; and (iv) other 50% (public relations). We will not use Marketing Program funds for advertising that is principally a solicitation for the sale of franchises.

There are no advertising councils composed of licensees. However, we may form, change, merge or dissolve these councils. You are not required to participate in an advertising cooperative.

Loyalty Programs

You must participate in all loyalty, special marketing and frequent traveler programs that we establish from time to time. These programs and the fees associated with these programs are subject to change. You must pay your fair share of the cost of system-wide programs and other marketing initiatives now existence or developed in the future, including, without limitation, Hard Rock Rewards and other frequent travel programs, market initiatives or other programs that we may develop. These fees and costs would be in addition to the Marketing Fees you are required to pay us.

Currently, we require that you participate in our “Hard Rock Rewards” program, which is our guest recognition program that is affiliated with “Hard Rock” branded facilities. You must purchase certain equipment to install at your Hotel in connection with the Hard Rock Rewards program as required by the Manuals. In addition, you must obtain software licenses from third parties as specified in the Manuals at your cost in order to participate in the Hard Rock Rewards program. Under the current version of the program, you are not required to make any contributions to the Rewards program based on purchases made by Hard Rock Rewards members.

We reserve the right to change terms of the program, the costs and redemption reimbursement amounts, the calculation factors and the required equipment and software licenses at any time. We also may require you to participate in other special marketing programs or frequent traveler programs, and you must pay any fees and purchase any equipment that we require to participate in in these programs.

Local Advertising

In addition to advertising and promotions that will be conducted by us through the Marketing Program and our loyalty programs, you must place advertising through your own efforts. At a minimum, you must spend at least 1.5% of your Total Revenues on advertising and publicity for your Hotel. All advertising and promotional materials that are not in strict conformance with our guidelines in the Manuals must be submitted to us for approval prior to use.

Except as provided below, you may not use the Licensed Marks (or any derivations of the Licensed Marks or any confusingly similar marks or logos) on or in connection with any Internet Site. The term “Internet Site” includes any world wide web site, USENET, internet newsgroup, bulletin board or other online service at any electronic domain name, address or location, or any other form of online service or electronic domain name, address or location, or any other form of online service or electronic commerce whatsoever. We and/or our

affiliates may develop and maintain, or license the development and maintenance of, one or more Internet Site(s) for Hard Rock Hotels, Branded Merchandise and other products and other Hard Rock businesses (each a “Hard Rock Internet Site”). Upon our request, you must provide to us or our affiliate any information regarding your Hotel that we require for inclusion in a Hard Rock Internet Site. You will not receive any revenues (or be responsible for any costs and expenses) resulting from sales of Branded Merchandise on any Internet Site. At our request, you must prominently display in all advertisements for your Hotel the Internet Uniform Resource Locator (URL) of a Hard Rock Internet Site we designate. We will feature your Hotel on our Internet Site in the same manner as we include other Hard Rock Hotels.

You must utilize the services of our designated supplier (currently Vizergy) to develop a new branded website platform for your Hotel. The estimated costs associated with your Internet Site are disclosed below under “Computer System.” All domain names associated with your Internet Sites will remain our property at all times during and after the term of your License Agreement. We must approve the format, content and promotion (including promotional through the use of keywords, social media handles and adwords) of your Hotel’s Internet Site. Your Internet Sites may only be used to promote your Hotel. You may not sell Branded Merchandise or conduct any other business operations on your Hotel’s Internet Site. The Internet Site for your Hotel must also meet our other standards and specifications and will be subject to our approval.

Methods Used to Select or Approve a Hotel Site

We do not select the site for your Hotel. It is your responsibility to select a potential site. You must obtain our approval of the site. Our approval of your site does not constitute a representation by us as to the likelihood of success of the location. We strongly urge you to hire independent consultants to analyze and investigate your proposed site. In approving or disapproving a site, we will consider the potential site’s location, visibility, accessibility, and proximity to commercial, residential and tourist centers. Additional factors include size and layout of the facility, tenant mix of surrounding properties, market trends and lease terms, and our other criteria. Two types of hotel site are generally suitable for a Hard Rock Hotel:

- (a) Major metropolitan area in a downtown location. This category of site will be characterized by a substantial local population in the metropolitan statistical area (at least 1 million) and substantial number of tourists visiting the area. The site will need to be in the vicinity of one or more major tourist locations. It will either have parking associated with it or will have access to 24 hour parking within ¼ mile. The site will have the capacity to accommodate at least 150 rooms with suitable easy access to the Hotel. The ground floor should be able to accommodate, at a minimum, the lobby, elevators, retail store and lobby bar.
- (b) Resort areas. This category of site will be located in a vacation location with a substantial amount of domestic and international tourism. The resort area will have in the immediate vicinity other leisure and entertainment concepts, such as golf courses, retail, cinemas, casinos, theme parks, etc. Parking will be available. The room count will be at least 150 rooms. The site will have space for a swimming pool.

After you notify us of a potential site and provide all of the documents and information we require, we will generally approve or reject the site within 30 days (although we are not obligated to do so under the License Agreement). The License Agreement does not specify a time limit in which you must locate an approved site. However, if the Hotel is not fully operational and opened to the public by the target opening date, which will be agreed upon in writing before you sign the License Agreement, we may terminate the License Agreement. The target opening date may be extended due to an event of force majeure (Section 4.11.3 of License Agreement) or in our discretion if you request an extension (Section 4.11.2).

If we have approved the site for your Hotel at the time you sign the License Agreement, we anticipate that you should be able to commence construction of the Hotel within 6 to 12 months of signing the License Agreement and open the Hotel for business within 36 months of signing the License Agreement. If we have not approved

the site for your Hotel at the time you sign the License Agreement, we anticipate that you should be able to open your Hotel for business within 48 months of signing the License Agreement. The length of time between the date you sign the License Agreement and date you open the Hotel will depend on a variety of factors including: (i) the site's location and condition; (ii) the Hotel's construction schedule; (iii) the extent to which you must upgrade or remodel an existing location; (iv) the delivery schedule for building materials and FF&E; (v) completing training; (vi) obtaining financing; (vii) obtaining insurance and all required licenses and permits; and (viii) complying with local laws and regulations.

You must establish a reserve fund of 2% of Total Revenues in the first operating year, 3% of Total Revenues in the second operating year, and 4% of Total Revenues in each subsequent year. The reserve fund will be used for (a) replacements and renewals of FF&E, (b) renovations of public areas and guest rooms; and (c) repairs to and maintenance of the Hotel's physical facilities (which costs are normally capitalized under GAAP), such as exterior and interior repainting, resurfacing building walls, floors, roofs, and parking lots, and replacing folding walls.

Training

Generally

The General Manager of the Hotel and the persons holding the top 7 management positions at the Hotel (“Key Personnel”) must attend our initial training programs. Generally, training is held at the Hollywood Corporate Support Center or a Hard Rock Hotel, although we have the right to designate 1 or more other locations for training. The Hotel's management personnel must attend any additional training that we require at the location that we designate. You may not open the Hotel to the public until the General Manager and the Key Personnel have satisfactorily completed all training we require and have been approved by us in writing as competent.

Initial Training

Our initial training program consists of three components: (1) the Walk This Way program, a leadership program devoted to teaching the Hard Rock culture, best practices and standards; (2) the New Team Transition training program, which covers hotel operational and management issues; and (3) on-site training at a Hard Rock Hotel we designate. In addition, we may require that your General Manager and some (or all) of the Key Personnel attend on-site training at a Hard Rock Hotel we designate for a period that we specify. We estimate that on-site training will be for a period of 2 to 3 weeks, but this period could be longer if we determine that it is necessary. For the classroom training, the training materials will consist of the Manuals, presentations, workbooks, collateral and videos. The costs of these training materials will be included in the training costs for which you must reimburse us (discussed below). We also require certain Hotel employees to participate in our on-line based training courses through our learning management system, School of Hard Rock Learning Platform.

Our initial training programs will be offered periodically to meet the demands of new licensees, and there are no fixed (i.e. monthly or bi-monthly) training schedules.

Ongoing Training

Periodically, we may require that your Hotel management personnel attend various initial and additional training programs that we require. For example, we currently require that you send your General Manager, human resources manager and director of sales and marketing to our annual “global leadership conference.” We will not require these training programs more than once in any calendar year. If the training is conducted at your Hotel, the training will be free of cost to you, except that you must reimburse us for reasonable travel expenses, accommodations, subsistence, materials and other reasonable expenses of those reasonably necessary persons we send to your Hotel to conduct the training.

Training Fees and Expenses

All training will be conducted at your expense. We will not charge you an additional fee for training, but you must reimburse us for our reasonable fees and expenses associated with the training, including providing the staff of trainers to provide on-site training at your Hotel and to assist with your grand opening. We estimate that these costs and expenses will range from \$50,000 to \$100,000, depending on the location of the Hotel. You are also responsible for all travel and lodging expenses incurred by your employees during training.

Instructors

Our training team consists of the following individuals:

Jennifer Rice is the Vice President of Organizational Development for Hard Rock Hotels, Casinos and Cafes. She brings over 25 years of experience in hospitality and organizational development field for global brands.

Antonia Elliott brings 17 years of hospitality experience to her role as Director of Training and Development for the Hotel and Casino division.

Angela Leavell, Director of eLearning and Development brings 13 years of instructional design and technology to the Hard Rock brand.

Dustin Maurhoff is the Manager of Training and Development for Hotels and Casinos and brings over 12 years of experience in the hospitality industry, specifically within Human Resources and Training and Development, for organizations that operate theme parks, restaurants, hotels and casinos.

Cristina Anez is the Regional Training Manager. She carries the experience of 10 years in the worldwide hospitality industry holding different management roles within Operations and Human Resources, including 5 years in instructional design and training project management at regional level.

Description of Training Programs

Below is an outline of our training programs we offer as of the date of this Disclosure Document:

Walk This Way

Walk This Way is a 3-day training conference that is devoted to teaching Hard Rock Culture, Best Practices, and Standards. Walk This Way provides attendees with the knowledge and skills required to consistently execute their Hard Rock property in compliance with our brand image and programs. Some of the classes included in the course are: Brand Identity and Strategy, Amplified Service, Music Strategy, Memorabilia, Communication, Hiring Rock Stars, Employee Engagement, Merchandise Strategy, Crisis Communication and Global Strategy and Brand Marketing.

Induction Training

When new staff members join the Hard Rock team, they attend Hard Rock's Induction (orientation) Training Program. The program begins with a 1-day course in the Hard Rock brand, followed by a 1-day course on property specific information, safety and policies, and a 1-day course in department specific information. After the completion of these 3 days, the employee begins position specific training that varies in length based on position and system requirements. During this portion of the training, employees will receive training on the Service Standards and Quality Assurance Program related to their specific area of the property.

Amplified Service

Amplified Service is Hard Rock's program dedicated to ensuring that we are exceeding both our internal and external guests' expectations. All Hard Rock employees attend this course that includes service basics, guest name usage, employee motivation, creating memorable experiences, empowerment and service recovery. This program not only teaches specific service skills, but also reinforces our Hard Rock culture and incorporates our universal service standards.

Facilitation that Rocks

Facilitation that Rocks is available to properties as a 2-day leadership training course that helps our leaders develop their platform speaking and group training skills. The course is a full-day training in skill development and practical exercises.

Global Leadership Conference

Each year, Hard Rock International holds a Global Leadership Conference that is designed to update executives from each location on our current company initiatives. Each attendee is provided with materials that enable them to return to their properties and train/retrain their staff on our global brand. Representatives are invited from operations, human resources and sales/marketing.

School of Hard Rock - Learning Platform

Hard Rock offers E-learning based courses through our Learning Management System, the Learning Platform. The Learning Platform and other proprietary courses are required to be available to all Hotel managers. Some of the courses offered are mandatory.

Hard Rock's classroom training programs cover company culture, technical skills, leadership development and brand compliance. The topics included, and approximate number of hours devoted to each topic, are listed below:

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS ON THE JOB TRAINING	LOCATION
Walk this Way	24	0	Hollywood, Florida
Induction Training	24	0	Hotel Property
Position Specific Training	160*	0	Hotel Property
Amplified Service	16	0	Hotel Property
Facilitation That Rocks	16	0	Hotel Property
Global Leadership Conference	24**	0	Varies annually
Learning Platform	Varies by position	0	On-line
Total	264	0	

* Position specific training varies from 5 days to 6 months, based on position. Average training time is approximately 4 weeks or 160 hours.

** Global Leadership Conference and associated training are dependent upon the business needs. The 24 ‘class hours’ are conference attendance only and do not include hours of re-training at Hotel property.

Total training hours may also vary based on location, property type and local regulations.

Computer Systems

You must, at your expense, purchase or lease, install and use the computer hardware and purchase or license, install and use all required software, including any future hardware and/or software enhancements, additions, substitutions, modifications and upgrades at your Hotel that we periodically prescribe (the “Computer System”).

The Computer System will be used to perform a variety of functions in managing the Hotel and consists of a number of components, including the Reservation System, the property management system, the point of sale system and our learning management system. You will obtain hotel reservation services from HRC through the Reservation System designated by us and HRC. We (or HRC) will provide the specifications for any software and hardware necessary to interface with the Reservation System, the cost of which must be paid by you. You will pay HRC the Reservation System fees as well as a monthly fee of \$850 towards the maintenance of the Reservation System. The Reservation System fees for 2018 are as follows:

**Hard Rock International
2018 Reservation Pricing Schedule per Booking Channel**

Channel	Description	Per Transaction	Talk Time/ Minute (English or Spanish)	Addtl. Notes
Set up Fee	Initial Set up of all systems. One time Fee	\$ 10,000.00		One time fee
Voice Agent Reservation	Reservations made via a reservations agent calling a toll free number based in one of our contracted call centers.	\$ 5.50	\$ 1.25	Additional languages will be priced separately based on property needs.
Booking engine reservations	Reservations made directly on the hotel's booking page or via hardrockhotels.com	\$ 3.80		Cost per actualized reservation. Charged after check out.
Mobile booking engine reservations	Reservations made using the mobile version of the hotel's booking engine or the mobile version of hardrockhotels.com booking page	\$ 3.80		Cost per actualized reservation. Charged after check out.
GDS Reservations	Reservations made via Global Distribution System such as Sabre, Galileo, Apollo, Amadeus or Worldspan.	\$ 11.55		Cost per actualized reservation. Charged after check out.
IDS Reservations	Reservations made via Opaque online travel agencies that require a GDS switch connection to access rates and inventory (like Priceline, Hotwire, etc.)	\$ 11.55		Cost per actualized reservation. Charged after check out.
Channel Connect	Cost per reservations made via Online Travel Agencies like Expedia.com, Booking.com, Hotels.com, etc. This fee is for connectivity only and exclusive of net rates/mark ups.	\$ 3.60		Cost per actualized reservation. Charged after check out.
System Maintenance	Monthly system maintenance and account management fee	\$ 850.00		Charged once a month or annually.
Other Fees				
Annual call center agents reservations training		\$1,500.00		Mandatory, charge per day. At least one day per year
Booking engine tracking tool		\$250.00		per month (optional)
Consortia management services		\$950.00		per season (optional)
Travel agent commission payment automated system		\$0.75		per transaction (optional)
Confirmations sent to guest via txt message		\$0.15		per txt (optional)

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If you participate in our Alternative Fee Arrangement program, your Reservation Fee will be considered paid by your payment of the Inclusive Fee equal to 10% of Total Revenues and you will not separately pay the Reservation Fee described above.

You will obtain all other software for the Computer System from our designated vendors. Each of these other software packages is the proprietary product of its vendor and any maintenance, repairs, upgrades or updates for these software packages will be obtained from the vendor according to the vendor's terms and conditions.

Currently, we are in the process of formulating the specific components of the Computer System. We estimate that the cost to purchase the Computer System will range from \$500,000 to \$1,500,000. At this time, we do not know: (i) whether we, an affiliate or any third party will be obligated to provide any ongoing maintenance, repairs, upgrades or updates for your Computer System; (ii) whether there will be any optional or required maintenance, updating, upgrading or support contracts (or the annual cost of any such contracts); or (iii) the type of data that will be generated by and store in your Computer System.

You must utilize the services of our designated supplier (currently Vizergy) to develop a new branded website platform for your Hotel. The current estimated costs for these services are \$19,000 to \$25,000 for the initial development services and an annual maintenance plan fee ranging from \$3,000 to \$10,000 depending on the services selected. Additional information about the website is discussed above under "Local Advertising."

There are no contractual limits on the frequency or cost of your obligation to update, upgrade or change the Computer System. We will have independent access to the information the Computer System collects and generates, and there are no contractual limits on our right to access this information.

ITEM 12. TERRITORY

Location of your Hotel

You will be granted the right and license to develop, operate, own and manage your Hotel and a Hotel Retail Store using the Licensed Marks at the location that you select and we approve. Your rights to use the Licensed Marks are limited to the establishment, operation and promotion of 1 Hotel and 1 Hotel Retail Store at and from the site that you select and we approve as specifically provided in your License Agreement. You may not relocate your Hotel without our approval. We would consider allowing you to relocate your Hotel if it is damaged or destroyed by fire or other casualty or rendered inoperable due to condemnation or other zoning or legal impediments.

Territory and Competition

You will not receive any territory or any territorial rights or protections. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Alternative Channels of Distribution

We reserve all rights not specifically granted to you under the License Agreement. We reserve the right to sell, or license others to sell, competitive or identical goods or services (whether under the Licensed Marks or under different trademarks) through alternative channels of distribution in any location, including to persons who may be your customers. Examples of alternative channels of distribution include sales of Branded Merchandise and other items over the Internet, through sales catalogs, through department stores, through other Hard Rock facilities, or through any other facility or method of distribution other than a Hard Rock Hotel. Currently, we sell Branded Merchandise over the Internet. You are not entitled to any compensation for sales that take place through alternative channels of distribution.

Restrictions on Sales and Marketing

You may advertise and promote your Hotel anywhere in the world in compliance with the Manuals. There are no restrictions on your right to solicit customers from any location.

You may not sell Branded Merchandise from any location other than your Hotel. You may sell Branded Merchandise at your Hotel Retail Store under the terms of the License Agreement. The rights granted to you do not include any rights to brand and operate other facilities at or from the Hotel using the Hard Rock marks, except as expressly approved in advance by us.

You are not permitted to sell through alternative channels of distribution. While you may promote and advertise your Hotel through an approved Internet Site for your Hotel, you may not sell Branded Merchandise through your Internet Site or use the Licensed Marks in any way on your Internet Site, unless we have previously approved such use.

Additional Franchises

You are not granted any options, rights of first refusal or similar rights to acquire additional franchises or territories.

Competitive Businesses Under Different Marks

As discussed in Item 1, our affiliates currently operate other franchise systems that use the Hard Rock marks, including, but not limited to, Hard Rock Hotel & Casino, Rock Spa, Rock Shop, Hard Rock Cafe, Hard Rock Bar, Hard Rock Live and Hard Rock Casino. Some of these facilities are operated by our affiliates and others are operated by third party licensees or franchisees. These facilities may directly compete with you and they may sell goods and services to your customers, including Branded Merchandise. We do not anticipate any conflicts between the various franchise systems regarding territory, customers or franchise support. Some of our affiliates that offer franchises in these other lines of business share our principal business address. However, we do not maintain separate offices or training facilities for the different franchised concepts.

In addition, as discussed in Item 1, we began offering franchises for Reverb hotels in 2017. Reverb hotels are upscale, select-service hotels that operate under the name "Reverb". While Reverb hotels and Hard Rock Hotels may compete for customers, Reverb hotels are not authorized to use any of the Licensed Marks. Specifically, Reverb hotels will operate under the name "Reverb" or "Reverb by Hard Rock." Some Reverb hotels may be owned by us or our affiliates while others are franchised. Reverb hotels may be located at any location, including next to your Hotel. We will resolve any conflicts between Hard Rock Hotel franchisees and Reverb franchisees regarding territory, customers and franchise support on a case-by-case basis (for example we may potentially utilize impact studies). Our principal business address for Reverb hotels is the same as our principal business address for Hard Rock Hotels and we do not intend to maintain physically separate offices and training facilities for Hard Rock Hotels and Reverb hotels.

ITEM 13. TRADEMARKS

The License Agreement authorizes you to operate your Hotel using the Licensed Marks (and to sell condominium units using the Licensed Marks if permitted by us in our sole discretion and if you sign a Condominium/Hotel License Agreement). The Licensed Marks are owned by our parent and affiliate, HRC.

HRC has authorized us to use and to sublicense the use of the Licensed Marks pursuant to a Trademark License Agreement dated March 1, 2002 (as amended). Under the Trademark License Agreement, HRC grants us rights to use and sublicense the use of the Licensed Marks in the United States, excluding the state of Nevada (this exclusion does not apply to the Licensed Mark "Rock Shop" and therefore we have the right to use the Licensed Mark "Rock Shop" in the state of Nevada). The initial term of the Trademark License Agreement is 50 years

(expiring March 1, 2052) and it includes an unlimited number of automatic 20 year renewal terms.

The Trademark License Agreement does not require us to pay any royalties to HRC. However, we are required to ensure that our use of the Licensed Marks and our franchisees' use of the Licensed Marks complies with HRC's quality standards. The Trademark License Agreement prohibits us from operating or allowing our franchisees to operate a restaurant within a Hard Rock Hotel that uses the Hard Rock Cafe marks or those that may be confusingly similar to a Hard Rock Cafe restaurant. The Trademark License Agreement also restricts our ability, and the ability of our franchisees, to sell Branded Merchandise without HRC's approval. The Trademark License Agreement requires that we obtain HRC's approval of each franchise agreement.

HRC may terminate the Trademark License Agreement if we fail to cure any breach of the terms of the Trademark License Agreement or if we become the subject of any bankruptcy, receivership or other insolvency proceeding. Termination of the Trademark License Agreement will not affect your right to use the Licensed Marks pursuant to the License Agreement. However, all franchise agreements involving a license of the Licensed Marks will be assigned to HRC or its designee.

We and our affiliates have also established credit facilities with lenders who have taken security interests in all of our assets, including the Licensed Marks owned by HRC. If we or our affiliates default under any of the financing agreements, then we may lose our rights to the Licensed Marks. However, this event would not affect your ability to use the Licensed Marks pursuant to the terms of your License Agreement. There are no other agreements that significantly affect our right to use and sublicense the Licensed Marks.

The core Licensed Marks include "HARD ROCK HOTEL," "HARD ROCK HOTEL & Design" and "ROCK SHOP". We registered the following core Licensed Marks on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

MARK	REGISTRATION NUMBER	REGISTRATION DATE
HARD ROCK HOTEL	1,909,483	August 1, 1995
ROCK SHOP	3,288,872	September 4, 2007
HARD ROCK HOTEL & Design	3,422,550	May 6, 2008

All required affidavits of use for the registered marks have been filed.

There are presently no effective determinations by the USPTO, the Trademark Trial and Appeal Board, any state trademark administrator or any federal or state court proceedings which limit or restrict our right to use our core Licensed Marks which are relevant to your use of our core Licensed Marks for your Hotel. We have no actual knowledge of either superior prior rights or infringing uses that could materially affect your use of the core Licensed Marks in the state where your Hotel is to be operated.

You must immediately notify us in writing of any actual or suspected infringement of the Licensed Marks or any claim in the nature of infringement against us, you, or any of our respective affiliates involving the Licensed Marks, or any use of the Licensed Marks by us, you, or any of our respective affiliates of which you become aware (collectively, all of the foregoing shall be referred to as an "Infringement Claim"). You must provide all reasonably necessary assistance to us and our affiliates relating to: (i) any action that we or our affiliates institute against any person involved (or suspected of being involved) in the infringement of the Licensed Marks at or proximate to your Licensed Location; or (ii) any Infringement Claim that we or our affiliates defend. If we or HRC receive any damages or settlement award relating to an Infringement Claim, we will reimburse you for your pro rata share of reasonable attorneys' fees and other costs of maintaining the action. Any excess funds will be ours or HRC's and you will have no right to such funds. At all times, we and HRC will have full control over the conduct and settlement of any Infringement Claim action. However, if you or your affiliate is a named

defendant in any Infringement Claim, we will have joint control with you of the action, but neither of us may assert any legal position or effect any settlement that would be in contravention of the other party's rights under the License Agreement or to the Licensed Marks. We will have the right to join or intervene in any action that you commence or defend.

We and HRC will decide in our sole discretion whether or not to prosecute an Infringement Claim and our decisions will be final. The License Agreement requires us to indemnify you for expenses or damages if your use of the Licensed Marks infringes the rights of any third party unrelated to you, but only if: (i) we have full control over the defense and settlement of the claim; and (ii) you cooperate in all material respects with us in defending or settling the claim. Except as stated in this section, the License Agreement does not require us to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving any of the Licensed Marks or if the proceeding is resolved unfavorably to you.

We may add to, delete, substitute or modify the Licensed Marks. You must, at your own cost and expense, accept, use, or cease using, as may be applicable, the Licensed Marks, including additional, modified or substituted Licensed Marks in accordance with our prescribed procedures, policies, rules and regulations, whether contained in the Manuals, the License Agreement, or otherwise. You will not be compensated as a result of any discontinuation or modification of the Licensed Marks.

The License Agreement gives you no right of ownership in the Licensed Marks and you may not directly or indirectly, register or cause to be registered in any country or with any governmental authority, or use any trademark, trade name, service mark, metatag, domain name, keyword or social media indicator, including, but not limited to, Facebook, FourSquare or Twitter handle, consisting of, related to, similar to and/or confusingly similar to any of the Licensed Marks. During and after the term of the License Agreement, you may not assist any person to: (i) challenge the validity of our ownership of, or right to license, the Licensed Marks or any registration or application for registration of the Licensed Marks; (ii) contest the fact that your rights under the License Agreement are solely those of a licensee and terminate upon termination or expiration of the License Agreement; or (iii) represent in any manner that you have any title or right to the ownership, registration or use of the Licensed Marks in any manner except as set forth in the License Agreement. You may use the Licensed Marks only as permitted by the License Agreement. You may not use or exploit the Licensed Marks outside of your Hotel, except to engage in promotion, advertising or marketing of your Hotel in compliance with the Manuals. You may not assign, sublicense or franchise any of the Licensed Marks to any other persons. We and our affiliates retain the sole right to apply for registration or renewal of any trademarks, trade names, service marks, metatags, domain names, keywords or social media indicator, including, but not limited to, Facebook, FourSquare or Twitter handle, related to the Licensed Marks.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

No patents or pending patent applications are material to the franchise.

Copyrights

Although we have not filed an application for copyright registration for the Manuals, marketing materials and related materials, we do claim common law copyrights to these items. There are no material determinations of the US Patent and Trademark Office, the United States Copyright Office or a court proceeding regarding any of our copyrights. No agreements limit our use of the copyrights. We have no obligation to protect our copyrights or defend you against claims arising from your use of our copyrighted items. We do not know of any copyright infringement that could materially affect your use of our copyrighted items.

Proprietary Information

You must construct and operate your Hotel in accordance with our standards, specifications, policies and procedures as set forth in the Manuals and such other manuals as may be developed periodically, or as otherwise may be communicated to you. We have the right to modify or supplement the Manuals upon notice to you. You must keep the Manuals current at all times.

You must maintain the confidentiality of the information contained in the Manuals and any other manuals or supplemental material that we supply. The Manuals are our property and you may not duplicate, copy, disclose or disseminate the contents of the Manuals at any time without our prior written consent. You must return the Manuals (and all copies) to us upon the termination or expiration of your franchise. You may not divulge or use any confidential information concerning our methods or procedures during or after the term of the License Agreement. Information made available to you may not be divulged to any person other than your employees or financial advisors who reasonably need access to such information for purposes of fulfilling their employment or contractual responsibilities. You must inform all employees to whom the information is made available of this obligation of confidence.

Upon our request, each General Manager, any other employee, agent or representative who has access to any confidential information must sign a written agreement (on our standard form) imposing an obligation of confidence regarding the Manuals or other confidential information. If you are a corporation, limited liability company or limited partnership, we may require your shareholders, members and limited partners to sign a similar written agreement.

ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Before the opening date of your Hotel and subject to our approval, you must appoint and have trained by us a General Manager, Director of Human Resources, Director of Finance, Director of Engineering and Director of Sales and Marketing. We must approve your General Manager. The Key Personnel must attend and successfully complete our initial and ongoing training programs. You must obtain a written agreement from all persons who will have access to our trade secrets and confidential information to keep that information confidential. You must use your best and reasonable efforts to fill any vacancy in the Key Personnel positions and any such replacement personnel must complete the same training and approval process as an initial employee holding such position. We do not require that your Key Personnel have an equity interest in your Hotel.

Each equity owner of Licensee (each a "Guarantor") must sign our form of Guaranty attached as Exhibit "A" to the License Agreement (the "Guaranty"). Under the Guaranty, each Guarantor must assume and agree to discharge all obligations of Licensee under the License Agreement, Memorabilia Lease and the Reservation Agreement. The Guarantors must maintain an aggregate net worth of not less than \$75,000,000 (the "Required Aggregate Net Worth") and must provide us, within 90 days of the end of each calendar year, audited financial statements demonstrating that the Guarantors meet the Required Aggregate Net Worth. The Guarantors' failure to maintain the Required Aggregate Net Worth is an event of default under the License Agreement. The Guarantors / owners of Licensee are not required to participate personally in the direct operation of the Hotel.

ITEM 16. RESTRICTIONS ON WHAT THE LICENSEE MAY SELL

You may only sell the goods and services that we authorize. You must sell all goods and services that we specify. We may change these goods and services at any time and you must comply with the change. You are not entitled to sell Branded Merchandise from any location other than the Hotel. You may sell Branded Merchandise at the Hotel only in accordance with the terms of the License Agreement.

Your rights to use the Licensed Marks are limited to the establishment, operation and promotion of a Hotel (including the Hotel Retail Store) at and from the approved site as specifically provided for in the License

Agreement. If permitted by us, you may also sell condominium units using the Licensed Marks under the Condominium/Hotel License Agreement.

The rights granted to you do not include any rights to brand and operate other facilities at your Hotel utilizing the Hard Rock marks, except as expressly approved in advance by us, in our sole discretion. For example, you may not operate any live entertainment facility or restaurant or utilize any trademark, service mark or other commercial symbol relating to a “Hard Rock Live,” a “Hard Rock Cafe” a “Hard Rock Casino” or any other Hard Rock branded facility other than a Hard Rock Hotel. You may not otherwise commercialize or utilize, whether or not for profit, any of the Licensed Marks.

You may not conduct, or permit any other person to conduct, gaming activities at the Hotel or include within the Hotel a casino. In addition, you and your affiliates, representatives and agents may not actively promote on or within a reasonable distance from the Hotel grounds any gaming facilities or casinos. You may not permit any vending equipment, slot machines or gaming machinery of any description at the Hotel, except with our prior written approval in each instance.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions in the franchise agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

* For purposes of the table below: “HLA” refers to the Hotel License Agreement; “CHLR” refers to the Condominium/Hotel Lease Rider; “ML” refers to the Memorabilia Lease; and “RA” refers to the Reservation Agreement.

THE FRANCHISE RELATIONSHIP		
Provision	Section in Agreement	Summary
(a) Length of the franchise term	HLA – §3 CHLR – Not Applicable ML – §3 RA – §4	The term of the License Agreement is 20 “Operating Years” (as defined in the License Agreement) after the opening date. The term of the other agreements terminates concurrently with the expiration or termination of the License Agreement.
(b) Renewal or extension of the term	HLA – §3 CHLR – Not Applicable ML – Not Applicable RA – Not Applicable	The term of the License Agreement is not renewable. However, if applicable law requires us to offer renewal rights in a given situation, you would have the ability to renew for an additional 10 year term subject to the conditions for renewal specified below.
(c) Requirements for you to renew or extend	HLA – §3 CHLR – Not Applicable ML – Not Applicable RA – Not Applicable	If applicable law requires us to offer renewal rights to you, then in order to renew, you must: notify us of your intent to renew between 6 and 9 months prior to the expiration date of the term; not be in default under the License Agreement or any ancillary agreement you sign with us or an affiliate of ours; not have received 3 or more notices of default from us during the term; sign our then current form of Hotel License Agreement and ancillary agreements; sign a general release of claims in favor of us and our affiliates; complete a property improvement plan that we approve; and pay our then-current renewal fee. If you renew, you may be required to sign a contract with materially different terms and conditions than the original

THE FRANCHISE RELATIONSHIP

Provision	Section in Agreement	Summary
		contract.
(d) Termination by you	HLA – §14.3 & 20.2 CHLR – Not Applicable ML – §20(B) RA – §17	<p>You may terminate the License Agreement upon notice to us if: we breach any representations or warranties we made in the License Agreement; we become bankrupt or insolvent; or the Hotel is destroyed and you elect not to repair or rebuild the Hotel.</p> <p>You may terminate the Memorabilia Lease if we become bankrupt or insolvent.</p> <p>You may terminate the Reservation Agreement if (a) we become bankrupt or insolvent, (b) any action is taken toward dissolving or liquidating us, (c) us or any of our principals is or has been convicted of a felony (or other offense that is likely to adversely reflect upon or affect you in any way) or (d) we knowingly maintain false books or records or send you false statements or reports relating to the agreement.</p>
(e) Termination by us without cause	HLA – Not Applicable CHLR – Not Applicable ML – Not Applicable RA – Not Applicable	We may only terminate the License Agreement, Memorabilia Lease and Reservation Agreement for cause.
(f) Termination by us with cause	HLA – §14.1 & 20.1 CHLR – §2.3 & 13 ML – §20 RA – §17	We may terminate the License Agreement, Condominium/Hotel Lease Rider, Memorabilia Lease and Reservation Agreement only for certain causes.
(g) “Cause” defined – curable defaults	HLA – §14.1 & 20.1 CHLR – Not Applicable ML – §20(A) RA – §17.1 & 17.2	<p>Under the License Agreement you have: 10 days to cure nonpayment of amounts owed other than Initial License Fee or Application Fee; 30 days to cure non-monetary breaches (other than non-curable default listed in row (h) below), except if cure is not possible within 30 days, then you must commence steps to cure within 30 days and diligently pursue same.</p> <p>Under the Memorabilia Lease you have 30 days to cure defaults (other than non-curable defaults listed in row (h) below).</p> <p>Under the Reservation Agreement you have: 5 days to cure monetary defaults; and 30 days to cure non-monetary defaults.</p>
(h) “Cause” defined – non-curable defaults	HLA – §14.1 CHLR – §2.3 & 13 ML – §20(A) RA – §17.3	Under the License Agreement non-curable defaults include: insolvency or bankruptcy; failure to pay Initial License Fee or Application Fee when due; conviction of a felony or any other crime reasonably likely to materially and adversely affect us, the Licensed Marks or your Hotel; loss of required permit, license or similar government authorization for 30 days; loss of possession of premises of Hotel; failure to cure defaults under other ancillary agreements executed in connection with the License Agreement; failure to obtain financing in timely manner or open by target opening date; 3 or more defaults in any 12-month

THE FRANCHISE RELATIONSHIP

Provision	Section in Agreement	Summary
		<p>period or 5 or more defaults in any 36-month period; materially false statements or reports; breach of representations or warranties; failure of Guarantors to meet Required Aggregate Net Worth; execution is levied against the Hotel, you or any material or real property comprising the Hotel, a suit to foreclose a mortgage or pledge of the Hotel is initiated and not vacated within 60 days, or if we determine continued existence of License Agreement could put us or an affiliate ours in jeopardy of losing a gaming license, being denied a gaming license, or being subjected to materially adverse effects.</p> <p>Under the Condominium/Hotel Lease Rider non-curable defaults include: (i) marketing condominium units in manner adversely affecting us or reputation of Hotel System or Licensed Marks; or (ii) failure to submit the “Condominium Documents” (as defined in agreement) to us for approval or modification of Condominium Documents without our approval.</p> <p>Under the Memorabilia Lease non-curable defaults include: bankruptcy or insolvency, cancellation of insurance policy, involuntary transfer, unauthorized assignment and termination of the License Agreement or agreements ancillary thereto.</p> <p>Under the Reservation Agreement non-curable defaults include: bankruptcy or insolvency, loss of possession of all or a significant part of the Hotel, dissolution or liquidation, you or your principals is/are or has/have been convicted of a felony (or other offense that is likely to adversely reflect upon or affect you in any way) or you knowingly maintain false books or records or send us false statements or reports relating to the agreement.</p>
(i) Your obligations on termination/non-renewal	HLA – §15 CHLR – ML – §20 RA – §17	<p>Under the License Agreement you must: pay all amounts due; cease operating the Hotel under the Hotel System and cease using the Hotel System; cease using the other intellectual property licensed under the License Agreement and return all materials bearing the Licensed Marks; comply with all instructions to alter, modify and change both the exterior and interior appearance of the Hotel; cease representing yourself as a current or former franchisee or licensee under the Hotel System; return the Manuals and all other confidential information; cancel assumed name registrations relating to use of the Licensed Marks; cooperate with us in authorizing the telephone company and all listing agencies to transfer all telephone numbers, domain names and directory listings of your Hotel to us or our designee; and remove all references to the Licensed Marks or Hotel System on any sites you own or operate after the expiration or termination of the License Agreement.</p> <p>Under the Memorabilia Lease you must cooperate with our repossession of the leased property, including reimbursement of our reasonable expenses related to the repossession.</p> <p>Under the Reservation Agreement you must return to us all materials provided by us to you and there must not be any materials or any other manifestation in the Hotel of any of our</p>

THE FRANCHISE RELATIONSHIP

Provision	Section in Agreement	Summary
		intellectual property rights.
(j) Assignment by us	HLA – §16.1 CHLR – Not Applicable ML – §19 RA – §23	There is no restriction on our right to assign the License Agreement, provided that our assignee is capable of fulfilling our obligations. We and our affiliates (as applicable) may assign the other ancillary agreements in accordance with § 17 of the License Agreement provided that the assignment is to the same entity or its affiliates.
(k) Transfer by you - defined	HLA – §16.2 CHLR – Not Applicable ML – §19 RA – §23	Under the License Agreement, a “transfer” includes any direct or indirect sale, assignment or other transfer of your ownership interest in the Hotel, the approved site, substantially all of the assets of the Hotel, or your rights under the License Agreement, in whole or in part (except for the lease of commercial space at the Hotel permitted under the License Agreement), or any Controlling Interest in Licensee (defined as (a) possessing directly or indirectly the power to direct the management and policies of the Licensee (whether by ownership of voting securities, contract or otherwise) or (b) the direct or indirect ownership of 15% or more of the equity interests in Licensee). You may assign each of the ancillary agreements in accordance with § 17 of the License Agreement provided that the assignment is to the same entity or its affiliates.
(l) Our approval of transfer by you	HLA – §16.2 CHLR – Not Applicable ML – §19 RA – §23	We have the right to approve all transfers (other than a collateral assignment or transfer in connection with a financing of the Hotel that we have approved). We will not unreasonably withhold our approval as long as all of the conditions for transfer are satisfied.
(m) Conditions for our approval of transfer	HLA – §4.14, 16.3, 16.5 & 16.6 CHLR – Not Applicable ML – §19 RA – §23	Conditions to transfer include: your payment of all fees and other amounts owed to us; no default under the Hotel License or any ancillary agreement within 180-day period preceding transfer; transferee meets our minimum qualifications and experience requirements to manage the Hotel or has entered into a management agreement with an approved management company; transferee has adequate financial resources; identity of transferee (and its partners, major shareholders, senior executive officers and other controlling persons) is disclosed to us and all such persons have reputation for integrity, honesty and veracity; neither transferee nor its affiliates owns, operates, manages or has any other interest in a Competitor (as defined in row (q) of this table)); transferee is not in violation of Executive Order 13224 issued by the President of the United States, the USA Patriot Act and any other law of any governmental authority addressing or in any way relating to terrorist acts or acts of war; you and your owners sign a general release in a form prescribed by us; transferee has completed and submitted our application for a Hard Rock Hotel license agreement together with the then-

THE FRANCHISE RELATIONSHIP

Provision	Section in Agreement	Summary
		<p>current application fee; the persons associated with the transferee that we designate sign the Guaranty; and transferee has agreed to pay all of our outside legal expenses associated with the transfer. At our option, transferee must either assume your License Agreement or sign our then current form of Hotel License Agreement for the remainder of the term under your agreement.</p> <p>In addition to the requirements above, you must notify us of the identity of all new persons who will own any equity interest in the franchisee entity. We must conduct a background check on all persons who own at least 5% of the equity interests in the franchisee entity and you must reimburse us for those costs. You may not complete the transfer if the transfer would (based upon the results of our background check) jeopardize any existing or future gaming license held by us or any of our affiliates.</p> <p>In order to issue securities, you must send us copies of all offering materials to be used in the offer and sale of the securities and we must review them. You must pay us the \$5,000 review fee and pay any additional costs we incur in reviewing the materials. We must approve certain information in the offering documents relating to us, the License Agreement, your relationship to us or any use of our Licensed Marks.</p>
(n) Our right of first refusal to acquire your business	HLA – Not Applicable CHLR – Not Applicable ML – Not Applicable RA – Not Applicable	Not applicable.
(o) Our option to purchase your business	HLA – Not Applicable CHLR – Not Applicable ML – Not Applicable RA – Not Applicable	Not applicable.
(p) Your death or disability	HLA – Not Applicable CHLR – Not Applicable ML – Not Applicable RA – Not Applicable	The death or disability of individual owners is not addressed in the agreements.
(q) Noncompetition covenants during the term of the franchise	HLA – §4.4 & 17.1 CHLR – Not Applicable ML – Not Applicable RA – Not Applicable	Under the License Agreement, you may not: <ul style="list-style-type: none"> (i) directly or indirectly own, operate, franchise (as either franchisee or franchisor), or license (either as licensee or licensor) or permit any affiliate to own, operate, franchise or license, a Competing Facility; (ii) become a Competitor; or (iii) directly or indirectly operate or permit any other person to operate at the Hotel location (a) a restaurant owned, operated or licensed by a Competitor, or (b) a gift shop or other clothing or merchandise store which sells clothing depicting the geographic

THE FRANCHISE RELATIONSHIP

Provision	Section in Agreement	Summary
		<p>location of the Hotel or merchandise bearing the trademarks of a Competitor.</p> <p>A “<u>Competitor</u>” is any person that directly or indirectly owns in whole or in part, or is the licensor or franchisor of, a Competing Brand, irrespective of the number of hotels owned, licensed or franchised under such Competing Brand name. A person is not deemed to be a Competitor solely because the person (a) is a franchisee of a Competing Brand, (b) manages a Competing Brand hotel, so long as the individual or entity is not the exclusive manager of the Competing Brand, or (c) owns a minority interest in a Competing Brand, so long as neither the person nor any of its affiliates is an officer, director, employee, or affiliate of the Competing Brand, provides services (including as a consultant) to the Competing Brand, or exercises, or has the right to exercise, control over the business decisions of the Competing Brand.</p> <p>A “<u>Competing Brand</u>” is any upper upscale hotel brand or trade name or any other hotel brand or trade name that, in our sole judgment, competes with the Hard Rock Hotel System or with any Hard Rock Hotel, any Hard Rock Café, or any Casino branded with any of the Licensed Marks.</p> <p>A “<u>Competing Facility</u>” means any of the following: (a) a Music-Themed restaurant, hotel, or Casino (including any “Margaritaville” or “House of Blues” facility); or (b) a “Planet Hollywood” restaurant, hotel, or Casino.</p> <p>“<u>Music-Themed</u>” means a facility (including a hotel) that includes in its name, is licensed or endorsed by, or has a substantial portion of its design based on, or is otherwise identified with, music, any genre of music (e.g., blues, jazz or rock ‘n roll), any musician, musical personality or musical group.</p>
(r) Non-competition covenant after the franchise is terminated or expires	HLA – §17.2 CHLR – Not Applicable ML – Not Applicable RA – Not Applicable	For a period of 2 years after transfer, termination or expiration of the License Agreement, neither you nor your affiliates may directly or indirectly own, operate, be employed by, advise, assist, invest in, franchise, make loans to or have any interest in a Music-Themed hotel at the approved site for your Hotel.
(s) Modification of the Agreement	HLA – §21.2 & 21.10 CHLR – Not Applicable ML – §26 RA – §13	Modifications must be mutually agreed upon by us in writing and signed by our respective authorized officers or agents.
(t) Integration/ Merger Clause	HLA – §21.2 CHLR – Not Applicable ML – §32 RA – §16	Only terms of the License Agreement, Memorabilia Lease and Reservation Agreement are binding (subject to state law). Any representations or promises made outside of these agreements and the Disclosure Document may not be enforceable. Nothing in these agreements or any related agreement is intended to disclaim any of the representations we made in this Disclosure Document.

THE FRANCHISE RELATIONSHIP		
Provision	Section in Agreement	Summary
(u) Dispute Resolution by Arbitration or Mediation	HLA – §18 CHLR – Not Applicable ML – §33 RA – §19	Under the License Agreement, accounting and fee disputes are settled by negotiation between the parties and their respective independent public accountants or, if such resolution cannot be reached, by accounting referees. Most other disputes are to be resolved by arbitration. Disputes under the Memorabilia Lease and Reservation Agreement are to be settled pursuant to the dispute resolution procedures in the License Agreement.
(v) Choice of Forum	HLA – §18 CHLR – Not Applicable ML – §33 RA – §19	Any arbitration and litigation will be conducted in Orlando, Florida.
(w) Choice of Law	HLA – §18.4 CHLR – Not Applicable ML – §33 RA – §19	The law of the State of Florida.

Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in EXHIBIT "H".

ITEM 18. PUBLIC FIGURES

We do not use any public figures to promote our franchise.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Jay Wolszczak, Vice President and General Counsel, 6100 Old Park Lane, Orlando, Florida 32835, (407) 445-7625, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

TABLE 1 - SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 2015 TO 2017				
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2015	6	6	0
	2016	6	10	+4
	2017	10	9	-1
Company-Owned	2015	0	0	0
	2016	0	0	0
	2017	0	0	0
Total Outlets	2015	6	6	0
	2016	6	10	+4
	2017	10	9	-1

TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2015 TO 2017		
State	Year	Number of Transfers
Total	2015	0
	2016	0
	2017	0

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2015 TO 2017								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
California	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Florida	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
	2017	3	0	0	0	0	0	2
Illinois	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	1	0	0	0	0
Iowa	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Mississippi	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Nevada	2015	0	0	0	0	0	0	0
	2016	0	2	0	0	0	0	2
	2017	2	0	0	0	0	0	2
Oklahoma	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1

**TABLE 3 - STATUS OF FRANCHISED OUTLETS
FOR YEARS 2015 TO 2017**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
	2017	1	0	0	0	0	0	1
Total	2015	6	0	0	0	0	0	6
	2016	6	4	0	0	0	0	10
	2017	10	0	1	0	0	0	9

**TABLE 4 - STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2015 TO 2017**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Total	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0

TABLE 5 - PROJECTED OPENINGS AS OF DECEMBER 31, 2017

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Florida	1	1	0
Illinois	1	0	0
Total	2	1	0

Notes to Tables:

- Our fiscal year ends on the last Sunday of each calendar year. All references to years in these tables refer to the last Sunday in December of that year. The outlets listed in Table 1 through Table 4 only refer to outlets that are open on the relevant date.
- The Tables above only include Hard Rock Hotels that are located in the United States. Some of the franchised Hard Rock Hotels listed in these tables were sold by our affiliates, who are still the franchisor with respect to those hotels. See Item 1 for additional information. The tables do not include Hard Rock Hotels that are management deals (i.e., they are not franchised Hard Rock Hotels and they are not owned by us or our affiliates).
- Our affiliates own minority equity interests in the Hard Rock Hotels in Orlando, Florida and Chicago, Illinois (which are also franchised outlets licensed by HRC and us, respectively). Our affiliate, Seminole EV Holdings, LLC, also owns a minority interest in the Hard Rock Hotel to be located in Hungary.
- The transfers listed in Table 2 only refer to outlets that were transferred after opening. No licensees transferred their license agreements for unopened outlets in 2015 or 2016. In 2017, a licensee in Dallas, Texas terminated their license agreement prior to opening. This outlet was to be managed by the franchisor and owned by a third party.
- The License Agreements for the Hard Rock Hotels in Tampa and Hollywood were signed by a third

party licensee. However, this licensee is affiliated with Seminole Hard Rock Entertainment, Inc., which became our parent company in 2007.

6. In September 2016, Hard Rock International completed the acquisition of casino and hotel-casino rights in the western U.S., as well as in several key international markets, from affiliates of BREF HR, LLC, which own the Hard Rock Hotel and Casino in Las Vegas. As a result of the transaction, Hard Rock International is now exclusively entitled to develop, own, license, franchise and manage Hard Rock Casinos and Hotel-Casinos in the western U.S., including Minnesota and state west of the Mississippi River, as well as in Australia, Brazil, Israel, Venezuela and Vancouver, British Columbia. As part of the contracts, HR West Licensor, an affiliate of ours, assumed the agreements between BREF HR, LLC and their existing licensees, including Hard Rock Hotel & Casino Lake Tahoe, Nev.; Hard Rock Hotel & Casino Sioux City, Iowa; Hard Rock Hotel & Casino Tulsa, Okla.; and Hard Rock Casino Vancouver. BREF HR, LLC affiliates will continue to own and operate the Hard Rock Hotel & Casino Las Vegas. Although these outlets were all open prior to 2014, we have listed them in Table 3 as “Outlets Opened” in 2016 since that is the year they became part of our system (as opposed to a system operated by an unaffiliated third party).
7. The outlets listed in the 2nd column of Table 5 (“Franchise Agreements Signed But Outlet Not Opened”) include all license agreements that were signed for unopened outlets as of December 31, 2017. The outlets listed in the 3rd column (“Projected New Franchised Outlets in the Next Fiscal Year”) include all outlets that we expect to open during the current fiscal year, including any outlets listed in the 2nd column that we expect to open this fiscal year.
8. The outlets listed above include all Hard Rock Hotels and Hard Rock Hotel & Casinos. Some of these facilities are not franchises but are operated pursuant to trademark licenses or management agreements with us or our affiliates.

A list of all current licensees is attached to this Disclosure Document as EXHIBIT "C" (Part A), including their names and the addresses and telephone numbers of their outlets as of December 31, 2017. In addition, EXHIBIT "C" (Part B) lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every licensee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the license agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. There are no trademark-specific franchisee organization associated with the franchise system being offered that (i) we have created, sponsored or endorsed or (ii) have asked to be included in this Disclosure Document.

ITEM 21. FINANCIAL STATEMENTS

Attached as EXHIBIT "B" are the audited financial statements of Hard Rock Hotel Licensing, Inc., which comprise the balance sheets as of December 31, 2017 and December 25, 2016 and the related statements of operations, stockholder’s equity, and cash flows for the fiscal years ended December 31, 2017, December 25, 2016 and December 27, 2015 and independent auditors’ report.

ITEM 22. CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

EXHIBIT "D" Hotel License Agreement
EXHIBIT "E" Non-Disturbance Agreement
EXHIBIT "F" Condominium/Hotel License Rider

The following agreements are attached to the Hotel License Agreement:

Exhibit A – Guaranty
Exhibit C – Memorabilia Lease
Exhibit I – Reservation Agreement
Exhibit J – Addendum

ITEM 23. RECEIPTS

EXHIBIT "J" to this Disclosure Document are detachable receipts. Upon receiving this Disclosure Document, you are to sign both, keep one copy and return the other copy to us.

EXHIBIT "A"

TO DISCLOSURE DOCUMENT

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

<p><u>CALIFORNIA</u> Commissioner of Business Oversight Department of Business Oversight 320 West 4th Street, #750 Los Angeles, CA 90013 (213) 576-7500 1-866-275-2677</p> <p><u>HAWAII</u> Commissioner of Securities of the State of Hawaii 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 <u>Agents for Service of Process:</u> Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p> <p><u>ILLINOIS</u> Illinois Attorney General Chief, Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465</p> <p><u>INDIANA</u> Secretary of State Securities Division Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681</p>	<p><u>MARYLAND</u> Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202 (410) 576-7042</p> <p><u>MICHIGAN</u> Franchise Administrator Consumer Protection Division 670 Law Building Lansing, MI 48913 (517) 373-7117</p> <p><u>MINNESOTA</u> Department of Commerce Director of Registration 85 Seventh Place East, #500 St. Paul, MN 55101-3165 (651) 296-4026</p> <p><u>NEW YORK</u> New York Attorney General Investor Protection & Securities Bureau Franchise Section 120 Broadway, 23rd Floor New York, NY 10271 (212) 416-8236</p> <p><u>NORTH DAKOTA</u> North Dakota Securities Department State Capitol, Fifth Floor, Dept 414 600 East Boulevard Avenue Bismarck, North Dakota 58505-0510 (701) 328-4712</p>	<p><u>RHODE ISLAND</u> Department of Franchise Regulation 233 Richmond Street, #232 Providence, Rhode Island 02903 (401) 222-3048</p> <p><u>SOUTH DAKOTA</u> Department of Labor and Regulation Division of Securities 445 E Capitol Avenue Pierre, South Dakota 57501 (605) 773-4823</p> <p><u>VIRGINIA</u> State Corporation Commission Division of Securities and Retail Franchising 1st Floor (service of process) 9th Floor (administrator) 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051</p> <p><u>WASHINGTON</u> Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760</p> <p><u>WISCONSIN</u> Department of Financial Institutions Division of Securities 345 West Washington Avenue 4th Floor Madison, WI 53703 (608) 266-3364</p>
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In all states other than those listed above, our statutory agent is the following:

CT Corporation System
1200 South Pine Island Road
Plantation, Florida 33324

**In states listed in the chart on the preceding page, the additional agent
for Service of Process is listed in the chart.**

EXHIBIT "B"
TO DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS

[See Attached]

Hard Rock Hotel Licensing, Inc.

**(A wholly owned subsidiary of Hard Rock Cafe
International (USA), Inc.)**

Financial Statements

**For the fiscal years ended December 31, 2017,
December 25, 2016 and December 27, 2015**

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
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INDEPENDENT AUDITORS' REPORT

To the Stockholder of
Hard Rock Hotel Licensing, Inc.
Orlando, Florida

We have audited the accompanying financial statements of Hard Rock Hotel Licensing, Inc. (the "Company"), a wholly owned subsidiary of Hard Rock Cafe International (USA), Inc. which is a wholly owned subsidiary of Seminole Hard Rock Entertainment, Inc., a discrete component unit of the Seminole Tribe of Florida (the "Tribe"), which comprise the balance sheets as of December 31, 2017 and December 25, 2016 and the related statements of operations, stockholder's equity, and cash flows for the fiscal years ended December 31, 2017, December 25, 2016 and December 27, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and December 25, 2016, and the results of its operations and its cash flows for the fiscal years ended December 31, 2017, December 25, 2016 and December 27, 2015, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

As discussed in Note 1, the accompanying financial statements have been prepared from the separate records maintained by the Company and may not necessarily be indicative of the conditions that would have existed or the results of operations if the Company had been operated as an unaffiliated company. Portions of certain expenses represent allocations paid by the Parent on the Company's behalf.

Deloitte & Touche LLP

March 6, 2018

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Balance Sheets

	<u>December 31, 2017</u>	<u>December 25, 2016</u>
Assets		
Cash	\$ 69,075	\$ 67,202
Receivables, net	1,129,325	335,144
Total current assets	<u>1,198,400</u>	<u>402,346</u>
Other intangible assets, net	15,468,304	16,560,805
Due from Parent	22,910,345	22,352,955
Other assets, net	2,500,000	2,777,898
Total assets	<u>\$ 42,077,049</u>	<u>\$ 42,094,004</u>
Liabilities and Stockholder's Equity		
Liabilities		
Accrued and other current liabilities	\$ 24,060	\$ 23,642
Deferred revenue	142,617	104,200
Total current liabilities	<u>166,677</u>	<u>127,842</u>
Deferred tax liabilities	2,551,603	5,376,926
Total liabilities	<u>2,718,280</u>	<u>5,504,768</u>
Stockholder's equity		
Common stock, \$1.00 par value; 1,000 shares authorized, issued and outstanding	1,000	1,000
Additional paid-in capital	28,313,322	28,313,322
Accumulated Retained earnings	11,044,447	8,274,914
Total stockholder's equity	<u>39,358,769</u>	<u>36,589,236</u>
Total liabilities and stockholder's equity	<u>\$ 42,077,049</u>	<u>\$ 42,094,004</u>

The accompanying notes are an integral part of these financial statements.

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Statements of Operations

	Fiscal Year Ended December 31, 2017	Fiscal Year Ended December 25, 2016	Fiscal Year Ended December 27, 2015
Revenues			
License royalties and fees	\$ 7,257,363	\$ 6,182,472	\$ 5,735,348
Expenses			
Marketing and advertising	591,378	847,884	644,235
General and administrative	517,306	196,844	68,807
Amortization	1,092,499	1,092,499	1,092,499
Loss on impairment	2,726,139	-	-
Total expenses	4,927,322	2,137,227	1,805,541
Operating income	2,330,041	4,045,245	3,929,807
Income before income taxes	2,330,041	4,045,245	3,929,807
Benefit/(Provision) for income taxes	439,492	(1,564,566)	(1,497,635)
Net income	\$ 2,769,533	\$ 2,480,679	\$ 2,432,172

The accompanying notes are an integral part of these financial statements.

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Statements of Stockholder's Equity

	<u>Common Stock</u>		<u>Additional</u>	<u>Accumulated</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Paid-In</u>	<u>Retained</u>	<u>Total</u>
			<u>Capital</u>	<u>Earnings</u>	
Balance at December 28, 2014	<u>1,000</u>	<u>\$ 1,000</u>	<u>\$ 28,313,322</u>	<u>\$ 3,362,063</u>	<u>\$ 31,676,385</u>
Net income	-	-	-	2,432,172	2,432,172
Balance at December 27, 2015	<u>1,000</u>	<u>\$ 1,000</u>	<u>\$ 28,313,322</u>	<u>\$ 5,794,235</u>	<u>\$ 34,108,557</u>
Net income	-	-	-	2,480,679	2,480,679
Balance at December 25, 2016	<u>1,000</u>	<u>\$ 1,000</u>	<u>\$ 28,313,322</u>	<u>\$ 8,274,914</u>	<u>\$ 36,589,236</u>
Net income	-	-	-	2,769,533	2,769,533
Balance at December 31, 2017	<u>1,000</u>	<u>\$ 1,000</u>	<u>\$ 28,313,322</u>	<u>\$ 11,044,447</u>	<u>\$ 39,358,769</u>

The accompanying notes are an integral part of these financial statements.

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Statements of Cash Flows

	Fiscal Year Ended December 31, 2017	Fiscal Year Ended December 25, 2016	Fiscal Year Ended December 27 2015
Cash flows from operating activities			
Net income	\$ 2,769,533	\$ 2,480,679	\$ 2,432,172
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization	1,092,499	1,092,499	1,092,499
Deferred income taxes	(2,825,323)	(329,277)	(254,121)
Loss on impairment	2,726,139	-	-
Tax payments paid by Parent	2,456,881	1,893,843	1,751,756
Changes in assets and liabilities:			
Receivables	(794,181)	232,199	128,807
Other Assets, net	(2,448,239)	(1,402,898)	60,000
Deferred revenue	38,417	(25,800)	92,800
Accrued and other current liabilities	418	216	3,972
Net cash provided by operating activities	<u>3,016,144</u>	<u>3,941,461</u>	<u>5,307,885</u>
Cash flows used in investing activities			
Cash swept by Parent	<u>(3,014,271)</u>	<u>(3,891,461)</u>	<u>(5,307,782)</u>
Net cash used in investing activities	<u>(3,014,271)</u>	<u>(3,891,461)</u>	<u>(5,307,782)</u>
Net increase in cash	1,873	50,000	103
Cash			
Beginning of period	<u>67,202</u>	<u>17,202</u>	<u>17,099</u>
End of period	<u>\$ 69,075</u>	<u>\$ 67,202</u>	<u>\$ 17,202</u>

The accompanying notes are an integral part of these financial statements.

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Notes to Financial Statements

1. Organization and Nature of Business

Hard Rock Hotel Licensing, Inc. (the "Company") was incorporated in the state of Florida on February 28, 2001. The Company, a wholly owned subsidiary of Hard Rock Cafe International (USA), Inc. (the "Parent"), was organized to conduct Hard Rock Hotel licensing activities in the United States. Operations commenced in 2002. Hard Rock Cafe International (USA), Inc. is wholly owned by Seminole Hard Rock Entertainment, Inc. ("SHRE"), a wholly-owned indirect subsidiary of Seminole HR Holdings, LLC which is ultimately wholly-owned by the Seminole Tribe of Florida ("the Tribe").

The accompanying financial statements have been prepared from separate records maintained by the Company and do not include allocations of costs incurred by affiliated entities (as also discussed in Note 5) on the Company's behalf. Accordingly, the accompanying financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations if the Company had been operated as an unaffiliated company.

The Company has one licensed hotel, one managed hotel and one licensed hotel-casino in operation at December 31, 2017.

2. Summary of Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

Fiscal Year

The fiscal year of the Company ends on the last Sunday in December. The results of the Company have been reported for the fifty-three week period ended December 31, 2017 ("Fiscal 2017"), and fifty-two week period ended December 25, 2016 ("Fiscal 2016") and December 27, 2015 ("Fiscal 2015").

Basis of Presentation

The financial statements of the Company are presented in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value

Due to their short maturities, the carrying amount of cash, accounts receivable and accrued liabilities approximated their fair values at December 31, 2017 and December 25, 2016.

Receivables, net

Receivables consist principally of amounts billed and currently due from licensees less a provision, if necessary, for uncollectible receivables. The Company monitors the financial condition of licensees and estimates a provision for uncollectible license receivables based upon the overall aging of the receivables and historical bad debt experience. This estimate is periodically adjusted

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Notes to Financial Statements

if the Company becomes aware of a specific licensee's inability to meet its financial obligations. While the best information available is used in making this determination, the ultimate recovery of recorded receivables is also dependent upon future economic events and other conditions that may be beyond the control of the Company. The Company did not have a provision for uncollectible licensee receivables at December 31, 2017. At December 25, 2016, there was a provision of \$117,789, for uncollectible licensee receivables. Receivables in Fiscal 2016 include amounts due from related parties (Note 5).

Other Intangible Assets, Net

Other intangible assets, net consist of hotel and casino license contracts. Such license assets are amortized on a straight-line basis over the average useful life of the corresponding contracts which approximate 24 to 27 years. Amortization of such intangible assets was \$1,092,499 for Fiscal 2017, Fiscal 2016 and Fiscal 2015. Other intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Judgments by the Company regarding the existence of impairment indicators are generally based on market and operational performance. Recoverability of the hotel and casino license contract is measured by a comparison of the carrying amount of the asset to the future undiscounted net cash flows expected to be generated by the asset. If such assets are determined to be impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds their fair value. Fair value is generally determined based on an estimate of discounted future cash flows. Evaluating potential impairment also requires the Company to estimate future operating results and cash flows. Accordingly, actual results could vary significantly from these estimates.

As of December 31, 2017 and December 25, 2016, aggregate hotel and casino license contracts totaled \$27,303,714, presented net of accumulated amortization of \$11,835,409 and \$10,742,909, respectively. Total estimated average annual amortization expense expected for the next five fiscal years, as of December 31, 2017, is approximately \$1,092,499 each year. Amortization thereafter will be \$10,005,809.

Other Assets, Net

Other assets, net primarily consist of funds contributed to a licensee to partially fund the conversion and rebranding of existing hotels ("key money"). Key money assets are amortized as a reduction of revenue over the term of corresponding license agreements. The Company advanced \$2,500,000 and \$1,500,000 in key money during Fiscal 2017 and 2016, respectively. Amortization expense was \$51,758 and \$97,102 for Fiscal 2017 and Fiscal 2016, respectively.

In Fiscal 2017, the Company assessed the future plans and expectations for the performance of its managed hotel property in Palm Springs, CA and determined that the related key money asset for this property was not recoverable. As a result, the Company recorded a pre-tax impairment charge of \$2,726,139 in Fiscal 2017.

Income Taxes

The Company's operations are included in SHRE's consolidated income tax returns. Provision for income taxes in these financial statements has been calculated on a separate return basis. Income taxes are accounted for under the asset and liability method. Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each year-end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Notes to Financial Statements

taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Revenue Recognition

Revenues consist primarily of fees from licensees. The Company executes license agreements with each licensee, which set out the terms of our arrangement with the licensee. Revenues in Fiscal 2017 include a termination fee of \$1,086,000 as a result of the closure of a licensed hotel property. The license agreements typically require the licensee to pay technical assistance fees during the hotel development period and continuing royalty and marketing fees based upon a percentage of sales. The Company is not required to perform any future services for the ongoing royalties and therefore these royalties are recognized when they are earned under the terms of the related agreements if collection is reasonably assured. The Company did not execute new management agreements with any licensee during Fiscal 2017 and had one new management agreement executed in Fiscal 2016. Management fee revenue is based on a percentage of sales plus an incentive management fee which is based on the operational results. Management fees are recognized as earned under the terms of the related agreements, if collectability is reasonably assured. We recognize cost reimbursements from managed and licensed properties when we incur the related reimbursable costs. As these costs have no added mark-up, the revenue and related expenses have no impact on our operating or net income. These fees are reflected in the accompanying statements of operations as license royalties and fees.

Deferred Revenue

Deferred revenue consists of technical assistance fees paid in advance of services being performed. Amounts are recognized as the fees are earned, which is when all material services or conditions have been performed or satisfied.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, the converged standard on revenue recognition, Accounting Standards Codification ("ASC") 606, Revenue From Contracts With Customers. The objective of the revenue standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. The revenue standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services.

The Company has completed an assessment of its key revenue streams as they relate to the provisions of ASU 2014-09. We have determined that royalty, management, technical services and marketing fees will remain substantially unchanged. The provisions of ASU 2014-09 will primarily affect revenue recognition as follows: a) application fees will be recognized ratably over the life of the non-cancelable term of the related agreement. Based on its analysis to date, the Company will not be required to make significant changes to its current accounting policies and practices to apply the requirements under the new standard.

The Company will adopt this standard in the first quarter of Fiscal 2018 annual period using the modified retrospective transition method and does not expect to record a cumulative effect adjustment.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows. This ASU amends the guidance in ASC 230 on the classification of certain cash receipts and payments in the statement

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Notes to Financial Statements

of cash flows. The ASU will be effective for annual periods beginning after December 15, 2018, and interim periods after December 15, 2019. Early adoption is permitted for all entities. Entities must apply the guidance retrospectively to all periods presented but may apply it prospectively from the earliest date practicable if retrospective application would be impracticable. The Company is currently reviewing the new standard to determine the impact on its financial statements.

3. Commitments and Contingencies

The Company is subject to various claims, possible legal actions, and other matters arising in the normal course of business. The Company does not expect the disposition of these matters to have a material adverse effect on financial position, results of operations or liquidity.

In connection with certain Hard Rock Hotel license agreements, the Company has agreed to provide \$5,000,000 in key money in the future to the owners upon the satisfaction of certain conditions.

4. Income Taxes

The components of the provision for income taxes are as follows:

	Fiscal Year Ended December 31, 2017	Fiscal Year Ended December 25, 2016	Fiscal Year Ended December 27, 2015
Provision for income taxes			
Current			
Federal	\$ (2,038,359)	\$ (1,618,023)	\$ (1,496,631)
State and local	(347,471)	(275,818)	(255,125)
Total current provision for income taxes	<u>(2,385,830)</u>	<u>(1,893,841)</u>	<u>(1,751,756)</u>
Deferred			
Federal	2,601,801	281,320	185,805
State and local	223,521	47,955	68,316
Total deferred benefit for income taxes	<u>2,825,322</u>	<u>329,275</u>	<u>254,121</u>
Total net benefit/(provision) for income taxes	<u>\$ 439,492</u>	<u>\$ (1,564,566)</u>	<u>\$ (1,497,635)</u>

The Company is included in the consolidated income tax filings of SHRE; therefore, the tax provision for each respective year is not necessarily indicative of the actual income taxes ultimately paid by SHRE. The Company does not have any uncertain tax positions or related interest or penalties. SHRE utilizes the Company's cash, swept by the Company's Parent, to pay for the Company's current tax expense calculated on a separate return basis. The Company's Parent is generally no longer subject to examination by U.S. Federal and most states' tax authorities for tax years before 2012.

The following table is a reconciliation of the U.S. statutory income tax rate to the effective income tax rate included in the accompanying statements of operations:

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Notes to Financial Statements

	Fiscal Year Ended December 31, 2017	Fiscal Year Ended December 25, 2016	Fiscal Year Ended December 27, 2015
U.S. Federal statutory rate	\$ (815,514)	\$ (1,415,836)	\$ (1,375,432)
Remeasurement of deferred income tax liabilities resulting from the Tax Cuts and Jobs Act	1,331,938	-	-
State taxes, net of Federal benefit	(76,932)	(148,730)	(122,203)
Effective income tax benefit/(provision)	<u>\$ 439,492</u>	<u>\$ (1,564,566)</u>	<u>\$ (1,497,635)</u>

On December 22, 2017, the United States enacted the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act makes significant modifications to the provisions of the Internal Revenue Code, including but not limited to a corporate tax rate decrease from 35% to 21% effective as of January 1, 2018. The Company's net deferred tax assets and liabilities were revalued at the newly enacted U.S. corporate rate in the year of enactment. The adjustment related to the remeasurement of the deferred tax asset and liability balances is a net tax benefit of \$1,331,938 and is recorded in the benefit for income taxes in the accompanying statement of operations for the fiscal year ended December 31, 2017.

The tax effects of temporary differences that give rise to deferred tax assets and liabilities are as follows:

	December 31, 2017	December 25, 2016	December 27, 2015
Accrued liabilities	\$ 6,111	\$ -	\$ 9,056
Deferred revenue	16,510	13,531	3,866
Bad debt	193,505	102,253	-
Other	(1,535)	(1,543)	(857)
Impairment	692,456	-	-
Intangible assets	(3,458,650)	(5,491,167)	(5,718,268)
Total net deferred tax liabilities	<u>\$ (2,551,603)</u>	<u>\$ (5,376,926)</u>	<u>\$ (5,706,203)</u>

5. Related-Party Transactions

The Company earned royalties from affiliated entities in Fiscal 2016 and Fiscal 2015, however, the company no longer has a related party relationship with any of the properties beginning in Fiscal 2017. Such related-party royalties totaled \$390,245 and \$1,494,855 for Fiscal 2016 and Fiscal 2015, respectively. The Company received marketing contribution fees of \$135,031 and \$359,541 from affiliated entities during Fiscal 2016 and Fiscal 2015, respectively. The Company also received management fees of \$173,420 from affiliated entities during Fiscal 2016. There were no management fees earned during Fiscal 2017 and Fiscal 2015. These amounts are reflected within license royalties and fees in the accompanying statements of operations. Accounts receivable from such related parties totaled \$249,319 at December 25, 2016.

Hard Rock Hotel Licensing, Inc.
(A wholly owned subsidiary of Hard Rock Cafe International (USA), Inc.)
Notes to Financial Statements

The amount due from Parent of \$22,910,345 and \$22,352,955 at December 31, 2017 and December 25, 2016, respectively, is non-interest bearing and is expected to be repaid by the Parent when cash is required for the Company's operations. The Parent has represented to the Company both its (a) intent to repay the amount due in the future should it be required for the Company's operations and (b) ability to repay the amount due based upon its current and anticipated financial condition. The receivable is comprised mainly of excess cash generated from the Company's operations which was transferred to the Parent.

The Parent allocates marketing costs to the Company in an amount equal to contractual marketing revenues received by the Company from its licensees recorded in license royalties and fees in the accompanying statements of operations. Allocated marketing costs were \$591,378, \$847,884 and \$644,235 for Fiscal 2017, Fiscal 2016 and Fiscal 2015, respectively.

Certain administrative expenses including personnel and travel related costs have been incurred by the Parent and its affiliates on behalf of the Company. The Parent and its affiliates have informed the Company that they cannot reasonably allocate such costs and do not expect to be reimbursed for such unallocated costs for any of the periods presented. Accordingly, these amounts are not reflected in the Company's financial statements.

6. Subsequent Events

The Company has completed its assessment of subsequent events from December 31, 2017 through March 6, 2018.

The company terminated a hotel management agreement with a licensee on January 19, 2018 and simultaneously, executed a hotel license agreement with the same licensee for a new Hard Rock Hotel to be located in Daytona Beach, FL.

No other significant events were noted other than those disclosed within these financial statements.

EXHIBIT "C"

TO DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

Part A (CURRENT FRANCHISEES)

OPEN HARD ROCK HOTELS				
State	City	Address	Phone	Owner Name(s)
California	San Diego	207 5th Avenue San Diego, California 92101	(619) 702-3000	T-12 Three, LLC (an affiliate of Tarsadia Hotels)
Florida	Hollywood	1 Seminole Way Hollywood, Florida 33314	(866) 502-7529	Seminole Tribe of Florida
Florida	Orlando	1000 Universal Studios Plaza Orlando, Florida 32819	(888) 832-7155	UCF Hotel Venture
Florida	Tampa	5223 Orient Rd Tampa, Florida 33610	(813) 627-7625	Seminole Tribe of Florida
Iowa*	Sioux City	111 3rd St Sioux City, Iowa 51101	(712) 226-7600	SCE Partners, LLC
Mississippi	Biloxi	777 Beach Boulevard Biloxi, Mississippi 93530	(228) 374-7625	Premier Entertainment Biloxi, LLC
Nevada*	Stateline	50 Highway 50 Stateline, Nevada 89449	(844) 588-7625	Neva One, LLC
Nevada*	Las Vegas	4455 Paradise Road Las Vegas, Nevada 89169	(702) 693-5000	Brookfield Asset Management
Oklahoma*	Catoosa	777 West Cherokee Street Catoosa, Oklahoma 74015	(800) 760-6700	Cherokee Nation Entertainment, L.L.C.

* These outlets were opened prior to 2016, but were not franchised by Hard Rock Hotel Licensing, Inc. until 2016. Therefore, these outlets have been referenced as openings in Item 20.

UNOPENED HARD ROCK HOTELS				
State	City	Address	Phone	Owner Name(s)
Florida	Daytona Beach	918 N. Atlantic Avenue Daytona Beach, Florida 32118	(386) 947- 7300	900 North Atlantic Ave LLC
Illinois	Calumet City	To Be Determined	To Be Determined	Southland Casino Development, LLC

Part B (FRANCHISEES WHO LEFT SYSTEM DURING PRIOR FISCAL YEAR)

Name	City & State	Phone
HRH Chicago, LLC	Chicago, Illinois	(312) 345-1000

*This franchisee left the system prior to opening.

*** If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

EXHIBIT "D"
TO DISCLOSURE DOCUMENT
HOTEL LICENSE AGREEMENT

[See Attached]

LICENSE AGREEMENT
BY AND BETWEEN
HARD ROCK HOTEL LICENSING, INC.
AND
[INSERT LICENSEE]
DATED AS OF _____, 20__

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LICENSE AGREEMENT

THIS LICENSE AGREEMENT (the "**Agreement**") is made and entered into as of _____, 201__ (the "**Effective Date**"), by and between HARD ROCK HOTEL LICENSING, INC., a Florida corporation ("**Licensor**"), and [_____] ("**Licensee**") (collectively, the "**Parties**" and individually, a "**Party**").

RECITALS

- A. Licensor and its affiliates have developed a hotel system for operating full-service hotel establishments that provide lodging and food and beverage of a distinctive character and quality under the trademarks owned or controlled by Licensor, including the name "Hard Rock Hotel."
- B. Licensee desires to develop and operate a hotel under Licensor's hotel system and has requested that Licensor grant to Licensee the rights contained in this Agreement. Licensor is willing to grant such rights upon the terms and conditions set forth in this Agreement.

TERMS AND CONDITIONS

The Parties therefore agree as follows:

1. DEFINITIONS

Capitalized terms have the meanings set forth in the Glossary attached as Schedule 1.

2. GRANT; SCOPE

2.1. Grant.

Subject to the terms and conditions set forth in this Agreement, Licensor grants to Licensee, and Licensee accepts, the right and license to develop, operate, own, and manage the Hotel and the Hotel Retail Store using the Licensed Rights at the Licensed Location, and to sell Branded Merchandise at the Hotel Retail Store. The Licensed Rights are limited in duration, revocable, limited in jurisdiction and non-exclusive and non-transferrable. Licensee specifically acknowledges that this Agreement does not grant to Licensee any license to conduct under the Licensed Marks, at the Hotel or otherwise, any live entertainment facility, any casino, any hotel/casino, or any restaurant. Licensee further acknowledges that Licensee has no right to use in any manner any trademark, service mark or commercial symbol relating to a "Hard Rock Live" or a "Hard Rock Cafe".

2.2. Scope.

All rights granted to Licensee to utilize the Licensed Rights are limited to the establishment, operation and promotion of the Hotel and the Hotel Retail Store at and from the Licensed Location to the extent specifically provided for in this Agreement. Licensee shall not otherwise commercialize or use, whether or not for profit, any of the Licensed Rights. Licensee shall not use any trademarks, trade names, domain names, metatags, keywords, social media handles, service marks, commercial symbol or logos containing the name "Hard Rock" unless they are Licensed Marks. The rights granted to Licensee do not entitle Licensee to sell Branded Merchandise from any location other than the Licensed Location. Licensee acknowledges that this Agreement permits Licensee, and no other party, to sell the Branded Merchandise at the Licensed Location and only in accordance with the terms of this Agreement. Subject to Licensor's prior written approval, Licensee may authorize the use of the Licensed Marks by Licensee's tenants located at the Hotel for the limited purpose of identifying their location at the Hotel, and for no other purpose.

2.3. Reserved Rights.

Licensor reserves all rights not specifically granted to Licensee pursuant to this Agreement. Licensee acknowledges that none of Licensee's rights under this Agreement are exclusive. Neither this Agreement nor any of the Ancillary Agreements restrict Licensor or its Affiliates from engaging in any business activity of any kind. Without limiting the preceding sentence, Licensor and its Affiliates are expressly permitted, anywhere in the world, to: (a) develop, own, operate, license, or authorize others to develop, own or operate, Hard Rock Hotels with or without Casinos, Hard Rock Casinos, Hard Rock themed timeshare, Hard Rock Hotel/Casinos, Hard Rock Beach Clubs, Hard Rock Cafes,

Hard Rock Lives, any other resorts, hotels and/or Casinos, Hotel/Casinos and other facilities using any names or marks (including the Licensed Marks); (b) promote or protect all such facilities; (c) sell, or license third parties to sell, Branded Merchandise; (d) own, develop (or licensing others to develop) or operate any form of on-line merchandising or gaming business (no matter where a Person logs in for such on-line merchandising or gaming service); or (e) own, develop (or licensing others to develop) or operate any form of lodging, restaurant, merchandising or gaming activities conducted on or from a vessel. Licensee acknowledges and agrees that no rights are or will be granted to Licensee under this Agreement for the development, construction, operation or maintenance or other interest in any "Hard Rock Cafe" or "Hard Rock Live" or "Hard Rock Beach Club" or "Hard Rock Casino" or "Hard Rock Hotel & Casino", which rights are retained by Licensor or one of its Affiliates. Further, Licensee is not entitled to sell any Branded Merchandise other than at the Hotel Retail Store at the Licensed Location.

2.4. Restrictions.

2.4.1 The rights granted to Licensee do not include any rights to use or otherwise identify the Licensed Marks with any businesses or facilities other than as set forth in this Agreement with respect to the Hotel at and from the Licensed Location. Licensee shall not use or register any trademark, domain name, keyword, metatag or social media handle which is confusingly similar to the Licensed Marks or use the Licensed Marks in any manner which creates a unitary or composite trademark with the trademark of any third party. Licensee shall use the representations of the Licensed Marks, including the location of the words in the design logo, only in accordance with this Agreement. Without limiting the preceding sentence, Licensee shall not, without Licensor's express written consent, replace the word "Hotel" within Licensor's circle log with any other designation.

2.4.2 Neither Licensee nor its Affiliates shall, and Licensee shall not permit any third party to, at any time, construct, operate or maintain at the Hotel any business that (i) is confusingly similar to a Hard Rock Cafe; (ii) offers a menu substantially similar to the menu offered by Hard Rock Cafes (but the Parties acknowledge that this clause does not prevent Licensee from offering for sale within the Hotel any generic dish or beverage such as a hamburger or a milkshake); (iii) contains any memorabilia similar to that found in a Hard Rock Cafe; (iv) displays rock-n-roll artwork photographs or otherwise includes a music theme in the décor; or (v) is named with reference to a Licensed Mark or includes "Hard Rock," "Rock-n-Roll" or other modern musical reference.

2.5. Ancillary Agreements.

Concurrently with the execution of this Agreement, (a) Licensee and Hard Rock STP shall execute the Memorabilia Lease, (b) Licensor (or its Affiliate) and Licensee shall execute the Reservation Agreement, (c) the Guarantors shall execute and deliver the Guaranty and (e) if applicable, each of Licensor, Licensee and any Management Company retained under Section 5.3 shall execute the Manager's Acknowledgment.

3. TERM

The term of this Agreement ("Term") begins on the Effective Date and ends on the earlier of (a) the end of the twentieth (20th) Operating Year after the Opening Date (the "Expiration Date") and (b) the date, if any, that this Agreement is terminated in accordance with its terms. NEITHER PARTY HAS ANY RENEWAL RIGHTS OR OPTIONS. If, however, applicable law requires Licensor to offer renewal rights, and Licensee desires to renew this Agreement, then Licensee shall apply for a 10 (ten) year renewal license agreement at least six (6) months, but not more than nine (9) months, before the end of the Term. Subject to such applicable law, Licensee must, as a condition to any obligation by Licensor to offer or enter into such renewal license agreement, satisfy Licensor's then-current requirements for applicants seeking a license of the Licensed Rights and any additional requirements then required for renewals of such licenses. Such requirements may include the satisfaction of the following conditions: (i) Licensee is not in default or breach of any of the terms of this Agreement or the Ancillary Agreements; (ii) Licensee executes Licensor's then-current form of license agreement and any ancillary agreements, which license agreement and ancillary agreements may contain materially different terms and provisions (such as operating standards and fees) from those contained in this Agreement; (iii) upon Licensee's execution of such then-current agreements, Licensee will be in compliance with the

terms and conditions thereof, and all of Licensee's representations thereunder will be true and correct; (iv) Licensee executes a general release of Licensor and its Affiliates, in form and substance satisfactory to Licensor; (v) Licensee completes a property improvement plan approved by Licensor; (vi) Licensee has not received from Licensor default notices that exceed in number the maximum number of default notices established by Licensor from time to time as a basis for disqualifying a renewal application; and (vii) Licensee pays Licensor's then-standard renewal fee.

4. DEVELOPMENT, MANAGEMENT AND OPENING OF HOTEL

4.1. Development of Hotel.

- 4.1.1 Licensee shall acquire (either in fee or by leasehold estate under a long term lease) the Licensed Location and shall, with all reasonable diligence, take all steps necessary to develop, design, construct, complete, furnish and equip the Hotel in accordance with the Hotel System, including the Programmatic Components, the Comprehensive Project Design, and the other terms of this Agreement (collectively, the "Hotel Work").
- 4.1.2 Attached as **Exhibit D** is a list of the Hotel's overall programmatic components that have been agreed to by Licensee and Licensor as of the date of this Agreement (collectively, the "**Programmatic Components**"). The Programmatic Components identify the overall scope and scale of the Hotel Work, but do not reflect a comprehensive project design. During the design phases for the Hotel, Licensee shall prepare a comprehensive project design (the "**Comprehensive Project Design**") that satisfies the Hotel System and the requirements of this Agreement. The Comprehensive Project Design is subject to Licensor's approval in accordance with Section 4.5. Licensee shall not commence construction of the Hotel earlier than ninety (90) days after Licensor's approval of the Comprehensive Project Design. Licensee acknowledges that Licensor's approval rights include the right to approve any Concepts not included in the Hotel System. Licensee is solely responsible and solely at risk to make certain the Licensed Location and the Hotel, as constructed and operated, comply in all respect with all applicable Laws and all other requirements of all Governmental Authorities. Upon Licensor's request from time to time, Licensee shall provide to Licensor the budget and on-going cost estimate report for the development, design, equipping and furnishing of the Hotel.
- 4.1.3 The number of Guest Rooms within the Hotel must be not less than _____ (____) nor more than _____ (____), without Licensor's prior written consent.
- 4.1.4 The Comprehensive Project Design for the Hotel, and the Hotel as finally constructed, must include a Hotel Retail Store. Licensee shall design, build, and operate the Hotel Retail Store in accordance with the Hotel System and the requirements of this Agreement. Licensee shall perform all of the Hotel Retail Store Work at its sole cost and expense, and shall cause the Hotel Retail Store Work to be completed in advance of the Opening Date so that upon the Opening Date Licensee is able to open the Hotel Retail Store to the public for business.
- 4.1.5 Licensee acknowledges and agrees that, notwithstanding any other provision in this Agreement, Licensor has approval rights over all of the Hotel's design and development aspects involving Hard Rock Elements that are not specifically covered by the Hotel System.

4.2. Effect of Assistance.

- 4.2.1 Licensee acknowledges that any review, advice, assistance, recommendation, approval or direction Licensor provides with respect to the Hotel's location or the design, construction, reconstruction, equipping, furnishing, decoration, alteration, improvement, renovation or refurbishing of the Hotel or any component thereof during the Operating Period: (a) is intended solely to assist Licensee in the development, construction, reconstruction, maintenance, repair and upgrading of the Hotel and Licensee's compliance with its obligations under this Agreement during the Operating Period and (b) does not constitute any representation, warranty or guaranty of any kind whatsoever, including any warranty that (i) there are no errors in any plans and specifications, (ii) there are no defects in the design of construction of any part of the Hotel, any component thereof, or any installation of any building systems or FF&E therein, or (iii) such plans, specifications, construction, reconstruction and installation work will comply with Legal Requirements (including the

Americans with Disabilities Act or similar laws or regulations governing public accommodations for individuals with disabilities).

4.2.2 Licensee acknowledges that Licensee, and not Licensor, has exercised its own judgment in the selection of the Licensed Location. Neither Licensor's acceptance of this Agreement, nor Licensor's failure to object to the Licensed Location in this Agreement, constitutes an assurance, representation or warranty by Licensor of any kind, express or implied, as to the suitability (commercially or otherwise) of the site for the Hotel or for any other purpose. Licensee further acknowledges that (a) each location is unique, and the success of a hotel at one location is not predictive of commercial or other potential for any other site, including the Licensed Location, (b) after a site is selected, demographic or economic factors, such as competition from other similar businesses, can change, thereby altering the potential of the site, (c) these factors are unpredictable and are beyond Licensor's control, and Licensor is not responsible for a site's failure to meet revenue, income or operational expectations, and (d) Licensee selects the Licensed Location based on Licensee's own independent investigation of the suitability of the site.

4.3. Financing; Limitation on Leverage.

4.3.1 Licensee acknowledges and agrees that Licensor has not made any agreements or commitments of any kind, whether express or implied, to Licensee that Licensor or any of its Affiliates will provide a completion guaranty or any other financial assistance to Licensee in connection with its financing of the Hotel.

4.3.2 Licensee must notify Licensor, in writing, before incurring proposed indebtedness that involves a mortgage or pledge of the Hotel (each, a "Pledge"). Subject to the preceding sentence, Licensee may enter into a Pledge for the purpose of obtaining financing of the Hotel. If any person exercises its rights under such Pledge, then Franchisor has the rights under Section 14.1. Licensee shall not pledge this Agreement as collateral or grant a security interest in this Agreement, but Licensor may provide a comfort letter to a lender in form satisfactory to Licensor and, if Licensor does so, Licensee shall pay Licensor its then-current lender comfort letter processing fee.

4.3.3 Licensee shall at all times maintain a Loan-to-Value Ratio less than or equal to seventy percent (70%).

4.4. Restaurant And Tenants.

4.4.1 Food and Beverage Outlets. Licensee's right to operate or permit the operation of any Food and Beverage Outlet is subject to the following terms and conditions:

(a) Licensee must obtain Licensor's approval of the concept and the design elements of the Food and Beverage Outlets before construction or operation of any Food and Beverage Outlet begins. Licensor's approval right includes the right to approve the names, menus, hours of operation, and other elements, practices and concepts associated with the Food and Beverage Outlet.

(b) Any Third Party Food and Beverage Outlet must be operated by an operator designated by Licensee and approved by Licensor. Licensee shall not permit any Food and Beverage Outlet to be operated by a Competitor. If the operator or brand concept owner is a third party, the operation of the Food and Beverage Outlet must be in accordance with a written agreement ("**Food and Beverage Outlet Agreement**"). Licensee shall not permit such operator to operate or take possession of the Food and Beverage Outlet until Licensee has obtained Licensor's approval of the Food and Beverage Outlet Agreement. Licensee shall submit to Licensor, for Licensor's approval, any modifications to any Food and Beverage Outlet Agreement that represent more than a de minimis change of the Food and Beverage Outlet Agreement.

4.4.2 Tenants. Before Licensee enters into any lease of any portion of the Hotel, Licensee must first obtain Licensor's prior written approval of the tenant and the terms of the lease. Licensor's approval right is limited to the purpose of verifying the compliance of such lease with the terms of this Agreement. Licensee acknowledges that any such lease must include a clause that prohibits and prevents the use or operation of

the premises in a manner that would violate the provisions of Section 17.1 and that gives Licensor the right to enforce such clause as a third party beneficiary.

4.4.3 Office Managers and Tenants. If the Hotel is part of a larger mixed use project, then Licensor also has the right to approve, in Licensor's Reasonable Business Judgment, the leases and any office management agreement between Licensee or its Affiliate and any third party tenant or manager of all non-Hotel space in the project.

4.5. Additional Approvals; Time and Standards for Certain Approvals.

Licensee shall submit to Licensor, for Licensor's approval, the following, before Licensee commences any construction, renovation, expansion, replacement, or purchase, as applicable:

4.5.1 all preliminary, final, on-going and other plans and specifications for the Hotel and all FF&E, including all Concepts (to the extent not designed and developed by Licensor) and preliminary and final designs (including the Comprehensive Project Design, site plans, floor plans and layouts, and artist renderings relating to the construction of the Hotel) and any proposed changes relating to any of the foregoing;

4.5.2 the identity and qualifications of the project manager for the Hotel, including curriculum vitae, work history, experience, references, and background verification following an in-person interview by Licensor at a location designated by Licensor, with all travel and lodging expenses of the proposed project manager incurred in connection with any such interview paid by Licensee;

4.5.3 the identity and qualifications of all contractors, designers, architects and other consultants proposed to be utilized by Licensee for preparation of the preliminary, final and other plans and specifications for the Hotel and the construction of the Hotel (including on-going renovations and any additional construction relating to the Hotel);

4.5.4 All menus, and all amendments, supplements and modifications thereto;

4.5.5 a sample Guest Room, which Licensee shall construct and submit within the time period required in the Manuals. The sample Guest Room must contain all finishes, FF&E, decorative items and other furnishings (such as safes and mini-bars) to complete the Guest Room in accordance with the Hotel System and the requirements of this Agreement, and Licensee must then follow throughout the hotel such approved finishes, decorative items and other furnishings; and

4.5.6 all such other information regarding the Hotel as Licensor shall reasonably request.

Licensor shall approve or disapprove each of the foregoing items within thirty (30) days after Licensee submits the item to Licensor for approval. All items submitted by Licensee to Licensor must fully comply with all requirements applicable thereto as specified by the Hotel System and the requirements of this Agreement. Licensor's approvals or disapprovals under Sections 4.5.1 and 4.5.5 will be given based on Licensor's determination whether the submissions thereunder comply with the requirements of the Hotel System and this Agreement. Licensor's other approvals or disapprovals under this Section 4.5 will be given based on Licensor's Reasonable Business Judgment. If Licensor disapproves any item, Licensor shall provide to Licensee in reasonable detail the reasons therefor, together with recommendations for revisions. Licensor's approval of any of the above items that contain plans or specifications confirms that the contents specifically delineated in such plans and specifications conform with the Hotel System.

4.6. Technical Services.

4.6.1 Licensor shall, subject to Licensor's timely payment when due of the Technical Services Fee in accordance with Section 9.3, provide the following technical advisory services to Licensee during the Pre-Opening Period (the "Technical Services"):

(a) advice in formulating or refining the Concepts for the Hotel, the preliminary plans and specifications for the construction of the Hotel and all related Hotel facilities, including land planning and landscaping, and in formulating or refining preliminary layouts, drawings, and designs for the interior of the Hotel and the

furnishing and equipping thereof. In connection therewith, Licensor may recommend to Licensee layouts and other criteria and specifications for the facilities to be included in the Hotel;

- (b) advice as to architects, contractors, engineers, designers, decorators, landscape architects, and such other specialists and consultants as is necessary for completing the Hotel. The Parties acknowledge that Licensor has no liability or responsibility for any act or omission of any such Person utilized by Licensee;
- (c) advice with respect to vendor contracts for artwork, graphics, fixtures, audio-visual components, Operating Supplies, Operating Equipment and FF&E; and
- (d) advice in preparing budgets for the initial purchase of FF&E for the Hotel.

4.6.2 It is the intention of the Parties that responsibility for implementation of each of the foregoing items is upon Licensee, but that Licensor will be available to assist Licensee in such implementation. In addition to the payment of the Technical Services Fee, Licensee shall reimburse Licensor, within thirty (30) days after Licensor submits an invoice to Licensee, for all actual costs incurred by Licensor in providing the Technical Services, including travel, accommodations and other expenses (but not salaries or overhead).

4.7. Licensor May Delegate Duties.

In rendering the Technical Services, Licensor has the right, in its sole discretion, to be assisted by third Persons, and, accordingly, some or all of such Technical Services may be provided by such third Persons. Licensor may, upon Notice to Licensee, require Licensee to pay directly to any such third Person any portion or all of any payment due to Licensor hereunder.

4.8. Project Manager and Life Safety Consultant.

4.8.1 Licensee shall engage, at its sole cost and expense, a full time, on-site project manager (the "**Project Manager**") to act as Licensee's representative in connection with the design, construction and FF&E aspects of the Hotel during and after the Pre-Opening Period. The identity of the Project Manager is subject to the prior written approval of Licensor. The Project Manager shall begin work relating to the Hotel no earlier than six (6) months before the Commencement of Construction of the Hotel and shall conclude the work no later than ninety (90) days after the Opening Date.

4.8.2 During the Pre-Opening Period, Licensee shall engage, at its sole cost and expense, a structural and life safety consultant (the "**Life Safety Consultant**") to undertake a review of the plans and specifications for the Hotel (or, in the case of a conversion, the Life Safety Consultant shall undertake a review of the existing building underlying the Hotel). The Life Safety Consultant shall make recommendations to Licensee regarding certain fire and life safety measures for Licensee to incorporate into the plans and specifications for the Hotel to be approved by Licensor in accordance with this Agreement and the Hotel System (or, in the case of a conversion, the Life Safety Consultant shall make recommendations to Licensee regarding certain fire and life safety measures for Licensee to implement in connection with the conversion of the Hotel). The identity of the Life Safety Consultant is subject to the prior written approval of Licensor. Licensee shall, in good faith, consider any recommendations made by the Life Safety Consultant.

4.9. Licensor Only an Advisor.

Licensee acknowledges that Licensor acts only in an advisory capacity for purposes of this Section 4, and Licensor is not responsible for, and makes no warranty or representation respecting: (a) the adequacy or coordination of any plans or specifications, (b) the structural integrity of any structures or the systems thereof, (c) compliance with any insurance requirements, or (d) compliance with applicable Laws, including any applicable Laws or other requirements governing public accommodations for persons with disabilities, any building code of any Governmental Authority, or for the obtaining of any necessary Permits. All matters in described in the preceding sentence are the sole responsibility, and are at the sole risk, of Licensee. Licensee shall provide to Licensor a written certificate from its architect, licensed professional engineer, or recognized expert consultant of applicable Laws stating that the Hotel conforms with all applicable Laws, including Laws governing public accommodations for persons with disabilities. The certificate must be in a form substantially identical to the form attached hereto as **Exhibit G**. Licensee shall

supply Licensor with copies of all other certificates of architects, contractors, engineers and designers, and such other similar verifications and information as Licensor shall reasonably request.

4.10. Pre-Opening Program.

Licensee shall develop a written pre-opening program specifying, in reasonable detail: (i) any services that are necessary prior to the Opening Date with respect to the Hard Rock Elements; (ii) the estimated costs in providing such services which Licensee will bear during the Pre-Opening Period; (iii) sales and promotion efforts during the Pre-Opening Period; (iv) required opening events; and (v) an estimate of other pre-opening costs and expenses relating to the foregoing. Licensee is solely responsible for payment of all pre-opening costs and expenses approved by Licensee. Licensee is not entitled to open the Hotel to the public for business as a Hard Rock Hotel at the Licensed Location until Licensor has provided its written authority to Licensee to open the Hotel.

4.11. Commencement of Construction; Opening Date.

4.11.1 Licensee shall cause the Commencement of Construction to occur within [] ([]) months after the Effective Date (the "**Construction Commencement Date**"). Once Commencement of Construction occurs, Licensee shall cause the Hotel Work to continue uninterrupted except to the extent continuation is prevented by events of Force Majeure. Licensee shall cause the Hotel to be in operation and open to the public not later than [] ([]) following the Effective Date (the "**Target Opening Date**"), and shall thereafter cause the Hotel to remain continuously open during the Term. The "**Opening Date**" is the actual date the Hotel is fully operational and open to the public following Licensee's receipt of Licensor's written permission to open the Hotel as a Hard Rock Hotel. Notwithstanding anything to the contrary set forth in this Agreement, Licensee acknowledges that the Opening Date cannot occur unless and until all Food and Beverage Outlets are ready to open for business and are fully staffed and operational.

4.11.2 Licensee may request an extension of the Construction Commencement Date or the Target Opening Date by (a) submitting a written request for Licensor's approval before the applicable deadline, (b) including in such written request a description of the status of the project and the reason for the requested extension, and (c) paying Licensor's then-current extension fee. Licensor may condition its approval on an update to the plans and designs previously submitted by Licensee to Licensor.

4.11.3 If a Force Majeure event occurs and Licensee believes such event may impair Licensee's ability to meet the Construction Commencement Date or the Target Opening Date, then Licensee must, promptly after becoming aware of the event, give Licensor written notice specifying the nature and duration of the event and specifying that Licensee has used, and will continue to use, reasonable efforts to mitigate the effects of such event until such event ceases to exist. On verification of the event of Force Majeure, Licensor shall approve an extension of the Construction Commencement Date and/or the Target Opening Date, as applicable, for up to eighteen (18) months.

4.12. Opening the Hotel Under This Agreement.

4.12.1 Licensee shall not open the Hotel unless and until Licensee receives Licensor's written consent to do so pursuant to Sections 4.12.2 and 4.12.3.

4.12.2 Licensee shall give Licensor at least thirty (30) days advance notice that Licensee has complied with all the terms and conditions of this Agreement and the Hotel is ready to open. Licensor will use reasonable efforts within thirty (30) days after Licensor receives Licensee's notice to visit the Hotel and to conduct other investigations as Licensor deems necessary to determine whether to authorize the opening of the Hotel, at Licensee's sole cost, but Licensor will not be liable for delays or loss occasioned by Licensor's inability to complete its investigation and to make this determination within the thirty (30) day period. If Licensee fails to pass Licensor's initial opening site visit, Licensor may, in its sole judgment, charge Licensee reasonable fees associated with any additional visits.

4.12.3 Licensor is entitled to withhold its consent to the opening of the Hotel if Licensor determines, in its sole discretion, that any one or more of the following conditions have not been satisfied:

- (a) Licensee has complied with all the terms and conditions in this Agreement;
- (b) The Hotel is prepared in all respects to open to the public and operate in accordance with this Agreement and the Hotel System;
- (c) Licensee's staff has received adequate training and instruction in the manner Licensor requires;
- (d) Licensor has received the executed Certificate of Compliance in the form set forth in **Exhibit G**;
- (e) Licensee has received authorization to open the Hotel from the relevant governmental authority for the jurisdiction in which the Hotel is located, if applicable, and has obtained all required licenses and permits to open and operate the Hotel in accordance with the terms of this Agreement and applicable Law; and
- (f) all fees and charges due from Licensee to Licensor and its Affiliates have been paid.

4.13. Limitations on Effect of Approvals.

Notwithstanding any other term or provision of this Agreement, the approval of any item by Licensor in accordance with this Agreement does not (a) constitute a waiver by Licensor of its right to insist on strict compliance by Licensee with any of the other terms of this Agreement, or (b) prevent Licensor from requiring Licensee to alter, remove, replace or repair any other item that was not previously approved by Licensor and does not comply with the requirements of this Agreement or any applicable Law.

4.14. Sale of Securities.

4.14.1 If Licensee or any of its Affiliates at any time offers any Securities to any Person, then Licensee must do so only in compliance with all applicable federal or state securities laws, and Licensee shall clearly disclose in its Offering Materials that Licensor, its Affiliates, and their respective officers, directors, agents or employees (a) will not in any way be deemed an "issuer" or "underwriter" of said "securities," and (b) do not assume and have no liability or responsibility for any financial statements, prospectuses or other financial information contained in any "prospectus" or similar written or oral communication.

4.14.2 Licensee shall submit to Licensor all Offering Materials at least sixty (60) days before the date Licensee distributes them or files them with any governmental agency. Licensee shall deliver to Licensor a nonrefundable, Five Thousand Dollar (\$5,000) processing fee with the Offering Materials and pay any additional costs Licensor may incur in reviewing Licensee's documents, including reasonable attorneys' fees. Except as legally required to describe the Hotel in the Offering Materials, Licensee shall not use any of the Licensed Marks or otherwise imply Licensor's or its Affiliate's participation in or endorsement of any Securities or any Securities offering. Licensor has the right to approve any description of this Agreement or of Licensee's relationship with Licensor, or any use of the Licensed Marks, contained in any Offering Materials. Licensor's review and approval will not in any way be considered Licensor's agreement with any statements contained in those documents.

4.14.3 Licensee shall Indemnify, defend and hold Licensor and its Affiliates and their respective officers, directors, agents and employees harmless of and from any and all liabilities, costs, damages, claims or expenses arising out of or related to the sale or offering of any Securities of or by Licensee.

5. PERSONNEL; MANAGEMENT

5.1. Appointment of Executive Staff.

Before the Opening Date, Licensee shall appoint the Hotel's General Manager, Director of Human Resources, Director of Finance, Director of Engineering and Director of Sales and Marketing (the "Executive Staff"). Licensee shall provide Licensor with all information available to Licensee as Licensor requests regarding the experience, qualifications and character of any Person Licensee proposes to appoint as Executive Staff. Each of the Executive Staff must successfully complete Licensor's applicable mandatory management training program for the applicable position before the Executive Staff member commences to exercise at the Hotel the duties associated with the applicable position. The identity of the Hotel's General Manager is subject to Licensor's approval. Licensor may

decline to approve any General Manager candidate if, in Licensor's Reasonable Business Judgment, the candidate is inexperienced or unqualified in relevant skills or capability or is unable or unwilling to adhere to Licensee's obligations under this Agreement.

5.2. Staffing and Training of Personnel.

- 5.2.1 Licensee shall hire and retain sufficient Hotel employees as required for the proper operation of the Hotel in accordance with the terms of this Agreement and the Manuals. Licensee shall comply with the Hotel System's standards for the training of persons involved in the operation of the Hotel, including completion by the General Manager and other key personnel of the Hotel of a training program for operation of the Hotel under the Hotel System, at a site Licensor designates. Licensee shall pay Licensor all fees and charges, if any, Licensor requires for Licensee's personnel to attend these training programs. Licensee is responsible for all travel, lodging and other expenses Licensee or its employees incur in attending these programs.
- 5.2.2 Licensee shall make the Hotel's facilities available to Licensor for Licensor's use in the training of Licensee's employees and staff under this Agreement.
- 5.2.3 Licensee agrees to send annually, at its expense, the General Manager, the human resources manager and the director of sales and marketing of the Hotel to the Hard Rock annual global leadership conference Licensor conducts at the places and dates selected by Licensor.

5.3. Appointment of Management Company.

Licensee shall retain and exercise full operating control of the Hotel, or, alternatively, Licensee may, subject to the requirements of this Section 5.3, negotiate and execute a management agreement with a qualified Management Company and cause the Management Company to sign the Manager's Acknowledgment in the form set forth in **Exhibit F**.

- 5.3.1 Identity of Management Company. The identity of the Management Company is subject to Licensor's prior written approval as set forth in the Manuals.
- 5.3.2 Terms of Management Agreement with Management Company. The terms of the management agreement with the Management Company are subject to Licensor's prior written approval. If the Parties intend that a Management Company will operate the Hotel on the Opening Date, then, concurrently with the execution of this Agreement, Licensee and the Management Company must execute a management agreement and the Management Company must execute the Manager's Acknowledgment. Any management agreement must include provisions stating that:
 - (a) The Management Company has the exclusive authority and responsibility for the day-to-day management of the Hotel;
 - (b) Licensee shall not, without at least thirty (30) days' prior written notice to Licensor, terminate the management agreement, unless extraordinary circumstances exist that requires shorter notice of termination, such as the manager's theft, fraud or action that causes Licensee to breach its obligations under this Agreement.
 - (c) During the term of the management agreement, the Management Company must operate the Hotel in strict compliance with the requirements of this Agreement and the Hotel System, and Licensor may enforce these requirements against Management Company. If any conflict exists between the provisions of the management agreement and those of this Agreement, the provisions of this Agreement control. Without limiting the requirements of the two preceding sentences, the Management Company is bound by and must adhere strictly to this Agreement's terms and conditions regarding confidentiality and operation of the Hotel;
 - (d) Any default under the terms and conditions of this Agreement caused wholly or partially by the Management Company constitutes a management agreement default, for which Licensee may terminate the management agreement;

- (e) Licensor has the right to communicate directly with the Management Company regarding day-to-day operation of the Hotel; and
- (f) The Management Company and Licensee must give Licensor prior notice of any intended assignment of the management agreement or change of control in the Management Company and such change and the Management Company's right to continue to operate the Hotel are subject to re-approval in accordance with the provisions of this Section 5.3.

6. ADVERTISING

6.1. Advertising Prior to Opening Date.

Licensee shall, before the Opening Date and at Licensee's expense, carry out or cause to be carried out advertising for the opening of the Hotel. Licensee shall use diligent efforts to promote the Hotel by advertisements on television and radio, online and in newspapers, magazines, telephone or trade directories, distributions to customers and potential customers in the most effective manner, point-of-service advertising material, and other forms of publication. Such advertisements are subject to Section 6.5.

6.2. Advertising After Opening Date.

Licensee shall, subject to the provisions of this Section, during each Operating Year, in addition to the Marketing Fee, expend at least one and one-half percent (1½%) of Total Revenues on advertising and publicity for the Hotel. All noncash expenses will be valued at normal retail transfer prices as reflected in Licensee's financial statements, or at fair market value, where appropriate. Licensee shall provide to Licensor, from time to time, promptly upon request, such evidence of compliance with the requirements of this Section as Licensor reasonable requests. Advertising, marketing and publicity expenditures qualifying under this Section 6.2 include costs incurred for (a) media (television, radio and print) advertising, (b) bus and air programs, (c) direct mail programs, including the value of goods and services provided, (d) promotions and giveaways including tournaments, special events, and drawings, (e) coupon promotions, (f) customer transportation reimbursement, (g) customer gifts, and (h) complimentary goods and services provided to customers. Licensee acknowledges that the following expenditures do not qualify under this Section 6.2:

- 6.2.1 Employee salaries, benefits, and expenses of Licensee's employees, including the cost to Licensee of employee incentive programs;
- 6.2.2 The cost of Food and Beverage and Branded Merchandise utilized in promotions;
- 6.2.3 Food and Beverage development expenditures;
- 6.2.4 The costs associated with customer discounts, coupons, or similar items;
- 6.2.5 The Marketing Fee; or
- 6.2.6 Costs incurred for participation in Hard Rock Rewards Program.

6.3. Marketing Programs; Hard Rock Rewards Program; Sales Referral Program.

6.3.1 Licensor or its Affiliates shall use the Marketing Fee to promote public awareness and usage of Hard Rock Hotels. Such usage may include expenditures for any of the following, in Licensor's sole discretion: (i) developing maintaining, administering, directing, preparing, or reviewing advertising and marketing materials, promotions and programs; (ii) public awareness of any of the Licensed Marks; (iii) public and consumer relations and publicity; (iv) brand development; (v) research and development of technology, products and services; (vi) website development and search engine optimization; (vii) development and implementation of quality control programs; (viii) changes and improvements to the Hotel System; (ix) the fees and expenses of any advertising agency Licensor engages, in its discretion, to assist in producing or conducting advertising or marketing efforts; (x) any other programs or activities that Licensor deems necessary or appropriate to promote or improve the Hotel System; and (xi) Licensor's or its Affiliates' expenses associated with direct or indirect labor, administrative, overhead or other expenses incurred in connection with promotional, marketing or advertising efforts or any of the foregoing activities. Licensor has

sole discretion as to the nature and type of any media placement, the allocation (if any) between international, national, regional and local markets, and the nature and type of advertising copy and other materials and programs. Licensee acknowledges that Licensor and its Affiliates are under no obligation to ensure that expenditures are proportionate to the amount of the Marketing Fee paid by a licensee for any given market area or that any licensee benefits directly or proportionately from the development or placement of advertising supplied by or through Licensor or its Affiliates. Licensor and its Affiliates are not obligated to expend all or any certain part of the Marketing Fee during any specific period of time or to refund any of the same to Licensee. Licensor may deposit any or all sums received as Marketing Fee into one or more accounts controlled by Licensor or an Affiliate of Licensor and may commingle such sums with any other funds.

6.3.2 Licensee shall cause the Hotel and the Hotel Retail Store to fully participate in the Hard Rock Rewards Program from and after the Opening Date. Charges and reimbursements to the Hotel resulting from the Hard Rock Rewards Program will be generally consistent with charges and reimbursements to all other Hard Rock Hotels participating in the Hard Rock Rewards Program, and the charges and reimbursements are subject to change from time to time. The Hard Rock Rewards Program, and the required equipment and software licenses, are subject to change by Licensor and its Affiliates from time to time. Any such change will apply on substantially the same basis to all Hard Rock Hotels, subject to Reasonable Deviations. Licensor shall (or shall cause its Affiliates to) notify Licensee of the then-current charge and payment procedures for the Hard Rock Rewards Program annually.

6.3.3 Licensee shall fully participate in and comply with the terms of the Sales Referral Program, shall receive lead generation fees earned thereunder (if any), and shall pay all lead generation fees payable thereunder (if any), all as may be earned or payable under the Sales Referral Program. The Parties acknowledge that currently (a) the fee payable to Licensor for leads Licensor generates for the Hotel is 5% of the revenues the Hotel receives in connection with bookings from such leads and (b) the fee payable to Licensee for leads Licensee generates for other Hard Rock Hotels is 1% of the revenues the other Hard Rock Hotels receive in connection with bookings from such leads. The lead generation fees described in the preceding sentence, and their calculation, are further described and defined in the Manuals, and the Manuals' descriptions and definitions of the Sales Referral Program govern all such fees and calculations in all respects. Licensee acknowledges that Licensor may at any time, in its sole discretion, modify, amend or terminate the Sales Referral Program (including the fees generated thereunder).

6.4. Annual Marketing Plans.

Licensee shall prepare and submit to Licensor for its approval a comprehensive marketing plan for the Hotel for each Operating Year, including Licensee's itemized (by category) projections of Total Revenues and other operating results. Licensee shall submit such plan to Licensor no later than sixty (60) days before the beginning of each Operating Year.

6.5. Advertising Guidelines and Approvals.

Licensee shall submit to Licensor for Licensor's prior written consent any advertising or promotional materials that do not conform in all respects with Licensor's guidelines as prescribed in the Manuals. Licensor shall approve or disapprove each such submission within twenty (20) days after Licensee provides the submission to Licensor for approval.

6.6. Licensee's Cross Promotions.

6.6.1 Licensee shall not:

- (a) Utilize in connection with the Hotel or its operations any trade name, trademark, service mark, domain name, keyword, metatag, social media handle or other intellectual property right other than the Licensed Rights and other rights approved by Licensor;

- (b) Advertise any product or service, or display any promotional material at or in the Hotel, other than with respect to the business and/or operations of the Hotel;
- (c) Enter into any sponsorship or other similar arrangements providing for the marketing or promotion of the Hotel or the Licensed Marks jointly with the name or trademark of another Person or entity or otherwise associate any other Person's name or trademarks with the Hotel or the Licensed Marks without Licensor's prior written consent; or
- (d) Engage in cross promotions at the Hotel or utilizing the Licensed Marks in any manner that is not approved by Licensor.

6.7. Internet.

- 6.7.1 Except as otherwise specifically permitted in this Section 6.7, Licensee shall not in any manner authorize or permit (or purport to authorize or permit) any Person, directly or indirectly, to utilize, sublicense or display, on or in connection with any Internet Site, the Licensed Marks, any derivation thereof, any trademarks, trade names, service marks, logos or designs confusingly similar thereto, or any buried computer code, keywords, adwords, meta-tags, social media handles the Licensed Marks or any such derivations or similar materials. The term "**Internet Site**" includes any world wide web site, USENET, newsgroup, bulletin board or other online service, any successor thereto at any electronic domain name, address or location, any other form of online service or electronic domain name, address or location, and any other form of online service or electronic commerce whatsoever.
- 6.7.2 Licensor and its Affiliates may develop and maintain, or license the development and maintenance of, one or more Internet Site(s) for Hard Rock Hotels, Branded Merchandise and other products and other Hard Rock businesses as Licensor, in its sole discretion, may determine (each a "**Hard Rock Internet Site**"). Licensee may have the Hotel featured on a Hard Rock Internet Site, in the same manner as Licensor includes other Hard Rock Hotels, whether owned or licensed by Licensor. Upon request from Licensor, Licensee shall provide (or cause to be provided) to Licensor any Hotel-related information required by Licensor for inclusion in a Hard Rock Internet Site or any other Internet Site designed by Licensor. Licensee is not entitled to participate in any manner in any revenues resulting from the offer or sale of Branded Merchandise on any Internet Site, or by reason of any link from any Licensee Internet Site (as defined in Section 6.7.3) to a Hard Rock Internet Site. At Licensor's request, each advertisement of the Hotel shall prominently display the Internet Uniform Resource Locator (URL) of a Hard Rock Internet Site designated by Licensor to Licensee.
- 6.7.3 Licensee may develop one or more Internet Sites for the Hotel (a "**Licensee Internet Site**"). If Licensee develops a Licensee Internet Site, then the following terms apply:
 - (a) Subject to Licensor's approval, Licensee may use the Licensed Marks in the Licensee Internet Site's domain name, but such domain name is deemed the property of Licensor, must be registered in the name of Licensor, and is deemed included in the Licensed Marks under the terms of this Agreement.
 - (b) The format, content and promotion (including promotion through the use of keywords, social media handles and adwords) of the Licensee Internet Site are subject to Licensor's approval.
 - (c) Licensee shall use the Licensee Internet Site solely for promotion of the Hotel.
 - (d) Licensee shall not sell or offer for sale Branded Merchandise or conduct any other business, including online gaming operations, on such Internet Site.
 - (e) Licensee may include a simple link from the Licensee Internet site to a Hard Rock Internet Site designated by Licensor. In any link to a Hard Rock Internet Site, (i) the Hard Rock Internet Site must not be framed or otherwise made to appear as a part of the Licensee Internet Site or any other Internet Site, and (ii) such link must not imply any endorsement by Licensor or the Hard Rock Internet Site or imply any other association with the Licensee Internet Site or any other Internet Site.
 - (f) Licensee shall ensure that the Licensee Internet Site does not link to any Internet Site other than a Hard Rock Internet Site or another Internet Site designated by Licensor.

- (g) Licensor shall provide links from its Internet Sites to the Licensee Internet Site, giving comparable prominence and positioning of the link as Licensor gives to its other Hard Rock Hotels.

7. STANDARDS OF QUALITY AND OPERATION

7.1. Operation of Hotel Must Meet Quality Standards.

Licensee shall, at all times, operate the Hotel in accordance with the terms of this Agreement and as provided for in the Hotel System, including the Management Standard and the Manuals. Licensee and its approved Management Company, if applicable, have the sole and exclusive right to supervise, direct and control the management and operation of the Hotel, and such right may not be assigned or delegated, except with Licensor's prior written consent. Without limiting Licensee's obligations under the preceding sentence, Licensee specifically acknowledges that Licensee must:

- 7.1.1 Operate the Hotel under the Licensed Marks, and no other trade name, trademark or service mark;
- 7.1.2 Refrain from using the Hotel, the Licensed Location or any portion thereof for any purpose other than operating a Hotel pursuant to provisions herein;
- 7.1.3 Comply with all of the Manuals' requirements and guidelines in the advertising and promotion of the Hotel;
- 7.1.4 Ensure that all uses of the Licensed Marks, including all signs, advertisements and promotional and packaging material, at all times bear appropriate trademark notices as approved in advance by Licensor;
- 7.1.5 Operate the Hotel in accordance all applicable Laws and Permits;
- 7.1.6 Comply with the terms of the Reservation Agreement, the Memorabilia Lease and any of the other Ancillary Agreements;
- 7.1.7 Redecorate, maintain, and repair the interior and exterior of the Hotel and Licensed Location, and replace, maintain, and repair the FF&E, at Licensee's sole expense and in accordance with this Agreement and the Hotel System, as it may be modified by Licensor from time to time, to the extent that such modification is mandatory at substantially all similarly situated Hard Rock Hotels, subject to Reasonable Deviations;
- 7.1.8 Upon reasonable notice, permit Licensor, its authorized agents and/or its invited guests to enter the Hotel and the Licensed Location during regular business hours, to visit the hotel for the purposes of touring the Hotel facilities; and
- 7.1.9 Provide, subject to availability, fifty (50) complimentary Guest Room nights per year to Licensor and its Affiliates at Licensor's request for every one hundred (100) Guest Rooms at the Hotel.

7.2. Operation of the Hotel Retail Store.

Without limiting Licensor's obligations under Section 7.1, the following terms apply to Licensee's operation of the Hotel Retail Store:

- 7.2.1 Licensee shall operate the Hotel Retail Store exclusively as a retail store for the sale of: (a) Branded Merchandise (including wearing apparel, reading materials, trading pins, souvenirs and gift items); (b) sundries, newspapers and magazines, accessories, gift items and souvenirs; (c) snacks, beverages, wrapped candies and cookies; (d) books, recorded music, and video recordings; and (e) and other items Licensor deems appropriate and approves in writing. Notwithstanding the preceding sentence, Licensor has the right, in its sole discretion, to discontinue (and thereafter, to recommence) the sale of any or all of the foregoing, other than Branded Merchandise.
- 7.2.2 Licensee shall (and shall ensure that the Management Company shall, as the case may be):
 - (a) ensure that the use of the Licensed Marks in the Hotel Retail Store complies with all applicable Laws, regulations and industry requirements and standards in force, including those within the United States;
 - (b) maintain and repair the interior and exterior of the Hotel Retail Store, at Licensee's sole expense, so as to maintain the Hotel Retail Store in a high standard of decoration, repair, cleanliness and condition

consistent with the Store System, including the Brand Guidelines and cause the Store Business to be operated strictly in accordance with the Store System, the Manuals and with any other instruction received from Licensor;

- (c) conform in all respects and at all times with the Store System, as modified from time to time, adopt all changes in the Store System as soon as required by Licensor, and refrain from using any additional trade name or symbol, refrain from any activity that is additional to or not in accordance with the Store System, unless Licensee obtains Licensor's prior written consent;
- (d) comply with Licensor's Merchandise Compliance Manual;
- (e) in all correspondence and other dealings relating directly or indirectly to the sale of the Branded Merchandise or the Store Business, clearly indicate that Licensee is acting as a licensee; and
- (f) not permit the Store Business or any part of the Store System to be operated at any location other than the Hotel Retail Store.

7.2.3 Licensee assumes all risk of loss of and damage to the Branded Merchandise and the Hotel Retail Store from any cause whatsoever. No loss or damage to the Branded Merchandise or the Hotel Merchandise Store impairs any of Licensee's obligations under this Agreement, which will continue in full force and effect.

7.2.4 Licensee shall, at its own expense, maintain in full force and effect at all times during the Term, comprehensive insurance against loss, theft, damage, confiscation, or destruction of the Branded Merchandise. The policies shall provide that they may not be cancelled or altered without at least thirty (30) days prior written notice to Licensor, and the loss payable endorsement shall provide that all amounts payable by reason of loss of or damage to the Branded Merchandise are payable to Licensee. Licensee, upon Licensor's request, shall furnish Licensor with a copy of all insurance policies, binders, renewal or extension notices, and the equivalent.

7.2.5 Licensee is liable for, and is required to pay on or before their due dates, all sales taxes, use taxes, personal property taxes, ad valorem taxes, VAT, license fees, permit fees, and any other taxes or governmental charges whatsoever imposed on the Branded Merchandise, products and sundries sold at the Hotel Retail Store, together with all penalties and interest incurred in connection therewith. If such Branded Merchandise, products and sundries are taxable under any property tax or similar tax law, on each property tax return required to be filed, Licensee shall include such items as owned by Licensee for purposes of tax assessments.

7.3. System Modification.

During the Term, Licensor may, in its sole discretion and from time to time, modify the Hotel System, including the Manuals, as Licensor deems, in its sole and exclusive discretion, to be necessary or appropriate for the benefit of the Hotel System. Such modifications may include changes that, in Licensor's sole judgment, will help ensure that the standards and quality of facilities and customer services provided in the Hotel operated under the Hotel System, meet the contemporary requirements of the target markets Licensor identifies for such hotels, or will help provide features that distinguish the Hotel operated under the Hotel System from those operated by Licensor's Competitors. Licensee must comply with all such modifications to the extent that such modifications are mandatory at substantially all similarly situated Hard Rock Hotels, subject to Reasonable Deviations.

7.4. Reserve Fund.

Licensee shall establish and maintain a separate deposit account at a federally insured financial institution and shall deposit monthly into such account the following amounts: two percent (2%) of Total Revenues in the first (1st) Operating Year; three percent (3%) of Total Revenues in the second (2nd) Operating Year; and four percent (4%) of Total Revenues in the third (3rd) Operating Year and in each subsequent Operating Year of the Term. Licensee shall use the funds in such account (the "**Reserve Fund**") exclusively for (a) replacements and renewals of FF&E; (b) renovations of public areas and Guest Rooms; and (c) repairs to and maintenance of the Hotel's physical facilities (which costs are normally capitalized under GAAP), such as exterior and interior repainting, resurfacing building walls,

floors, roofs, and parking lots, and replacing folding walls. . Licensee must spend the Reserve Funds for these purposes when replacements, renovations or repairs are reasonably needed in order to maintain the Hotel in accordance with the Hotel System and the requirements of this Agreement. If a Lender requires Licensor to deposit funds into a separate reserve account, such funds are required to be used exclusively for the purposes set forth in the two preceding sentences, and the amounts required to be deposited equals or exceeds the amounts required in the first sentence of this Section 7.4, then Licensee's compliance with such Lender's reserve account requirements is deemed to satisfy Licensee's obligation to establish and fund the Reserve Fund under this Section 7.4.

7.5. Quality Notices.

7.5.1 Licensee shall participate in Licensor's Quality Assurance Program. Licensor has the right to engage in regular surveillance of the management and operation of the Hotel and Licensee's compliance with the requirements of this Agreement and the Hotel System, including the Manuals and the Management Standard. Licensor shall bear all of Licensor's costs and expenses incurred in connection with the representative's services for the inspection and on-site training (if any), including salary, travel and living expenses, shall be borne by Licensor; however, Licensee shall pay to Licensor annually in arrears an amount by way of contribution to such costs of Seventy-Five Thousand Dollars (\$75,000), Adjusted for Inflation, to cover such costs and expenses.

7.5.2 If Licensor notes any failure by Licensee to maintain in any respect the standards set forth in this Section 7, or deems that Licensee is not in compliance with the requirements of the Quality Assurance Program, then Licensor may notify Licensee in writing of the particular failure, deficiency or non-compliance noted, and Licensee shall promptly and in all events within thirty (30) days after such notice correct the same. If, however, the nature of such failure is such that more than thirty (30) days is required to correct such failure, deficiency or non-compliance, then Licensee must, within such thirty (30) day period, promptly take appropriate steps to correct such failure, deficiency or non-compliance and thereafter diligently pursue those steps to completion. If Licensee fails to maintain in any respect the standards set forth in this Section 7 or to comply with requirements of the Quality Assurance Program, and such failure is not cured within the time provided in the preceding sentence, then such failure is deemed an Event of Default.

8. ADDITIONAL COVENANTS OF LICENSEE

8.1. Gaming Activities and Activities Impacting Licenses.

8.1.1 Licensee shall not conduct, or permit any other person to conduct, gaming activities at the Hotel or include within the Hotel a Casino. Without limiting the preceding sentence, Licensee shall not permit any slot machines or gaming machinery of any kind at the Hotel, except with Licensor's prior written approval in each instance. In addition, Licensee and its Affiliates, representative and agents shall not actively promote on or within a reasonable distance from the Hotel grounds any gaming facilities or Casinos.

8.1.2 Licensee shall not engage in any activity which, in Licensor's Reasonable Business Judgment, is likely to adversely reflect upon or affect in any manner any gaming licenses or permits held by Licensor or its Affiliates with any gaming commission, board, or similar governmental or regulatory agency, or the reputation or business of Licensor or its Affiliates.

8.2. Keep Hotel Open; Obtain and Maintain Necessary Permits.

Licensee shall keep the Hotel open from the Opening Date through the end of the Term. Licensee shall obtain by the applicable timeframe(s), and maintain, throughout the Term, all required authorizations, consents, Permits, orders, licenses and approvals required by applicable law or as otherwise contemplated by this Agreement, to enable the development, construction, furnishing, equipping and operation of the Hotel, and shall not take any action, or omit to take any action, that would result in the termination, withdrawal or suspension of any such authorizations, consents, Permits, orders, licenses or approvals. Licensee shall obtain and maintain such liquor and other licenses and Permits as are necessary to operate the Hotel in accordance with the terms of this Agreement, including all required Permits in respect of music played or performed at or in the Hotel. Licensee, and not Licensor, is responsible for, and

assumes all risks relating to, obtaining and maintaining any Permits required to develop and/or to operate the Hotel and/or the Licensed Location as contemplated by this Agreement.

8.3. Licensee's Ownership or Lease of the Hotel.

Licensee shall:

8.3.1 own fee simple title (or long-term ground leasehold interest for a term equal to the Term) to the real and personal property and improvements that comprise the Hotel and the Licensed Location. If Licensee holds or enters into a ground leasehold interest that satisfies the preceding clause, then (a) Licensee must obtain Licensor's approval of the terms of the lease agreement evidencing such ground leasehold interest and (b) Licensee must obtain, for Licensor's benefit, a nondisturbance agreement, in form reasonably satisfactory to Licensor, that protects Licensor's rights under this Agreement in the event of a termination of such ground leasehold interest; and

8.3.2 maintain legal possession and control of the Hotel and the Licensed Location for the Term and promptly deliver to Licensor a copy of any notice of default Licensee receives from any mortgagee, trustee under any deed of trust, or ground lessor for the Hotel, and on Licensor's request, provide any additional information Licensor may request related to any alleged default.

8.4. Confidential Information.

Licensee shall not divulge, either during or following the termination or expiration of this Agreement, directly or indirectly, without Licensor's prior written consent, any of the Confidential Information to any third Person. Licensee shall not acquire any interest in Confidential Information other than the right to utilize the same in connection with this Agreement and operation of Hotel during the Term. Licensee acknowledges and agrees that the use or duplication of Confidential Information in any other business constitutes an unfair method of competition with Licensor, its Affiliates and Licensor's other licensees and businesses. Licensor discloses Confidential Information to Licensee solely on the condition that Licensee and its Affiliates and their respective employees, agents and representatives agree, and Licensee, individually and on behalf of its Affiliates hereby agrees, that Licensee and/or its Affiliates: (i) shall not use Confidential Information in any other business or capacity; (ii) shall maintain the absolute confidentiality of Confidential Information during and after the Term; (iii) shall not make unauthorized copies of any portion of Licensor's Confidential Information which is disclosed in written or other tangible form; and (iv) shall adopt and implement all reasonable procedures Licensor prescribes from time to time to prevent unauthorized use or disclosure of Licensor's Confidential Information, including restrictions on disclosure thereof by Licensee's employees and Affiliates who may have access to Licensor's Confidential Information, the use of non-disclosure clauses in employment and other agreements with such persons, and the execution of confidentiality agreements in a form acceptable to Licensor, by persons having access to such Confidential Information. Licensee shall ensure that any agreements entered into by it with such Persons will contain confidentiality obligations which are no less restrictive than those set forth in this Section 8.4, and such agreement shall make Licensor a third party beneficiary of such obligations.

8.5. Efforts Required.

Licensee shall use commercially reasonable efforts to procure the greatest volume and value of Total Revenues for the Hotel consistent with good service to the public and compliance with the terms of this Agreement.

8.6. Only Approved Signage May Be Used at Licensed Location.

Licensee shall not erect or alter any sign or other medium of display or advertisement upon the Hotel or Licensed Location without, in each case, obtaining the prior written consent of Licensor. Each such alteration, erection, or installation shall be made only in accordance with plans, drawings, and specifications previously submitted to and approved by Licensor. Section 6.5 applies to Licensor's approval or disapproval of such alteration, erection, or installation.

8.7. Property System and Software.

Licensor shall provide to Licensee specifications and/or all required application Software for Licensee's property systems. Licensee shall, at its expense, purchase or lease, install and use the property system hardware and purchase or license, install and use all required Software, including any future hardware and/or Software enhancements, additions, substitutions, modification and upgrades at the Hotel as prescribed by Licensor and as set forth in the Manuals. Licensee shall acquire the data-processing means, hardware, Software, applications, systems and telecommunication services set out in the Manuals. Licensee shall also acquire and any additional equipment that Licensor determines is necessary (a) to comply with the Hard Rock System or integrate the Hotel with the systems and communications networks of Licensor, (b) to ensure compatibility with those systems and networks, or (c) enable connection with and transmission of information between Licensor's central services and those of Licensee. Licensor may change, alter, correct or otherwise modify the specifications of the systems referred to in this Section 8.7 and shall inform Licensee of any such amendments.

8.8. Prompt Payment of Amounts Due.

Licensee shall pay to Licensor, Licensor's Affiliates, and all suppliers of Licensee, any and all amounts due any such Person promptly and in accordance with the agreed terms of payment.

8.9. Manuals.

The Manuals will be made available to Licensee by Licensor in computerized form via a secure internet website. Licensee is responsible to pay any cost to retrieve, review, use and access the Manuals. The Manuals are solely owned by Licensor and Licensor shall hold any and all rights in connection with the Manuals. The Manuals are deemed Confidential Information of Licensor. Licensee shall cause each member of its staff with access to the Manuals to agree in writing to maintain the confidentiality of the Manuals. Licensee shall not disseminate the Manuals, or any portion thereof, to any third party without Licensor's prior written permission and shall not permit any member of Licensee's staff or any other Person with access thereto to do so. Licensee shall inform Licensor promptly upon Licensee's discovery if any of the Manuals, or any portion thereof, is disseminated in any manner that is contrary to this Agreement. If any conflict exists between any copy of the Manuals, the master copy of the Manuals maintained by Licensor at Licensor's principal office controls. Licensee must promptly upon Licensee's discovery notify Licensor if any aspect of the operation of the Hotel is contrary to the Manuals.

8.10. Reservation System.

8.10.1 Concurrently with the execution of this Agreement, Licensee shall enter into a reservation agreement in the form attached hereto as **Exhibit I** (the "**Reservation Agreement**"), pursuant to which Licensee will participate in the Reservation System. Licensee shall perform all of its obligations under the Reservations Agreement. Licensee shall cause the Hotel to participate in the Reservation System, at Licensee's sole cost and expense, and shall observe all requirements of participation under the Hotel System. Licensee acknowledges that these requirements include Licensee's obligation to: (a) promptly notify the Reservation System office of any changes in the Hotel's room rates; (b) to charge each Hotel guest a rate no higher than the rate specified to the guest by the Reservation System office at the time the guest's reservation is made; (c) disclose in a conspicuous manner as may be required by law any optional or mandatory additional charges.

8.10.2 Licensor or its designee shall provide to Licensee (for use at or by the Hotel only) the specifications for the hardware and all required Software for the Reservation System. Licensee at its expense shall purchase, install, maintain, and use at the Hotel all equipment necessary for the proper and efficient utilization and operation of the Reservation System, including any future enhancements, additions, substitutions, upgrades, or other modifications specified by Licensor or its designee that are mandatory at substantially all similarly situated Hard Rock Hotels, subject to Reasonable Deviations. Licensee at its expense also shall install and use all Software provided for use with the Reservation System. Licensee acknowledges that Licensor allows other hotels to utilize various components of the Reservation System and allocates to such hotels a charge for such use on a basis that Licensor in its discretion deems fair and equitable. As of the Opening Date and for the periods thereafter during the Term, Licensee shall contribute toward the cost, maintenance and use of

the Reservation System by paying Licensor monthly fees allocated to Licensee on such basis. Licensor reserves the right to modify or change, at its sole discretion, the Reservation System at any time, subject to the requirements of Section 7.3.

- 8.10.3 As part of the Reservation System or other systems, Licensee shall, at its cost and expense, utilize the communication system(s) as specified or otherwise approved by Licensor from time to time for Hard Rock Hotels generally.
- 8.10.4 Licensee shall use reasonable means to encourage and promote the use of Hard Rock Hotels everywhere by the traveling public. If Licensee receives a request at the Hotel for hotel reservations or accommodations in any area where a Hard Rock Hotel is located, Licensee shall promptly refer such request to such hotel.
- 8.10.5 Licensee shall provide to Licensor all Guest Profile Data from the Hotel in the form Licensor determines from time to time. Licensee also shall, upon Licensor's request, provide Licensor such other marketing data and customer profile information on guests at the Hotel, subject to Legal Requirements. Licensee acknowledges and agrees that all Guest Profile Data provided to Licensor, and the Database, is owned exclusively by Licensor and constitutes Confidential Information of Licensor, and Licensee shall only use the Guest Profile Data and the Database solely with respect to the Hotel in the compliance with its obligations under this Agreement relating to Confidential Information. Licensee shall carry out all actions necessary to comply with the Legal Requirements when compiling, storing or using the Guest Profile Data and the Database. Licensee shall, to the extent required by Legal Requirements, seek consent of each customer of the Hotel to disclose Guest Profile Data relating to that customer to Licensor and its Affiliates for their use of the Guest Profile Data to promote and market any products and services offered by them anywhere in the world. Upon expiration or termination of this Agreement for any reason, Licensee shall, within ten (10) Business Days, provide to Licensor all copies of the Database in its possession or control and all information constituting Guest Profile Data. Notwithstanding the forgoing terms of this Section 8.10.5, Licensee may, after the Term, retain on a non-exclusive basis contact information for guests, patrons or groups who have stayed at the Hotel. Nothing contained in this Agreement or in any Ancillary Agreement shall grant, or be construed in any way to grant, any ownership rights in, access to, or right to use, the Existing Hard Rock Database, to Licensee or any of its Affiliates.
- 8.10.6 Licensee acknowledges and agrees that Licensor and its Affiliates are entitled to enter into affiliation agreements with any hotels which allow members of Licensor's guest recognition programs to redeem awards for stays at such hotels. Licensee shall participate in such guest recognition programs on such terms and conditions as Licensor shall prescribe on a commercially reasonable basis.

8.11. Guaranty.

Licensee shall cause the Guarantors to guarantee Licensee's obligations under this Agreement and the Ancillary Agreements by executing the Guaranty and delivering it to Licensor. Licensee shall cause the Guarantors to maintain an aggregate net worth of not less than Seventy Five Million Dollars (\$75,000,000) (the "**Required Aggregate Net Worth**") and to provide to Licensor, within ninety (90) days of the end of each calendar year, audited financial statements demonstrating that the Guarantors meet the Required Aggregate Net Worth. Failure to meet the Required Aggregate Net Worth is an Event of Default under Section 14 of this Agreement.

8.12. Approved Products, Distributors and Suppliers.

Licensor may from time to time approve specifications or suppliers and distributors of products used or sold at the Hotel, including fountain products and other beverages that meet Licensor's standards and requirements. If Licensor does so, then Licensee agrees to purchase such products meeting those specifications, and if Licensor requires it, only from distributors and other suppliers that Licensor has approved, including Licensor or its Affiliates. Licensor may designate a single distributor or supplier for any product or supply and may approve a supplier or distributor only as to certain products. Licensee may propose new suppliers by delivering sufficient information and samples for Licensor's confirmation that such item meets the Hotel System's specifications and the proposed supplier is capable of providing such item in accordance with the Hotel System. Licensor may require: (a) reimbursement for the cost of

such review; (b) that such supplier have insurance protecting Licensor and Licensee; and (c) that any supplier using Confidential Information enter into an agreement for its use. Licensor will have no liability for damage to any sample. Licensor may refuse to permit future purchases if the supplier fails to meet the requirements of this Section 8.12 or the Hotel System. Each contract Licensee enters with a distributor or supplier must permit Licensee to terminate the contract if Licensor ceases to approve such distributor or supplier. Licensor is not responsible or liable for any cancellation or termination fee imposed by such distributor or supplier upon any such termination. Licensee acknowledges and agrees that Licensor or its Affiliates may receive and retain for Licensor's account certain payments, fees, commissions, rebates, refunds and other reimbursements from vendors. Licensee further acknowledges and agrees that Licensor and its Affiliates may have ownership or other interests in vendors or Affiliates of vendors. Licensee has no right to receive any such payments, fees, commissions, rebates, refunds and other reimbursements or payments from vendors.

9. COMPENSATION TO LICENSOR

9.1. Application Fee.

Upon submission of an application and before the execution of this Agreement, Licensee shall have paid Licensor a nonrefundable fee of Five Thousand Dollars (\$5,000) (the "**Application Fee**"), by wire transfer to an account designated in writing by Licensor.

9.2. Initial License Fee.

Upon execution of this Agreement, Licensee shall pay Licensor a nonrefundable fee equal to the greater of Seven Hundred Fifty Thousand Dollars (\$750,000.00) or Seven Hundred Fifty Dollars (\$750) per Guest Room (the "**Initial License Fee**"), by wire transfer to an account designated in writing by Licensor.

9.3. Technical Services Fee.

As consideration for the Technical Services provided by Licensor, Licensee shall pay Licensor One Thousand Five Hundred Dollars (\$1,500) per Guest Room (the "**Technical Services Fee**"). The Technical Services Fee is payable fifty percent (50%) upon the Effective Date with the balance to be paid in equal installments each month through the Target Opening Date.

9.4. Royalty Fees.

Licensee shall pay Licensor, commencing on the Opening Date, fees (the "**Royalty Fees**") equal to the sum of five percent (5%) of Room Revenues and two percent (2%) of Food and Beverage Revenues. .

9.5. Marketing Fee.

As consideration for the marketing services provided by Licensor or an Affiliate thereof under Section 6.3, Licensee shall pay Licensor, commencing on the Opening Date, fees equal to Two Percent (2%) of Room Revenues ("**Marketing Fee**").

9.6. Hotel Retail Store Fees.

Licensee shall pay Licensor, commencing on the Opening Date, fees (the "**Hotel Retail Store Fees**") equal to Ten Percent (10%) of the Hotel Retail Store Revenue.

9.7. Probity Investigation Costs.

Licensee shall reimburse Licensor for any and all costs Licensor or its Affiliates incur in connection with any Probity Investigation conducted pursuant to Section 16.6.

9.8. Payment of Fees.

Licensee shall pay Licensor the Royalty Fees, Marketing Fee, the Hotel Retail Store Fees and the Technical Services Fee monthly in arrears, by no later than the twentieth (20th) day of the month following the month for which the fees are incurred. The Technical Services Fee will be prorated for partial months. Licensee shall pay the Probity Investigation Costs within ten (10) days following each invoice for such costs. Licensee shall timely pay all fees and other amounts due under the Ancillary Agreements. The Technical Services Fee, Royalty Fees, Marketing Fee, Hotel

Retail Store Fees, Reservation Fees, fees under the Ancillary Agreements, and all other fees, contributions, expenses and reimbursements due to Licensor or its Affiliates (collectively, the "Fees") must be paid by wire transfer of immediately available funds to an account designated in writing from time to time by Licensor.

9.9. All Fees Are Nonrefundable.

No Fees or other sums payable hereunder are refundable to Licensee other than as specifically provided in this Agreement.

9.10. Month Defined.

For purposes of this Section 9, a "month" means a calendar month (English), any partial month between the Effective Date and the last day of the month in which the Effective Date occurs, and any partial month following the end of the last full calendar month during the Term and the end of the Term.

9.11. Late Payments.

Unpaid amounts due and owing from Licensee bear interest, pro rata per day, on the past due balance at the Interest Rate. If, however, the date any such amount becomes past due falls on a non-Business Day, then such past due date is automatically extended to the next Business Day thereafter.

9.12. Taxes.

All Fees payable to Licensor under this Agreement are exclusive of, and Licensee must pay when due, all taxes, assessments, liens encumbrances, accounts, and other debts assessed against Licensee, the Hotel, and all personal property of any nature used in the Hotel, including any sales and/or use, stamp, value added or goods and services tax, taxes on licenses granted to Licensee, taxes on, arising out of, or relating to Licensee's operation of the Hotel, taxes on sales made at the Hotel, and other governmental charges imposed or payable in connection with the rights granted to Licensee under this Agreement or in connection with the payment of the Fees (collectively, the "Licensee Assessments"). Licensee shall pay all such taxes or charges in addition to such Fees. If, under Legal Requirements, Licensee is required to withhold any amount on account of any Licensee Assessment, then Licensee shall increase all payments to Licensor to the extent necessary to provide Licensor with the same net amount it would have received if no such Licensee Assessment had been applicable to such payments. In no event, however, is Licensee required to increase payments to Licensor for withholdings required under Legal Requirements on account of Licensor's income tax under Laws imposed by the jurisdiction in which Licensor is organized or licensed to do business ("Withholding Taxes"). If, pursuant to Legal Requirements, Licensee is required to withhold from Licensor any Withholding Taxes, then Licensee shall (a) remit to the applicable Governmental Authority, on a timely basis, all Withholding Taxes applicable to any payments to Licensor in the name of Licensor, (b) provide to Licensor an official receipt issued by such Governmental Authority for payment of such Withholding Taxes in the name of Licensor within thirty (30) days of such payment, and (c) set forth in a remittance report, to be submitted to Licensor within fifteen (15) days of each such payment, the amount of such Withholding Taxes and the payments to Licensor related to the Withholding Taxes in the name of Licensor. Licensee is responsible for the determination of the correct amount of Withholding Taxes payable in accordance with the tax laws and tax treaties for the jurisdiction in which the Hotel is located. Licensee shall indemnify, defend, and hold harmless Licensor and its Affiliates, and their respective shareholders, trustees, beneficiaries, directors, officers, employees and agents, from and against all claims and liabilities for unpaid or underpaid Withholding Taxes, including any claims and liabilities for the payment of interest, surcharges, penalties, damages and expenses of any kind, which may be imposed, levied or assessed by the applicable Governmental Authority.

9.13. Licensee May Not Withhold Payments Due to Licensor.

Licensee shall not withhold payment of any amounts owed to Licensor on the grounds of Licensor's alleged nonperformance of any of its obligations under this Agreement or for any other reason. Licensee specifically waives any right it has at Law or in equity to offset any funds Licensee may owe Licensor or to fail or refuse to perform any of its obligations under this Agreement.

10. PROTECTION AND ACKNOWLEDGMENT OF THE LICENSED RIGHTS

10.1. Licensed Rights Exclusive Property of Licensor.

For all purposes of the relationship between Licensor and Licensee created by this Agreement, Licensor is deemed to be the sole and exclusive owner of all right, title and interest in and to the Licensed Rights in all forms and embodiments thereof, subject only to the specific rights granted to Licensee under this Agreement. Licensee's use of the Licensed Rights, and all associated goodwill generated thereby, inure to the sole benefit of Licensor and its Affiliates in accordance with their rights in the Licensed Rights and are deemed to be used by Licensor. Licensee specifically acknowledges that the rights granted Licensee under this Agreement do not prevent or prohibit Licensor or any licensee thereof from commercializing or otherwise utilizing (and retaining all profits from) the Licensed Rights or any other intellectual property right of Licensor in any endeavor. Licensor makes no representation and gives no warranty of any or kind with respect to the validity of, or its rights, title and interest in or to, the Licensed Rights and expressly disclaims any implied warranty against infringement. Without limiting the foregoing, Licensee acknowledges the exclusive rights of Licensor and its Affiliates:

10.1.1 to the Licensed Rights and all parts thereof, including all amendments and modifications thereto and all advertising matter, slogans, and similar items and ideas which may, from time to time, be used to promote the same;

10.1.2 to make such additions or modifications to the Licensed Rights or the Hotel System, including the addition, renewal, or substitution of other intellectual property rights as may from time to time, in Licensor's sole judgment, be necessary to promote, improve, or protect the Licensed Rights or the Hotel System, and to amend or revise the Manuals; and

10.1.3 to take all actions Licensor deems reasonably necessary to protect and promote the Licensed Rights, the Hotel System, and the operations and goodwill of the Hotel, including any statutory or common law right to bring infringement proceedings.

10.2. Licensor's Exclusive Registration and Licensing Rights.

Licensor and its Affiliates retain the sole right to apply for the registration or renewal of trademarks and service marks or other proprietary rights for the Licensed Marks anywhere in the world. Licensee does not have any right to assign, sublicense or franchise any of the Licensed Marks to any other Persons.

10.3. Promote and Preserve Goodwill.

Licensee shall promote and preserve the goodwill and reputation associated with the Licensed Rights. Licensee shall not, absent the prior written consent of Licensor in each instance, utilize the Licensed Rights or any portion of the Licensed Location or the Hotel in connection with, to support or assist, or to otherwise benefit, any other business or activity, whether or not for profit.

10.4. Licensee Will Not Challenge Licensor's Ownership Interests in the Licensed Rights.

During the Term and thereafter, Licensee shall not, and shall not assist any Person to: (a) challenge the validity of Licensor's ownership of, or right to license, the Licensed Rights or any registration or application for registration therefor; (ii) contest the fact that Licensee's rights under this Agreement are solely those of a licensee and terminate upon termination or expiration of this Agreement; and (iii) represent in any manner that it has any title or right to the ownership, registration or use of the Licensed Rights in any manner except as set forth in this Agreement.

10.5. Licensee to Cooperate Where Requested.

If, at any time during the Term, Licensor or its Affiliates renew, apply for, or decide to renew or apply for, registration of a trademark, trade name, service mark or other intellectual property right that is or may become a part of the Licensed Marks, then Licensee will render to them all requested reasonable assistance in renewing, obtaining, and thereafter maintaining registration thereof (including the execution of all necessary registered user or similar agreements) with applicable Governmental Authorities. If Licensee reasonably expects to incur out-of-pocket

expenses to render such assistance, then Licensee shall notify Licensor of such expected expense, and Licensee is not required to incur such expense unless Licensor agrees to reimburse Licensee for such expense.

10.6. Hotel Name.

Licensee will operate the Hotel only under the name "Hard Rock Hotel [City]".

10.7. Licensee's Additional Duties.

10.7.1 Licensee shall:

- (a) use the Licensed Rights only in compliance with applicable laws as permitted by this Agreement;
- (b) take such action in relation to the Licensed Marks as Licensor may, from time to time, require in order to protect or defend the same. If Licensee reasonably expects to incur out-of-pocket expenses to undertake any such action, then Licensee shall notify Licensor of such expected expense, and, unless such action is otherwise required by this Agreement, Licensee is only required to take such action if Licensor agrees to reimburse Licensee for such expense; and
- (c) give notice on all business stationery, merchandise cards, purchase order forms, guest checks, maintenance requests, invitations, employment applications and on such other items, and in such other places, as Licensor may, from time to time require, that the Hotel is operated under license from Licensor pursuant to this Agreement. Licensee shall also post, include, or give such other notices as Licensor may deem reasonably necessary to inform third parties that Licensor does not accept liability for the acts, omissions, debts, or defaults of Licensee.

10.7.2 Licensee shall not:

- (a) use the Licensed Rights or any variation thereof except in connection with the operation of the Hotel and the Hotel Retail Store at the Licensed Location as provided for in this Agreement;
- (b) use or exploit the Licensed Rights outside the Licensed Location, except Licensee may, subject to this Agreement's terms, engage in the promotion, advertising or marketing of its and its Affiliates' Hard Rock Hotels anywhere in the world;
- (c) use any Licensed Marks as part of its corporate name or the name of any Affiliate;
- (d) cause or permit anything within Licensee's control to occur which may damage, endanger, or reduce (a) the value of the Licensed Marks or any other trademark, trade name, service mark, or other intellectual property right of Licensor or any Affiliate of Licensor, (b) Licensor's or such Affiliate's title thereto, or (c) the rights of any other licensee of Licensor or any Affiliate of Licensor thereto;
- (e) directly or indirectly use register or cause to be registered, in any country or with any Governmental Authority, any trademark, trade name, service mark, domain name, keyword, metatag, or other intellectual property right consisting of, related to, similar to or deceptively similar to, any of the Licensed Marks or any other intellectual property right of Licensor or any Affiliate of Licensor;
- (f) interfere in any manner with, nor attempt to prohibit, the use or registration by Licensor, with applicable Governmental Authorities of the Licensed Marks or any other trademark, trade name, service mark or other intellectual property right of Licensor or any Affiliate thereof; or
- (g) use any name or mark similar to or capable of being confused with any of the Licensed Marks or any other trademark, trade name, service mark, or other intellectual property right of Licensor or any Affiliate thereof.

10.8. Licensee's Duties Regarding Infringement Claims.

Licensee shall promptly notify Licensor in writing if Licensee becomes aware of the existence of any of the following claims (each, an "**Infringement Claim**"): (a) any actual or suspected Infringement of the Licensed Rights, (b) any written claim in the nature of Infringement against Licensor, (c) any written claim that the Licensed Marks are invalid, infringe third party rights, or cause deception or confusion, (d) any claim that otherwise attacks the Licensed Marks,

Licensee, or any Affiliate thereof, involving the Licensed Rights, or any use thereof by Licensor, Licensee, or any Affiliate thereof. Licensee shall, at its own cost, lend all reasonably necessary assistance in any Infringement Claim. Licensee shall provide Licensor with access to all relevant information in its possession regarding any Infringement Claim. All damage or settlement awards, if any, received in connection with any Infringement Claim, after reimbursement (pro rata) to Licensor and Licensee of their respective attorneys' fees and other costs of maintaining any such action, shall be for the account of Licensor. Licensor will retain full control over the conduct of any Infringement Claim and the settlement thereof. If, however, Licensee or its Affiliate is a named defendant in any Infringement Claim, then: (i) to the extent the Infringement Claim is against Licensee or its Affiliate, Licensor and Licensee will have joint control of such action, and (ii) neither Licensor nor Licensee shall, in connection with any such action, assert any legal position or effect any settlement which would contravene the other Party's rights under this Agreement or Licensor's or its Affiliates' rights to the Licensed Rights. Licensor and its Affiliates have the right to join or intervene in any Infringement Claim.

10.9. Licensee's Improvements to the Hotel System.

If, at any time during the Term, Licensee or any employee or representative thereof invents, discovers, or makes any improvements to the Licensed Rights, the Hotel System, the Manuals or any ideas, Concepts (including their names, logos distinctive interior and exterior designs) programmatic elements, color schemes, including decoration and design of any staff uniform), techniques, manuals, or improvement which may otherwise be applicable to a Hard Rock Hotel, then Licensee shall promptly disclose to Licensor of the same, together with all details necessary for a proper understanding of the same, and all such improvements are deemed to be Licensor's and its Affiliates' sole and exclusive property, part of the Hotel System and work made-for-hire for Licensor and its Affiliates. If any item does not qualify as a "work made-for-hire" for Licensor and its Affiliates, by this paragraph, then Licensee assigns to Licensor ownership of that item and agrees to take whatever action (including signing assignments or other documents) Licensor requests that evidence Licensor's and its Affiliates' ownership thereof or to help Licensor or its Affiliates obtain intellectual properties rights in the item.

11. ACCOUNTING RECORDS; RIGHT TO INSPECT

11.1. Reporting Requirements.

11.1.1 Licensee shall deliver, or cause to be delivered, to Licensor, the following statements:

- (a) by Wednesday of each week, and in a form as may be prescribed by Licensor, a detailed statement of Total Revenues, Room Revenues, Food and Beverage Revenues, and Hotel Retail Store Revenues of the Hotel for the previous week, and such other information as Licensor deems reasonably necessary or appropriate to confirm compliance with this Agreement or to benefit the Hotel System;
- (b) within five (5) days prior to the end of each calendar month of operation of the Hotel, an estimated "flash" operating statement for the Hotel showing the results of operation of the Hotel (separated by departments of the Hotel) for the preceding month and for the year to date (including Total Revenues, total Room Revenues, Food and Beverage Revenues, EBITDA, gross operating profit and average daily room rate and occupancy of the Hotel for such period), in such detail as Licensor shall require, and showing the previous month's Fees and all expenditures of Licensee pursuant to Section 6.2 of this Agreement, for such preceding month and year to date;
- (c) within ten (10) days after the end of each calendar month of operation of the Hotel, a complete and final operating statement for the Hotel showing the results of operation of the Hotel (separated by departments of the Hotel) for the preceding month and for the year to date (including Total Revenues, total Room Revenues, Food and Beverage Revenues, EBITDA, gross operating profit and average daily room rate and occupancy of the Hotel for such period), in such detail as Licensor shall require, and showing the previous month's Fees and all expenditures of Licensee pursuant to Section 6.2 of this Agreement, for such preceding month and year to date;

- (d) within one hundred twenty (120) days after the end of each Operating Year, audited separate and/or consolidated statements of the Hotel for such Operating Year certified by a firm of independent certified public accountants selected by Licensee and acceptable to Licensor in its sole discretion, showing the complete results of operation for the immediately preceding Operating Year (including Total Revenues, Room Revenues, Food and Beverage Revenues, EBITDA, operating and fixed expenses and gross operating profit of the Hotel for such Operating Year);
- (e) within fifteen (15) days prior to the end of each calendar quarter, a written narrative report describing the current status of the Hotel, and the material issues in connection with its business and operations, and Licensee's projections of Total Revenues, Room Revenues, Food and Beverage Revenue and operating department expenses for the ensuing calendar quarter; and
- (f) within ninety (90) days prior to the Opening Date and on or before October 1st of the preceding Operating Year, the following budgets, in a format specified by Licensor: (a) a complete operating budget showing projected revenues and expenses, (b) an FF&E budget, (c) Reserve Fund budget, (d) capital expenditures budget, each for the upcoming Operating Year, and (e) marketing plans and budget.

11.1.2 At Licensor's request, Licensee shall make available to Licensor other marketing information and analyses of the Hotel and the Licensed Location that Licensee prepares or utilizes, such as, but not limited to, occupancy rates and Guest Profile Data, and shall provide to Licensor access to database information regarding customers and potential customers developed by Licensee by means of its surveys or otherwise.

11.1.3 All financial statements and reports Licensee submits under this Section 11.1 must contain a written and signed certification from the chief executive officer or the chief financial officer of Licensee stating that, to the best knowledge and belief of such officer, the information contained in all such statements and reports is true, correct, and complete. Licensee acknowledges and agrees that, notwithstanding any confidentiality requirements in this Agreement, Licensor may freely disclose any financial information relating to the Hotel to recognized data providers, such as HVS and STR.

11.2. Licensee's Books and Records Available to Licensor.

Licensee shall retain and make available to Licensor, or to the designated representatives of Licensor, upon reasonable advance Notice to Licensee, all books and records, including all contracts, documents, invoices, construction records, financial statements and reports, tax returns, accounting or accountants' work papers, insurance reports, computer retained information, and other items of financial and business information of or relating to the Licensed Location, the Hotel and all operations and activities thereof, as Licensor reasonably requests (collectively, "**Books and Records**"). Licensee shall keep all such Books and Records in all material respects in accordance with the determination of the accountants selected by Licensee and acceptable to Licensor in its sole discretion, on an accrual basis, and in accordance with GAAP.

11.3. Licensor's Right to Audit.

Upon Licensor's reasonable advance notice to Licensee, Licensee shall permit Licensor, its accountants, attorneys and agents, to enter upon any part of the Hotel at all reasonable times during, and for a period of three (3) years following, the Term, for the purpose of examining, inspecting, auditing and making extracts of all financial and other Books and Records of Licensee which Licensor, in its discretion, shall deem necessary or advisable. If an audit of such Books and Records discloses that Licensor has been paid less than ninety-eight percent (98%) of all Royalty Fees and Hotel Retail Store Fees during any Operating Year, then Licensee shall promptly pay the deficiencies, together with interest thereon at the Interest Rate, and shall also pay to Licensor upon demand all of Licensor's reasonable costs of such audit. If the audit discloses that ninety-eight percent (98%) or more of all Royalty Fees and Hotel Retail Store Fees and other fees and payments due have been made, then Licensee shall promptly pay any deficiency immediately, together with interest thereon at the Interest Rate, and Licensor shall bear the costs of the audit. Notwithstanding the foregoing, if, during the Term, it is determined that Licensee has failed to pay at least ninety-eight percent (98%) of all Royalty Fees and Hotel Retail Store Fees and such other payments due on three (3)

separate occasions, then Licensee shall pay the costs of an annual audit thereafter for the duration of the Term of the Agreement and any extensions thereof.

11.4. Record Retention; Delivery to Licensor.

Licensee shall keep and preserve, at its expense, full and complete records of Total Revenues and all other Books and Records, including tax returns, check registers, bank account records and all corporate records within such time frame as may be stipulated by applicable Laws or prescribed by Licensor and shall also deliver, at Licensor's expense, such additional financial, operating and other information and reports to Licensor or Licensor's designee as the Parties may agree.

12. REQUIRED INSURANCE

12.1. Obligations of Tenants, Subtenants and Contractors.

If Licensee enters into any lease or sublease for premises at the Hotel or any contract for redevelopment or renovation or similar work at, or materials for, the Hotel, said lease, sublease or contract shall require the tenant, subtenant or contractor to maintain insurance satisfying all of the requirements of this Section 12, including all applicable coverages listed herein or such other insurance as may be commercially reasonable under the circumstances. If any such leases, subleases or contracts is entered into before the Effective Date, and the terms of those leases or subleases will not expire or the contract work will not be completed by the Effective Date, then, on or before the commencement of the Term, Licensee shall either (a) cause such tenants, subtenants and contractors to obtain the insurance required by this Section 12, including all applicable coverages listed above, or (b) obtain such insurance, at Licensee's expense, on behalf of such tenants, subtenants and contractors.

12.2. Schedules and Certificates of Insurance.

Licensee shall promptly provide Licensor with certificates of insurance evidencing all insurance coverages required of Licensee under this Section 12, and Licensee shall immediately provide, upon renewal, expiration, change, or cancellation of any insurance coverage, a new certificate of insurance to Licensor. All insurance policies shall name Licensor and its Affiliates as additional insureds.

12.3. General Requirements for Insurance.

All insurance required by this Section 12 must be provided by policies issued by insurance companies who are qualified to do business in the jurisdiction where the Hotel is located with a Best rating of at least AX. All policies of insurance required hereunder must be in full force and effect at all times throughout the Term, except for the coverage described in Section 12.5.5 must be in full force and effect at all times throughout the Term and for an additional period of two (2) years after the end of the Term. All insurance policies must have attached thereto: (a) an endorsement that such policy will not be canceled or materially changed without at least thirty (30) days' prior written notice to Licensor and Licensee, (b) an endorsement to the effect that no act or omission of Licensor, Licensee or their respective Affiliates will affect the obligation of the insurer to pay the full amount of any loss sustained; and (c) an endorsement denying to the insurer rights of subrogation against Licensor and Licensee, and their respective Affiliates, to the extent rights of recovery against Licensor and Licensee, and their respective Affiliates, have been waived by the insured prior to occurrence of injury or loss and further providing that the insurance will not be invalidated by such a waiver. Any insurance may be provided under blanket policies of insurance. All insurance maintained by Licensee pursuant to Section 12.5.2 must, so long as the Hotel is mortgaged or encumbered pursuant to a mortgage or similar security instrument, be subject to a standard mortgagee clause in favor of the holder of the mortgage or other security instrument and must provide that the insurance company will have no right of subrogation against such holder.

12.4. Waiver.

Licensor, Licensee and their respective Affiliates shall not assert against the other, and each does hereby waive with respect to the others, any claims for any losses, damages, liabilities or expenses (including attorneys' fees) incurred or sustained by any of them on account of damage or injury to persons or property arising out of the ownership,

operation or maintenance of the Hotel, to the extent that the same is covered by the insurance required to be carried under this Section 12.

12.5. Coverage.

At all times during the Term, Licensee, at its sole cost and expense, shall procure and maintain in full force and effect each of the following insurance coverages with respect to the Hotel and the Hotel Retail Store:

- 12.5.1 During Construction. At all times during the period of construction, furnishing and equipping of the Hotel and at all times during any other period of construction (including renovations, alterations and improvements), until final completion thereof, Builder's Risk Insurance ("All Risk" or equivalent coverage) for the Hotel in an amount not less than the estimated cost of such construction (including "hard" and "soft" costs), written on a completed value basis or a reporting basis, for property damage, protecting Licensee and Licensor, as their interests may appear, with a deductible not to exceed \$10,000 and to include rental payment coverage from the date of projected completion and extending for at least twelve (12) months thereafter, including the coverages identified in Section 12.5.2;
- 12.5.2 Property Damage Insurance. At all times during the Term, "All Risk" (or its equivalent) property damage insurance for the Hotel protecting Licensee and Licensor, as their interests may appear, with replacement cost valuation and a stipulated value endorsement (to be provided not later than promptly following substantial completion of the Hotel) in an amount not less than the full replacement value thereof and including, among other things, (a) coverage for all physical loss or damage to the Hotel (including contents); (b) coverage for earth movement, hurricane, flood and windstorm to the extent available at commercially reasonable rates, limits and deductibles; (c) no exclusions other than industry standard exclusions for property of similar size and location; and (d) provision for deductible not to exceed \$10,000 (other than for earth movement, hurricane, flood or windstorm, as provided above).
- 12.5.3 Business Interruption Insurance. Business Interruption Insurance for the Hotel on an "All Risk" basis. Such insurance shall include, among other things (a) coverage against all insurable risks of physical loss or damage, (b) coverage for earth movement, hurricane, flood and windstorm to the extent available at commercially reasonable rates, limits and deductibles, (c) a deductible (for other than hurricane, flood or windstorm) of not more than \$10,000 per occurrence, (d) no exclusions other than industry standard exclusions for property of similar size and location, and (e) coverage for the Royalty Fees and Hotel Retail Store Fees hereunder in an amount equal to at least the Fees payable for six (6) Operating Years in connection with Hotel (as reasonably projected by Licensee for the first full Operating Year and thereafter based on the amounts actually paid during the most recently ended Operating Year).
- 12.5.4 Liability Insurance. General public liability insurance protecting Licensee and Licensor against claims brought in connection with the Hotel for personal injury, death and damage to and theft of property of third persons, in an amount not less than \$10,000,000 per occurrence, combined single limit, and designating Licensee as a named insured and Licensor as an additional insured. Such liability insurance shall include such coverage as Licensor shall reasonably require and as is commercially available, which shall include, but not be limited to, coverage against liability arising out of (a) the sale of liquor, wine and beer on the Hotel premises, (b) the ownership or operation of motor vehicles, (c) assault or battery, (d) false arrest, detention or imprisonment or malicious prosecution, (e) libel, slander, defamation or violation of the right of privacy, (f) wrongful entry or eviction, (g) contractual liability, and (h) completed operations. Such insurance shall contain no exclusion other than industry standard exclusions for property of similar size and location and provide for a deductible of not more than \$10,000 per occurrence.
- 12.5.5 Umbrella/Excess Liability Insurance. Umbrella/excess liability insurance with a minimum of \$100,000,000 per occurrence.
- 12.5.6 Workers' Compensation Insurance. Statutory Workers' Compensation and Disability Benefits Insurance and any other insurance required by applicable Law(s), covering all Hotel employees and all persons employed by Licensee, Licensor, contractors, subcontractors, or any entity performing work on or for the Hotel (unless

and to the extent provided by such parties), including Employer's Liability coverage, all in amounts not less than the statutory minimum, except that Employers Liability coverage shall be in an amount not less than \$1,000,000.

- 12.5.7 Professional Liability Insurance. Professional liability insurance in an amount not less than \$10,000,000 per occurrence.
- 12.5.8 Products Liability Insurance. Products liability insurance in an amount not less than \$10,000,000 per occurrence.
- 12.5.9 Fidelity. Fidelity and dishonesty insurance, and money and securities insurance in such amounts as Licensor shall deem advisable but not less than \$100,000.
- 12.5.10 Cybersecurity. Privacy and Security Liability Insurance and/or Cyber Insurance, covering activities and Services provided in connection with this Agreement, with limits not less than \$1,000,000 per occurrence and an aggregate limit of \$2,000,000.
- 12.5.11 Other. Such additional insurance as may be required with respect to the Hotel or any part thereof, together with insurance against such other risks as its now, or hereafter may be, customary to insure against in the operation of similar property, considering the nature of the business and the geographic and climatic nature of the Hotel's location.

All such policies of insurance described above must be in the form of "occurrence insurance" to the extent available on a commercially reasonable basis.

12.6. Insurance Carriers; Evidence of Coverage.

All insurance carriers providing coverages as described in this Section 12 must be acceptable to and approved by Licensor in advance, and must be licensed by applicable Governmental Authorities where coverage is provided. The coverages provided by any policy under this Section 12 must include response to legal proceedings wherever brought, including states and territories within the legal jurisdiction of the United States. Policy monies must be payable worldwide.

12.7. Defense of Claims.

All liability insurance policies procured and maintained by Licensee pursuant to this Section 12 must require the insurance carrier to provide and pay for attorneys to defend any legal actions, lawsuits, or claims brought against Licensee, Licensor, or any of their respective officers, directors, agents, or employees.

13. CERTAIN REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF LICENSEE

13.1. General Representations of Licensee.

Licensee warrants, represents and agrees that all statements in any Licensee franchise application or in any other materials submitted by Licensee in anticipation of the execution of this Agreement, and all other documents and information submitted by to Licensor by Licensee or on Licensee's behalf are true, correct and complete as of the date of this Agreement. Licensee further represents and warrants to Licensor that:

- 13.1.1 Licensee has independently investigated the risks of operating the Hotel under Licensed Rights, including current and potential market conditions and competitive factors and risks, and has made an independent evaluation of all such matters and reviewed Licensor's franchise disclosure document, if applicable;
- 13.1.2 Neither Licensor nor its representatives have made any promises, representations or agreements other than those provided in this Agreement or in Licensor's franchise disclosure document provided to Licensee in connection with the offer of this Agreement, if applicable, and Licensee acknowledges that it is not relying on any promises, representations or agreements about Licensor or the Hotel System not expressly contained in this Agreement in making Licensee' decision to sign this Agreement or the Agreements relating thereto;
- 13.1.3 Licensee has the full legal power authority and legal right to enter into this Agreement and the Ancillary Agreements;

- 13.1.4 this Agreement and the Ancillary Agreements constitute legal, valid and binding obligations, and Licensee's entry into, performance and observation of this Agreement and the Ancillary Agreements will not constitute a breach or default of any agreement to which Licensee is a party or of any Law;
- 13.1.5 if Licensee is a corporation, limited liability company, or other entity, Licensee is, and throughout the Term will be, duly formed and validly existing, in good standing in the state in which Licensee is organized, and is and will be authorized to do business in the state in which the Hotel is located;
- 13.1.6 There is no litigation or proceeding pending or threatened against Licensee or the Hotel that could adversely affect the validity of this Agreement or the ability of Licensee to comply with its obligations under this Agreement;
- 13.1.7 To the best of Licensee's knowledge, (i) no Hazardous Materials are present in or on or have been released from the Hotel or the Licensed Location, (ii) there exist no other soil, water, mineral, chemical or environmental conditions in or at the Hotel or on or under the Licensed Location that presently or with the passage of time will require notice or reporting to any Governmental Authority or employees or patrons of the Hotel, pose any threat to the health and safety of the employees or patrons of the Hotel or otherwise require, based on any Law or standard of prudent ownership, any monitoring or remedial action, (iii) there exists no identifiable threat of the contamination of the Licensed Location by release of hazardous or toxic materials from existing sources adjacent to the Hotel and (iv) the Licensed Location contains no underground tanks;
- 13.1.8 Licensee is owned directly and indirectly as set forth on Exhibit H hereto;
- 13.1.9 Neither Licensee nor any Affiliate of Licensee is a Competitor;
- 13.1.10 No interest in Licensee has been issued, converted to, or is held as, bearer shares, or any other form of ownership for which there is no traceable record of the identity of the legal and beneficial owner of such interest; and
- 13.1.11 Neither Licensee nor any Affiliate of Licensee has engaged or authorized any broker, investment banker or third party to act on behalf of Licensee or Licensor, either directly or indirectly, as a broker, finder or advisor in connection with the transactions contemplated by this Agreement.
- 13.2. Patriot Act and Related Representations.
- 13.2.1 (a) Licensee (including its shareholders, directors and officers), and its Affiliates, subsidiaries, respective shareholders, beneficial Licensees of non-publicly traded shareholders and, to Licensee's knowledge, the funding sources for any of the foregoing, are not identified on the list of "Specially Designated Nationals or Blocked Persons" ("**SDNs**") maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) and are not a Specially Designated National or Blocked Person, (b) Licensee and its Affiliates, subsidiaries, respective shareholders and beneficial Licensees of non-publicly traded shareholders are not directly or indirectly owned or controlled by the government of any country that is subject to an embargo or economic or trade sanctions by the United States government and (c) Licensee and its Affiliates, subsidiaries, respective shareholders and beneficial Licensees of non-publicly traded shareholders are not acting on behalf of a government of any country that is subject to such an embargo. Licensee shall notify Licensor in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties of this Section 13.2 incorrect. Notwithstanding anything to the contrary in this Agreement, no assignment of this Agreement, sale of the Hotel or sale of a Controlling Interest in Licensee shall be made to a Specially Designated National or Blocked Person (as herein defined below) or to an entity in which a Specially Designated National or Blocked Person has an interest. For purposes of this Agreement, "**Specially Designated National or Blocked Person**" means (i) a Person or entity designated by the U.S. Department of Treasury's Office of Foreign Assets Control from time to time as a "specially designated national or blocked person" or similar status, (ii) a Person or entity described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001 or (iii) a Person or entity otherwise identified by government or legal authority as a person with whom Licensor is prohibited from transacting business. As of the Effective

Date, a list of such designations and the text of the Executive Order are published under the internet website address www.ustreas.gov/offices/enforcement/ofac.

- 13.2.2 Neither Licensee, nor any general partner, managing member or beneficial Licensee of Licensee, is or has been (a) a defendant in civil litigation alleging fraud, deceit or similar claims; (b) convicted of a criminal offense or the subject of a pending criminal proceeding (other than minor traffic offenses); (c) the subject of a petition for protection under any bankruptcy or similar insolvency laws; (d) a defaulting party in a foreclosure proceeding; or (e) the subject of disciplinary action with respect to the suspension or revocation of a professional or gaming license.
- 13.2.3 None of Licensee or any of its Affiliates is (i) a Person who is identified by any Governmental Authority as "unsuitable" to be associated with a gaming facility; (ii) a Person who has been denied a gaming license in any jurisdiction as a result of an "unsuitability" or similar determination (for the avoidance of doubt, a Person shall not be deemed to be "unsuitable" pursuant to the foregoing solely as a result of a gaming license denial following a competitive bidding or similar process in which the gaming license being pursued was not awarded to such Person, provided that such denial was not the result of an "unsuitability" or similar determination made by the applicable Governmental Authority), or (iii) a Person who has been subject to a suspension or revocation of a gaming license in any jurisdiction.

13.3. Representations and Acknowledgements About the Licensed Rights.

Licensee has, prior to the execution of this Agreement, with the cooperation of Licensor, had a full and fair opportunity to conduct its own due diligence review and investigation of the Licensed Rights. Except as otherwise provided in this Section 13.3, Licensee hereby accepts "as is" the legal condition of the Licensed Rights, with no warranty by Licensor that the same do not infringe upon, constitute a misappropriation or adverse use of, or unfair competition with (collectively, an "**Infringement**"), of the intellectual property rights of any other Person save that Licensor is not aware of any such Infringement or allegation of Infringement.

14. TERMINATION

14.1. Termination by Licensor.

If any of the events set forth in the subsections of this Section 14.1 occurs (each, an "**Event of Default**"), then Licensor may, at its option, and without waiving any rights under this Agreement or any other rights available at Law or in equity, including its rights to damages, terminate this Agreement, all Ancillary Agreements, and all of Licensee's rights under this Agreement. Such termination is effective immediately upon the date Licensor delivers written notice of termination, upon such other date as may be set forth in such notice of termination, or upon the lapse of the cure period for the Event of Default as specified in this Section 14.1. Each of the following is an Event of Default:

- 14.1.1 Licensee applies for or consents to the appointment of a receiver, judicial manager, trustee or liquidator of all or a substantial part of its assets, files a voluntary petition in bankruptcy, or admits in writing its inability to pay its debts as they come due, makes a general assignment for the benefit of creditors, files a petition or an answer seeking reorganization or arrangement with creditors or to take advantage of any insolvency law, or files an answer admitting the material allegations of a petition filed against Licensee in any bankruptcy, reorganization or insolvency proceeding, or if any order, judgment or decree shall be entered by any court of competent jurisdiction on the application of a creditor, adjudicating Licensee a bankrupt or insolvent or approving a petition seeking reorganization of Licensee or appointing a receiver, trustee or liquidator of Licensee or of all or a substantial part of the assets of Licensee, and any such order, judgment, or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days;
- 14.1.2 Licensee fails to pay the Initial License Fee or the Application Fee when due as provided in Section 9;
- 14.1.3 Licensee fails to make any payment (other than the Initial License Fee or the Application Fee) due hereunder or under any of the Ancillary Agreements, within ten (10) days after Licensor's written notice that such payment is past due;

- 14.1.4 If (a) Licensee is convicted of or pleads guilty (or the equivalent) to a felony, or any other crime or offense (even if not a crime), that is reasonably likely, in Licensor's Reasonable Business Judgment, to affect adversely the Hotel System, any Hard Rock Hotel, the Licensed Marks, or the goodwill associated therewith, or (b) in Licensor's Reasonable Business Judgment, Licensee, or any employee or officer of Licensee who is not thereafter discharged by Licensee, or any other Person owning an interest in Licensee, is convicted of or pleads guilty (or the equivalent) to a felony, or any other crime or offense (even if not a crime), or demonstrates moral behavior that is reasonably likely, in Licensor's reasonable opinion, to materially and adversely affect the Hotel System, any Hard Rock Hotel, the Licensed Marks, or the goodwill associated therewith;
- 14.1.5 Any Permit for the sale of alcoholic beverages at the Hotel or the operation of the Hotel is at any time suspended, terminated or revoked due to the act or omission of Licensee, or the right to serve alcoholic beverages in the Hotel is otherwise suspended, or Licensee fails to maintain any other Permits or to comply with any Laws applicable to the operation of the Hotel, and such suspension, termination or revocation continues unstayed and in effect for a period of thirty (30) consecutive days;
- 14.1.6 Licensee's right of possession of the Licensed Location or such portion of the Licensed Location so as to make operation of the Hotel impracticable, is terminated at any time for any cause whatsoever, or if a Lease is terminated or expires or if the right of possession of the Licensed Location is terminated due to the Law or other action of a Governmental Authority;
- 14.1.7 Licensee defaults on any of its obligations under any of the Ancillary Agreements or under any other written agreement with Licensor or its Affiliates, and such default is not cured in accordance with the terms of such other agreement;
- 14.1.8 Licensee fails to cause the Construction of Commencement Date or the Opening Date to occur in accordance with the requirements set forth in Sections 4.11 and 4.12;
- 14.1.9 Licensee fails to: (a) obtain financing for the Hotel within the time period specified in Section 4.3, (b) commence operation of the Hotel as required by Section 4.11 of this Agreement, or (c) have the Hotel in operation and open to the public for business within twelve (12) months of the Target Opening Date, each for any reason, including events of Force Majeure;
- 14.1.10 There are three (3) or more defaults (which defaults have been cured during any applicable cure period) under this Agreement by Licensee during any twelve (12) month period, or five (5) or more defaults (which defaults have been cured during any applicable cure period) under this Agreement by Licensee during any thirty-six (36) month period during the Term;
- 14.1.11 Licensee makes, or has made, any materially false statement or report to Licensor in connection with (i) this Agreement or (ii) any information furnished to Licensor prior to entering into this Agreement;
- 14.1.12 Licensee fails to perform or commits a breach of any other non-monetary covenant, obligation, term, condition, warranty or certification in this Agreement and either (i) Licensee fails to cure such noncompliance or deficiency within thirty (30) days after Licensor's written notice thereof or (ii) if Licensor determines in its discretion that a cure within such thirty (30) day period is not possible, Licensee fails to promptly commence such cure within such thirty (30) day period or fails to diligently pursue and complete such cure within ninety (90) days after Licensor's written notice of the failure or breach;
- 14.1.13 Licensee fails to maintain in any respects the requirements of the Hotel System, including the quality standards set forth in Section 7 or fails to comply with the requirements of the Quality Assurance Program and has not cured such failures in time provided herein;
- 14.1.14 Any representation and warranty made by Licensee herein is proven to be materially false when made or becomes materially false at any time during the Term;
- 14.1.15 Licensor determines, based upon advice of Governmental Authorities with jurisdiction over Licensor or its Affiliates or upon advice of counsel for Licensor, that the continued existence of this Agreement could cause

Licensors or its Affiliates to be in jeopardy of (i) losing a gaming license then held by it, (ii) being denied a gaming license otherwise available to it because of Licensor's relationship to Licensee as a result of this Agreement, or (iii) being subjected to material adverse effects if this Agreement continues to exist;

14.1.16 The Guarantors fail to meet the Required Aggregate Net Worth;

14.1.17 Execution is levied against the Hotel, Licensee, or any material real or personal property comprising the Hotel in connection with a final judgment for the payment of money; or

14.1.18 A suit to foreclose any Pledge is initiated and not vacated within sixty (60) days.

14.2. Effect of Termination by Licensor; Liquidated Damages.

14.2.1 If Licensor terminates this Agreement under Section 14.1 before the Opening Date, then the following terms apply:

(a) Licensee shall immediately pay Licensor the balance of any Technical Services Fees and any other amounts due to Licensor under this Agreement or under any of the Ancillary Agreements; and

(b) Licensee shall immediately pay Licensor liquidated damages as follows:

(i) If this Agreement is terminated before the Commencement of Construction, and Licensee or any of its Affiliates directly or indirectly enters into a franchise, license, management, lease and/or other similar agreement for, or begins construction or commences operation of, a hotel or similar facility at the Licensed Location within one (1) year after termination, then Licensee shall pay Licensor liquidated damages in an amount equal to \$3,600 multiplied by the number of approved Guest Rooms at the Hotel. Except as set forth in the preceding sentence, no liquidated damages are due or payable if this Agreement is terminated before the Commencement of Construction.

(ii) If this Agreement is terminated on or after the Commencement of Construction but before the Opening Date, then Licensee shall pay Licensor liquidated damages in an amount equal to \$3,600 multiplied by the number of approved Guest Rooms at the Hotel.

14.2.2 If Licensor terminates this Agreement under Section 14.1 after the Opening Date, then the following terms apply:

(a) Licensee shall immediately pay Licensor all amounts owed by Licensee to Licensor, including all Fees and expenses subject to reimbursement under this Agreement (which shall become immediately due through the date of such termination upon any such termination) and any of the Ancillary Agreements; and

(b) Licensee shall immediately pay Licensor liquidated damages in an amount calculated by applying a multiple to the sum of the Fees earned for the most recent twelve (12) full month period. If, however, such termination occurs before the first (1st) year anniversary of the Opening Date, then the Parties will use the budget provided by Licensee pursuant to Section 11.1.1(e) of this Agreement for the applicable period to determine the Fees for the most recent twelve (12) full month period. The multiple referred to in the first sentence of this Section 14.2.1 is determined as follows:

(i) If this Agreement is terminated on or before the fifth (5th) year anniversary of the Opening Date, then the multiple will be 6.0.

(ii) If this Agreement is terminated after the fifth (5th) year anniversary of the Opening Date, but prior to the date that is three (3) years before the Expiration Date, then the multiple will be 3.0.

(iii) If this Agreement is terminated after the date that is three (3) years before the Expiration Date, then the multiple will be equal to (A) the number of months remaining in the period beginning on the date the termination is effective and ending on the Expiration Date, with any partial month in such period being considered a fraction, the numerator of which is the number of days in such partial month and the denominator of which is number of days in the full calendar month, divided by (B) twelve (12).

14.2.3 Licensee acknowledges and agrees that the liquidated damages under this Section 14.2 are not a penalty, but represent a reasonable estimate of the minimum just and fair compensation for the damages Licensor will suffer as the result of Licensee's failure to operate the Hotel for the Term. Licensee's Payment of liquidated damages in accordance with the terms of this Section 14.2 precludes Licensor's recovery of any additional damages for lost Royalty Fees, Marketing Fees, or Hotel Retail Store Fees that would have accrued and been payable to Licensor if the termination out of which the liquidated damages arise had not occurred. Except as set forth in the preceding sentence, payment of liquidated damages does not preclude Licensor from pursuing any equitable or other remedies under applicable Law.

14.3. Termination by Licensee.

Licensee may terminate this Agreement, upon notice to Licensor, if any one of the following occurs:

14.3.1 Any representations and warranties made by Licensor in this Agreement is proven to be materially false when made or shall become materially false at any time during the Term; or

14.3.2 Licensor applies for or consents to the appointment of a receiver, judicial manager, trustee or liquidator of all or a substantial part of its assets, files a voluntary petition in bankruptcy, or admits in writing its inability to pay its debts as they come due, makes a general assignment for the benefit of creditors, files a petition or an answer seeking reorganization or arrangement with creditors or to take advantage of any insolvency law, or files an answer admitting the material allegations of a petition filed against Licensor in any bankruptcy, reorganization or insolvency proceeding, or if any order, judgment or decree shall be entered by any court of competent jurisdiction on the application of a creditor, adjudicating Licensor a bankrupt or insolvent or approving a petition seeking reorganization of Licensor or appointing a receiver, trustee or liquidator of Licensor or of all or a substantial part of the assets of Licensor, and any such order, judgment, or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days.

14.4. Nonexclusivity of Remedies.

Neither the termination of this Agreement, nor the exercise of any other right or remedy by a Party, (a) terminates the right of either Party to commence appropriate arbitration, or, if permitted by this Agreement, litigation proceedings to remedy the breach of this Agreement by the other Party, or (b) affects the right of Licensor or any of its Affiliates to any payment which comes due under this Agreement, under any of the Ancillary Agreements, or otherwise, following termination of this Agreement. Licensee acknowledges that Hard Rock USA may upon written notice to Licensee exercise its right to enforce the terms of this Agreement with respect to the Licensed Marks directly against Licensee.

15. LICENSEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION

On termination or expiration of this Agreement for any reason, Licensee shall, on the date such termination or expiration is effective:

15.1.1 pay all sums due and owing to Licensor or its Affiliates under this Agreement and all Ancillary Agreements, including any expenses incurred by Licensor or its Affiliates in obtaining injunctive relief for the enforcement of this Agreement;

15.1.2 cease operating the Hotel under the Hotel System and cease using the Hotel System;

15.1.3 cease using the Licensed Rights, including the Licensed Marks and any confusingly similar names, marks, trade dress systems, insignia, symbols, or other rights, procedures, and methods. Licensee shall deliver all goods and materials containing the Licensed Marks to Licensor, and Licensor will have the sole and exclusive use of any items containing the Licensed Marks. Licensee shall immediately make any specified changes to the Licensed Location as Licensor reasonably require for this purpose, which will include removal of the signs, music-related memorabilia, custom or distinctive decorations and furnishings, Hard Rock Elements, and promotional materials;

15.1.4 cease representing Licensee as then or formerly a hotel under the Hotel System or affiliated with the Licensed Marks or the Hotel System;

- 15.1.5 return all copies of the Manual and any other Confidential Information;
- 15.1.6 cancel all assumed name or equivalent registrations relating to Licensee's use of any Licensed Mark, notify the telephone company and all listing agencies and directory publishers including Internet domain name granting authorities, Internet service providers, global distribution systems, and web search engines of the termination or expiration of Licensee's right to use the Licensed Marks and any telephone number, any classified or other telephone directory listings, Internet domain names, uniform resource locators, website names, electronic mail addresses and search engine metatags and keywords associated with the Hotel, and authorize their transfer to Licensor; and
- 15.1.7 delete all references to the Licensed Marks or the Hotel System from any sites Licensee owns, maintains or operates after the expiration or termination of this Agreement.

16. TRANSFER

16.1. Assignment By Licensor.

This Agreement inures to the benefit of any assignee or other legal successor to the interests of Licensor. Licensor may, without Licensee's consent, transfer or assign, by operation of law or otherwise, all of Licensor's rights and obligations under this Agreement to any Person, provided that any such Person assumes all of Licensor's obligations under this Agreement and permits Licensee to operate the Hotel under the Licensed Marks after such assignment. Upon such assignment, Licensor has no further obligation to Licensee. Notwithstanding any other provision of this Agreement to the contrary, a transfer of the shares of Licensor and any parent Affiliate of Licensor, or a merger or reorganization of Licensor or any parent Affiliate, is not subject to any restriction or limitation on transfer and does not give rise to any rights or claims by Licensee under or with respect to this Agreement, nor shall any grant of a pledge, hypothecation, security interest or lien in or with respect to this Agreement or shares or assets of Licensor or any parent Affiliate of Licensor constitute a transfer requiring consent of Licensee.

16.2. Sale or Assignment By Licensee.

The rights of Licensee pursuant to this Agreement are personal to Licensee. Licensor grants the rights under this Agreement in reliance upon Licensee's and its principals' individual or collective character, skill, aptitude, attitude, business ability and financial capacity. Accordingly, Licensee shall not, directly or indirectly, sell, assign or otherwise transfer its ownership interest in the Hotel, the Licensed Location, substantially all of the assets of the Hotel, or its rights under this Agreement, in whole or in part (except for the lease of commercial space at the Hotel permitted under this Agreement), or any Controlling Interest in Licensee, in each instance, without Licensor's prior written approval, except: (i) as to any collateral assignment or transfer in connection with the financing of the Hotel, subject to the requirements of Section 4.3, and (ii) as provided in Section 16.3.

16.3. Consent Procedures.

If Licensee receives a bona fide written offer/letter of intent to purchase the Hotel, or substantially all of the assets of the Hotel or Licensee's interest in this Agreement, in whole and not in part, or a Controlling Interest in Licensee, and Licensee, pursuant to the terms of such offer, desires to accept such offer, then Licensee shall give written notice thereof to Licensor. Such notice shall include the name and full identity of the prospective purchaser, the names and addresses of the owners of the equity interests of such prospective purchaser, the purchase price, and all of the material terms and conditions of such proposed assignment or sale, together with all other information with respect thereto requested by Licensor and reasonably available to Licensee. Within thirty (30) days after Licensor's receipt of such written notice from Licensee, Licensor shall, by written notice to Licensee, consent or withhold consent to the sale or assignment to such prospective purchaser, subject to the provisions of Section 16.4 below. Licensor's consent to a sale or assignment subject to Licensor's consent under Section 16.2 or Section 16.3 may be given or withheld in its sole discretion, provided that, if all of the following conditions are satisfied, Licensor's consent shall not be unreasonably withheld:

- 16.3.1 At the time of Licensee's notice pursuant to Section 16.3 and at all times through the date of such sale or assignment, Licensee has paid all Fees and other payments due to Licensor hereunder;

- 16.3.2 During the one hundred eighty (180) day period prior to Licensee's notice pursuant to Section 16.3 and at all times through the date of such sale or assignment, there is no: (i) Event of Default by Licensee under this Agreement or any of the Ancillary Agreements, (ii) existing breaches, defaults or events which would become an Event of Default by Licensee under this Agreement or any of the Ancillary Agreements with the giving of notice and passage of time, or (iii) defaults or events which would become an Event of Default by Licensee immediately after the consummation of such sale or assignment;
- 16.3.3 The prospective purchaser possesses management ability and experience and a well-established reputation for quality management in the hotel industry or has provided by contract for the management of the Hotel by a Person approved by Licensor in accordance with Section 5.3 and such Person has entered into a Manager's Acknowledgement;
- 16.3.4 The prospective purchaser has adequate financial resources to discharge all of the obligations on its part to be performed under this Agreement and all Ancillary Agreements as and when the same fall due (taking into account the income generated, and reasonably anticipated to be generated, by the Hotel);
- 16.3.5 The identity of the prospective purchaser (and its constituent partners, major shareholders, senior executive officers and other controlling Persons, if appropriate) has been disclosed to Licensor, all such Persons enjoy a reputation for integrity, honesty and veracity;
- 16.3.6 Neither the prospective purchaser nor any of its Affiliates, directly or indirectly, owns, operates, manages or has any other interest in, a Competitor;
- 16.3.7 Licensee and its Licensees execute a general release in a form prescribed by Licensor of any and all claims against Licensor and its Affiliates and their respective officers, directors, agents and employees;
- 16.3.8 The prospective purchaser is not a Person with which citizens of the United States are prohibited from transacting business by Law, regulation or decree of the United States and not a Person in violation of Executive Order 13224 issued by the President of the United States, the USA Patriot Act, and any other present and future federal, state, local Laws, ordinances, regulations, policies, lists, and other requirements of any Governmental Authority addressing or in any way relating to terrorists acts and acts of war;
- 16.3.9 The prospective purchase completes an application for a Hard Rock Hotel license agreement and has submitted the then-current application fee being charged to Hard Rock Hotel hoteliers;
- 16.3.10 The prospective purchaser agrees to pay all of Licensor's outside legal and probity investigation costs associated with the sale or assignment;
- 16.3.11 The prospective purchaser, at Licensor's option, either: (i) assumes this Agreement and all Ancillary Agreements, together with all of Licensee's rights and obligations under such agreements; or (ii) executes Licensor's then current form of Hotel License Agreement (modified to reflect the Term remaining under this Agreement) and required Ancillary Agreements;
- 16.3.12 The Person or Persons associated with the prospective purchaser that Licensor designates execute a Guaranty; and
- 16.3.13 The prospective purchaser is not, in the opinion of Licensor, a Person that could cause Licensor or its Affiliates to be in jeopardy of (i) losing a gaming license then held by it, (ii) being denied a gaming license otherwise available to it because of Licensor's relationship to Licensee as a result of this Agreement, or (iii) being subjected to material adverse effects if this Agreement continues to exist.

16.4. Effect of Sale or Lease.

- 16.4.1 The Parties intend that the Hotel will at all times during the Term be operated in accordance with the Hotel System and the terms of this Agreement. Accordingly, if Licensor consents to a sale or lease and assignment of this Agreement pursuant to Section 16.3 above, then prospective purchaser must, at Licensor's option, either enter into Licensor's then current form of hotel license agreement or assume this Agreement, as further described in Section 16.3 above.

16.4.2 Licensor's consent (or deemed consent) to any sale or assignment of this Agreement does not constitute a waiver of any claims Licensor or any Affiliate of Licensor may have against Licensee, nor shall it be deemed a waiver of Licensor's right to demand strict compliance with any of the terms or conditions of this Agreement by Licensee.

16.5. Transfer Fees.

As a condition to any consent by Licensor to the sale or assignment subject to Section 16.2 and Section 16.3, Licensee shall pay a sum to Licensor at the time of such sale or assignment as a transfer fee in an amount equal to \$25,000, for the granting and processing of Licensor's consent to such transfer.

16.6. Transfer of Ownership Interests.

Licensee shall notify Licensor in writing of any proposed transfer of a direct or indirect equity interest in Licensee or in the Hotel to any Person. Any proposed transfer of a direct or indirect equity interest in Licensee or in the Hotel of five percent (5%) or greater, whether as a result of a single transaction or a series of transactions, requires Licensor's prior written approval and is subject to Licensor's conducting of a background check on the prospective Licensee of such interest to insure the proposed transfer to such Person does not jeopardize any existing or future gaming license held by Licensor or any of its Affiliates (a "**Probity Investigation**"). Licensee shall cause such Persons to provide complete cooperation and assistance in connection with a Probity Investigation, including providing any information, documents or authorizations requested by Licensor or its designee. Licensee shall reimburse Licensor for any and all costs incurred by Licensor and its Affiliates in connection with the Probity Investigations. If a Probity Investigation (in the sole opinion of Licensor) indicates that the proposed transfer to such Person could jeopardize any current or future gaming license of Licensor or any of its Affiliates, then Licensor is not required under any circumstances to approve the transfer to such Person. In addition to the requirements set forth in this Section 16.6, any transfer of Licensee's ownership interest in the Hotel or the Licensed Location or substantially all of the assets of the Hotel, or its rights under this Agreement, in whole or in part (except for the lease of commercial space at the Hotel customarily subject to lease or concession arrangements), or any Controlling Interest in Licensee, is also subject to the conditions set forth in Sections 16.2, 16.3, 16.4 and 16.5, above.

16.7. Breach.

If Licensee fails to satisfy any terms and conditions of this Section 16, then Licensor may withhold its consent to any sale, assignment or other transfer of Licensee's interest in the Hotel, its rights under this Agreement, or a Controlling Interest of Licensee, and any such sale, assignment, or transfer to which Licensor does not consent constitutes an Event of Default.

17. NON-COMPETITION

17.1. During the Term.

During the Term, Licensee shall not:

17.1.1 Directly or indirectly own, operate, franchise (as either franchisee or franchisor), or license (either as licensee or licensor) or permit any Affiliate to own, operate, franchise or license, a Competing Facility;

17.1.2 Become a Competitor; or

17.1.3 Directly or indirectly operate or permit any other Person to operate at the Licensed Location (a) a restaurant owned, operated or licensed by a Competitor, or (b) a gift shop or other clothing or merchandise store which sells clothing depicting the geographic location of the Hotel or merchandise bearing the trademarks of a Competitor.

17.2. Upon Transfer, Termination or Expiration.

For a period of two (2) years after the effective date of any expiration or termination of this Agreement or any transfer by Licensee of its interest in the Hotel or its rights under this Agreement, Licensee shall not, and shall not permit any

of its Affiliates to, directly or indirectly own, operate, be employed by, advise, assist, invest in, franchise, make loans to, or have any interest in, a Music-Themed hotel at the Licensed Location.

17.3. Necessity of Noncompetition Restriction; Injunctive Relief.

The Parties acknowledge and agree that the terms of this Section 17 are necessary to protect the legitimate business interests of Licensor, its Affiliates and other licensees of Licensor and its Affiliates (collectively, the "**Protected Persons**"), including, as applicable, preventing the unauthorized dissemination of marketing, promotional and Confidential Information to Competitors and preventing damage to or loss of goodwill associated with the Licensed Rights and other intellectual property rights of Licensor. Licensee further acknowledges that damages alone cannot adequately compensate for a violation by Licensee of the requirements of this Section 17, and that injunctive relief is essential for the protection of the Protected Persons. If Licensor alleges any violation of any covenant contained within this Section 17, then Licensor has the right to petition a court of competent jurisdiction and obtain injunctive relief, in addition to all other remedies that are available. Licensor is not required to post a bond or other security for any injunctive proceedings.

18. DISPUTE RESOLUTION

18.1. Accounting/ Fee Disputes.

If a dispute between the Parties arises regarding the calculation of Fees paid or payable by Licensee or its Affiliates, then such dispute will be resolved in the following manner:

- 18.1.1 Licensor and Licensee shall use their reasonable efforts with the assistance of their respective independent public accountants to resolve such dispute.
- 18.1.2 If the Parties and their accountants are unable to resolve the dispute within thirty (30) days after receipt by either Party of a notice identifying the nature of such dispute (the "**Dispute Notice**"), then the issues raised by the Dispute Notice will be resolved by any nationally recognized firm of certified public accountants mutually acceptable to Licensor and Licensee (the "**Accounting Referee**"). The Accounting Referee shall act as an expert and not as an arbitrator. If, within forty-five (45) days after receipt by either Party of the Dispute Notice, the Parties are unable to agree on an Accounting Referee, then each Party shall pick an internationally recognized firm of certified public accountants and such firms shall select the Accounting Referee.
- 18.1.3 The Parties shall use reasonable efforts to cause the Accounting Referee to promptly resolve the issues in dispute. The Accounting Referee shall make its determination within thirty (30) days after the date on which the Accounting Referee is appointed, or as soon thereafter as possible. Such determination is final and binding upon the Parties and shall not be subject to appeal. The fees, costs and expenses of the Accounting Referee in conducting its review and determination will be shared fifty percent (50%) by Licensor and fifty percent (50%) by Licensee.
- 18.1.4 If the Accounting Referee's determination concludes that additional Fees are payable to Licensor, then, within fifteen (15) days after the determination is made, Licensee shall pay or cause to be paid such additional Fees, together with Interest thereon from the relevant due date, and shall reimburse Licensor for its share of the fees, costs and expenses of the Accounting Referee.

18.2. Other Disputes.

Except for disputes, disagreements, controversies or claims (a "**Dispute**") related to or based on Licensee's use of the Licensed Marks, or Disputes regarding the calculation of Fees as provided in Section 19.1 above, all Disputes between Licensor and Licensee arising out of or relating to this Agreement or any other agreement between Licensor and Licensee, Licensor's relationship with Licensee, the validity or enforcement of any provision of this Agreement or any other agreement between Licensor and Licensee, will be resolved by arbitration administered by the American Arbitration Association (the "**Arbitration Administrator**") as provided in this Section 18.2.

- 18.2.1 The arbitration will be conducted in Orlando, Florida. The arbitration will be governed by the Commercial Arbitration Rules of the American Arbitration Association (the "**Arbitration Rules**") in effect as of the commencement of the applicable arbitration proceeding. If, however, the then-current Arbitration Rules are inconsistent with any of the provisions of this Section 18.2, then, to the extent of such inconsistency, the terms of this Section 18.2 control. The United States Federal Arbitration Act (9 U.S.C. Section 1 et seq.) applies to the arbitration, and judgment upon the award entered by the arbitrator may be entered in any court having jurisdiction.
- 18.2.2 If either Party asserts that a Dispute exists, then such asserting Party shall give prompt written notice (or notice as otherwise provided herein) thereof to the other Party and to the Arbitration Administrator. The arbitrator(s) will be selected as follows:
- (a) If the Dispute at issue is for a liquidated amount equal or greater than \$500,000, Adjusted for Inflation, then the arbitration will be conducted by three (3) arbitrators selected in accordance with the Arbitration Rules. At least one (1) of the arbitrators must have experience in the management or operation of hotels, or as a consultant in connection with the management or operation of hotels. Licensor has the right to waive, in its sole discretion, the experience requirement in the preceding sentence.
 - (b) If the Dispute at issue is for a liquidated amount less than \$500,000, Adjusted for Inflation, then the arbitration will be conducted by one (1) arbitrator in accordance with the Arbitration Rules for Expedited Procedures. The arbitrator will be selected in accordance with Arbitration Rules for Expedited Procedures and must have experience in the management or operation of hotels.
 - (c) Each arbitrator in any arbitration proceeding under this Section 18.2 must also satisfy the following criteria: (a) the arbitrator must not have been employed or engaged by a Party within the previous five (5) year period; (b) the arbitrator must be neutral and independent of the Parties to this Agreement; (c) the arbitrator must not be affiliated with any Party's auditors, (d) the arbitrator must not be employed by any hotel operator or an Affiliate of any hotel operator, and (e) the arbitrator must not have a conflict of interest with (including any bias towards or against) a Party.
 - (d) As used in this Agreement, the terms "arbitrator" and "arbitrators" means, in either case, the single arbitrator or the three (3) member arbitration panel, as the case may be, appointed under this Section 18.2.2.
- 18.2.3 The arbitrators shall, at the time they issue their award, provide the Parties a statement of the reasons upon which the award is based. The arbitrators shall not have the power to modify this Agreement. Except for an award to a Party for a claim of indemnification against a third party claim or for a claim under Section 14.1.16, the award may not include, and the Parties specifically waive, any right to an award of (a) special, incidental or consequential damages arising out of claims based upon any breach occurring before the Opening Date or (b) multiple, exemplary or punitive damages.
- 18.2.4 The arbitrators may consolidate proceedings on related Disputes under this Agreement. Except as set forth in the preceding sentence: (a) the arbitration will be conducted on an individual, not a class-wide, basis; (b) only Licensor (and/or its Affiliates and their respective officers, directors, Licensees, employees, agents and representatives, as applicable) and Licensee (and/or its Affiliates and their respective officers, directors, Licensees, employees, agents and representatives, as applicable) may be the parties to any arbitration proceedings described in this Section; and (c) no such arbitration proceeding will be consolidated with any other arbitration proceeding involving Licensor and/or any other Person.
- 18.2.5 The Parties will cooperate in the exchange of documents relevant to any Dispute. Deposition or interrogatory discovery may be conducted only by agreement of the Parties or if ordered by the arbitrators. In considering a request for such deposition or interrogatory discovery, the arbitrators shall take into account that the Parties seek to avoid protracted discovery in connection with any arbitration proceeding.
- 18.2.6 Licensor and Licensee are bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. In any arbitration

proceeding, each Party must submit or file any claim that would constitute a compulsory counterclaim (as defined by the Federal Rules of Civil Procedure). Any such claim that is not so submitted or filed is forever barred.

18.2.7 This Section 18.2 is subject to the terms of Section 18.5.

18.3. Specific Enforcement Representation.

Each Party represents and warrants to the other Party that this Section 18 is specifically enforceable against such Party by the other Party. The provisions of this Section are intended to benefit and bind third party non-signatories and shall continue in full force and effect subsequent to and notwithstanding the expiration and termination of this Agreement.

18.4. Governing Law.

Except to the extent governed by the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.), the United States Trademark Act of 1946 (Lanham Act 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement is governed by the Laws of the State of Florida, without regard to the conflicts of law provisions of the Laws of the State of Florida. This Section does not invoke any franchise, business opportunity, antitrust, "implied covenant," unfair competition, fiduciary or any other doctrine of law of the State of Florida or any other state that would not otherwise apply absent this Section 18.4.

18.5. Injunctive Relief.

Notwithstanding the terms of Section 18.2, Licensor and Licensee each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction, including a court of competent jurisdiction located within the State of Florida. Licensee and its Affiliates, and their respective officers, directors, employees, and Licensees are entitled to entry without bond of temporary and permanent injunctions and orders of specific performance enforcing any of the provisions of this Agreement. If Licensor secures any such injunction or order of specific performance, then Licensee shall pay Licensor an amount equal to the aggregate of its costs of obtaining any such relief, including reasonable attorneys' fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses.

18.6. Venue; Jurisdiction.

The venue of any judicial proceedings is in Orlando, Florida. Each Party irrevocably submits to the exclusive jurisdiction of the federal or state courts located in Orlando, Florida.

18.7. Costs and Attorneys' Fees.

The prevailing Party in any arbitration, suit or other action arising out of or related to this Agreement is entitled to recover its reasonable fees, costs and expenses relating to the action or the Dispute, including reasonable judicial and extra-judicial attorneys' fees, expenses and disbursements, and fees, costs and expenses relating to any mediation, appeal or enforcement action.

18.8. Waiver of Punitive Damages and Jury Trial.

Except for Licensee's obligation to indemnify Licensor under this Agreement and claims Licensor brings against Licensee for Licensee's unauthorized use of the Licensed Marks or unauthorized use or disclosure of any Confidential Information, Licensor and Licensee waive to the fullest extent permitted by law any right to or claim for any multiple, punitive or exemplary damages against the other. Subject to Section 14.1.16, in any dispute between Licensor and Licensee, the Party making a claim is limited to equitable relief and to recovery of any actual damages it sustains. EACH PARTY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW TRIAL BY JURY OF ALL DISPUTES ARISING OUT OF OR RELATING TO THIS AGREEMENT.

18.9. Limitations of Claims.

Except for claims arising from Licensee's nonpayment or underpayment of amounts Licensee owes Licensor or its Affiliates, any and all claims arising out of or relating to this Agreement or Licensor's relationship with Licensee are

barred unless a proceeding is commenced within two (2) years from the date on which the Party asserting the claim knew or should have known of the facts giving rise to the claim.

18.10. Survival.

The provisions of this Section 18 survive the termination of this Agreement for any reason.

19. INDEMNIFICATION

19.1. Indemnification by Licensee.

Licensee shall Indemnify Licensor and its Affiliates and all of their respective shareholders, directors, officers, employees, agents and representatives from and against all third-party actions, suits, claims, proceedings, investigations, audits, demands, assessments, fines, judgments, costs and expenses (including reasonable attorneys' fees) ("**Claims**") incurred by any of them by reason of: (a) any activities or events at or in connection with the development, possession, ownership or operation of the Hotel, including any death or personal injury or property damage occurring at or relating to the Hotel or its operation, (b) any act or omission of Licensee or its Affiliate, any officer, employee or agent of Licensee or its Affiliate or the Management Company, whether or not incurred or committed in the operation of the Hotel, (c) any failure by Licensee to provide any of the services contracted for in connection with the operations of the Hotel and the Hotel Retail Store, to honor and fulfill all obligations of Licensee under any contract, commitment or obligation of Licensee, (d) any breach, by Licensee or any of its Affiliates, of any representation, covenant, or obligation in this Agreement or in any of the Ancillary Agreements; (e) any failure by Licensee or its Affiliates or any officer, employee or agent of Licensee or its Affiliates or the Management Company, to obtain and maintain the applicable approvals, licenses and Permits required by any applicable Governmental Authority or Licensor; or (f) any violation by Licensee or its Affiliates or the Management Company of any approvals, licenses or Permits relating to the Hotel and the Hotel Retail Store.

19.2. Indemnification by Licensor.

Licensor shall Indemnify Licensee against Claims that Licensee's use of the Licensed Marks in accordance with this Agreement infringes the rights of any third party unrelated to Licensee, if Licensee: (i) permits Licensor to have sole control over the defense and settlement of the Claim, and (ii) cooperates in all material respects with Licensor in defending or settling the Claim.

19.3. Method of Asserting Claims.

If a Claim arises for indemnification under this Section 19, then indemnified party shall give prompt written notice to the indemnifying party of such Claim, stating the nature, basis and (to the extent known) amount thereof, and shall cooperate fully in the defense, settlement or compromise of such Claim. Failure to give prompt notice, however, does not jeopardize the right of the indemnified party to indemnification unless such failure materially prejudices the ability of the indemnified party to defend such Claim. The indemnifying party has the sole right to select counsel for the defense of such Claim, subject to the approval of the indemnified party (which approval will not be unreasonably withheld) and to control the defense, settlement or compromise of such Claim. The indemnified party may, with its counsel and at its own expense, participate in (but not control) the defense of any such Claim. The indemnified party shall not, without the prior written consent of the indemnifying party, settle or compromise any third-party Claim for which it is entitled to indemnification. The indemnifying party shall not, without the indemnified party's prior written approval (which shall not be unreasonably withheld): (a) cease to defend against such third party claim, (b) enter into any settlement or compromise of such third party claim that involves the assertion of injunctive or similar equitable against the indemnified party, or (c) settle or compromise or consent to the entry of any judgment in any pending or threatened Claim, action or cause of action, suit or proceeding in respect of which indemnification may be sought thereunder (whether or not any such indemnified party is a party to such Claim, action or cause of action, suit or proceeding), unless such settlement, compromise or consent includes an unconditional release of all such indemnified parties from all liability arising out of such Claim, action, suit or proceeding.

19.4. Survival.

The provisions of this Section 19 survive the termination of this Agreement for any reason.

20. CONDEMNATION AND CASUALTY

20.1. Condemnation.

20.1.1 Licensee shall promptly give Licensor written notice of any proposed taking by eminent domain, condemnation, compulsory acquisition, or similar proceeding. If, in Licensor's Reasonable Business Judgment, such taking is substantial enough to render impractical the development of the Hotel or the operation of the Hotel in accordance with Management Standards, then Licensor may, at the time of such taking, terminate this Agreement upon written notice to Licensee.

20.1.2 If this Agreement is terminated under Section 20.1.1, then Licensee shall pay Licensor a termination fee in an amount calculated by applying a multiple to the sum of the Fees earned for the most recent twelve (12) full month period. If, however, such termination occurs before the first (1st) year anniversary of the Opening Date, then the Parties will use the budget provided by Licensee pursuant to Section 11.1.1(e) of this Agreement for the applicable period to determine the Fees for the most recent twelve (12) full month period. The multiple referred to in the first sentence of this Section 20.1.2 is determined as follows:

- (i) If this Agreement is terminated prior to the date that is three (3) years before the Expiration Date, then the multiple will be 3.0.
- (ii) If this Agreement is terminated after the date that is three (3) years before the Expiration Date, then the multiple will be equal to (A) the number of months remaining in the period beginning on the date the termination is effective and ending on the Expiration Date, with any partial month in such period being considered a fraction, the numerator of which is the number of days in such partial month and the denominator of which is number of days in the full calendar month, divided by (B) twelve (12).

20.1.3 If, in Licensor's Reasonable Business Judgment, such taking does not require termination of this Agreement, then Licensee shall promptly make commercially reasonable changes to the plans, repairs and restoration as are necessary to make the Hotel conform substantially to the condition, character, and appearance immediately prior to such taking, according to plans and specifications approved as required by this Agreement. Licensee shall take all reasonable commercial measures necessary to ensure that the development of the Hotel or the resumption of normal operations of the Hotel, as applicable, is not unreasonably delayed.

20.2. Casualty.

If the Hotel is damaged or destroyed by fire or other cause and such damage or destruction causes the cessation of the development, operation, or closing of the Hotel for a period in excess of thirty (30) days, and Licensee elects not to repair or rebuild the Hotel, then Licensee may terminate this Agreement by giving Licensor written notice of termination no later than sixty (60) days of such cessation of development or closing of the Hotel. Upon any such termination, Licensee shall pay Licensor a termination fee equal to the termination fee payable for a termination by Licensee under Section 20.1, and the terms of Section 15 will also apply. If, however, subsequent to such termination and before the fifth (5th) anniversary of the effective date of such termination, Licensee, any of its Affiliates, or any member of Licensee directly or indirectly operates, or holds an interest in, any hotel at the Licensed Location (the "Other Hotel"), and the Other Hotel is not managed by Licensor or operated under a license or franchise from Licensor or its Affiliates, then (a) Licensee is deemed to have wrongfully terminated this Agreement, and (b) Licensor is entitled to recover, in addition to any termination fees and other amounts owing under this Section 20.2, Licensor's damages for such wrongful termination, including any liquidated damages as provided by Section 14.1.16.

21. GENERAL PROVISIONS

21.1. Anti-disparagement.

Licensee shall not, and shall not permit its licensees, officers, directors, employees, representatives, and Affiliates to, engage, at any time during or after the Term, in any action or conduct intended to damage or disparage the name, business, or reputation of Licensor and its Affiliates, whether such disparagement is undertaken unilaterally or in response to questions or solicitations by others.

21.2. Entire Agreement.

This Agreement, together with the attachments hereto, the Manuals, the documents referred to herein, and the Ancillary Agreements, constitute the entire, full and complete agreement between Licensor and Licensee concerning the subject matter hereof, and supersede all prior agreements. Each Party acknowledges that no representations, inducements, promises, or agreements, oral or otherwise, not embodied in this Agreement or attached hereto (unless of subsequent date) were made by either Party. Except as otherwise provided in this Agreement, no amendment, change or variance from this Agreement is binding on either Party unless mutually agreed to by the Parties in a writing executed by their authorized officers or agents.

21.3. Notices.

Except as otherwise provided in this Agreement, all notices, demands, requests, consents, approvals and other communications (collectively "Notices"), required or permitted to be given under this Agreement must be in writing and personally delivered, or sent by facsimile (with a confirming copy mailed by registered mail as described herein), or by a recognized overnight courier service, or by registered mail, postage prepaid, return receipt requested, addressed to the Party to be so notified as follows:

If to Licensee, to: _____

Attention: _____

Telephone No.: _____
Facsimile No.: _____

If to Licensor, to: Hard Rock Hotel Licensing, Inc.
c/o Hard Rock Cafe International (USA), Inc.
6100 Old Park Lane
Orlando, Florida 32835
Telephone No.: (407) 445-7625
Facsimile No.: (407) 445-7630
Attention: General Counsel

Notices are deemed received on the date of delivery if personally delivered, two (2) business days after sending if sent by facsimile or overnight courier service, or seven (7) business days after sending if sent by registered mail.

21.4. Independent Contractor Status.

This Agreement does not create a fiduciary relationship between the Parties, and Licensee is and will at all times remain an independent contractor. Neither Party is an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other Party for any purpose, and no provision in this Agreement will construed to the

contrary. During the Term, Licensee shall hold itself out to the public only as an independent contractor operating the business pursuant to a license from Licensor.

21.5. General Interpretation.

The Table of Contents and captions to Sections of this Agreement are for convenience of reference only and in no way define, limit, describe, or affect the scope or intent of any part of this Agreement. Unless the context clearly indicates to the contrary, words singular or plural in number are deemed to include the other and pronouns having a neuter, masculine or feminine gender are deemed to include the others. "Days," "months" or "years" mean calendar days, months, or years, as the case may be, unless otherwise explicitly specified. The term "person" is deemed to include an individual, corporation, partnership, limited liability company, trust, unincorporated organization, and any other entity and any government and governmental agency or subdivision, as the context requires. If the day on which any act, matter or thing is to be done under or pursuant to this document is not a Business Day, then: (a) if the act involves a payment of money, other than a payment which is due on demand, then the payment must be made on the preceding Business Day, and (b) in all other cases, the act, matter or thing must be done no later than the next Business Day. The use of the words "include," "includes," and "including" followed by one or more examples is intended to be illustrative and does not limit the scope of the description or term for which the examples are provided. The word "or" is used in the inclusive sense of "and/or", unless the context clearly indicates, with words such as "either...or alternatively...", that the word is intended in the exclusive sense of "one or the other, but not both." Any reference to two (2) or more persons means those persons jointly and severally. Any reference to any agreement or document executed in connection with this Agreement refers to that agreement or document (and, where applicable, any of its provisions) as amended, novated, restated or replaced from time to time. No provision of this Agreement shall be construed against or interpreted to the disadvantage of a Party by reason of such Party having or being deemed to have drafted such provision.

21.6. Consents and Approvals by Licensor.

Whenever this Agreement gives Licensor the right or the obligation to provide a consent or approval of any matter, Licensor may withhold or condition such consent or approval in Licensor's sole and unfettered discretion, unless the terms of this Agreement governing such consent or approval specifically state otherwise.

21.7. Survival.

Any covenant, representation, warranty, term or provision of this Agreement which, in order to be effective, must survive the termination of this Agreement, shall survive any such termination.

21.8. Severability.

If a court of competent jurisdiction determines that any term of this Agreement is invalid or unenforceable to any extent under applicable law, the remainder of this Agreement shall not be affected thereby, and each remaining term shall be valid and enforceable to the fullest extent permitted by law.

21.9. Third Party Beneficiaries.

Except as otherwise set forth in this Agreement, this Agreement does not create any third party beneficiary right or any other right of any kind in any other Person, and all terms and provisions of this Agreement are personal and solely among the Parties and their permitted successors and assigns.

21.10. Waivers and Amendments.

This Agreement may be amended or modified only by written agreement signed by the Party against whom enforcement of amendment or modification is sought. No failure by either Party to insist on the strict performance of any covenant, agreement, term, or condition of this Agreement, or to exercise any right or remedy consequent on the breach thereof, constitutes a waiver of any such breach or any subsequent breach of such covenant, agreement, term, or condition. No covenant, agreement, term, or condition of this Agreement and no breach thereof may be waived except in a writing signed by the Party against whom enforcement of such waiver is sought.

21.11. Assignment.

Subject to the provisions of Section 16, this Agreement is binding upon and inures to the benefit of the respective heirs, legal representatives, successors and permitted assigns of the Parties.

21.12. Counterparts.

This Agreement may be executed in several counterparts, each of which is an original, but all of which constitute one and the same agreement. If a Party delivers its signature by electronic means (including fax or email/pdf), then such signature and delivery are effective to bind the Party to this Agreement, and the Party shall promptly thereafter deliver to the other Party an executed, signed original of this Agreement.

21.13. Public Announcements.

Neither Party shall, without the consent of the other Party, disseminate any notices to third parties or other publicity, including press releases, concerning the existence of this Agreement or any of the transactions contemplated hereby, unless such notification is required by Law. Notwithstanding the preceding sentence, either Party and its Affiliates may disclose the existence and the terms of this Agreement and the Ancillary Agreements to (i) any lender, financing source, potential investor or credit analyst, (ii) to any third party in connection with any reporting or disclosure requirement made pursuant to any debt or investment facility of a Party or any of its Affiliates, or (iii) any regulatory authority applicable to a Party or its Affiliates.

21.14. Cumulative Remedies.

All rights and remedies of each Party are cumulative of every other right or remedy such Party may have under this Agreement or under applicable law. Unless otherwise specifically set forth in this Agreement, the exercise of one or more rights or remedies does not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.

21.15. Prohibition Against Corrupt Practices.

Neither Licensee nor any Person for or on behalf of Licensee, shall make, and Licensee acknowledges that Licensor will not make, any expenditure for any unlawful purposes in the performance of its obligations under this Agreement and in connection with its activities in relation thereto. Neither Licensee nor any Person for or on behalf of Licensee, shall, and Licensee acknowledges that Licensor will not, make any offer, payment or promise to pay, authorize the payment of any money, or offer, promise or authorize the giving or anything of value, to (a) any government official, any political party or official thereof, or any candidate for political office or (b) any other Person while knowing or having reason to know that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any such official, to any such political party or official thereof, or to any candidate for political office for the purpose of (i) influencing any action or decision of such official party or official thereof, or candidate in such person's capacity, including a decision to fail to perform such person's official functions or (ii) inducing such official party or official thereof, or candidate to use such person's influence with any Governmental Authority to effect or influence any act or decision of such Governmental Authority. Licensee represents and warrants to Licensor that, except as expressly disclosed in this Agreement, no government official nor any candidate for political office has any direct or indirect ownership or investment interest in the revenues or profit of Licensee or the Hotel.

21.16. Anti-Bribery Policies

21.16.1 Licensee shall:

- (a) comply with all applicable laws, statutes, regulations and codes relating to anti-bribery and anti-corruption ("**Relevant Requirements**");
- (b) comply with any Ethics and Anti-bribery Policy established by Licensor from time to time ("**Relevant Policies**");
- (c) have and shall maintain in place throughout the Term its own policies and procedures to ensure compliance with the Relevant Requirements, the Relevant Policies and clause ii above, and will enforce them where appropriate;

- (d) promptly report to Licensor any request or demand for any undue financial or other advantage of any kind received by Licensor in connection with the performance of this Agreement;
- (e) immediately notify Licensor in writing if a foreign public official becomes an officer or employee of Licensor or acquires a direct or indirect interest in Licensee and/or the Hotel, and Licensee warrants that it has no foreign public officials as direct or indirect Licensees, officers or employees as of the Effective Date; and
- (f) concurrently with the execution of this Agreement, and annually thereafter, certify to Licensor in a writing signed by an officer of Licensee, compliance with this Section 21.16 by Licensee and all Persons associated with Licensee (as described below). Licensee shall provide such supporting evidence of compliance as Licensor may reasonably request.

21.16.2 Licensee shall ensure that any Person associated with Licensee who is performing services or providing goods in connection with this Agreement does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on Licensee in this Section 21.16 (“**Relevant Terms**”). Licensee is responsible for the observance and performance by such persons of the Relevant Terms, and is directly liable to Licensor for any breach by such persons of any of the Relevant Terms.

21.16.3 For the purpose of this Section 21.16, the meaning of adequate procedures and foreign public official and whether a Person is associated with another Person is determined in accordance with section 7(2) of the Bribery Act 2010 (and any guidance issued under section 9 of that Act), sections 6(5) and 6(6) of that Act and section 8 of that Act respectively. For the purpose of this Section 21.16, a Person associated with Licensee includes, but is not limited to, any agent, delegate or subcontractor of Licensee.

22. LICENSEE ACKNOWLEDGEMENTS AND REPRESENTATIONS

LICENSEE ACKNOWLEDGES THAT LICENSOR HAS MADE NO WARRANTIES OR REPRESENTATIONS EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT AND THAT LICENSEE DID NOT RELY ON ANY PROMISES, REPRESENTATIONS OR AGREEMENTS ABOUT LICENSOR OR THE LICENSE NOT EXPRESSLY CONTAINED IN THIS AGREEMENT AND IN THE DISCLOSURE DOCUMENT REFERRED TO BELOW IN MAKING ITS DECISION TO SIGN THIS AGREEMENT. LICENSEE FURTHER REPRESENTS AND WARRANTS THAT LICENSOR AND ITS REPRESENTATIVES HAVE NOT MADE ANY PROMISES, REPRESENTATIONS OR AGREEMENTS, ORAL OR WRITTEN, EXCEPT AS EXPRESSLY CONTAINED IN THIS AGREEMENT AND IN THE DISCLOSURE DOCUMENT REFERRED TO BELOW. LICENSEE HAS NOT RELIED UPON ANY STATEMENTS OR PROJECTIONS OF REVENUE, SALES, EXPENSES, INCOME, RATES, AVERAGE DAILY RATE, OCCUPANCY, REVENUE PER AVAILABLE ROOM, RESERVATION SYSTEM CONTRIBUTION, PROFITABILITY, VALUE OF THE HOTEL OR SIMILAR INFORMATION PROVIDED BY LICENSOR BUT HAS INDEPENDENTLY CONFIRMED THE ACCURACY AND RELIABILITY OF ANY SUCH INFORMATION AND IS SATISFIED WITH THE RESULTS OF SUCH INDEPENDENT CONFIRMATION.

Licensee acknowledges that it is a sophisticated Person and that the business venture contemplated by this Agreement involves substantial business risks, and its success will be largely dependent upon the ability of Licensee as an independent businessman. Licensor expressly disclaims the making of, and Licensee acknowledges Licensee has not received, any warranty or guaranty, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

Licensee acknowledges that Licensee received a copy of this Agreement, the exhibits hereto, if any, and agreements relating thereto, if any, at least SEVEN (7) days prior to the date on which this Agreement was executed. Licensee further acknowledges that Licensee has received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled “Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures,” at the earlier of (i) at least 14 days prior to the date on which this Agreement was executed or

any payment was made to Licensor or any Affiliate of Licensor, or (ii) at such earlier time in the sales process that licensee requested a copy of the disclosure document.

To the extent that the relationship established pursuant to this Agreement is deemed to be a “franchise” or “business opportunity” for purposes of the Florida Franchise Law or the Florida Business Opportunities Law, respectively, Licensee voluntarily and knowingly waives its rights to any protections afforded under the Florida Franchise Law or the Florida Business Opportunities Law. Moreover, Licensee acknowledges that it is being granted a license to use a federally registered trademark, and as a result, the rights granted pursuant to this Agreement are excluded from the scope of the Florida Business Opportunities Law pursuant to Fla. Stat. Section 559.801(1)(a)(4).

Licensee acknowledges that it has read and understood this Agreement, the attachments hereto, if any, and agreements relating thereto, if any, and Licensee has had ample time and opportunity to consult with advisors and legal counsel of Licensee’s own choosing about the potential benefits and risks of entering into this Agreement. Licensee acknowledges that Licensee has had an opportunity to negotiate, and has fully negotiated, the essential stipulations of this Agreement and that such stipulations were not unilaterally imposed on it by Licensor. Licensor’s attorneys have not represented Licensee, or provided any legal counsel or other advice to Licensee with respect to this Agreement.

Licensee represents, warrants and covenants that neither its execution of this Agreement nor the performance of its obligations under this Agreement: (i) violate any provision of law or any judgment, writ, injunction, order, or decree of any court or governmental authority having jurisdiction over it or any of its Affiliates; (ii) result in or constitute a breach or default under any indenture, contract, commitment, or restriction to which it or any of its Affiliates is a party or by which it or any of its Affiliates is bound; or (iii) require any consent, vote, or approval which has not been given or taken, or at the time of the transaction involved shall not have been given or taken. Licensee represents, warrants and covenants that it has and will continue to have throughout the term hereof the full right and authority to enter into this Agreement. Licensee represents, warrants and covenants that it and its Affiliates have and will continue to have through the term hereof the full right and authority to perform its obligations hereunder.

23. ACKNOWLEDGEMENT OF EXEMPTION

Licensee represents and acknowledges that:

23.1. Amount of Franchise Sale.

The franchise sale is for more than \$1,084,900—excluding the cost of unimproved land and any financing received from Licensor or an Affiliate—and thus is exempted from the Federal Trade Commission’s Franchise Rule disclosure requirements, pursuant to 16 C.F.R. 436.8(a)(5)(i); and at least one person has invested One Million Eighty-Four Thousand Nine Hundred Dollars (\$1,084,900) in the Hotel or the Licensed Location; or

23.2. Length of Time in Business.

Licensee or its Affiliates have been in business for at least five (5) years and have a net worth of at least Five Million Four Hundred Twenty-Four Thousand Five Hundred Dollars (\$5,424,500) and this Agreement is thus exempt from disclosure requirements within the meaning of 16 C.F.R. 436.8(a)(5)(ii); and

23.3. Application of Exemption.

As a result of the representations in this Section 19, this Agreement is exempt under federal law and any applicable state disclosure law.

24. LIMITATION ON LIABILITY

IN NO EVENT SHALL LICENSOR BE DEEMED IN BREACH OF ITS DUTIES UNDER THIS AGREEMENT, OR OTHERWISE AT LAW OR IN EQUITY, SOLELY BY REASON OF (I) THE FAILURE OF THE FINANCIAL PERFORMANCE OF THE HOTEL TO MEET LICENSEE EXPECTATIONS OR INCOME PROJECTION, (II) THE ACTS OF THE EMPLOYEES OF THE HOTEL, (III) THE INSTITUTION OF LITIGATION OR THE ENTRY OF JUDGMENTS AGAINST LICENSEE OR THE HOTEL WITH RESPECT TO HOTEL OPERATIONS.

25. LIMITATION ON REMEDIES

LICENSEE AND LICENSOR AGREE THAT LICENSOR IS NOT LIABLE FOR, AND LICENSEE WAIVES ANY RIGHT TO CLAIM: (I) PUNITIVE DAMAGES, INCIDENTAL OR CONSEQUENTIAL DAMAGES AS A RESULT OF ANY BREACH OF THIS AGREEMENT OR OTHERWISE; (II) DISGORGEMENT, FORFEITURE OR RESTITUTION OF ANY COMPENSATION PAID BY LICENSEE TO LICENSOR; OR (III) DIVESTITURE OF ANY FINANCIAL OR OTHER INTEREST HELD BY LICENSOR. AS ADDITIONAL CONSIDERATION FOR AND AS AN ESSENTIAL INDUCEMENT TO LICENSOR TO ENTER INTO THIS AGREEMENT, AND EXCEPT AS SPECIFICALLY SET FORTH IN THE PENULTIMATE SENTENCE OF THIS PARAGRAPH, LICENSOR'S LIABILITY FOR PAYMENT AND SATISFACTION OF ANY MONETARY CLAIM, DAMAGES, COSTS OR EXPENSES (INCLUDING ATTORNEYS' FEES AWARDED UNDER THIS AGREEMENT) ARISING FROM OR RELATED TO ANY DEFAULTS DESCRIBED IN THIS AGREEMENT (ALTOGETHER, "LICENSOR LIABILITIES") ARE LIMITED TO A MAXIMUM AMOUNT EQUAL TO THE EXCESS OF (I) THE SUM OF ALL ROYALTY FEES PAID TO LICENSOR DURING THE TWELVE (12) MONTHS PRECEDING THE DATE SUCH LICENSOR LIABILITIES ARE DUE AND PAYABLE BY LICENSOR, OVER (II) THE AGGREGATE AMOUNT OF ALL PRIOR LICENSOR LIABILITIES PAID BY LICENSOR. THE PRINCIPALS, PARTNERS, SHAREHOLDERS, MEMBERS, MANAGERS, OFFICERS, DIRECTORS, TRUSTEES, EMPLOYEES, AGENTS, REPRESENTATIVES AND AFFILIATES OF LICENSOR SHALL NEVER BE PERSONALLY LIABLE FOR ANY LICENSOR LIABILITIES AND THERE SHALL BE NO LEVY OF EXECUTION AGAINST THE ASSETS OF SUCH PERSONS ON ACCOUNT OF ANY LICENSOR LIABILITIES. NOTWITHSTANDING THE FOREGOING, THE FOREGOING LIMITATIONS DO NOT APPLY TO ANY LICENSOR LIABILITY WHICH IS PROVEN BY FINAL JUDGMENT TO HAVE BEEN RESULTED FROM THE GROSS NEGLIGENCE, FRAUD OR THE KNOWINGLY WILLFUL MISCONDUCT OF LICENSOR (PROVIDED, HOWEVER, THAT THE FOREGOING IS NOT DEEMED TO MAKE ANY SUCH PARTNER, SHAREHOLDER, OFFICER, DIRECTOR, TRUSTEE, EMPLOYEE, AGENT REPRESENTATIVE OR AFFILIATE PERSONALLY LIABLE FOR SUCH LICENSOR LIABILITY EXCEPT TO THE EXTENT THAT SUCH LIABILITY WOULD OTHERWISE EXIST UNDER APPLICABLE LAWS) NOR SHALL THIS PARAGRAPH LIMIT NON-MONETARY EQUITABLE REMEDIES AND RELIEF OR THE RETURN OF OVERPAID FEES OR THE PARTIES INDEMNITY OBLIGATIONS UNDER SECTION 19. THIS PARAGRAPH SURVIVES ANY TERMINATION OR EXPIRATION OF THIS AGREEMENT.

[Signatures page(s) follow]

SIGNED:

LICENSOR:

[HARD ROCK HOTEL LICENSING, INC

By: _____

Name: _____

Title: _____

LICENSEE:

[INSERT LICENSEE]

By: _____

Name: _____

Title: _____

EXHIBIT A
FORM OF GUARANTY

This GUARANTY (this "Guaranty") is executed as of _____, 20____, in consideration of, and as an inducement to, the execution of that certain License Agreement (the "Agreement") on this date by HARD ROCK HOTEL LICENSING, INC ("Licensor"), _____, an individual ("Guarantor"), as a Person benefiting from the Agreement, hereby guarantees to Licensor and its successors and assigns, for the term of the Agreement, and afterward as provided in the Agreement, that _____ ("Licensee") will perform, and Guarantor agrees to be liable for, each and every undertaking, agreement, covenant, liability and obligation of Licensee set forth in the Agreement, the Memorabilia Lease, and the Reservation Agreement. Capitalized terms shall have the meanings ascribed to such terms in the Agreement. The terms of the Agreement (notwithstanding its prior termination), are incorporated herein by reference as if the terms of the Agreement were stated herein.

Guarantor waives: (1) acceptance and notice of acceptance by Licensee of the foregoing undertakings; (2) notice of demand for nonperformance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the nonperformance of any obligations guaranteed; (4) any right Guarantor may have to require that an action be brought against Licensee or any other person as a condition of liability. Guarantor agrees that: (1) its direct and immediate liability under this guarantee shall be joint and several; (2) it shall render any performance of obligations guaranteed upon demand if Licensee fails or refuses punctually to do so; (3) liability shall not be contingent or conditioned upon pursuit by Licensor of any remedies against Licensee or any other person; and (4) liability shall not be diminished, relieved or otherwise affected by any extension of time, or other indulgence which Licensor may grant to Licensee or to any other person, including the acceptance of any payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guarantee, which shall be continuing and irrevocable until all obligations guaranteed are satisfied.

Guarantor hereby consents and agrees that:

- (a) Guarantor's liability under this undertaking shall be direct, immediate, and independent of the liability of, and shall be joint and several with, Licensee;
- (b) Guarantor shall render any performance of obligations guaranteed upon demand if Licensee fails or refuses punctually to do so;
- (c) This undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Licensee or any assignee or successor of Licensee or by any abandonment of the Agreement, the Memorabilia Lease, and the Reservation Agreement by a trustee of Licensee. Neither the Guarantor's obligations to render performance in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Licensee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency;
- (d) Licensor may proceed against Guarantor and Licensee jointly and severally, or Licensor may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Licensee. Guarantor hereby waives the defense of the statute of limitations in any action hereunder or for the performance of any obligation hereby guaranteed;
- (e) Guarantor agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in enforcing this undertaking against Guarantor; and
- (f) Guarantors shall maintain the Required Aggregate Net Worth.

The validity, construction and enforceability of this Guaranty shall be governed in all respects by the laws of the State of Florida, without regard to its conflicts of laws rules. Guarantor agrees to be bound by the arbitration obligations under §18 of the Agreement, including, without limitation, the obligation to submit to binding arbitration the claims described in §18 of the Agreement in accordance with its terms. Guarantor also agrees to submit to the jurisdiction of the state court or federal court located in or nearest to Orlando, Florida as the exclusive jurisdiction for all actions arising under the Agreement and waive any objections it may have to the jurisdiction of or venue in those courts.

This Guaranty may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which is an original but all of which together constitute one and the same instrument. Facsimile signatures shall constitute original signatures.

_____, a

By: _____

Name: _____

Its: _____

**EXHIBIT B
LICENSED MARKS**

Set forth below are the Licensed Marks within the defined term "Licensed Rights" that may be used at the Hotel and the Hotel Retail Store.

1. HARD ROCK HOTEL, Registration No. 1,909,483 for hotel services only.
2. HARD ROCK HOTEL, Registration No. 2,038,394 for clothing only.
3. HARD ROCK HOTEL and Design, Registration No. 3,422,550 for hotel services only, as set forth below.



4. HARD ROCK HOTEL and Design, Registration No. 2,038,391 for clothing only, as set forth below.



5. ROCK SPA, Registration No. 3,243,039 for health spa services only.
6. ROCK SPA, Registration No. 4,017,047 for beauty spa products, namely, bath salts, body lotion, shampoos, hair conditioners, shower and bath gel, soaps for body care.
7. ROCK SPA and Design, Registration No. 3,626,691 for health spa services only, as set forth below.

rock  spa

8. ROCK SHOP: Registration No. 3,288,872 for retail gift shops featuring souvenir merchandise from Licensee's Hotel
9. BODY ROCK, Registration No. 3,866,309 for fitness and exercise facility services only.
10. HARD ROCK ROXITY & Design, Serial Number 86158534 for hotel services only, as set forth below.



11. ROCK ROYALTY, Registration No. 3,588,144 for hotel services only (via license from Tarsadia Hotels Corporation).
12. ROCK STAR SUITE, Serial Number 78582083 for hotel services only (via license from Tarsadia Hotels Corporation).
13. MISCELLANEOUS DESIGN – TATTOO, Registration No. 3,626,690 for hotel services only, as set forth below.
14. ROCK OM, Registration No. 4,539,780 for health spa services, namely, cosmetic body care service only.
15. SOUND OF YOUR STAY, Registration No. 4,227,012 for hotel services featuring music-related service programs only.
16. PICKS, Registration No. 4,191,805 for rental of musical instruments to hotel guests only.
17. TRACKS, Registration No. 4,173,149 for music download program for hotel guests, namely, issuing gift identification codes with hotel room keys which may be redeemed for the downloadable music of others only.
18. MIX, Registration No. 4,411,569 for short-term rental of music production equipment, namely, music-making and recording software for use by hotel guests during their stay only.
19. SLEEP LIKE A ROCK, Registration No. 3,744,716 for hotel services only.

20. SAVE THE PLANET, Registration No. 3,043,021 for hotel services only.
21. PINKTOBER, Registration No. 3,670,645 for t-shirts, pins, entertainment services and charitable fundraising services only.
22. HARD ROCK ROXTARS and Design, Serial Number 86158507 for hotel services and clothing products only, as set forth below.





EXHIBIT C

FORM OF MEMORABILIA LEASE

THIS MEMORABILIA LEASE (this "Lease"), is made and executed as of _____, 20[___] by and between **HARD ROCK CAFE INTERNATIONAL (STP), INC.**, a New York corporation ("Lessor"), and _____, a _____ ("Lessee");

RECITALS:

WHEREAS, Lessor is the owner of a collection of Property (as hereinafter defined) consisting of rock and roll memorabilia;

WHEREAS, Lessee has entered into a Hotel License Agreement (as hereinafter defined) with Licensor (as defined below), an Affiliate of Lessor, and desires to lease from Lessor articles of memorabilia for display and exhibition at the Hotel (as hereinafter defined);

WHEREAS, Lessee desires, upon and subject to the terms and conditions specified in this Lease, to lease from Lessor the Property for display and exhibition at the Hotel;

WHEREAS, Lessor desires, upon and subject to the terms and conditions specified in this Lease, to lease to Lessee the Property in connection with the operation of the Hotel;

WHEREAS, Lessee acknowledges that Lessor would not lease the Property to Lessee, as provided for herein, unless Lessee agrees to comply with all of the terms and conditions of this Lease binding upon Lessee, including, without limitation, Lessee's obligations hereunder to pay all rental fees and all other amounts payable by Lessee as specified in this Lease; and

WHEREAS, Lessee has had full and adequate opportunity to read and review this Lease and to be thoroughly advised of the terms and conditions hereof, and has, to Lessee's satisfaction, determined that it is in Lessee's best interest to lease the Property.

NOW, THEREFORE, in consideration of the foregoing recitals, of the mutual covenants and obligations contained herein, of the grant by Lessor to Lessee of the Lease of the Property, as contemplated herein, and for other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged by each party hereto, Lessor and Lessee hereby agree as follows:

SECTION 1. CERTAIN DEFINITIONS.

(A) Certain Terms Defined. As used in this Agreement, (i) any terms not specifically defined in this Agreement shall have the meanings ascribed to such terms in the Hotel License Agreement, and (ii) the following terms shall have the meanings ascribed to such terms as set forth below (such meanings to be applicable to both the singular and plural form of the terms defined):

"Adjusted for Inflation" shall mean an amount adjusted for inflation by being increased by the greater of (i) three percent (3%) or (ii) an adjustment based upon the "Inflation Index" (as defined below). The amount of the adjustment under (ii) shall be determined by multiplying the amount which is the subject of the escalation by a fraction the denominator of which is the "Inflation Index" for the month from which such adjustment shall be made (the "Base Month"), and the numerator of which is the "Inflation Index" for the month immediately prior to the month in which the adjustment for inflation shall be made (the "Adjustment Month"), provided that if the Inflation Index for the Base Month is less than the Inflation Index for the Adjustment Month, the amount to be adjusted will be multiplied by one for purposes of making calculations hereunder. In the event an amount is to be Adjusted for Inflation and there is no reference to the Base Month, the Base Month shall be the month that includes the Effective Date. For purposes of this paragraph, the Inflation Index shall mean the U.S. City Average Price Index for All Urban Consumers for All Items (Base Year 1982-1984) as published by the United States Department of Labor, Bureau of Labor Statistics; provided that if such index is discontinued or is unavailable, then the parties will substitute therefor a comparable index for use in calculating changes in the cost of living or purchasing power of consumers published by any other governmental agency, major bank, financial institution or university or by

another recognized financial publication, with such adjustments as shall be reasonably necessary to produce substantially the same results as would have been obtained under the unavailable index.

"Affiliate" means, with respect to any Person, any other Person which, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. For all purposes hereof, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any Person, or the power to veto major policy decisions of any Person, whether through the ownership of voting securities, by contract, or otherwise.

"Appraised Value" means the appraised value set forth in **Schedule A** for each item of the Property, as determined in accordance with Lessor's memorabilia appraisal policies.

"Governmental Authority" means any foreign, federal, state, provincial, or local governmental or tribal entity or authority, or any department, commission, board, bureau, agency, court, or instrumentality thereof, including any tax or regulatory authority, which has control over the Hotel, or the location of the Hotel.

"Hard Rock Hotel" means a hotel, lodge, inn, condominium units, or similar establishment within a property or resort named or identified with the Trademarks. The term "Hard Rock Hotel" shall include the hotel building and structure at any time constructed and situated on the land, whether owned or leased, comprising that location, and all facilities, structures and improvements relating thereto, including, without limitation, guest rooms, condominium units, any lobbies, kitchens, dining rooms, restaurants, meeting and banquet rooms and facilities, bars, swimming pools, theatres, health clubs, landscaping, parking areas, roadways, and walkways; provided that the term "Hard Rock Hotel" shall not include time-share, Hotel/Casinos, "Hard Rock Hotel & Casino" or other hotels not branded as a "Hard Rock Hotel."

"Hotel" shall mean the Hard Rock Hotel and merchandise sales establishment operated on the Premises pursuant to the Hotel License Agreement.

"Hotel License Agreement" shall mean that Hotel License Agreement of even date hereof by and between Licensor and Lessee for Premises located in [_____].

"Indemnify" means to indemnify against, hold harmless from, and reimburse for.

"Law" means any and all laws, judgments, decrees, orders, rules, regulations, or official legal interpretations of any Governmental Authority.

"Lessee" shall have the meaning set forth at page one of this Lease.

"Lessor" shall have the meaning set forth at page one of this Lease.

"Licensor" means [Hard Rock Hotel Licensing, Inc., a Florida corporation

"Month" shall mean a calendar month (Gregorian), that period between the date this Lease was executed and the last day of the month in which this Lease was executed, and that period following the end of the last full calendar month during the term of this Lease and the last day that this Lease is in effect.

"Notices" shall have the meaning set forth in **Section 23** hereof.

"Permits" means any and all licenses, permits, approvals, variances, waivers, or consents.

"Person" means (i) an individual, corporation, partnership, joint venture, limited liability company, limited liability partnership, estate, trust, unincorporated association or other entity, (ii) any Governmental Authority, and (iii) a fiduciary acting in such capacity on behalf of any of the foregoing.

"Premises" means the Licensed Location.

“**Property**” means that personal property identified in **Schedule A** to this Lease along with the framing attached to such personal property, and all additions, substitutions, and amendments to such **Schedule A** during the term of this Lease and any extension thereof.

[“**Residence**” means []]

“**Trademarks**” means the Licensed Marks as defined in the Hotel License Agreement.

SECTION 2. DESCRIPTION AND SUPPLY OF LEASED PROPERTY.

(A) **Description.** The Property to be leased hereunder is that personal property set forth on Schedule A to this Lease, which Schedule A is incorporated and made a part hereof for all purposes.

(B) **Supply.** The Property specified in **Schedule A** shall be supplied by Lessor to Lessee as provided under this Lease a reasonable period of time prior to the anticipated opening of the Hotel [and the Residences]. Lessee must ensure that the Hotel [and Residences] area where the Property is to be located is, as determined by Lessor, dust free, secure, free of interference from other trades, air-conditioned and has completed memorabilia display cases to Lessor’s satisfaction. If after the Property has been shipped Lessor determines in its sole discretion that (i) the Hotel area where the Property is to be located is not dust-free, secure, free of interference from other trades or air-conditioned or (ii) display cases for the Property have not been properly completed, Lessor can store (or cause Lessee to store), at Lessee’s sole cost and expense, the Property until such time as Lessor shall determine in its sole discretion that the Property is ready for installation at the Hotel.

SECTION 3. TERM OF LEASE.

The term hereof shall commence upon the date of execution of this Lease, and, unless terminated earlier as provided for herein, shall continue for as long as the Hotel License Agreement, the Reservation Agreement and any other ancillary agreement related thereto are in full force and effect. This Lease shall terminate automatically, without prejudice to any accrued rights and liabilities of the parties prior to termination, concurrently with any termination of the Hotel License Agreement, the Reservation Agreement and any other ancillary agreement between Licensor or an Affiliate thereof.

SECTION 4. PAYMENT OF RENT

(A) **Rent.** During the first twelve (12) months after shipment of the Property, the annual rental fee for the use of the Property shall be equal to ten percent (10%) of the sum of (i) the Appraised Value (in United States Dollars) of the Property as specified in **Schedule A** attached hereto, as such schedule shall be amended from time to time, plus (ii) the actual cost of framing with respect to such Property. The annual rental fee shall be payable in equal installments each Month in advance, but shall be prorated on a daily basis for Months which constitute partial Months. The first installment shall be paid immediately prior to shipment of the Property to Lessee (as provided in **Section 2(B)** of this Lease) but no earlier than sixty (60) days prior to the Opening Date, and thereafter each installment shall be due and payable on the first (1st) day of each succeeding Month. The Property shall not be shipped to Lessee until the first installment is paid to Lessor. After the initial twelve (12) Month period, and for each succeeding twelve (12) Month period thereafter, the annual rental fee and the above described maximum limit on the annual rental fee shall be Adjusted for Inflation.

(B) **Payment and Calculation of Annual Rental Fee and Other Payments.** All annual rental fees and other payments hereunder due or to become due to Lessor shall be paid in United States Dollars.

(C) **All Payments Free and Clear of Charges.** All rental fees and other amounts payable by Lessee pursuant to this Lease shall be free and clear of any tax, exchange, VAT, transfer, withholding, deduction or similar charges (except those imposed by Lessor’s financial institution), it being specifically understood by Lessee that the responsibility for payment of any such tax, exchange, VAT, transfer, withholding, deduction or similar charge (except those imposed by Lessor’s financial institution) is solely that of Lessee.

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(D) **Method of Payment.** All rental fees and other amounts payable by Lessee pursuant to this Lease shall be paid by wire transfer of immediately available funds to an account designated in writing from time to time by Lessor.

(E) **Late Payments.** Unpaid amounts due and owing from Lessee hereunder, including, without limitation, any installment of rental fees, shall bear interest, pro rata per day, on the past due balance at the lesser of twelve percent (12%) simple interest per annum or the highest rate of interest allowed by applicable law from the date such sums first become due until paid.

(F) **Lights and Hardware.** Lessee will provide all built-in recesses, dimmable lighting, casework, mannequins and design, structural and electrical elements each as required by Lessor for the Property to be properly installed. Hardware and related costs necessary to prepare the Property for installation shall be the responsibility of Lessee, provided, however, that if Lessor provides such materials, Lessee shall reimburse Lessor for such costs. Lessor shall assist Lessee in purchasing the items directly by providing Lessee purchase specifications. Payment is due prior to the shipment of the Property to Lessee (as provided in **Section 2(B)** of this Lease).

SECTION 5. INSTALLATION AND LOCATION OF PROPERTY.

(A) **Installation.** The parties shall mutually agree on an installation schedule. Lessee shall not install the Property in the Hotel [, the Residences] or on the Premises without first consulting with Lessor. In connection with the installation of the Property, Lessee shall, at its cost, construct locking display boxes and niches and install special lighting for the Property in accordance with Lessor's standards and specifications. Lessor shall have the right to supervise and install all of the Property with an installation team (one (1) designer and up to five (5) installers) selected by Lessor. Lessee shall pay all reasonable out of pocket costs and expenses associated with installation of the Property (not including overhead), including but not limited to customs, duties, taxes, travel, per diem (\$47 US/day Adjusted for Inflation), airfare and suitable four (4) star hotels for Lessor's installation team.

(B) **Relocation.** Lessee shall not, without the prior written consent of Lessor, permit the Property to be removed from the Hotel [, the Residences] or the Premises. Lessor may at Lessee's direct expense remove all or selected pieces of Property and replace the same with reasonable substitute Property pursuant to Lessor's rotation policy as outlined in the Manuals, and in such case **Schedule A** shall be revised to reflect such change of Property. Lessee shall pay or reimburse Lessor for all reasonable out of pocket expenses incurred by Lessor related to any and all such services. Unless otherwise approved in writing by Lessee, the substitute Property shall be substantially equal in quality and value to the Property for which it is being substituted. Lessor shall have the right to supervise, at Lessee's expense, and to specify the terms and conditions of, any movement of the Property, including, without limitation, the right to contract for all services necessary, in Lessor's reasonable discretion, to safely move and to insure such Property. Lessee shall pay all reasonable out of pocket costs and expenses associated with relocation and installation of the Property, (not including overhead) including but not limited to customs, duties, taxes, travel, per diem (\$47 US/day, Adjusted for Inflation), airfare and suitable four (4) star hotels for Lessor's installation team.

SECTION 6. USE OF PROPERTY.

(A) **Rights of Lessee.** Lessee shall be entitled to the right of the use and possession of the Property during the Lease term. The Property shall be used only for the purpose of protected and supervised display within the Hotel [, the Residences] or the Premises in accordance with generally accepted museum standards for preservation and protection against loss or damage. [The rights granted hereunder do not confer any rights in any way on owners, renters or lessees of the Residences].

(B) **Duties of Lessee.** Lessee must use the Property in a careful and proper manner, and shall not knowingly permit any Property to be used in violation of any applicable Law, the effect of which violation could adversely affect either the value of the Property or Lessor's title thereto.

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(C) **Restriction on Use.** Lessee shall not use the Property in any manner that will result in a cancellation of any applicable insurance policy, even if such use may be in furtherance of Lessee's business purpose.

SECTION 7. IDENTIFICATION OF PROPERTY.

If, at any time during the term of this Lease, Lessor supplies Lessee with labels, plates, or other markings stating that the Property is owned by Lessor, Lessee, at Lessee's expense, shall affix and keep such labels, plates, or other markings in a prominent place on the Property, and, in connection therewith, shall follow any and all reasonable instructions regarding the same received from Lessor or any Affiliate thereof.

SECTION 8. MAINTENANCE PERFORMED BY LESSEE.

(A) **Maintenance and Repairs.** Lessee, at its sole expense, shall assume all obligation and liability concerning possession of the Property, and for its use, condition, and storage during the Lease term, any continuation or extension thereof, and during its transport from Lessor to Lessee and return. Lessee shall, at all times and at Lessee's sole expense, insure the Property as set forth in **Section 13** of this Lease and maintain the Property in good order, repair, condition, and working order.

(B) **Alterations.** Without the prior written consent of Lessor, Lessee shall not move the Property or make any alteration, repair, addition, or improvement to the Property. All additions to and improvements of the Property of any kind shall immediately become Lessor's property and subject to the terms of this Lease without any reimbursement to Lessee for the same. Lessee shall not remove, alter, disfigure, or cover up any numbering, lettering, or insignia displayed on or adjacent to the Property. Lessor shall have the right to supervise any repair or other work done on the Property.

SECTION 9. LESSOR'S RIGHT OF INSPECTION AND REPAIR.

Lessor has the unrestricted right, without any advance notice, to enter the Hotel [, Residences] or Premises during Lessee's regular business hours for the purpose of inspecting the Property in order to make a determination of its condition and manner of use. If any Property covered by this Lease is not being properly maintained or utilized according to the provisions of this Lease, Lessor has the right, but not the obligation, to have it repaired or maintained at a service facility at the expense of Lessee.

SECTION 10. OWNERSHIP.

(A) **Lessor Sole Owner.** This Lease constitutes a lease of the Property set forth in Schedule A and not a sale or the creation of a security interest. Lessor shall, at all times, retain sole ownership and title of the Property, and Lessee shall not have or at any time acquire any right, title, equity, or other interest in the Property, except the right to possession and use as provided for in this Lease. The Property is, and shall at all times remain, the personal property of Lessor, notwithstanding that any part of it may now be, or may become, in any manner attached to, or embedded in, or permanently resting on, real property or any building on real property, or attached in any manner to what is permanent as by means of cement, plaster, nails, bolts, screws, or otherwise. Lessee agrees to indemnify Lessor for any loss or expense due to a lien or claim on such Property by the owner of the Hotel or by any other lienholder, claimant or the equivalent. Lessee shall, at any time, upon request by Lessor, deliver to Lessor a statement in writing executed by the owner and/or any other lienholder of the Premises disclaiming any interest in the Property and acknowledging Lessor's sole ownership and title thereto.

(B) **Donated Memorabilia.** Any items of memorabilia associated with the music industry that are donated or presented to Lessee as owner or operator of the Hotel [, the Residences] or the Premises or otherwise acquired or received by Lessee for less than full or reasonable value at any time during the term of this Lease or any extension thereof shall be deemed and shall immediately become the property of Lessor, unless otherwise agreed by the parties hereto in writing. Lessee shall immediately notify Lessor in writing of any such receipt or acquisition of memorabilia. All such donated

memorabilia shall, immediately upon receipt by Lessee be included as a part of the Property for all purposes of this Lease, except that Lessee shall not be required, during the term of this Lease, to pay any rental amount in connection with any such donated memorabilia and such donated memorabilia shall not be removed from the Hotel [,Residences] or Premises for the duration of time that the Trademarks are associated with the Hotel License Agreement. Notwithstanding the foregoing, any donated memorabilia that does not comply with the Hotel System or Management Standard, as reasonably determined by Licensor, shall not be displayed in the Hotel.

SECTION 11. DELIVERY AND ACCEPTANCE OF PROPERTY.

Lessor and Lessee each have, or immediately prior to installation will have, inspected the Property. Lessee hereby accepts possession of the same for purposes of this Lease on an "as is" basis.

SECTION 12. RISK OF LOSS OR DAMAGE.

(A) **Loss or Damage.** Lessee assumes all risk of loss of and damage to the Property from any cause whatsoever. No loss or damage to the Property will impair any obligation of Lessee under this Lease, which will continue in full force and effect. If any Property under this Lease becomes lost, stolen, destroyed, confiscated, or damaged beyond repair satisfactory to Lessor, Lessee shall pay Lessor in cash the "Appraised Value" as set forth in **Schedule A**, less any net proceeds of insurance received by Lessor for loss or damage of such Property. Upon such payment, this Lease will terminate with respect to such items of the Property so paid for, and Lessee shall become entitled to such items of the Property, as owner, on an "as is" basis, without warranty by Lessor, express or implied.

(B) **Notification to Lessor.** If any Property under this Lease is damaged, lost, stolen, confiscated, or destroyed, Lessee shall promptly notify Lessor of the occurrence and shall file, at its expense, all necessary reports, including those reports required by Law, all interested insurance companies, and/or by Lessor.

SECTION 13. INSURANCE.

Lessee shall, at its own expense and for the benefit of Lessor, maintain in full force and effect at all times during the Lease term, comprehensive insurance against loss, theft, damage, confiscation, or destruction of the Property for the full Appraised Value of each item of Property, in an amount not less than the amount set forth opposite each item on **Schedule A**, and in an aggregate amount of not less than the total Appraised Value set forth on **Schedule A** and all additions and substitutions thereto. Lessor shall notify Lessee of any additions to the Property affected in accordance with the terms of this Lease and revaluation of the Property carried out and the results of such revaluation, and Lessee shall insure the Property to its full Appraised Value on any such addition and/or revaluation. The policies shall provide that they may not be cancelled or altered without at least thirty (30) days prior written notice to Lessor, and the loss payable endorsement shall provide that all amounts payable by reason of loss of or damage to the Property shall be payable only to Lessor in United States Dollars. Lessee, upon request from Lessor, shall furnish Lessor with a copy of all insurance policies, binders, renewal or extension notices, and the equivalent.

SECTION 14. TAXES AND FEES.

(A) **Obligation of Lessee.** Lessee is liable for, and is required to pay on or before their due dates, all sales taxes, use taxes, personal property taxes, ad valorem taxes, VAT, license fees, Permit fees, and any other taxes or governmental charges whatsoever imposed on the Property or based on the amount of rent to be paid under this Lease or assessed in connection with this Lease, or the transportation of the Property, together with all penalties and interest incurred in connection therewith, except for taxes imposed on the aggregate gross income of Lessor. To the extent practicable, Lessee will cause all billings of such taxes to Lessor to be made to Lessor in care of Lessee, and will, from time to time, on request of Lessor, submit written evidence of the payment of all governmental obligations described in this Section. If the Property is taxable under any property tax or similar tax law, on each property tax return required to be filed, Lessee will

include the Property covered by this Lease, and all substitutions or additions, as Property owned by Lessee for purposes of tax assessments. It is expressly agreed that Lessee will not, without obtaining written permission of Lessor, assert on Lessee's behalf, or on behalf of Lessor, any immunity from taxation based on the tax-exempt status, if any, of Lessor.

(B) **Reimbursement of Lessor.** If any taxing or other Governmental Authority requires that a tax or other governmental charge as set forth in this Section be paid to such taxing or other Governmental Authority directly by Lessor, Lessee shall, on notice from Lessor, pay to Lessor the amount of the tax or other charge.

(C) **Contest.** Lessee shall have the right at Lessee's own expense to contest the validity or amount of any tax or charge referred to in this Section by legal proceedings properly instituted and diligently conducted.

SECTION 15. SHIPMENT AND RETURN OF PROPERTY.

(A) **Shipment.** Lessee shall pay all reasonable shipping costs (as provided in **Section 15(B)** hereof), freight, duties, tariffs, import/export fees, ad valorem taxes, other taxes, VAT, custom charges, license fees, Permit fees, storage costs, and insurance costs incurred with respect to the shipment of the Property from or by Lessor to Lessee and its return. Lessor shall specify and approve in writing all movers and carriers and methods of movement and shipment of the Property. Lessor will designate the location or locations from which the Property is to be shipped. Lessor, at Lessee's expense, shall insure the Property in the amount and with an insurance carrier designated by Lessor against loss or damage during transport to Lessee, with Lessor as loss payee. Lessor shall have the right to supervise the packing, loading, moving, unloading, and unpacking of the Property and to designate the quality of packing materials and shipping containers. Lessee shall also pay all shipping of unused memorabilia and all crates are to be returned to Lessor. All shipping should have climate controlled conditions whether it is stored temporarily or in route to the designated location.

(B) **Lessee's Duty to Return.** On termination of this Lease, Lessee shall, at Lessee's expense, return the Property to Lessor in good repair, by loading the Property on board such carrier as Lessor shall specify or approve in writing, and shipping the Property by climate controlled air freight to the destination designated by Lessor. Lessee, at Lessee's expense, shall fully insure the Property in the amount and with an insurance carrier designated by Lessor in its sole discretion against loss or damage during transport, with Lessor as loss payee. Lessor shall have the right to supervise the packing, loading, moving, unloading, and unpacking of the Property. The Property shall be packed with at least such care and with such quality containers and packing materials as used in its shipment from Lessor to Lessee.

(C) **Right of Lessor to Repossess.** If, upon the termination of this Lease, Lessee fails or refuses to return the Property to Lessor, Lessor shall have the right to take possession of the Property, and, for that purpose, to enter into the Premises where the Property is located, without being liable to Lessee for such removal in any suit, action, or other proceeding. Lessee shall reimburse Lessor for all of Lessor's expenses in connection with any such repossession of the Property.

SECTION 16. HOLDING OVER.

The failure of Lessee to return the Property on the termination of this Lease, with or without the consent of Lessor, shall result in the creation of a Month to Month lease at a Monthly rental of one-twelfth (1/12th) of two hundred percent (200%) of the annual rental fee in effect immediately prior to the commencement of such Month to Month lease, without affecting Lessee's obligations to pay all other payments due from Lessee hereunder. Such amount shall be payable on the first (1st) day of each Month in which the Lessee holds over. It is the intention of the parties hereto that interest shall not accrue on the payments required hereunder except to the extent the same are not made when due, in which event the same shall bear interest at twelve percent (12%) simple interest per annum from the date due until paid. Should a Month to Month lease be created under the provisions of this Section, such lease may subsequently be terminated by either party hereto by that party giving thirty (30) days written notice of the intention to terminate the lease to the other party. This provision does not give Lessee any right to hold over at the expiration of the Lease term, and all other terms and conditions

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of this Lease shall remain in force during any Month to Month tenancy created by any holding over by Lessee. Nothing in this **Section 16** shall be deemed to infringe Lessor's right to demand return of the Property on termination or expiration of this Lease.

SECTION 17. INDEMNITY OF LESSOR.

Lessee shall Indemnify Lessor and its Affiliates and all of their respective shareholders, directors, officers, employees, agents and representatives from and against any and all claims, actions, proceedings, costs, damages, and liabilities, including, without limitation, reasonable attorney's fees, court and arbitration costs, and costs of investigation (whether pre-hearing, during hearing, or upon appeal) arising out of, connected with, or resulting, directly or indirectly, from the enforcement of this Lease, including without limitation, the recovery of any claim under any insurance policy covering the Property, and from any use of the Property by Lessee, including, without limitation, the manufacture, selection, transportation, delivery, possession, use, operation, or return of the Property.

SECTION 18. INSPECTION OF LESSEE'S RECORDS.

Lessee shall keep books and records related to the Property and this Lease in accordance with good accounting practice, and shall deliver to Lessor such information in connection therewith, and such copies thereof, in such form and at such times as Lessor may reasonably require. Lessee shall permit Lessor to examine and audit such books and records of Lessee during normal business hours, on reasonable prior notice of Lessor's intention to do so.

SECTION 19. ASSIGNMENT.

Each of Lessor and Lessee may assign this Lease if such party complies with the applicable requirements of Section 16 of the Hotel License Agreement; provided, however, that in the event this Lease is assigned, the Hotel License Agreement, the Reservation Agreement, and any other ancillary agreement between Lessor or its Affiliates and Lessee shall also be assigned to the same entity (or in the case of an assignment by Lessor, to the same entity or its Affiliate).

SECTION 20. DEFAULT AND TERMINATION.

(A) Termination by Lessor. This Lease may, upon Notice to Lessee, be terminated by Lessor under any of the following circumstances:

(1) **Breach by Lessee.** Except as otherwise provided in this **Section 20**, in the event Lessee fails to keep, observe, or perform any of the requirements imposed upon Lessee pursuant to this Lease, the Hotel License Agreement, the Reservation Agreement or any ancillary agreement between Lessor or an Affiliate thereof and Lessee, and such default remains uncured for a period of thirty (30) days after Notice of such default is given by Lessor to Lessee.

(2) **Lessee's Bankruptcy or Insolvency.** Lessee shall apply for or consent to the appointment of a receiver, judicial manager, trustee, or liquidator of Lessee or all or a substantial part of its assets, files a voluntary petition in bankruptcy, or admits in writing its inability to pay its debts as they come due, makes a general assignment for the benefit of creditors, files a petition or an answer seeking reorganization or arrangement with creditors or to take advantage of any insolvency law, or files an answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization, or insolvency proceeding, or if any order, judgment, or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating Lessee as bankrupt or insolvent or approving a petition seeking reorganization of Lessee or appointing a receiver, trustee, or liquidator of Lessee or of all or a substantial part of the assets of Lessee, and any such order, judgment, or decree shall continue unstayed and in effect for any period of sixty (60) consecutive days.

(3) **Cancellation of Insurance Policy.** In the event any insurance policy required to be maintained by Lessee as provided for under the terms of this Lease expires or is cancelled, and is not renewed or replaced by a

substantially equivalent policy within thirty (30) days following notice to renew or replace given by Lessor to Lessee or if Lessee fails to comply with any of the requirements set forth in **Section 13** hereto.

(4) **Involuntary Transfer by Operation of Law.** In the event Lessee suffers any involuntary transfer by operation of Law of any interest in this Lease.

(5) **Unauthorized Assignment, Etc.** In the event Lessee takes any action prohibited by **Section 19** of this Lease.

(6) **Termination of Agreements.** Immediately upon the termination of the Hotel License Agreement, the Reservation Agreement or any ancillary agreement between Lessor or an Affiliate thereof and Lessee, and if such termination is as the result of a default thereunder by Lessee, the termination hereunder shall be deemed to be as a result of Lessee's default hereunder.

(B) **Termination by Lessee for Breach.** This Lease may be terminated by Lessee in the event Lessor shall apply for, or consent to, the appointment of a receiver, trustee or liquidator of Licensor or of all or a substantial part of its assets, file a voluntary petition in bankruptcy, or admit in writing its inability to pay its debts as they come due, make a general assignment for the benefit of creditors, file a petition or an answer seeking reorganization or arrangement with creditors or to take advantage of any insolvency law, or file an answer admitting the material allegations of a petition filed against Lessor in any bankruptcy, reorganization or insolvency proceeding, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating Lessor a bankrupt or insolvent or approving a petition seeking reorganization of Lessor or appointing a receiver, trustee or liquidator of Lessor or of all or a substantial part of its assets, and such order, judgment or decree shall continue unstayed and in effect for any period of one hundred twenty (120) consecutive days.

(C) **Lessor's Right to Cure Default.** Should Lessee fail to make any payment or to do any act as provided in this Lease, Lessor shall have the right, but not the obligation, without notice to or demand on Lessee, and without releasing Lessee from any obligation under this Lease, to make or to do the same, and to pay, purchase, contest, or compromise any encumbrance, charge, or lien that, in the reasonable judgment of Lessor, appears to affect the Property, and, in exercising any such right, incur any liability and expend reasonable amounts it may believe necessary. All expenses so incurred by Lessor shall be, without demand, immediately due and payable by Lessee. Lessor's exercise of its rights under this **Section 20(C)** shall be without prejudice to Lessor's right to terminate this Lease for any default of this Lease, as provided in **Section 20(A)** above, including any default cured by Lessor pursuant to this **Section 20(C)**.

(D) **Lessor's Right to Repossess Property.** Lessor may, following the termination of this Lease, without notice or demand on Lessee, repossess the Property without legal process. Lessee agrees that, upon default or any termination, Lessor or Lessor's agent may enter upon the Premises where the Property is located and repossess and remove the same.

(E) **Lessee's Obligation for Lessor's Costs.** Upon default or other termination of this Lease, Lessee shall reimburse Lessor for all reasonable expenses of repossession and enforcement of Lessor's rights and remedies, including, without limitation, reasonable attorneys fees, court and arbitration costs, and costs of investigation (whether pre-hearing, during hearing, or upon appeal), storage, export charges, packing and transportation costs, and insurance during transport.

(F) **Remedies Cumulative.** The remedies of the parties set forth in this Section are cumulative to the extent permitted by Law, and may be exercised partially, concurrently, or separately with any other rights or remedies. The exercise of one remedy by a party shall not be deemed to preclude the exercise of any other remedy. In the event of a default by Lessee, the determination of Lessor's damages shall take into account the term of the Hotel License Agreement prior to such default and any likely extensions thereunder.

(G) **Failure to Enforce Not Waiver.** Any failure or delay on the part of a party to exercise any right or remedy under this Lease shall not operate as a waiver. The failure of a party to require performance of any term, covenant, or provision of this Lease by the other party shall not constitute a waiver by such party under this Lease. No forbearance by a party to exercise any right or remedy under this Lease shall be construed as a waiver, but all rights and remedies shall continue in effect as if no forbearance had occurred. No covenant or condition of this Lease applicable to a party may be waived except by the written consent of the other party. Any such written waiver of any term of this Lease shall be effective only in the specific instance and for the specific purpose given.

SECTION 21. SALE OR ENCUMBRANCE.

(A) **Sale or Disposal.** Lessee shall not part with possession or control of, sell or attempt to sell, mortgage, or encumber any of the Property, or otherwise dispose of any interest therein or in this Lease.

(B) **Encumbrance.** Lessee shall not pledge, encumber, create a security interest in, or permit any lien, charge, or encumbrance (other than workmen's liens, liens for personal property taxes, and other similar immaterial liens, in each case not yet due and payable), amounts to become due in respect of which are not then due and payable to become effective on any of the Property. Lessee shall immediately notify Lessor of any lien, charge, or other encumbrance, or any attachment or judicial process, affecting the Property. Lessee must promptly pay or satisfy any obligation from which any lien, charge, or encumbrance arises, and shall otherwise keep the Property and all right, title, and interest therein, free and clear of all liens, charges, and encumbrances. Lessee shall deliver to Lessor appropriate satisfactions, waivers, or evidence of payment of any lien, charge, or encumbrance. Lessee shall indemnify Lessor for any loss of the Property due to such a lien, charge, or encumbrance being placed on or against any of the Property.

SECTION 22. REPRODUCTION.

Lessee shall not reproduce any of the Property or allow any of the Property to be reproduced in any manner. Lessee agrees to fully cooperate with Lessor in the event Lessor decides to reproduce any of the Property or to cause any of the Property to be reproduced by a third party for any reason. It is expressly understood that in the event Lessor causes to be removed from the Premises any item of Property, the annual rental fee with respect to such removed item of Property shall be reduced to the extent of the time that such item is absent from the Premises.

SECTION 23. NOTICES.

Except as otherwise provided in this Agreement, all notices, demands, requests, consents, approvals and other communications (collectively "Notices"), required or permitted to be given hereunder, or which are to be given with respect to this Agreement, shall be in writing and personally delivered, or sent by facsimile (with a confirming copy mailed by registered mail as described herein), or by a recognized overnight courier service addressed to the party to be so notified as follows:

If to Lessee: [_____]
[_____]

With a copy to: _____

If to Lessor: Hard Rock Cafe International (STP), Inc.
6100 Old Park Lane
Orlando, Florida 32835
Attention: Executive Vice President – Hotels &
Casinos

With a copy to: Hard Rock Cafe International (USA), Inc.
6100 Old Park Lane
Orlando, Florida 32835
Attention: General Counsel

Notices shall be deemed received on the date of delivery if personally delivered, two (2) business days after sending if sent by facsimile or overnight courier service, or seven (7) business days after sending if sent by registered mail.

SECTION 24. LIMITATION OF WARRANTIES.

Lessor is not a manufacturer of the Property or a dealer in similar property and has not made and does not make any representation, warranty, or covenant, express or implied, with respect to the condition, quality, durability, suitability, authenticity, or merchantability of the Property. Lessor shall not be liable to Lessee for any liability, loss, or damage caused or alleged to be caused, directly or indirectly, by the Property, by any inadequacy of, or defect in, the Property, or by any incident in connection with the use of the Property by Lessee. The sole warranty being made by Lessee hereunder is that Lessor has the right to lease the Property to Lessee.

SECTION 25. SUBSTITUTION.

Lessor reserves the absolute right to recover, from time to time, at Lessee's expense and upon sixty (60) days prior notice to Lessee, any item of Property listed on the attached Schedule A, provided that Lessor provides Lessee with a reasonable substitute item after consultation with Lessee. Such a substitution shall not be considered an amendment of this Lease and shall not affect the terms of this Lease, except that such substitution shall be reflected on Schedule A. Notwithstanding the foregoing, Lessor may, upon its substitution of Property, require a written amendment under the provisions of Section 26 of this Lease.

SECTION 26. AMENDMENT AND MODIFICATION.

Additional Property may from time to time be added to this Lease, as agreed upon by the parties. Any additional Property shall be added to the attached Schedule A in an amendment describing such Property, the rental, the term of the leasing period, and the Appraised Value of such additional Property. All such amendments to the attached Schedule A effected pursuant to this Section 26 must be in writing and signed by both parties.

SECTION 27. HEADINGS.

The Section and other headings contained herein are for convenience of reference only, and are not intended to define, limit, or describe the scope or intent of any provision of this Lease.

SECTION 28. SURVIVAL OF COVENANTS.

Any covenant, representation, warranty, term, or provision of this Lease which, in order to be effective, must survive the termination of this Lease, shall survive any such termination.

SECTION 29. SEVERABILITY.

Except as expressly provided to the contrary elsewhere herein, each Section, part, term, and/or provision of this Agreement shall be considered severable and shall be construed as independent of any other Section, part, term, and/or

provision of this Agreement. If, for any reason, all or any part of any Section, part, term, and/or provision of this Lease is held to be invalid, unenforceable, or in conflict with any applicable Law by a court or properly convened arbitrators having valid jurisdiction in an unappealable final decision to which Lessor is a party or by which Lessor may be bound, the same shall not impair the operation of, or have any other effect upon, any other Section, part, term, and/or provision of this Lease as may remain otherwise valid and enforceable, and the latter shall continue to be given full force and effect and bind the parties hereto, and said invalid Sections, parts, terms, and/or provisions shall be deemed limited by construction in scope and effect to the minimum extent possible to render the same valid and enforceable. In the event any such invalid or unenforceable Section, part, term, or provision involves the payment of moneys hereunder, the parties shall mutually amend this Lease so as to eliminate or modify, as appropriate, the invalid or unenforceable Section, part, term, or provision, while preserving the integrity of such payments so as to permit each party hereto to receive the full economic benefits bargained for herein.

SECTION 30. NO WARRANTIES OR GUARANTEES.

Except as set forth in Section 24, Lessor makes no warranties or guarantees upon which Lessee may rely, and assumes no liability or obligation to Lessee by providing any waiver, approval, consent, or suggestion to Lessee in connection with this Lease or by reason of any delay or denial of any request therefore. Lessee, in executing this Lease, has not relied upon any representation or warranty of Lessor that the business operations to be conducted at the Hotel will be successful, or that any specific level of profit will be achieved.

SECTION 31. INTEREST CHARGES.

In the event, pursuant to the terms of this Lease, interest charges accrue in favor of any payee, amounts received by such payee following the initial date of any interest accrual shall first be applied to accrued and unpaid interest.

SECTION 32. ENTIRE AGREEMENT.

This Lease, the documents referred to herein, and the attachments hereto, if any, constitute the entire, full, and complete agreement between Lessor and Lessee concerning the subject matter hereof, and supersede all prior agreements between the parties hereto related thereto, no other representations having induced Lessee to execute this Lease. No representations, inducements, promises, or agreements, oral or otherwise, not embodied in this Lease were made by either party, and none shall be of any force or effect with reference to this Lease. Except as otherwise provided in this Lease, no amendment, change, or variance from this Lease shall be binding on either party unless mutually agreed to by the parties in writing and executed by their authorized officers or agents.

SECTION 33. ARBITRATION AND GOVERNING LAW.

Disputes relating to this Lease shall be governed by dispute resolution provisions of the Hotel License Agreement, which are incorporated herein by reference thereto.

This Lease shall be governed by the law governing the Hotel License Agreement.

SECTION 34. COUNTERPARTS.

This Lease may be executed in any number of counterparts by the parties to it on separate counterparts, each of which is an original but all of which together constitute one and the same instrument. Facsimile signatures shall constitute original signatures.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have caused this Lease to be executed, effective as of the date first set forth above.

Signed in the presence of:

LESSOR:

**HARD ROCK CAFE INTERNATIONAL (STP),
INC.**

By: _____

Name: _____

Its: _____

Signed in the presence of:

LESSEE:

[_____]

By: _____

Name: _____

Its: _____

SCHEDULE A TO MEMORABILIA LEASE

Description of Property

As of _____, 20[___]

Name

Category

Name

Group

Appraised

Value

SCHEDULE B TO MEMORABILIA LEASE
Premises

EXHIBIT D

PROGRAMMATIC COMPONENTS

EXHIBIT E
LICENSED LOCATION

EXHIBIT F

FORM OF MANAGER'S ACKNOWLEDGEMENT

This Manager Acknowledgment ("Manager Acknowledgement") is executed as of _____, 20__, by and among _____, a _____ ("Manager"), _____, a _____ ("Licensee"), and HARD ROCK HOTEL LICENSING, INC., a Florida corporation ("Licensor").

WHEREAS, Manager has entered into an agreement ("Management Agreement") with Licensee, pursuant to which Manager will operate that certain Hard Rock Hotel located at _____ (the "Hotel"), in accordance with the terms and conditions of that certain _____ License Agreement dated _____, 20[] (as such agreement may be amended, supplemented, restated or otherwise modified, the "License Agreement") between Licensor and Licensee; and

WHEREAS, Licensee has requested that Licensor approve Manager to operate the Hotel in accordance with the License Agreement.

NOW, THEREFORE, in consideration of the mutual undertakings and benefits to be derived herefrom, the receipt and sufficiency of which are acknowledged by each of the parties hereto, it is hereby agreed as follows:

1. Licensor's Consent. Licensor hereby consents to the operation of the Hotel by Manager during the term of the License Agreement on behalf of and subject to the control of Licensee with respect to and in accordance with the terms and conditions of the License Agreement, subject to and upon the terms and conditions set forth below. Licensor's consent granted in the immediately preceding sentence shall terminate contemporaneously with any termination of the License Agreement without notice to Manager; provided that the duties and obligations of Manager that by their nature or express language survive such termination, including, without limitation, Sections 3.b. and c. below, shall continue in full force and effect notwithstanding the termination of the License Agreement.

2. Manager Representations and Covenants. Manager represents and warrants to Licensor that:

a. Manager is not in control of or controlled by persons who have been convicted of any felony or a crime involving moral turpitude, or been convicted of any other crime or offense or committed any acts, or engaged in any conduct that is reasonably likely to have an adverse effect on the Hotel System, the Licensed Marks, the goodwill associated therewith, or Licensor's interests therein;

b. neither Manager nor any affiliate of Manager is a Competitor;

c. the Management Agreement is valid, binding and enforceable; contains no terms, conditions, or provisions that are, or through any act or omission of Licensee or Manager, may be or may cause a breach of or default under the License Agreement; and is for a term of not less than ten (10) years; and

d. neither Manager nor any Affiliate of Manager is a Person or entity with whom United States persons are prohibited from transacting business.

3. Manager and Licensee Acknowledgements. Manager and Licensee covenant and agree to the following:

a. Manager shall have the exclusive authority and responsibility for the management of the Hotel on behalf of and subject to the control of Licensee with respect to and in accordance with the terms and conditions of the License Agreement. The general manager of the Hotel shall devote his or her full time and attention to the management and operation of the Hotel and shall have successfully completed Licensor's management training program as required under the License Agreement;

b. The Hotel will be operated in strict compliance with the requirements of the License Agreement, and Manager will observe fully and be bound by all terms, conditions and restrictions regarding the management and operation of the Hotel set forth in the License Agreement, including those related to Confidential Information and the Licensed Marks, as if and as though Manager had executed the License Agreement as "Licensee," provided that Manager obtains no rights under the terms of the License Agreement except as specifically set forth herein. Manager shall comply with all applicable Laws, rules, and regulations, and shall obtain in a timely manner all permits, certificates, and licenses necessary for the full and proper operation of the Hotel;

c. Licensor may enforce directly against Manager all terms and conditions in the License Agreement regarding the Licensed Rights during and subsequent to Manager's tenure as operator of the Hotel;

d. Any default under the terms and conditions of the License Agreement caused wholly or partially by Manager shall constitute a default under the terms and conditions of the Management Agreement, for which Licensee shall have the right to terminate the Management Agreement;

e. Licensee and Manager shall not modify or amend the Management Agreement in such a way as to create a conflict or other inconsistency with the terms and conditions of the License Agreement or this Manager Acknowledgment;

f. Except in extraordinary circumstances, such as theft or fraud on the part of Manager or a default by Licensee under the License Agreement caused by Manager for which Licensee needs to promptly remove Manager from the Hotel, the Management Agreement shall not be terminated or permitted to expire without at least thirty (30) days' prior written notice to Licensor; and

g. Licensor shall have the right to communicate directly with Manager and the managers at the Hotel regarding day-to-day operations of the Hotel and such communications shall be deemed made to Licensee because Manager and the managers at the Hotel are acting on behalf of Licensee and Manager as their agents and Licensor shall have the right to rely on the instructions of such managers as to matters relating to the operation and promotion of the Hotel.

4. Existence and Power. Manager and Licensee each represents and warrants with respect to itself that (i) it is a legal entity duly formed, validly existing, and in good standing under the laws of the jurisdiction of its formation, (ii) it has the ability to perform its obligations under this Manager Acknowledgment and under the Management Agreement, and (iii) it has all necessary power and authority to execute and deliver this Manager Acknowledgment.

5. Authorization; Contravention.

a. Manager and Licensee each represents and warrants with respect to itself that the execution and delivery of this Manager Acknowledgment and the performance by Manager and Licensee of its respective obligations hereunder and under the Management Agreement: (i) have been duly authorized by all necessary action; (ii) do not require the consent of any third parties (including lenders) except for such consents as have been properly obtained; and (iii) do not and will not contravene, violate, result in a breach of, or constitute a default under (a) its certificate of formation, operating agreement, articles of incorporation, by-laws, or other governing documents, (b) any regulation of any governmental body or any decision, ruling, order, or award by which each may be bound or affected, or (c) any agreement, indenture or other instrument to which each is a party; and

b. Manager represents and warrants to Licensor that neither Manager (including, without limitation, any and all of its directors and officers), nor any of its affiliates or the funding sources for either is a Specially Designated National or Blocked Person (as defined in the License Agreement). Neither Manager nor any affiliate of Manager is directly or indirectly owned or controlled by the government of any country that is subject to an embargo by the United States government. Neither Manager nor any affiliate of Manager is acting on behalf of a government of any country that is subject to such an embargo. Manager further represents and warrants that it is in compliance with any applicable anti-money laundering law, including, without limitation, the USA Patriot Act. Manager agrees that it will notify Licensor in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties of this Section 5.b. incorrect.

6. Controlling Agreement. If there are conflicts between any provision(s) of the License Agreement and this Manager Acknowledgment on the one hand and the Management Agreement on the other hand, the provision(s) of the License Agreement and this Manager Acknowledgment shall control.

7. No Release. This Manager Acknowledgment shall not release or discharge Licensee from any liability or obligation under the License Agreement, and Licensee shall remain liable and responsible for the full performance and observance of all of the provisions, covenants, and conditions set forth in the License Agreement.

8. Limited Consent. Licensor's consent to Manager operating the Hotel is personal to Manager, and this Manager Acknowledgment is not assignable by Licensee or Manager. If there is a change in control of Manager or if Manager becomes, is acquired by, comes under the control of, or merges with or into a Competitor, or if there is a material adverse change to the financial

status or operational capacity of Manager, Licensee shall promptly notify Licensor of any such change and Manager shall be subject to approval under the License Agreement as a new operator of the Hotel.

9. Defined Terms. Unless specifically defined herein, all capitalized terms used in this Manager Acknowledgment shall have the same meanings set forth in the License Agreement.

10. Counterparts. This Manager Acknowledgment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same instrument. Delivery of an executed signature page to this Manager Acknowledgment by facsimile transmission shall be effective as delivery of a manually signed counterpart of this Manager Acknowledgment.

11. Governing Law. This Manager Acknowledgment shall be construed in accordance with the laws of the State of Florida without regard to the conflict of laws principles thereof, and contains the entire agreement of the parties hereto. Manager hereby submits itself to the non-exclusive jurisdiction of the courts of the State of Florida, United States of America, in any suit, action, or proceeding arising, directly or indirectly, out of or relating to this Manager Acknowledgment; and so far as is permitted under applicable law, this consent to personal jurisdiction shall be self-operative.

12. Manager's Address. Manager's mailing address is _____. Manager agrees to provide written notice to both Licensee and Licensor if there is any change in Manager's mailing address.

13. IN ANY LITIGATION BETWEEN THE PARTIES FOUNDED UPON OR ARISING FROM THIS MANAGER ACKNOWLEDGMENT OR THE LICENSE AGREEMENT, THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL, AND THE PARTIES HEREBY STIPULATE THAT ANY SUCH TRIAL SHALL OCCUR WITHOUT A JURY.

14. Indemnity. Manager shall Indemnify Licensor and its Affiliates and all of their respective shareholders, directors, officers, employees, agents and representatives from and against any and all claims, actions, proceedings, costs, damages, and liabilities, including, without limitation, reasonable attorney's fees, court and arbitration costs, and costs of investigation (whether pre-hearing, during hearing, or upon appeal) arising out of, connected with, or resulting, directly or indirectly, from (i) the enforcement of this Agreement and (ii) Manager's acts or omissions to act in connection with the compliance with all Laws.

(Remainder of Page Intentionally Left Blank)

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Manager Acknowledgment, under seal, as of the date first above written.

ATTEST:

LICENSOR:

[HARD ROCK HOTEL LICENSING, INC

By: _____

Name: _____

Title: _____

ATTEST:

LICENSEE:

[LICENSEE]

By: _____

Name: _____

Title: _____

ATTEST:

MANAGER:

[MANAGER]

By: _____

Name: _____

Title: _____

EXHIBIT G
CERTIFICATE OF COMPLIANCE

(TO BE COMPLETED BY LICENSEE'S ARCHITECT, ENGINEER, EXPERT CONSULTANT, OR OTHER LICENSED PROFESSIONAL)

In connection with the proposed Hard Rock Hotel located at _____ (the "Hotel"), I hereby represent and certify to [LICENSEE] and to Hard Rock Hotel Licensing, Inc that:

1. I HAVE USED PROFESSIONAL REASONABLE EFFORTS TO ENSURE THAT THE HOTEL CONFORMS TO AND COMPLIES WITH THE DESIGN STANDARDS AND REQUIREMENTS OF ALL APPLICABLE LAWS, REGULATIONS, AND ALL REQUIREMENTS GOVERNING PUBLIC ACCOMMODATIONS FOR PERSONS WITH DISABILITIES IN EFFECT AT THE TIME THAT THIS CERTIFICATION IS MADE; AND

2. THE HOTEL COMPLIES WITH THE DESIGN STANDARDS AND REQUIREMENTS OF ALL APPLICABLE LAWS AND REGULATIONS; AND

3. IN MY PROFESSIONAL JUDGMENT, THE HOTEL DOES IN FACT CONFORM TO AND COMPLY WITH SUCH DESIGN STANDARDS AND REQUIREMENTS.

By: _____

Print Name: _____

Firm: _____

Date: _____

EXHIBIT H
OWNERSHIP OF LICENSEE

[LICENSEE]

[] []%

[] []%

EXHIBIT I
FORM OF RESERVATION AGREEMENT
(Attached)

**RESERVATION SERVICES AGREEMENT
FOR THE HARD ROCK HOTEL _____
BETWEEN
HARD ROCK CAFÉ INTERNATIONAL (USA), INC.
AND
[HOTEL OWNER]**

RESERVATION SERVICES AGREEMENT

This Reservation Services Agreement (this "Agreement") is entered into as of _____ 20[] (the "Effective Date") by and between Hard Rock Café International (USA), Inc. ("HRH"), having its principal office at 6100 Old Park Lane, Orlando, Florida 32835, and _____, a _____, whose principal office is _____ (the "Owner").

RECITALS

WHEREAS, HRH owns or has intellectual property rights to a computerized hotel booking reservation system and other reservation services system (the "System"), whereby subscribers to the System may execute reservations through voice, the Internet, GDS, ADS or other methods;

WHEREAS, Owner desires to participate in the System for the purpose of facilitating hotel reservations for the Hotel (hereinafter defined).

NOW, THEREFORE, in consideration of the foregoing recitals, of the mutual covenants and obligations contained herein, and for other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged by each party hereto, the parties hereby agree as follows:

1. DEFINITIONS; INTERPRETATION

1.1. The following definitions shall apply to this Agreement:

ADS – Shall mean an alternative distribution reservation system, as used by travel agencies, other entities and consumers to acquire reservations at a hotel (which includes by way of example, expedia.com, hotels.com and travelocity.com). An ADS collects, stores, process, displays and distributes information concerning hotel services and enables its users to: (i) inquire about, reserve or otherwise confirm the availability of such services, and/or (ii) permit the purchase of such services.

Affiliate - Shall mean a Person which controls, is in common control with or is controlled by another Person. A Person will be deemed to control another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting interest, by contract, or otherwise.

Booking - Shall mean a confirmed reservation for each hotel room through the System, regardless of the number of nights requested or the number of persons occupying a room so reserved. Each confirmed Hotel room reservation will be counted as one Booking for purposes of this Agreement.

Business Day – Shall mean a day (other than a Saturday or Sunday) on which banks generally are open in Orlando, Florida for a full range of business

Cancellation - Shall mean those Bookings cancelled by a Subscriber, prior to the check-in, through the same manner in which the Booking was originally made, no-shows (but only to the extent no payment for the Booking has been received for the time period to which the cancellation is applicable), and cancellations through the Hotel.

Confidential Information - Shall mean non-public, confidential information, confidential know-how, any information relating to reservation services or the System or trade secrets regarding either party's existing business or operations. Such information shall include, but not be limited to software, including, source codes and object codes to programs and

documents, software, product features, technical information regarding products and product development, confidential pricing and sales data, customer preference and buying information, current and future development and expansion or contraction plans, information concerning legal affairs and certain information concerning financial affairs. Notwithstanding the foregoing, "Confidential Information" shall not include (i) information that is or becomes available to a party on a non-confidential basis from a non-confidential source by the act of one who the receiving party reasonably believes has the right to disclose such information, or was learned from a third party not under a duty of confidentiality, (ii) information that is or becomes generally available to the public through no fault, act or omission of the receiving party, (iii) information that is being developed or has been developed by, or on behalf of, the receiving party independently of such party's receipt of any Confidential Information, or (iv) information which is within the general experience, skills, and knowledge in the unaided memory of the receiving party's employees. In the case of a disclosure of information the burden of proof that the information was confidential is with the disclosing party.

CRO – Shall mean any of the offices of HRH, including, without limitation, any central reservations system or "800" number established by HRH, through which reservations are processed by voice operators.

GDS - Shall mean a computerized reservation system, or Global Distribution System, as used by travel agencies, other entities and consumers to acquire reservations at a hotel (which includes by way of example, Apollo, Worldspan, Gallileo, Sabre and Amadeus). A GDS collects, stores, process, displays and distributes information concerning hotel services and enables its users to: (i) inquire about, reserve or otherwise confirm the availability of such services, and/or (ii) permit the purchase of such services.

Hard Rock Hotel – Shall mean a hotel, lodge, inn, condominium units, or similar establishment within a property or resort named or identified with the Hard Rock Trademarks which is a full service place for overnight lodging of a nature and type similar to the Hotel.

Hotel - Shall mean only the Hard Rock Hotel owned, controlled, franchised or represented by Owner in _____.

Hotel Agreement - Shall mean the License Agreement, dated _____, between Hard Rock Hotel Licensing, Inc. and Owner for the licensing of the Hotel.

Hotel Detailed Information – Shall mean the detailed information of the Hotel contained in the System and as otherwise provided by Owner to HRH.

Hotel System - Shall mean the Hotel's automated reservation system and/or property management system.

IDS – Shall mean the Internet Distribution System that allows consumers to connect to Pegasus alternative distribution system partners who are online travel agencies and hospitality websites (which includes by way of example Orbitz.com and Priceline.com).

Intellectual Property - Shall mean patents, trade marks, service marks, logos, get-up, trade names, internet domain names, rights in designs, copyright (including rights in computer software) and moral rights, database rights, semi-conductor topography rights, utility models, trade secrets, rights in know-how and other intellectual property rights, in each case whether registered or unregistered and including applications for registration, and all rights or forms of protection having equivalent or similar effect anywhere in the world.

Intellectual Property Rights - Shall mean patents, trademarks, service marks, logos, get-up, trade names, internet domain names, rights in designs, copyright (including rights in computer software) and moral rights, database rights, semi-conductor topography rights, utility models, rights in know-how and other intellectual property rights, in each case whether registered or unregistered and including applications for registration, and all rights or forms of protection having equivalent or similar effect anywhere in the world.

Internet Bookings – Shall mean Bookings made on any world wide web site (including, without limitation, hardrockhotels.com), USENET, newsgroup, bulletin board or other online service or any successor thereto at any electronic

domain name, address or location, or any other form of online service or electronic domain name, address or location (including, without limitation, on any mobile devices or any mobile internet web site), but excluding ADS Bookings.

Manager – Shall mean the management company engaged to operate the Hotel for and on behalf of Owner.

Net Booking - Shall mean the total of Bookings, minus Cancellations, during a given period.

Person - Shall mean (i) an individual, company, joint venture, limited liability company, limited liability partnership, estate, trust, unincorporated association or other entity, (ii) any governmental authority, or (iii) a fiduciary acting in such capacity on behalf of any of the foregoing.

Reservation Fees – Shall mean the fees set forth on the attached Exhibit A. Licensor may modify such fees from time to time, and Licensee shall pay such modified fees so long as such modifications are applicable to substantially all similarly situated Hard Rock Hotels, subject to Reasonable Deviations (as that term is defined in the Hotel Agreement).

Software - Shall mean all computer software and accompanying documentation (including all future enhancements, upgrades, additions, substitutions and other modifications thereof) provided to Owner or the Hotel by HRH or third parties designated by HRH for use with the System;

System - Shall mean the HRH reservation system designed by or utilized by HRH (including without limitation all equipment and software) for booking of reservations as required to be utilized by Owner under the Hotel Agreement, as such reservation system may be from time to time modified by HRH.

System Office - Shall mean the HRH office designated by HRH as the administrative office responsible for operation of the System.

Subscriber - Shall mean a person or entity which utilizes the System to make hotel reservations.

Trademarks – Shall mean the Licensed Marks as defined in the Hotel Agreement.

2. OWNER RESPONSIBILITIES

2.1. Owner shall cause the Hotel to utilize the System as the exclusive provider of GDS Bookings, ADS Bookings, Internet Bookings, IDS Bookings and CRO Bookings, at Owner's sole cost and expense, and shall observe all requirements of System participation as determined from time to time by HRH (or its designee).

2.2. Owner shall be solely responsible for notifying the System Office of any changes in the Hotel's room rates and maintaining and ensuring the accuracy of the Hotel's room rates. Owner shall in no event charge any Hotel guest a rate higher than the rate specified to the guest by the System Office at the time the guest's reservation was made. Such rate shall be the rate most recently provided to the Reservation system office, according to the records of such office, by Owner prior to the guest having made such reservation. Room rates are to be quoted in United States Dollars only.

2.3. Owner will, at its own cost, obtain, rent, install and maintain a telephone intercom, a computer and/or any other communication facility and/or equipment necessary to communicate with the System, following HRH recommendations, to enable the Hotel's reservation system to communicate with the System and to send and receive reservation information between the System and the Hotel. Without limiting the foregoing, Owner at its expense shall purchase, install, maintain, and use at the Hotel all equipment necessary for the proper and efficient utilization and operation of the System, including any future enhancements, additions, substitutions, upgrades, or other modifications specified by HRH. Owner at its expense also shall install and use all Software provided for use with the System. Nothing herein shall prevent HRH from allowing other hotels to utilize various components of the System.

2.4. Owner agrees to accept, or cause Manager to accept, reservations using the equipment and software described in Section 2.3 above. Owner shall be obligated, at its cost and expense, to utilize the communication system(s) as specified or otherwise approved by HRH from time to time for Hard Rock Hotels generally. Owner shall ensure that all Hotel employees are adequately trained for use of the System insofar as they have access to the System and its software.

2.5. Owner agrees to honor, or cause to be honored by Manager, all Bookings made through the System, provided made consistent with the rates, policies and availability of the Hotel.

2.6. Owner shall provide HRH with the following Hotel detail information as to introduce it within the System: the name and address of the Hotel; rates and availability, including rates for extra persons and roll-away bed charges and applicable taxes; transportation arrangements (including courtesy transportation from the airport if applicable); facilities (such as number and type of guest rooms and recreational facilities); services (such as food and beverage services); Hotel amenities; Hotel policies (such as availability of suites and pet policies); accepted credit cards; restrictions on availability (such as minimum length of stay and arrival requirements, if applicable); check-in and check-out times; Hotel and guest room descriptions; and photographs of the Hotel and guest rooms. Owner shall also update the aforesaid information within the System as necessary from time to time to keep such information current. Owner shall also complete any electronic questionnaire generated by HRH for automated integration of data into relevant databases.

2.7. Owner shall promptly provide basic booking policy and procedure information in a succinct and easily readable format consistent with practices within the United States. Owner shall be responsible for, and assumes all liability with respect to, Owner's entry, updating and accuracy of this information within the GDS as well as information otherwise provided by Owner pursuant to this Agreement.

2.8. Owner guarantees the rate (if consistent with the rates established by Owner) confirmed to a customer at the time of Booking. In the event that a Booking is made on a "request" basis and when Owner's acceptance of said Booking is subject to a rate greater than the rate advised to the System Subscriber through the System, Owner shall advise the System Subscriber of the rate through a special message.

2.9. Owner may cooperate, at no cost to it, with HRH to secure any governmental approvals or exemptions necessary to put this Agreement into effect, and shall assist HRH to maintain such approvals once received.

2.10. Owner, at no cost to it, shall cooperate with HRH in its efforts to improve the quantity and quality of all services provided to the System Subscribers, especially those related to the dissemination of more complete, accurate, and current data pertaining to the Hotel features, amenities and services. Owner, again at no cost to it, also agrees to assist HRH in expanding and maintaining information concerning the Hotel features, amenities and services in the System. Owner agrees to share with HRH, in such form as HRH shall from time to time determine, such marketing data and customer profile information on guests at the Hotel as HRH shall request. HRH shall have no obligation to share with Owner or the owner of any other hotel using the System, any marketing data and customer profile information in its possession on guests at any Hard Rock Hotels. The parties agree that HRH shall own all Intellectual Property Rights in and to the database of guest information developed through the System in respect of the Hotel and upon termination of this Agreement; all such guest information in Owner's possession or control shall be returned to HRH. Guest information generated through the System may be utilized by HRH to the extent such information is available, for global communications, advertising and marketing and may be disclosed in a manner consistent with third party agreements and applicable HRH privacy policies.

2.11. Owner shall pay all Reservation Fees to HRH for the usage of the System. Owner will also pay all travel agent commissions generated through the System for reservations at the Hotel, within ten (10) days after receipt of an invoice therefor.

2.12. Owner agrees to adopt the System for the Hotel on an exclusive basis. Owner guarantees that the System will be its unique provider in GDS, ADS and Internet and that no third party may fulfill any telephonic reservations other than CRO and the Hotel itself. The Hotel will conform to all HRH procedures for collateral products established by HRH and the Hotel will display in the Hotel premises Hard Rock brochures that display the Trademarks with the Hard Rock reservation number and web address. Owner shall use its best efforts, at no additional cost to Owner, except as provided herein, to encourage and promote the use of Hard Rock Hotels everywhere by the traveling public. If Owner receives a request at the Hotel for hotel reservations or accommodations in any area where a Hard Rock Hotel is located, Owner will promptly refer such request to the Hard Rock CRO.

2.13. Owner is aware of the existence of agreements between HRH and the GDS whereby HRH is listed in the GDS for the purpose of receiving and processing reservations to Hard Rock Hotels. In furtherance of the foregoing:

1. Owner shall grant HRH the exclusive right to represent the Hotel in the GDS for the Term of this Agreement.
2. Owner shall designate HRH as its sole representative in any Internet site or ADS that is linked through or "powered" by the GDS.

(c) The Hotel and Owner must honor all reservations and rates processed and confirmed through the System. Owner hereby agrees to honor, and cause Manager to honor, all rates confirmed through the System. If the Hotel or Owner fails to honor any reservation processed through the System, Owner shall arrange for alternative accommodations and local transportation, at Owner's sole cost and expense, for the guest(s) at a hotel of comparable quality.

2.14 If or when the Hotel has its own Internet site on the worldwide web (which may include only the Hotel and no other hotels owned or operated by Owner), Owner agrees to activate a linking function and implement the booking widget as designated by HRH, which automates the booking process via a link exclusively with the System.

2.15 Owner represents and warrants that (a) it has the right, power and authority to enter into this Agreement and to perform all of its obligations hereunder, (b) the performance of such obligations will not conflict with or result in a breach of any agreement to which Owner is a party or is otherwise bound, (c) its performance shall comply with all applicable laws, rules and regulations.

3. RESPONSIBILITIES OF HRH

3.1. HRH, by itself or through its designee, has developed a central reservation system through which guests and Subscribers may make reservations at Hard Rock Hotels and Hard Rock Hotels/Casinos or other properties operated by HRH or its Affiliates or other participating licensees of HRH. The System will provide Subscribers with the most current updated information about availability and rate information for the Hotel. HRH reserves the right to modify or change, at its sole discretion, the System at any time. Notwithstanding anything herein to the contrary, HRH shall have the right in its sole discretion to delegate to a third party any of HRH's obligations hereunder or with respect to the System.

3.2. HRH shall include the Hotel in the System to enable responses to/by Subscribers requesting information and desiring to make Bookings at the Hotel.

3.3. HRH will identify all transactions transmitted to the Hotel which were booked by Subscribers through a unique identification code which identifies location from which the transaction originated. The manner of identification will be as defined by HRH, subject to the reasonable approval of Owner.

3.4. Prior to the last date of each month, HRH will supply Owner with a report showing Bookings and Cancellations, and such additional information as Owner may reasonably request, at the Hotel for the preceding month.

3.5. HRH shall provide reasonable information to, and as requested by or on behalf of, Owner to substantiate the charges to Owner pursuant to this Agreement.

3.6. HRH shall provide (or cause its designee to provide) to Owner (for use at or by the Hotel only) the specifications for the hardware and all required hardware and software for the System, the cost of which shall be paid by Owner. HRH retains the right to enhance or modify, in whole or in part, the System at its discretion, and will use commercially reasonable efforts to minimize interferences with, or diminutions or interruptions in, the System or the production of Bookings to the Hotel.

3.7. HRH will not knowingly take action to preclude or in any way impair, other than inconsequentially, the ability of Subscribers to book reservations at the Hotel through the System or otherwise divert, or attempt to divert, Subscribers to other hotels.

3.8. HRH will diligently perform its obligations under this Agreement without preference to any other hotel. HRH shall use commercially reasonable efforts to maintain its equipment and systems in a condition to properly perform its obligations under this Agreement, including maintenance of back-up systems to minimize the risk of interruption in the services required hereunder.

3.9. HRH represents and warrants that (a) it has the right, power and authority to enter into this Agreement and to perform all of its obligations hereunder, (b) the performance of such obligations will not conflict with or result in a breach of any agreement to which HRH is a party or is otherwise bound, (c) its performance shall comply with all applicable laws, rules and regulations.

4. TERM

The term of this Agreement begins on the Effective Date and ends on expiration or termination of the Hotel Agreement pursuant to its terms (the "Term").

5. FEES

5.1. Owner shall pay the one-time System set-up fee upon the execution of this Agreement and shall pay all other Reservation Fees as specified in Exhibit A.

5.2. Sales promotions products with specific conditions of remuneration for reservation shall be governed by their own specific terms.

5.3. Owner acknowledges and agrees that (i) third parties not Affiliated with HRH (for example Expedia or Hotels.com) may impose fees in connection with Bookings made through the System and that any such third party fees, expenses or commissions are in addition to and not included within the Reservation Fees, (ii) it shall be solely responsible for the payment of telecommunications costs and long distance carrier costs incurred by it in connection with CRO generated Bookings, (iii) it shall, pay HRH fees, and reimburse HRH for its reasonable expenses incurred, in connection with training provided by HRH with respect to the CRO, (iv) its property management system vendor may impose additional fees and require Owner to obtain certain licenses in order to establish a two-way interface with the System and (v) if additional customization is required in connection with the set-up of the System for the Hotel, Owner shall reimburse to HRH all costs incurred by HRH to meet the additional scope of work required for such customization.

5.4. HRH shall submit monthly invoices covering the Reservation Fees earned hereunder for the preceding month and such invoices shall be due and payable by Owner within twenty (20) days of the date of receipt.

5.5. All Reservation Fees not paid when due bear interest at the Interest Rate (as that term is defined in the Hotel Agreement).

5.6. The Reservation Fees due shall be paid in United States Dollars unless HRH shall request in writing for payment to be made in local currency. In calculating the Reservation Fees due with respect to each month, Owner shall employ the United States Dollar closing rate of exchange between the local currency where the Hotel is located and United States Dollars as reported in the Wall Street Journal, or such other index as may be reasonably designated by HRH, on the date such payment is due, or in the event of a late payment, on the date of payment or the date such payment is due, whichever results in the highest amount paid to HRH. If for any reason an amount is received in a currency other than United States Dollars without HRH's direction or consent, Owner's obligations under this Agreement shall be discharged only to the extent that HRH may purchase United States Dollars with such other currency in accordance with normal banking procedures upon receipt of such amount. If the amount in United States Dollars which may be so purchased, after deducting any costs of exchange and any other related costs, is less than the relevant sum payable under this Agreement, Owner shall immediately pay HRH the shortfall.

If at any time any legal restrictions are imposed upon the purchase of U.S. Dollars, or the transfer of U.S. Dollars from the jurisdiction in which the Hotel is located or in which Owner may be domiciled, or the transfer or credit of U.S. Dollars by Owner to HRH, Owner shall notify HRH immediately, in which case HRH shall have the right (but not the obligation) to direct Owner to make payment to HRH in such other currency and in such other country or jurisdiction as permitted under applicable laws, as HRH may select. If HRH

directs Owner to make payments in another currency, then any payments shall be calculated and converted (to the extent necessary) according to the exchange rate as reported by an authorized foreign exchange bank designated by HRH. The acceptance by HRH of payment in a currency other than U.S. Dollars shall not release Owner from its obligations to make future payments in U.S. Dollars to the extent permitted by applicable law. Notwithstanding the foregoing, Owner shall use all available means to obtain any consents or authorizations necessary to effect payment in U.S. Dollars, and if within thirty (30) days Owner is unable to obtain consent or authorization of a method and manner of payment reasonably acceptable to HRH, then HRH shall have the right to terminate this Agreement immediately, by providing written notice to Owner, with no liability to Owner whatsoever as a result of such termination.

5.7. In addition, all amounts payable to HRH shall be paid by Owner without deduction for any withholding, value-added or other taxes, duties or other deductions (the "Withholding Taxes"), and all payments to HRH shall be increased to the extent necessary to provide HRH with the same net amount it would have received if no Withholding Taxes had been applicable to such payments; provided, however, in no event shall Owner be required to increase payments to HRH on account of income tax withholdings. Owner nevertheless shall (a) remit to the applicable Governmental Authority, on a timely basis, all Withholding Taxes applicable to any payments to HRH, (b) provide to HRH an official receipt issued by such Governmental Authority for payment of such Withholding Taxes within thirty (30) days of such payment and (c) set forth in a remittance report to be submitted to HRH within fifteen (15) days of each such payment, the amount of such Withholding Taxes and the payments to HRH related to the Withholding Taxes. Owner shall be responsible for the determination of the correct amount of Withholding Taxes payable in accordance with the tax laws and tax treaties for the jurisdiction in which the Hotel is located, and Owner shall indemnify and hold harmless HRH and its Affiliates, and their respective shareholders, trustees, beneficiaries, directors, officers, employees and agents from and against all claims and liabilities for unpaid or underpaid Withholding Taxes, including any claims and liabilities for the payment of interest, surcharges, penalties, damages and expenses of any kind, which may be imposed, levied or assessed by the applicable Governmental Authority.

6. TAXES

In addition to any other fees set forth herein, including, without limitation, the Reservation Fees, Owner shall pay to HRH or reimburse HRH, as appropriate, all sales taxes or other similar taxes hereafter imposed by any United States, state within the United States or United States municipality taxing authority on amounts paid to HRH by Owner. Notwithstanding the foregoing, Owner shall not, in any event, be responsible for any taxes payable on HRH's income.

7. CONFIDENTIAL INFORMATION

7.1. During the Term and thereafter, each party shall:

1. Use Confidential Information only for purposes of this Agreement (the "Purposes");
2. Absent prior express written consent of the other party hereto, disclose Confidential Information only to (i) its employees, in-house and outside legal counsel, all of whom require the information for the Purposes, and (ii) agents engaged for the Purposes;
3. Reproduce, or permit to be reproduced, any document (which term shall mean any material representation in human-readable or any other form) containing Confidential Information, only as necessary for the Purposes.

Each person to whom a party discloses Confidential Information transmitted to it by the other party shall be advised of its confidential status, and the party making such disclosure shall be responsible for compliance by its discloses with the confidentiality provisions of this Agreement. Agents to whom a party discloses Confidential Information transmitted to it by the other party shall first execute an agreement containing confidentiality provisions no less stringent than those in this Agreement and expressly identifying said other party as a third party beneficiary with a right to enforce said agreement.

HRH acknowledges that all information provided to it by Owner, Manager, the Hotel or any of their agents is the Confidential Information of Owner and shall be governed by the provisions hereof. Under no circumstances may any of such information be used by HRH or any of its Affiliates other than in connection with the Purposes.

7.2. Notwithstanding the foregoing, either party may disclose Confidential Information to the extent required by law, regulation or court order (collectively, "Law"). In such event, (i) the disclosure shall extend only to information whose disclosure is required by Law, (ii) the party making such disclosure shall (to the extent permitted by Law) promptly and before disclosure notify the other party of the proposed disclosure, and (iii) the party making such disclosure shall use reasonable efforts to seek from the disclose confidential treatment of the information to be disclosed. No information shall be divested of its status as Confidential Information by virtue of disclosure per se as required by Law. Notwithstanding the foregoing, if required by Law, a party may make the disclosure necessary to comply with Law or subpoena and shall promptly supply the other party with a copy of the applicable order or process, so as to provide such party with the maximum allowable time and opportunity to intervene and object to the disclosure; in such event, the disclosing party shall reasonably cooperate, at the non-disclosing party's sole expense, with any attempt by the non-disclosing party to obtain a protective order or agreement or to prevent disclosure in any lawful manner.

7.3. Nothing in this Agreement shall preclude a party from making any disclosure or use of its own Confidential Information.

7.4. The parties agree that a violation of the confidentiality provisions of this Agreement would result in irreparable damages impossible or difficult to quantify. In the event of such a violation, the injured party shall be entitled to temporary and permanent injunctive relief in addition to monetary damages.

7.5. Owner shall not acquire any Intellectual Property Rights of HRH under this Agreement except the limited use right set forth herein. Owner acknowledges that the Confidential Information and other property rights, are, and at all times will be, the property of HRH, even if suggestions, comments, contributions and/or ideas made by Owner are incorporated into the Confidential Information or related materials during the Term of this Agreement or at any time thereafter.

7.6. Notwithstanding that HRH shall own all customer data for guests booked through the System and the Hotel, Owner, shall protect personally identifiable information in its possession in accordance with applicable industry standards and legal requirements. Owner shall be responsible for assessing the permissibility of data processing applications and for protecting the rights of the parties affected. Owner acknowledges that HRH will, by virtue of the provision of reservation services, come into possession of, and have rights to use for, global marketing, advertising and communications, Protected Data (hereinafter defined). "Protected Data" shall include, but not be limited to customer and guest data (such as customer name and addresses, credit card numbers), traffic, usage or billing data such as the originating and destination numbers and email account addresses, date, time and duration of voice or data transmissions, and other data necessary for the establishment, billing or maintenance of the transmission), data containing personal information of the Owner, its customers or authorized users of the reservation services, and other data provided to or obtained by HRH in connection with the provision of reservation services. HRH shall institute reasonable privacy policies in the processing and storage of credit card numbers and billing data.

8. INDEMNIFICATION

8.1. Each Party shall indemnify the other, its parent, subsidiaries and affiliates, and their directors, officers, employees and agents against, hold them harmless from, and promptly reimburse them for all payments of money (fines, damages, legal fees, expenses, etc.) by reason of any claim, demand, tax, penalty, or judicial or administrative investigation or proceeding arising solely from any claim that the use of the indemnifying party's system or data by the other infringes any third party patent, copyright, trademark or other property right.

8.2. Owner will indemnify HRH, its parent, subsidiaries and Affiliates, and their directors, officers, employees and agents against, hold them harmless from, and promptly reimburse them for all payments of money (fines, damages, legal fees, expenses, etc.) by reason of any claim, demand, tax, penalty, or judicial or administrative investigation or proceeding arising from (i) any claimed occurrence at the Hotel or any act, omission or obligation of Owner or anyone associated or affiliated with Owner, or by reason of or in connection with Owner's performance or failure to perform or improper performance of any of its obligations under this agreement, (ii) the use of the Hotel's data, Trademarks, names, copyrights or other Intellectual Property by HRH in fulfilling its obligations under this Agreement, (iii) the Hotel's failure to honor reservations made by or through the System, (iv) the Hotel's failure to honor rates previously quoted to HRH and offered by HRH through the System to third parties, (v) any use of third party products in conjunction with the System, or (vi) any of Owner's failure of performance of its obligations under this Agreement. At the election of HRH, Owner

will also defend HRH and/or its parent, subsidiaries and Affiliates, and their directors, officers, employees and agents against the same. In any event, HRH will have the right, through counsel of its choice, to control any matter to the extent it could directly or indirectly affect HRH and/or its parent, subsidiaries or affiliates financially. Owner will also reimburse HRH for all expenses reasonably incurred by HRH to protect itself and/or its parent, subsidiaries and Affiliates, and their directors, officers, employees and agents from, or to remedy, defaults under this Agreement.

8.3. Except for the acts or omissions of Owner, or any Affiliate, employee, agent or contractor of Owner, HRH will indemnify Owner, its parent, subsidiaries and Affiliates, and their directors, members, managers, officers, employees and agents against, hold them harmless from, and promptly reimburse them for all payments of money (fines, damages, legal fees, expenses, etc.) by reason of any claim, demand, tax, penalty, or judicial or administrative investigation or proceeding arising from the gross negligence or willful misconduct of officers or directors of HRH. At the election of Owner, HRH will also defend Owner and/or its parent, subsidiaries and affiliates, and their directors, officers, members, managers, employees and agents against the same.

8.4. A party entitled to indemnification pursuant to this Agreement shall, with respect to any claim made against such indemnified party for which indemnification is available, notify the other party in writing of the nature of the claim as soon as practicable (the failure by an indemnified party to give notice as provided, above, shall not relieve the indemnifying party of its obligations under this Section, except to the extent that the failure results in the failure of actual notice and the indemnifying party is damaged as a result of the failure to give notice). Upon receipt of notice of the assertion of a claim, the indemnifying party shall employ counsel reasonably acceptable to the indemnified party and shall assume the defense of the claim. The indemnified party shall have the right to employ separate counsel and to participate in (but not control) any such action, but the fees and expenses of such counsel shall be at the expense of the indemnified party unless (a) the employment of counsel by the indemnified party has been authorized by the indemnifying party, (b) the indemnified party has been advised by its counsel in writing that there is a conflict of interest between the indemnifying party and the indemnified party in the conduct of the defense of the action (in which case the indemnifying party shall not have the right to direct the defense of the action on behalf of the indemnified party), or (c) the indemnifying party has not in fact employed counsel to assume the defense of the action within a reasonable time following receipt of the notice given pursuant to this Section, in each of which cases the fees and expenses of such counsel shall be at the expense of the indemnifying party. An indemnifying party shall not be liable for any settlement of an action effected without its written consent (which consent shall not be unreasonably withheld), nor shall an indemnifying party settle any such action without the written consent of the indemnified party (which consent shall not be unreasonably withheld). No indemnifying party will consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to the indemnified party a release from all liability with respect to the claim. Each party shall cooperate in the defense of any claim for which indemnification is available and shall furnish such records, information, testimony and attend such conferences, discovery proceedings, hearings, trials and appeals as may reasonably be requested by the other party.

9. DISCLAIMER

9.1. Owner agrees that HRH shall not be liable for any indirect, incidental, or consequential damages, including but not limited to, loss of revenues, only to the extent arising other than from the gross negligence and/or willful misconduct of HRH or its officers or directors.

9.2. EXCEPT TO THE EXTENT EXPRESSLY SET FORTH IN THIS AGREEMENT, HRH MAKES NO WARRANTY, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE SYSTEM, THE INTELLECTUAL PROPERTY OR THE SOFTWARE OPERATING THE SYSTEM. EACH PARTY ACKNOWLEDGES THAT, IN ENTERING INTO THIS AGREEMENT, IT DOES NOT DO SO ON THE BASIS OF, AND DOES NOT RELY ON, ANY REPRESENTATION, WARRANTY OR OTHER PROVISION EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT. HRH DOES NOT WARRANT THAT THE SERVICES PROVIDED WILL BE FREE FROM ANY ERROR. NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS AGREEMENT, HRH DOES NOT REPRESENT OR WARRANT (A) THAT THE SERVICES OR THE SYSTEM PROVIDED BY HRH PURSUANT TO THIS AGREEMENT SHALL RESULT IN ANY PARTICULAR LEVEL OR TYPE OF FINANCIAL RESULTS FOR OWNER; OR (B) THAT THE SYSTEM SHALL FUNCTION IN COMBINATION WITH ANY HARDWARE OR SOFTWARE OTHER THAN SPECIFIED BY HRH.

9.3. NEITHER PARTY TO THIS AGREEMENT SHALL BE LIABLE TO THE OTHER PARTY FOR CONSEQUENTIAL, SPECIAL, INCIDENTAL, PUNITIVE, OR INDIRECT DAMAGES (INCLUDING, BUT NOT LIMITED TO, LOSS OF USE, LOSS OF DATA, LOSS OF PROFITS, LOSS OF BUSINESS OR GOODWILL, OR BUSINESS INTERRUPTION) ARISING FROM, RELATING TO, OR IN CONNECTION WITH THIS AGREEMENT, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF OR COULD HAVE FORESEEN SUCH DAMAGES. HRH'S AGGREGATE LIABILITY HEREUNDER SHALL IN NO EVENT EXCEED THE TOTAL RESERVATION FEES PAID OR OWED BY OWNER TO HRH FOR THE SIX (6) MONTH PERIOD IMMEDIATELY PRECEDING THE OCCURRENCE GIVING RISE TO ANY SUCH CLAIM. THIS LIMITATION APPLIES REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, OR OTHERWISE. THE PARTIES HAVE AGREED THAT THE LIMITATIONS SPECIFIED IN THIS SECTION 9.3 WILL SURVIVE AND APPLY EVEN IF ANY LIMITED REMEDY SPECIFIED IN THIS AGREEMENT IS FOUND TO HAVE FAILED IN ITS ESSENTIAL PURPOSE. NOTWITHSTANDING THE FOREGOING, THE LIMITATIONS ON LIABILITY SET FORTH IN THIS SECTION 9.3 SHALL NOT APPLY TO LOSSES AGAINST WHICH THE PARTIES HAVE AGREED TO INDEMNIFY EACH OTHER PURSUANT TO SECTION 8 ABOVE OR TO BREACHES OF THE PARTIES' CONFIDENTIALITY OBLIGATIONS IN SECTION 7 ABOVE.

10. NOTICES

10.1. Any notice or other communication to be given by one party to the other party under, or in connection with this Agreement shall be in writing and signed by or on behalf of the party giving it. It shall be served by sending it by fax to the number set out in Section 10.2, or delivering it by hand, or sending it by pre-paid recorded delivery, special delivery, overnight courier, or registered post, to the address set out in Section 10.2 and in each case marked for the attention of the relevant party set out in Section 10.2 (or as otherwise notified from time to time in accordance with the provisions of this Section 10). Any notice so served by hand, fax or post shall be deemed to have been duly given:

in the case of delivery by hand, when delivered;

in the case of fax, at the time of transmission, subject to actual receipt;

in the case of prepaid recorded delivery, special delivery, overnight courier, or registered post, at 10am on the second Business Day following the date of posting

provided that in each case where delivery by hand or by fax occurs after 6pm on a Business Day or on a day which is not a Business Day, service shall be deemed to occur at 9am on the next following Business Day.

References to time in this Section are to local time in the location of the addressee.

10.2. The addresses and fax numbers of the parties for the purpose of Section 10.1 are as follows:

Owner:

Fax: _____
Attention : _____

HRH:

Hard Rock Café International (USA), Inc.
6100 Old Park Lane
Orlando, Florida 32835
Fax: 407-445-7935
Attention: President and General Counsel

10.3. A party may notify the other party to this Agreement of a change to its name, relevant addressee, address or fax number for the purposes of this Section 10, provided that, such notice shall only be effective on:

the date specified in the notice as the date on which the change is to take place; or

if no date is specified or the date specified is less than five (5) Business Days after the date on which notice is given, the date following five Business Days after notice of any change has been given.

10.4. All notices or formal communications under or in connection with this Agreement shall be in the English language or, if in any other language, accompanied by a translation into English. In the event of any conflict between the English text and the text in any other language, the English text shall prevail.

11. NON-WAIVER

No failure or delay by either party in exercising any right or remedy provided by law under or pursuant to this Agreement shall impair such right or remedy or operate or be construed as a waiver or variation of it or preclude its exercise at any subsequent time and no single or partial exercise of any such right or remedy shall preclude any other or further exercise of it or the exercise of any other right or remedy.

12. REMEDIES CUMULATIVE

The rights and remedies of each of the parties under this Agreement are cumulative, may be exercised as often as such party considers appropriate and are in addition to its rights and remedies under general law.

13. AMENDMENT

13.1. No variation in this Agreement shall be valid unless in writing signed by or on behalf of both parties.

13.2. Unless expressly agreed, no variation shall constitute a general waiver of any provision of this Agreement, nor shall it affect any rights, obligations or liabilities under or pursuant to this Agreement which have already accrued up to the date of variation, and the rights and obligations of the parties under or pursuant to this Agreement shall remain in full force and effect, except and only to the extent that they are so varied.

14. SEVERABILITY

If and to the extent that any provision of this Agreement is held to be illegal, void or unenforceable, such provision shall be given no effect and shall be deemed not to be included in the Hotel Agreement but without invalidating any of the remaining provisions of this Agreement.

15. FORCE MAJEURE

Except for Owner's fee obligations and the indemnification obligations hereunder by each party, in the event that either party is unable to perform any of its obligations under this Agreement or enjoy any of its benefits because of any cause reasonably beyond its control, including, without limitation, acts of God, political uncertainties, war, terrorism, insurrection, third party labor disputes and strikes, acts or orders of government authorities, electrical or power outages or interruptions, fire, flood or explosion (each a Force Majeure event) the party that has been so affected shall immediately give notice to the other party and shall take all measures to resume performance. Upon receipt of such notice, the obligations under this Agreement, except for any payment obligations and as otherwise set forth herein, shall be

immediately suspended. If the period of non-performance exceeds thirty (30) days from the receipt of notice of the Force Majeure event, the party whose ability to perform has not been affected may give written notice to the other party, terminating this Agreement immediately. In such an event, each party shall diligently assist in the efficient and prompt transfer of other party's information, data, reservations, software and communication lines to the other party.

16. ENTIRE AGREEMENT

This Agreement sets out the entire agreement and understanding between the parties in respect of the subject matter of this Agreement. It is agreed that:

1. Neither party has entered into this Agreement in reliance upon any representation, warranty or undertaking of the party, which is not expressly set out or referred to in this Agreement;
2. Neither party shall have any remedy in respect of misrepresentation or untrue statement made by the other party, which is not contained in this Agreement;
3. This clause shall not exclude any liability for, or remedy in respect of, fraudulent misrepresentation.

Nothing in this section shall have the effect of disclaiming any of the information contained in any franchise disclosure document or its attachments/addenda.

17. TERMINATION

17.1. If Owner fails to timely make any payment required pursuant to this Agreement and such failure continues for five (5) business days after written notice to Owner by HRH, HRH may, at its sole discretion, and upon five (5) business days prior written notice suspend services to Owner in whole or in part or terminate this Agreement entirely.

17.2. Except for Owner's failure to timely make any payment, if Owner shall refuse, neglect or fail to perform, observe or keep any of the covenants, agreements, terms and conditions contained in this Agreement, the Hotel Agreement or any agreement ancillary thereto and such refusal, neglect or failure shall continue for a period of thirty (30) days after receipt of written notice, HRH shall have the right, in addition to any other right or remedy it may have, to terminate this Agreement.

17.3. The Agreement may be immediately terminated by a non-defaulting (i.e., the other) party if:

17.3.1. The other party becomes insolvent or is unable to pay its debts as they become due, is adjudicated bankrupt, or files a petition or pleading under the federal bankruptcy law or under any other state of federal bankruptcy or insolvency laws, or an involuntary petition is filed with respect to it under any such law and is not dismissed within sixty (60) days after it is filed, or a permanent or temporary receiver or trustee for the business of such party or for all or substantially all of its property is appointed by any court, or any such appointment is acquiesced in, consented to, or not opposed through such legal action, by it, or it makes a general assignment for the benefit of creditors or makes a written statement to the effect that it is unable to pay its debts as they become due, or a levy, execution or attachment remains on all or a substantial part of the party's assets for thirty (30) days, or it fails, within sixty (60) days of the entry of a final judgment against it in any amount exceeding fifty thousand dollars (\$50,000), to discharge, vacate or reverse the judgment, or to stay execution of it, or if appealed, to discharge the judgment within thirty (30) days after a final adverse decision in the appeal, or

17.3.2. Owner loses possession or the right to possession of all or a significant part of the Hotel, or

17.3.3. Any action is taken toward dissolving or liquidating a party, or

17.3.4. A party or any of its principals is, or is discovered to have been, convicted of a felony (or other offense that is likely to adversely reflect upon or affect the non-defaulting party in any way), or

17.3.5. A party knowingly maintains false books or records, or sends the non-defaulting party false statements or reports relating to this Agreement.

17.4. HRH shall have the right to (i) suspend Owner's and the Hotel's access to the System and right to make Bookings through the System during any the period of any uncured default or Event of Default by Owner under the Hotel Agreement and (ii) terminate this Agreement in the event of termination of the Hotel Agreement by reason of a default or Event of Default by Owner under the Hotel Agreement.

Upon termination of this Agreement, each party shall (a) return to the other party all materials provided to it for the purposes of this Agreement, and (b) after a reasonable period which may under no circumstances exceed thirty (30) days, there must not be any materials or any other manifestation in the Hotel of any of HRH Intellectual Property Rights.

18. LEGAL RELATIONSHIP

HRH is an independent contractor. Neither party is the legal representative or agent of, or has the power to obligate (or has the right to direct or supervise the daily affairs of) the other for any purpose whatsoever, and no partnership, joint venture, agency, fiduciary or employment relationship is intended or created by reason of this Agreement.

19. GOVERNING LAW, ARBITRATION AND JURISDICTION

Disputes relating to this Agreement shall be governed by dispute resolution provisions of the Hotel Agreement, which are incorporated herein by reference thereto. This Agreement shall be governed by the law governing the Hotel Agreement.

20. COUNTERPARTS

This Agreement may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which is an original but all of which constitute one and the same instrument.

21. TIMING

Time is of the essence in the performance of the obligations of the parties hereunder.

22. LEGAL EXPENSES

In the event of any dispute, arbitration or lawsuit between the parties hereto with regard to this Agreement, the prevailing party will be entitled to reimbursement of all reasonable legal and attorneys' fees, costs and expenses incurred in connection therewith.

23. NO ASSIGNMENT

Each of HRH and Owner may assign this Agreement if such party complies with the applicable requirements of the transfer provisions of the Hotel Agreement; provided, however, that in the event this Agreement is assigned, the Hotel Agreement and any ancillary agreement between HRH or its Affiliates and Owner shall also be assigned to the same entity (or in the case of an assignment by HRH, to the same entity or its Affiliate).

24. JURY WAIVER.

THE PARTIES IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY.

25. NATURE OF RELATIONSHIP

The parties understand and agree that this Agreement does not create a fiduciary relationship between HRH and Owner, that, to the extent permitted by law, HRH and Owner are independent contractors, and that nothing in this Agreement is intended to make either HRH or Owner a general or special agent, joint venturer, partner or employee of the other for any purpose. The parties hereby unconditionally and irrevocably waive and release any right, power or privilege either may have to claim or receive from the other party any punitive, exemplary, statutory or treble damages or any incidental or consequential damages with respect to any breach of fiduciary duties.

IN WITNESS WHEREOF this Agreement has been signed by the authorized representatives of the parties on the day and year first written above.

HARD ROCK CAFE INTERNATIONAL
(USA), INC.

By: _____

[OWNER ENTITY]

By: _____

EXHIBIT A TO RESERVATION SERVICES AGREEMENT

Reservation Fees

Hard Rock International 2018 Reservation Pricing Schedule per Booking Channel

Channel	Description	Per Transaction	Talk Time/ Minute (English or Spanish)	Addtl. Notes
Set up Fee	Initial Set up of all systems. One time Fee	\$ 10,000.00		One time fee
Voice Agent Reservation	Reservations made via a reservations agent calling a toll free number based in one of our contracted call centers.	\$ 5.50	\$ 1.25	Additional languages will be priced separately based on property needs.
Booking engine reservations	Reservations made directly on the hotel's booking page or via hardrockhotels.com	\$ 3.80		Cost per actualized reservation. Charged after check out.
Mobile booking engine reservations	Reservations made using the mobile version of the hotel's booking engine or the mobile version of hardrockhotels.com booking page	\$ 3.80		Cost per actualized reservation. Charged after check out.
GDS Reservations	Reservations made via Global Distribution System such as Sabre, Galileo, Apollo, Amadeus or Worldspan.	\$ 11.55		Cost per actualized reservation. Charged after check out.
IDS Reservations	Reservations made via Opaque online travel agencies that require a GDS switch connection to access rates and inventory (like Priceline, Hotwire, etc.)	\$ 11.55		Cost per actualized reservation. Charged after check out.
Channel Connect	Cost per reservations made via Online Travel Agencies like Expedia.com, Booking.com, Hotels.com, etc. This fee is for connectivity only and exclusive of net rates/mark ups.	\$ 3.60		Cost per actualized reservation. Charged after check out.
System Maintenance	Monthly system maintenance and account management fee	\$ 850.00		Charged once a month or annually.
Other Fees				
Annual call center agents reservations training		\$1,500.00		Mandatory, charge per day. At least one day per year
Booking engine tracking tool		\$250.00		per month (optional)
Consortia management services		\$950.00		per season (optional)
Travel agent commission payment automated system		\$0.75		per transaction (optional)
Confirmations sent to guest via txt message		\$0.15		per txt (optional)

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EXHIBIT J

ADDENDUM TO LICENSE AGREEMENT

This Addendum ("**Addendum**") is a part of the License Agreement (the "**Agreement**") to which it is attached. Capitalized terms not otherwise defined in this Addendum have the meanings set forth in the Agreement.

1. ALTERNATIVE FEE ARRANGEMENT

[The Parties acknowledge that Licensee has elected to accept Licensor's alternative fee arrangement ("**Alternative Fee Arrangement**"). The Alternative Fee Arrangement is intended to provide for an alternative, single fee calculation that substitutes for the separate calculation of the Royalty Fee, the Marketing Fee, the Reservation Fee, and the fees payable to Licensor under the Sales Referral Program. Accordingly, the Agreement's terms are modified as follows:

- (a) Licensee shall pay Licensor, commencing on the Opening Date, fees (the "**Inclusive Fee**") equal to ten percent (10%) of Total Revenues.
- (b) Licensee shall pay Licensor the Inclusive Fee monthly in arrears, within ten (10) days after the end of each month. The Agreement's provisions that apply to the payment of fees and other amounts payable to Licensor, such as Section 9.9 ("**All Fees Are Nonrefundable**") and Section 9.11 ("**Late Payments**"), apply to Licensee's payment of the Inclusive Fee.
- (c) Upon Licensee's payment of the Inclusive Fee for any period, Licensee is deemed, for such period, to have satisfied Licensee's obligation to pay the following fees under the Agreement:
 - (i) The Royalty Fee;
 - (ii) The Marketing Fee;
 - (iii) The Reservations Fee; and
 - (iv) The fees payable to Licensor under the Sales Referral Program.]

2. STATE ADDENDUM

[ATTACHED][NONE]

3. NO OTHER MODIFICATIONS

This Addendum modifies the standard terms of the Agreement. Except as specifically set forth in this Addendum, all terms of the Agreement remain in full force and effect.

[Signatures page(s) follow]

SIGNED:

LICENSOR:

HARD ROCK HOTEL LICENSING, INC.

By: _____

Name: _____

Title: _____

LICENSEE:

[INSERT LICENSEE]

By: _____

Name: _____

Title: _____

SCHEDULE 1 TO LICENSE AGREEMENT

GLOSSARY

The following definitions apply to this Agreement:

"Accounting Referee" – as defined in Section 18.1.

"Adjusted for Inflation" means an amount adjusted for inflation by being increased on each anniversary of the Opening Date by the greater of (i) three percent (3%) or (ii) an adjustment based upon the "Inflation Index" (as defined below). The amount of the adjustment under (ii) is determined by multiplying the amount which is the subject of the escalation by a fraction the denominator of which is the "Inflation Index" for the month from which such adjustment is made (the "Base Month"), and the numerator of which is the "Inflation Index" for the month immediately prior to the month in which the adjustment for inflation is made (the "Adjustment Month"), provided that if the Inflation Index for the Base Month is less than the Inflation Index for the Adjustment Month, the amount to be adjusted will be multiplied by one for purposes of making calculations hereunder. In the event an amount is to be Adjusted for Inflation and there is no reference to the Base Month, the Base Month is the month that includes the Effective Date. For purposes of this paragraph, the Inflation Index means the U.S. City Average Price Index for All Urban Consumers for All Items (Base Year 1982-1984) as published by the United States Department of Labor, Bureau of Labor Statistics; provided that if such index is discontinued or is unavailable, then the Parties will substitute therefor a comparable index for use in calculating changes in the cost of living or purchasing power of consumers published by any other governmental agency, major bank, financial institution or university or by another recognized financial publication, with such adjustments as is reasonably necessary to produce substantially the same results as would have been obtained under the unavailable index.

"Affiliate" means, with respect to any Person, any other Person which, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. For all purposes hereof, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any Person, or the power to veto major policy decisions of any Person, whether through the ownership of voting securities, by contract, or otherwise. For all purposes hereof, except Section 2, 12, 16.1 and 19, "Affiliates" of Licensor shall not include the Seminole Tribe of Florida, Seminole Tribe of Florida, Inc., or any of its subsidiaries or affiliates, other than Seminole HR Holdings, LLC, a U.S. Virgin Islands limited liability company, its successors in interest, and any of its subsidiaries, including Hard Rock USA and Hard Rock STP.

"Agreement" – as defined in the preamble of this Agreement and includes all Riders, Exhibits, and Schedules hereto.

"Ancillary Agreements" means the agreements executed in connection with this Agreement by Licensee, Guarantors, or their respective Affiliates or agents (including any Management Company), on the one hand, and Licensor or its Affiliates, on the other hand, including the documents identified in the Exhibits to this Agreement.

"Application Fee" – as defined in Section 9.1.

"Arbitration Administrator" – as defined in Section 18.2.1.

"Arbitration Rules" – as defined in Section 18.2.1.

"Books and Records" – as defined in Section 11.2.

"Brand Guidelines" means the guidelines established by Licensor prescribing the permitted form and manner in which the Licensed Marks may be used or any amended version of such guidelines provided by Licensor to Licensee from time to time.

"Branded Merchandise" means those, and only those, items of personal property, products and merchandise utilizing or bearing the Licensed Marks, as determined by Licensor in its sole discretion.

"Business Day" means any day other than a day on which banking institutions are required or authorized to be closed in Orlando, Florida.

"Casino" means an establishment providing gaming facilities, such as slot machines, gaming tables and the like, as a substantial source of revenue and its principal function. The Parties acknowledge that "Riverboats" which derive a substantial source of revenue from gaming, and whose principal function is gaming, are encompassed within this definition

"Claims" – as defined in Section 19.1.

"Commencement of Construction" means: (a) if the Hotel is a new build hotel, the date on which Licensee begins to pour concrete foundations for the Hotel; or (b) if the Hotel is an existing hotel on the Effective Date, the date on which Licensee begins the Hotel Work and otherwise satisfies any site-specific criteria for "under construction" set out in Exhibit D.

"Competing Brand" means any upper upscale hotel brand or trade name or any other hotel brand or trade name that, in Licensor's sole judgment, competes with the Hotel System or with any Hard Rock Hotel, any Hard Rock Café, or any Casino branded with any of the Licensed Marks.

"Competing Facility" means any of the following: (a) a Music-Themed restaurant, hotel, or Casino (including any "Margaritaville" or "House of Blues" facility); or (b) a "Planet Hollywood" restaurant, hotel, or Casino.

"Competitor" means any Person that, at any time during the Term, whether directly or through an Affiliate, owns in whole or in part, or is the licensor or franchisor of, a Competing Brand, irrespective of the number of hotels owned, licensed or franchised under such Competing Brand name. The Parties acknowledge that a Person is not deemed to be a Competitor solely because the Person (a) is a franchisee of a Competing Brand, (b) manages a Competing Brand hotel, so long as the individual or entity is not the exclusive manager of the Competing Brand, or (c) owns a minority interest in a Competing Brand, so long as neither the Person nor any of its Affiliates is an officer, director, employee, or Affiliate of the Competing Brand, provides services (including as a consultant) to the Competing Brand, or exercises, or has the right to exercise, control over the business decisions of the Competing Brand.

"Comprehensive Project Design" – as defined in Section 4.1.

"Concept" means any design or theme for use in the Hotel including any individual guest rooms, apartments or suites, restaurant, bar, cafe, club, spa, health club, entertainment venue or live music venue.

"Confidential Information" means any information or material that relates to the development and operation of Hard Rock Hotels, including (i) the Hotel System and related Manuals and all information, components and elements set forth therein, (ii) all information, knowledge or data relating to new products and entertainment concepts, (iii) strategic plans, pricing policies, recipes (other than generic recipes) and the testing thereof, (iv) ideas, trade secrets, training programs and techniques, proprietary ideas and concepts, marketing and advertising techniques and plans, design, sourcing and providing goods and services, (v) Guest Profile Data, the Database, the Existing Hard Rock Database and any customer research results and information in the Hard Rock frequent traveler programs, (vi) operating results and financial performance of Hard Rock Hotels (other than the Hotel), and (vii) the terms of this Agreement and the Ancillary Agreements; provided, however, that Confidential Information does not include information or material that: (i) is or becomes generally available to the public other than as a result of a disclosure by the Party receiving it hereunder, (ii) is or becomes available to Licensee from a third party which, to the knowledge of Licensee is entitled to disclose it without restriction, or (iii) was known to Licensee from previous business experience before Licensor provided it to Licensee (directly or indirectly). It is acknowledged that the Confidential information is owned exclusively by Licensor or its Affiliates.

"Construction Commencement Date" – as defined in Section 4.11.1.

"Controlling Interest" means (i) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of Licensee, whether through the ownership of voting securities, by contract, or

otherwise, or (ii) the direct or indirect ownership of fifteen percent (15%) or more of the equity interests of Licensee.

“Coordinator Work Period” – as defined in Section 4.8.

“Database” – means a collection of data, information or other material concerning the customers of the Hotel including, without limitation, Guest Profile Data and personal data relating to such customers, as amended from time to time, arranged in a systematic or methodical way and individually accessible by electronic or other means and owned jointly by Licensor and Licensee;

“Dispute” – as defined in Section 18.2.

“Dispute Notice” – as defined in Section 18.1.2.

“EBITDA” means, for the relevant period, net income, before interest charges (net of interest income), federal, state and local income taxes, and depreciation and amortization, calculated in accordance with GAAP.

“Effective Date” – as defined in the preamble of this Agreement.

“Event of Default” – as defined in Section 14.1.

“Existing Hard Rock Database” means all collections of data, information or other material owned and maintained by Licensor or its Affiliates concerning the customers and patrons of “Hard Rock” branded hotels (other than the Hotel) and Casinos as amended from time to time, arranged in a systematic or methodical way and individually accessible by electronic or other means now existing or as updated from time to time.

“Expiration Date” – as defined in Section 3.

“Fees” – as defined in Section 9.8.

“FF&E” means all furniture, fixtures and equipment (other than Operating Equipment and Operating Supplies) located at or used in connection with the Hotel, including: (i) all furniture, furnishings, built-in furniture, carpeting, draperies, decorative millwork, decorative lighting, doors, cabinets, hardware, partitions (but not permanent walls), televisions and other electronic equipment, interior plantings, interior water features, artifacts and artwork, and interior and exterior graphics; (ii) communications equipment; (iii) all fixtures and specialized hotel equipment used in the operation of kitchens, laundries, dry cleaning facilities, bars and restaurants; (iv) telephone and call accounting systems; (v) rooms management systems, point-of-sale accounting equipment, front and back office accounting, computer, duplicating systems and office equipment; (vi) cleaning and engineering equipment and tools; (vii) vehicles; (viii) recreational equipment; and (ix) all other similar items which are used in the operation of the Hotel, excluding, however, any personal property which is owned by subtenants, licensees, concessionaires or contractors.

“Food and Beverage” means those items of food and beverage sold at the Hotel.

“Food and Beverage Outlets” means the restaurants, bars, lounges, cafes and other eating establishments located at the Licensed Location and connected to the Hotel.

“Food and Beverage Outlet Agreements” – as defined in Section 4.4.

“Food and Beverage Revenues” means all revenues, income and proceeds of any kind from the sale of Food and Beverage at the Hotel.

“Force Majeure” means war, terrorism, epidemic, riots, civil commotion, labor disputes, strikes, lockouts, inability to obtain labor or materials, fire, hurricane, windstorm, flooding, or other acts or elements, accidents, government restrictions or appropriation or other causes, whether like or unlike the foregoing, beyond the control of a Party.

“GAAP” means United States generally accepted accounting principles, consistently applied.

“Governmental Authority” means any foreign, federal, state or local governmental or tribal entity or authority, or any department, commission, board, bureau, agency, court or instrumentality thereof having jurisdiction over the Licensed Location or the Hotel.

"Guaranty" means the Guaranty provided by the Guarantors in the form attached hereto as Exhibit A.

"Guarantors" means [], an individual and [], an individual.

"Guest Profile Data" means all personal guest profile, including demographic information, and information regarding guest preferences of guests of the Hotel.

"Guest Room(s)" means each rentable unit in the Hotel consisting of a room or suite of rooms generally used for overnight guest accommodation, entrance to which is controlled by the same key. Adjacent rooms with connecting doors that can be locked and rented as separate units are deemed to be separate Guest Rooms.

"Hard Rock Cafe" means a cafe, restaurant or similar establishment offering food and beverages under the "Hard Rock" trademark.

"Hard Rock Elements" means those aural or visual aspects of the Hard Rock Hotel which uniquely identify a facility as being a Hard Rock Hotel, including (1) the use of distinctive exterior and interior designs, layouts, concepts, decor, music-related memorabilia and icons, and staff uniforms; (2) the process for training employees in all customer service and interface positions; (3) the electronic visual and audio aspects of the Hard Rock Hotel, including music and video selection; (4) advertising and marketing standards for the uses and presentation of the Licensed Marks, including such usage in connection with media events, television, radio and print, and coordination of public relations activities; (5) distinctive furniture, distinctive carpeting, decorative millwork, decorative lighting, acoustics, graphics, signage and audio visual equipment; and (6) any other use or display of the Licensed Marks.

"Hard Rock Hotel" means a hotel, lodge or inn or similar establishment within a property or resort named or identified with the Licensed Marks. The term "Hard Rock Hotel" includes the hotel buildings and structures at any time constructed and situated on the land, whether owned or leased, comprising that location, and all facilities, structures and improvements relating thereto, including any lobbies, kitchen, dining rooms, restaurants, meeting and banquet rooms and facilities, bars, swimming pools, theaters, health clubs, landscaping, parking areas, roadways and walkways: provided that the term "Hard Rock Hotel" does not include time-share and condominium components (whether as part of a rental pool or otherwise), housing and extended-stay facilities, Hotel/Casinos, "Hard Rock Hotel & Casino" or other hotels not branded as a "Hard Rock Hotel".

"Hard Rock Live" means a live music entertainment venue named or identified under the "Hard Rock" trademark.

"Hard Rock Rewards Program" means the frequent-guest affinity program of Hard Rock known as "Hard Rock Rewards," together with any similar or successor program or other affinity program instituted in conjunction with "Hard Rock Rewards" or any similar or successor program thereof.

"Hard Rock STP" means Hard Rock Cafe International (STP), Inc., a New York corporation.

"Hard Rock USA" means Hard Rock Cafe International (USA), Inc., a Florida corporation.

"Hazardous Materials" means all chemicals, pollutants, contaminants, wastes and toxic substances, including without limitation: (i) "solid or hazardous wastes," "hazardous substances," "toxic substances," or "insecticides," "fungicides," or "rodenticides," in each case as defined in any environmental Law and (ii) gasoline or any other petroleum product or byproduct, polychlorinated biphenyl, asbestos and urea formaldehyde.

"Hotel" means the Hard Rock Hotel to be constructed and operated by Licensee at the Licensed Location. The Hotel shall include the freehold or long-term leasehold title to the Licensed Location, plus all improvements and related amenities and structures constructed on the Licensed Location (including the Hotel Retail Store and all Hotel building and operating systems therein) and all FF&E and other fixed assets installed in such improvements.

"Hotel/Casinos" means an establishment having both a hotel and Casino combined in one facility or an immediately adjoining contiguous facility, or, if not immediately contiguous, as part of the same complex or development.

"Hotel Retail Store" means the retail shop within the Hotel where Licensee sells Branded Merchandise, products and sundries.

"Hotel Retail Store Fees" means the fees payable by Licensee to Licensor pursuant to Section 9.6.

"Hotel Retail Store Plans" means all of the plans, drawings and specifications for construction of the Hotel Retail Store as prepared by Licensor along with detailed drawings and specifications thereof, and all alterations or modifications thereto.

"Hotel Retail Store Requirements" means the specifications of utility capacities and other requirements provided in the Hotel Retail Store Plans and part of the Hotel Retail Store Work as to the premises of the Hotel Retail Store.

"Hotel Retail Store Revenue" means all gross revenue and income or proceeds of any kind derived (including the full purchase price of purchases in whole or in part by means of gift certificates, advertising certificates or trade-ins) directly or indirectly, from the operation of the Hotel Retail Store.

"Hotel Retail Store Work" means everything required to be furnished and done or arranged to be furnished and done in connection with the construction of the premises of the Hotel Retail Store by Licensee and any signage and architectural features in accordance with the Hotel Retail Store Plans and Hotel Retail Store Requirements, all at the sole cost of Licensee. Work shall include all exterior and interior signage; canopies and awnings, if any; and interior partitions and all furniture, equipment fixtures. A reference to the Work means any part and all of the Work unless the context specifically requires otherwise.

"Hotel System" means those procedures, standards, specifications, controls, systems, manuals, guides, and other distinguishing elements or characteristics which Licensor and its Affiliates have developed in connection with the operation of Hard Rock Hotels, including the Licensed Marks, the Manuals, the Management Standards, the Hard Rock Elements, the Reservation System and the Software, the Store System, as such may from time to time be modified by Licensor. Licensee acknowledges and agrees that Licensor and its Affiliates have the exclusive rights to and in the Hotel System (and all parts thereof).

"Hotel Work" – as defined in Section 4.1.1.

"Indemnify" means to defend, indemnify against, hold harmless from, and reimburse for.

"Infringement" – as defined in Section 13.3.

"Infringement Claim" – as defined in Section 10.8.

"Initial License Fee" means the fee Licensee will pay in connection with execution of this Agreement as more specifically provided for in Section 9.1.

"Interest Rate" means five percent (5.0%) per month, provided that in no event shall the Interest Rate exceed the maximum rate permitted by applicable Law(s).

"Law(s)" means any and all laws, judgments, decrees, orders, rules, regulations, permits, licenses, authorizations, directions, requirements, or official legal interpretations of any Governmental Authority, including those relating to employees, employee benefits, health care coverage, zoning, building, life/safety, environmental matters, health, and liquor licensing.

"Legal Requirements" means all Laws that are now or may hereafter be applicable to the Hotel or the ownership or the operation thereof.

"Lender" means a third-party lender who (a) is not an Affiliate of Licensee, (b) provides financing for the Hotel, and (c) is the beneficiary of a Pledge.

"Licensed Location" means the street address, city and state upon which the Hotel is to be located as approved by Licensor pursuant to Section 4.2, and includes such real property, all structures located or constructed thereon, all FF&E, and all appurtenances to any of the foregoing, together with all easements, entrances, exits, rights of

ingress and egress thereto, and all improvements thereon or thereto. **Exhibit E** attached hereto contains the address and a detailed description of the Licensed Location.

"Licensed Marks" means those marks as depicted (and subject to the restrictions) set forth in **Exhibit B** hereto and any other trademark, service mark and commercial symbol specifically designated from time to time by Licensor for use by Licensee for the Hotel and the Hotel Retail Store, as applicable, as such may be amended from time to time by Licensor in its sole discretion without requiring an amendment to this Agreement or **Exhibit B** hereto.

"Licensed Rights" means the right to use the Licensed Marks, the Hard Rock Elements and the Hotel System for the operation of a Hard Rock Hotel and the Hotel Retail Store at the Licensed Location which Licensed Rights are limited in duration revocable, limited in jurisdiction and non-exclusive and non-transferrable). Licensee acknowledges the limited and restricted scope of the right to use the Licensed Rights granted under this Agreement and agrees not to claim with respect to the Licensed Rights, absorption and/or assimilation of the Licensed Rights in any form or manner whatsoever at any time during the Term and any time thereafter and will further not rely on doctrines such a balance of convenience, irreparable loss and injury, or other similar doctrine.

"Licensee" – as defined in the preamble of this Agreement.

"Licensee Assessments" – as defined in Section 9.12

"Licensor" – as defined in the preamble of this Agreement.

"Life Safety Consultant" – as defined in Section 4.8.

"Loan-to-Value Ratio" means a ratio determined as follows:

- (i) The numerator of the ratio is the outstanding balance of any and all loans and other indebtedness secured by a Pledge.
- (ii) The denominator of the ratio is the appraised value of the Hotel, as set forth in the most recently performed appraisal conducted by an independent appraiser and used and relied upon by a Lender in its underwriting performed in connection with a loan or refinance (or extension thereof) that is provided by the Lender to Licensee and that is secured by a Pledge.

"Management Company" means the management company engaged by Licensee and acceptable to Licensor in its sole discretion, to operate the Hotel for and on behalf of Licensee.

"Management Standard" means the standard of operation, frequency of repairs made, cleanliness, quality of materials used, degree of training and retraining for employees and other similar considerations, as defined by Licensor's standard of practice as determined by Licensor from time to time, which standard is currently substantially similar the standards practiced by facilities earning a "four diamond" rating by the Automobile Club of America.

"Manager's Acknowledgment" means that certain Manager's Acknowledgment in the form attached hereto as **Exhibit F** by and among Licensor, Licensee and the Management Company retained by Licensee to operate the Hotel.

"Manuals" means, collectively, all hard copy and server-based construction, project planning and design manuals, operating manuals, training manuals and all accompanying workbooks developed by Licensor or a third party and approved by Licensor, to implement the Hotel System pursuant to this Agreement, as amended, supplemented, or otherwise modified from time to time by Licensor.

"Marketing Fee" – as defined in Section 9.5.

"Memorabilia Lease" means that certain Memorabilia Lease by and between Hard Rock STP, as lessor, and Licensee, as lessee, whereby Hard Rock STP shall lease "rock and roll" memorabilia to Licensee for display in the Hotel, in the form attached hereto as **Exhibit C**.

"Music-Themed" means a facility (including a hotel) that includes in its name, is licensed or endorsed by, or has a substantial portion of its design based on, or is otherwise identified with, music, any genre of music (e.g., blues, jazz or rock 'n roll), any musician, musical personality or musical group.

"Notice(s)" – as defined in Section 21.3.

"Offering Materials" mean any and all materials required by any applicable law for the offer or sale of Securities, including any materials to be used in any offering exempt from registration under any securities laws, and any other written sales or other materials used in connection with the offer or sale of Securities.

"Opening Date" means the date the Hotel is opened for business to the public for business as a Hard Rock Hotel, the deadline of which is set forth in Section 4.11.

"Operating Equipment" means all china, glassware, silverware, linens, towels, uniforms, and similar items, as described by the Manuals, used in, or held in storage for use in (or, if the context so dictates, required in connection with), the operation of the Hotel in accordance with the requirements of this Agreement.

"Operating Period" means the period beginning with the Opening Date and continuing for the Term.

"Operating Supplies" means all consumable items, as described in the Manuals, used in, or held in storage for use in (or, if the context so dictates, required in connection with), the operation of the Hotel in accordance with the requirements of this Agreement, including fuel, soap, shampoo, toiletries, cleaning material, matches, napkins, stationery and similar items.

"Operating Year" means a financial period commencing (other than in the case of the first and last Operating Years) on 1 January and ending on 31 December. The first Operating Year shall commence on the Opening Date and end on 31 December of such calendar year, and the last Operating Year shall end on the Expiration Date. Such stub periods that are not full calendar years are not considered full Operating Years for purposes of calculating the number of Operating Years of the Term, but are considered Operating Years for all other purposes of this Agreement, including the calculation of Fees.

"Parties" and **"Parties"** – as defined in the preamble of this Agreement.

"Permits" means any and all licenses, permits, approvals, variances, waivers, clearances, registrations, authorizations, certificates (including no-objection certificates), permissions or consents from any Governmental Authority or third party.

"Person" means (i) an individual, corporation, partnership, joint venture, limited liability company, limited liability partnership, estate, trust, unincorporated association or other entity, (ii) any Governmental Authority, and (iii) a fiduciary acting in such capacity on behalf of any of the foregoing.

"Pledge" – as defined in Section 4.3.

"Pre-Opening Period" means the period from the date hereof until the Opening Date.

"Probity Investigation" – as defined in Section 16.6.

"Project Manager" – as defined in Section 4.8.

"Programmatic Components" – as defined in Section 4.1.

"Quality Assurance Program" means the program established by Licensor by which Licensor monitors the operations, facilities and services of Hard Rock Hotels.

"Reasonable Business Judgment" means:

- (i) For decisions affecting the Hotel System, that Licensor's action or inaction has a business basis that is intended: to benefit the Hotel System or the profitability of Hard Rock Hotels, regardless of whether some individual hotels may be unfavorably affected; or to increase the value of the Licensed Marks; or to increase or enhance overall hotel guest or owner satisfaction; or to minimize possible brand inconsistencies or customer confusion; and

- (ii) For decisions unrelated to the Hotel System (for example, a requested approval for the Hotel), that the rationale for Licensor's decision has a business basis and Licensor has not acted in bad faith.

"Reasonable Deviations" means that, if the market area or circumstances of a Hard Rock Hotel warrant, then, in Licensor's Reasonable Business Judgment, Licensor may apply an aspect of the standard, requirement, fee or other term or condition to the Hotel in a manner which differs from the manner in which that aspect of the standard, requirement, fee or other term or condition applies to one or more other similarly situated Hard Rock Hotels.

"Required Aggregate Net Worth" – as defined in Section 8.11.

"Reservation Agreement" – as defined in Section 8.10.

"Reservation Fees" – as defined in the Reservation Agreement.

"Reservation System" means any reservation system utilized by Licensor (including all equipment and Software) for Hard Rock Hotels, as such reservation system may be from time to time modified by Licensor in its sole discretion.

"Reserve Fund" – as defined in Section 7.4.

"Room Revenues" means all revenues, income and proceeds of any kind from the rental of Guest Rooms (whether from cash, check, credit card, credit transactions or otherwise), including the fair market value of any barter and other non-cash property and services received by Licensee as an alternative to cash payments, excluding any Federal, state and municipal excise, sales, resort, use, and other taxes collected from patrons or guests as a part of or based upon the sales price of any goods or services, including gross receipts, room, bed, admission, cabaret, or similar taxes. The Parties acknowledge that Room Revenues do not include: (i) Food and Beverage Revenues and (ii) revenues from any other ancillary Hotel facilities, provided, however, that in the event that the Hotel sells guest packages that include Guest Rooms and any other item (including, without limitation, items in clauses (i) and (ii) above), then the actual cost of such item incurred by the Hotel or Licensee (as applicable) shall be deducted in the calculation of Room Revenues.

"Royalty Fee(s)" means the fee(s) Licensee will pay for the duration of this Agreement to Licensor as consideration for the use of the Licensed Rights under the terms and conditions of this Agreement, and as more specifically provided for in Section 9.

"Sales Referral Program" means Licensor's Sales Referral Program included in the Manuals, as such program may be modified or amended from time to time by Licensor in accordance with this Agreement. Under the Sales Referral Program, Licensor provides lead generation for bookings at the Hotel, and Licensee provides lead generation for bookings at other Hard Rock Hotels.

"Securities" means any public offering, private placement or other sale of securities in the Franchisee or the Hotel or any part thereof.

"Software" means all computer software and accompanying documentation (including all future enhancements, upgrades, additions, substitutions and other modifications thereof) provided to Licensee by Licensor or third parties designated by Licensor for use in Hard Rock Hotels.

"Store Business" means the business conducted at the Hotel Retail Store, including the sale of Branded Merchandise, products and sundries.

"Store System" means the distinctive business format and management developed by Licensor in connection with the operation of the Hotel Retail Store utilizing and comprising the Licensed Marks, and certain standard operational procedures, plans, directions, specifications, methods, management and identification schemes.

"Target Opening Date" – as defined in Section 4.11.

"Technical Services" – as defined in Section 4.5.

“Technical Services Fee” – as defined in Section 9.3.

“Term” – as defined in Section 3.

“Third Party Food and Beverage Outlets” means Food and Beverage Outlets leased or licensed to third parties and not owned or operated by Licensee, Management Company or their Affiliates.

“Total Revenues” means Room Revenues, Food and Beverage Revenues and all other revenue and income of any kind derived by Licensee directly or indirectly (whether from cash, check, credit card, credit transaction or otherwise) from the operation of the Hotel and the Hotel facilities, including the fair market value of any barter and other non-cash property and services received by Licensee as an alternative to cash payments, proceeds from use by guests of telephones, parking facilities, internet access, telecopiers, computers, in-room movies and other entertainment, any arcades or game rooms within the Hotel, resort fees, mandatory Hotel charges, other charges received by the Hotel from the use by guests, invitees and others of Hotel health club and other athletic or recreational or theater facilities or services provided by the Hotel, and other revenue and income, in each case attributable to the period under consideration, including rentals and other payments from licensees, lessees or concessionaires of retail space in the Hotel, including Third Party Food and Beverage Outlets (but not gross receipts of such licensees, lessees or concessionaires) as determined in accordance with generally accepted accounting principles applicable in the relevant location (excluding any sales taxes), provided that if such rental or other payments are less than ten percent (10%) of the gross receipts of such licensee, lessee or concessionaire, in such event, Total Revenues is deemed to include ten percent (10%) of gross receipts of such licensee, lessee or concessionaire of retail space in the Hotel, rather than the actual amount of rentals or other payments; except that the following will not be included in determining Total Revenues:

(i) applicable excise, sales, occupancy and use taxes, or similar government taxes, duties, levies, or charges collected directly from patrons or guests, or as a part of the sales price of any goods, services or displays, such as gross receipts, admission, cabaret, or similar or equivalent taxes;

(ii) receipts from financing, sale or other disposition of the Hotel, capital assets, FF&E and other items not in the ordinary course of the Hotel's operations and income derived from securities and other property acquired and held for investment;

(iii) receipts from awards or sales in connection with any taking, from other transfers in lieu of and under the threat of any taking, and other receipts in connection with any taking, but only to the extent that such amounts are specifically identified as compensation for alterations or physical damage to the Hotel;

(iv) proceeds of any hazard or casualty insurance, other than business interruption insurance;

(v) revenues from the operation of the Hotel Retail Store and any Third Party Food and Beverage Outlets;

(vi) gratuities to employees or service charges levied in lieu of such gratuities which, in either case, are paid to employees;

(vii) interest in funds held in the Reserve Fund; and

(viii) any imputed value of complimentary hotel rooms.

“Warrantor” has the meaning as set forth in Section 13.1.

“Withholding Taxes” has the meaning as set forth in Section 9.12.

EXHIBIT "E"
TO DISCLOSURE DOCUMENT
FORM OF NON-DISTURBANCE AGREEMENT

[See attached]

**SUBORDINATION, NON-DISTURBANCE AND
ATTORNMEN T AGREEMENT - MORTGAGEE**

THIS AGREEMENT made and entered into as of the ____ day of _____, _____, by and among _____, a _____, whose principal office is located at _____ (“**Lender**”), and HARD ROCK HOTEL LICENSING, INC., a Florida corporation, whose principal office is located at 6100 Old Park Lane, Orlando, FL 32835 (“**Licensor**”).

RECITALS

WHEREAS, Lender has made a mortgage loan in the amount of _____ Dollars (\$_____) (the “**Loan**”) to _____ (“**Owner**”); and

WHEREAS, the Loan is evidenced by a Note in the amount of the Loan and is secured by (i) a Mortgage covering real property and improvements constituting a Hotel located at _____ (the real property and such improvements being herein referred to as the “**Hotel Property**”), (ii) a Security Agreement covering furniture, furnishings, equipment and other items of personal property of Owner now or hereafter installed in and used in connection with the operation of the hotel business to be conducted in the Hotel building (the “**Personal Property**” and, together with the Hotel Property, the “**Hotel**”), and (iii) other security documents relating to Owner’s rights and interests in the Hotel (all of the foregoing security instruments and documents being hereinafter collectively referred to as the “**Security Documents**”); and

WHEREAS, the Hotel, to be known as the Hard Rock Hotel – [_____] will be branded by Licensor under a Hotel License Agreement (the “**License Agreement**”) dated as of _____ and entered into between Licensor and Owner, true and complete copies of which have been delivered to Lender; and

WHEREAS, Licensor desires that Lender recognize and not disturb Licensor’s rights under the License Agreement in the event of the exercise by Lender of its rights under the Security Documents, and Licensor is willing to agree to attorn to Lender if Lender will recognize and not disturb Licensor’s rights under said License Agreement, and Licensor and Lender desire to enter into certain other agreements respecting the operation of the Hotel, all as provided below.

NOW, THEREFORE, in consideration of the premises, the mutual promises and covenants of the parties hereunder, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree that:

1. **Definitions.** Capitalized terms not otherwise defined herein, shall have the meaning given to such terms in the License Agreement. In addition to any of the other terms herein defined, the following terms shall have the meanings indicated below:

“**Accounts**” shall have the meaning set forth in Section 7 below.

“**Post Default Transfer**” shall mean a transfer of the Hotel, or any part thereof or interest therein, occurring by way of foreclosure of any of the Security Documents, exercise of a power of sale, or other similar proceedings brought to enforce the rights of the holder thereof, by deed or assignment in lieu of

foreclosure or by any other similar method following the occurrence of a default or event of default under the Security Documents or any of them.

“Purchaser” shall mean the Lender, an affiliate of Lender, or any other Person who meets the criteria set forth in Section [] of the Hotel License Agreement and who succeeds to (and is the successor-in-interest to the Owner as owner of) all or any portion of the interest of Owner in the Hotel pursuant to a Post Default Transfer.

2. **Subordination.** The License Agreement, and any liens arising thereunder or by virtue thereof, are and at all times shall continue to be subject and subordinate in all respects to the Security Documents and to all renewals, modifications, and extensions thereof, subject, however, to the terms and conditions hereinafter set forth. Licensor hereby consents to the collateral assignment of, and the grant of security interests in, the License Agreement by Owner to Lender pursuant to the Security Documents. Notwithstanding the foregoing, for so long as Licensor or its Affiliate continues to brand the Hotel, in no event shall the Fees owed to Licensor be subordinated to any current debt service payments under the Loan.

3. **Non-Disturbance and Attornment.**

a. So long as Licensor is not in default (beyond any period given to Licensor to cure such default) in the performance of any of the terms, covenants and conditions of the License Agreement on Licensor’s part to be performed, Lender agrees that Licensor’s branding of the Hotel and all of its other rights under the License Agreement shall remain undisturbed by any Purchaser following a Post Default Transfer and shall be recognized by the Purchaser, and its permitted successors and assigns, for all the rest and remainder of the Term of the License Agreement and any extension or renewal thereof, it being the intention of the parties that following any Post Default Transfer, Licensor and Purchaser shall be bound to one another under all of the terms, covenants and conditions of the License Agreement, and each shall have and may exercise all of the rights, powers and remedies thereunder, with the same force and effect as if the Purchaser was the “Owner” under the License Agreement and Licensor and Purchaser were the original parties thereto. If any action or proceeding is commenced by Lender for the foreclosure of the Security Documents or the sale of the Hotel, Licensor shall not be named as a party therein unless such joinder shall be required by law, provided, however, such joinder shall not result in the termination of the License Agreement or disturb the Licensor’s possession or operation of the Hotel. Following any Post Default Transfer and notwithstanding that the parties hereto hereby agree that the foregoing provisions shall be effective and self-operative without the execution of any other instruments on the part of either party, Lender agrees, at the request of Licensor, to cause the Purchaser to execute and deliver to Licensor a written instrument acknowledging its acceptance and assumption of the License Agreement, and the obligations of Owner thereunder, as hereinabove contemplated.

b. The provisions of this Agreement shall apply with equal force in the event the License Agreement is terminated, rejected or otherwise interfered with under applicable bankruptcy, insolvency or other laws affecting creditor’s rights. In any such event, Lender shall, or shall cause a Purchaser, to enter into a new

License Agreement with Licensor upon the same terms and conditions contained in the License Agreement except that the term thereof would be the remaining Term under the License Agreement from the date of the execution of such new agreement, subject, however, to any then unexercised extension or renewal rights.

- c. Following any Post Default Transfer, Licensor hereby agrees to attorn to the Purchaser as the Owner under the License Agreement, said attornment to be effective immediately upon the Purchaser acquiring all or any portion of Owner's interest in the Hotel. Although the foregoing attornment shall be effective and self-operative without the execution of any other instruments on the part of either party hereto, upon the written request of the Purchaser and Purchaser's compliance with the terms of this Agreement, Licensor shall execute and deliver to the Purchaser (i) an agreement of attornment in form and content reasonably satisfactory to the Purchaser confirming the foregoing attornment and agreeing to perform all of the terms, covenants and conditions of the License Agreement on Licensor's part to be performed for the benefit of the Purchaser with the same force and effect as if the Purchaser was Owner originally named in the License Agreement, or (ii) a new license agreement with the Purchaser as "Owner", for the remaining Term of the License Agreement and otherwise on the same terms and conditions as the original License Agreement. Notwithstanding the foregoing, if Purchaser is a third party other than Lender or an affiliate of Lender, and Purchaser is a Prohibited Party (as that term is defined in the License Agreement), Licensor shall not be obligated to attorn to Purchaser and reserves the right to terminate the License Agreement upon sixty (60) days prior written notice to Purchaser so long as such written notice of termination is provided within thirty (30) days of the effectiveness of such Post Default Transfer.
4. **Amendments to License Agreement.** Licensor shall not, and shall not agree to, enter into any written agreement amending any or all provisions of the License Agreement without prior written to the Lender; provided, however, the foregoing shall not bar Licensor from waiving Owner's compliance with any provision of the License Agreement. From and after the date hereof, no such amendment, modification, surrender, termination or cancellation of the License Agreement shall be binding upon Lender or any other Purchaser, unless such amendment, modification, surrender, termination or cancellation is approved or agreed to by the Lender as provided above. Nothing in this Section 4 will prohibit or restrict the termination of the License Agreement by Licensor if done in accordance with the terms and provisions of the License Agreement.
5. **Purchaser Liability.**
 - a. Purchaser shall have no personal liability under the License Agreement for events occurring or matters arising prior to the Post Default Transfer; provided, however, nothing herein contained shall limit the liability of Lender or the rights and remedies of Licensor under this Agreement.
 - b. Without limiting the provisions of Section 5(a), nothing contained in this Agreement shall be construed to obligate the Purchaser to cure any default by Owner under the License Agreement occurring prior to any date on which the Purchaser shall succeed to the rights of Owner thereunder. Accordingly, and

without limitation, Purchaser shall not (i) be liable to Licensor for any damages arising out of any act or omission of any prior Owner under the License Agreement, (ii) be subject to any offset or defense which Licensor might have against any prior Owner under the License Agreement, (iii) be liable to Licensor for any liability or obligation or the payment of any sums due by any prior Owner under the License Agreement incurred or accruing prior to the date that Purchaser acquires title to the Hotel; provided, however, subject to the provisions of Section 5a above, the Purchaser shall be liable in accordance with the terms of the License Agreement for the payment of any costs or expenses which Licensor is permitted, pursuant to the License Agreement, to pay out of the Accounts but only to the extent of funds available from time to time in the Accounts, or (iv) bound by any amendment or modification of the License Agreement made without the consent of Lender except for modifications and amendments approved by Purchaser or otherwise permitted under the Security Documents.

6. **Notifications to Lender.** Licensor hereby agrees (i) to promptly notify Lender if at any time it is Licensor's position that Licensor is excused from its obligation to operate the Hotel in conformity with the Hard Rock Standards, in accordance with and as provided in the License Agreement, and (ii) to give Lender copies of all notices and other communications given or received by Licensor relating to defaults or alleged defaults on the part of Owner or Licensor under the License Agreement. In the event of a default by the Owner under the License Agreement, Licensor shall give Lender fifteen (15) days in which to cure or cause the default to be cured beyond any applicable grace period provided to Owner under the License Agreement. If such default is of a non-monetary nature and is not reasonably susceptible of being cured within said fifteen (15) day period (including, without limitation, by reason of the time necessary for Lender's exercise of its rights and remedies pursuant to the Security Documents or as may otherwise be available at law or equity), a longer period reasonably required to effect a cure shall be granted provided the Lender proceeds with and continues to cure such non-monetary default with due diligence. In addition, if such default is not susceptible of being cured by the advancement of money and is otherwise not susceptible of being cured by Lender until Lender has possession of the Hotel or otherwise exercises the rights and remedies available to Lender pursuant to the Security Documents, Licensor will not terminate the License Agreement as a result of such default provided Lender is diligently pursuing foreclosure proceedings, self-help remedies or any other remedial procedures pursuant to the Security Documents or otherwise available at law or equity and provides such funds as may be required by Licensor for the continuing operation of the Hotel in accordance with the License Agreement. Nothing contained in this Section 6 shall be deemed or construed to impose any obligation on the part of Lender to correct or cure any such condition, but Licensor shall retain all its rights and remedies under the License Agreement, including, without limitation, its right to terminate the License Agreement, if such default is not cured within the time periods therein set forth.
7. **Accounts.** Licensor hereby acknowledges and consents to the grant of a security interest in favor of Lender in the "Operating Bank Accounts" as defined in the License Agreement (the "**Accounts**"). Lender and Licensor hereby agree with respect to the Accounts as follows, and Owner, by joining in the execution and delivery hereof, hereby consents to the provisions of this Section 7 and agrees that Licensor may, without breach of any of its duties or obligations under the License Agreement, comply with the provisions hereof:

- a. From and after receipt by Licensor of a written notice from Lender, delivered in accordance with the provisions of this Agreement, advising Licensor of the occurrence of any default or event of default under the Security Documents, and directing Licensor to make payment directly to Lender of any amounts otherwise required to be paid or remitted by Licensor to Owner, Licensor shall (until receipt of contrary directions from Lender) make all such payments or remittances directly to Lender in accordance with instructions contained in the aforesaid written notice notwithstanding any notice to the contrary received by Licensor from Owner or any other Person; provided, however, the obligation of Licensor hereunder shall be subject to any order of court or other governmental agency or authority which Licensor, in good faith, believes to be genuine. In no event shall Licensor have liability or responsibility of any kind (i) to Lender or any Purchaser, or any successor in interest to Lender or any Purchaser, for any distributions or remittances made by Licensor to Owner prior to the receipt by Licensor of a written notice from Lender or any Purchaser as herein contemplated; or (ii) to Owner for any distributions or remittances made by Licensor to, or at the direction of, Lender following receipt by Licensor of any written notice as herein contemplated, or (iii) to either Owner or Lender for reliance upon any written notice purportedly from Lender which Licensor in good faith believes to be genuine and authorized on behalf of Lender.
 - b. Notwithstanding the occurrence of any default or event of default under any of the Security Documents, and notwithstanding any Post Default Transfer, Licensor may continue to maintain the Accounts as contemplated by the License Agreement, and may continue to make disbursements therefrom for the purposes and in accordance with the provisions of the License Agreement and in order to ensure the uninterrupted and continuous operation of the Hotel, and the payment of all costs and expenses of its operation (including, without limitation, payment of any amounts required to be paid to Licensor), without interference from Lender or any other Person. Without limiting the generality of the preceding sentence, Lender agrees that neither it nor any other Purchaser shall exercise any rights or remedies under the Security Documents or otherwise (including, without limitation, the exercise of any rights of set off or counterclaim) in a manner inconsistent with its obligations under the preceding sentence, nor shall Lender or any other Purchaser obtain or seek to obtain any order of court or other governmental agency or authority having jurisdiction seeking or directing deposits to, or withdrawals from, any of the Accounts in a manner inconsistent with the provisions of this Agreement or the License Agreement.
8. **Receivers/Mortgagee-in-Possession.** If, in connection with the enforcement of any of its rights or remedies under the Security Documents, Lender or any other Person is appointed mortgagee-in-possession or receiver with respect to the Hotel, or any part thereof or interest therein, Lender agrees that such appointment shall be subject in all respects to the provisions of this Agreement regarding the non-disturbance of Licensor's branding of the Hotel, it being the intention of the parties that no exercise of remedies by or on behalf of Lender shall in any manner interfere with the operation of the Hotel by Licensor as contemplated by the License Agreement. The rights of the receiver or mortgagee with respect to the Accounts shall likewise be subject to the provisions of this Agreement and specifically the provisions of Section 7 above, although Licensor agrees, in connection therewith, to cooperate in all reasonable respects with the receiver or the mortgagee-in-possession in the preparation of such reports and accountings as may be

required of the receiver or mortgagee-in-possession by law or by order of court.

9. **Condemnation and Insurance.** Notwithstanding anything to the contrary contained in this Agreement or in the License Agreement, Licensor agrees that (a) the provisions of the Mortgage shall govern with regard to casualty insurance proceeds or condemnation awards and (b) in the event casualty insurance proceeds or condemnation awards are not applied to the cost of restoration of the Hotel, such proceeds or awards shall be paid to Lender for application in accordance with the Security Documents; PROVIDED, HOWEVER, any business interruption insurance coverage proceeds which are intended to be available to Licensor for payment of continuing normal Operating Expenses, including the Fees, salaries and related payroll items and all other Operating Expenses that necessarily continue notwithstanding the business interruption, shall be made available to Licensor.
10. **Notices.** Any notice, demand, request, consent, approval or other communication, which any party hereto may be required or may desire to give hereunder, shall be in writing (except where telephonic instructions or notices are expressly authorized herein to be given), may be given by hand delivery, or nationally-recognized overnight courier service, telecopy or other facsimile transmission (so long as such facsimile is confirmed) at the address or telecopier numbers specified below, and shall be deemed given upon receipt by or good faith attempted delivery to the party to whom notice is being given, in any of the foregoing cases at the addresses set forth below:

Lender:

Attention: _____
Tel: _____
Fax: _____

Licensor:

Hard Rock Hotel Licensing, Inc.
c/o Hard Rock Café International (USA), Inc.
6100 Old Park Lane
Orlando, Florida 32835
Fax: +1 407-445-7935
Attention: President and General Counsel

The foregoing parties may change their address for notices hereunder by giving notice of such change to the other party in accordance with the provisions of this Agreement. All notices shall be deemed given when received at the addresses specified above or when delivery is refused.

11. **Amendments.** This Agreement may not be altered, modified or amended except by the express written agreement of Lender and Licensor.
12. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties, and their respective heirs, successors and assigns of their respective rights under this Agreement.
13. **Conflicting Provisions.** Lender and Licensor acknowledge and agree that, to the extent

the terms and provisions of any Security Document are inconsistent with the terms and provisions hereof, as between Lender and Licensor the terms and provisions of this Agreement shall supersede such inconsistent terms and provisions and this Agreement shall control.

14. **Counterparts.** This Agreement may be executed in one or more counterparts each of which shall be deemed to be an original and all of which taken together shall constitute a single agreement.
15. **Invalidity.** If any of the provisions of this Agreement, or the application thereof to any person, party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such provision or provisions to persons, parties or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and every provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
16. **Licensor Approvals.** Lender acknowledges that all reviews and approvals by Licensor under the terms of the License Agreement are for the sole and exclusive benefit of Licensor and no other Person (including, without limitation, Owner, any investor in Owner, Lender or any other party providing financing to Owner) shall have the right to rely on any such approvals by Licensor. Licensor shall have the absolute right, in its sole discretion, to waive any such reviews or approvals as a condition to its performance under the License Agreement.
17. **Governing Law.** This Agreement shall be governed by, and construed and enforced in all respects in accordance with, the substantive laws of the State of Florida. the parties agree that all actions arising under this Agreement or otherwise as a result of the relationship between Licensor and Lender must be commenced in the state or federal court of general jurisdiction in or nearest Orlando, Florida. The parties irrevocably consent to the jurisdiction of those courts and waive any objection to either the jurisdiction of or venue in those courts. Nonetheless, the parties agree that either party may enforce any arbitration orders and awards in the courts of the state or states in which Lender or Licensor is domiciled or the Hotel is located.

[Signatures Appear on the Following Pages]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

LENDER:

[_____
_____]

By: _____
Name: _____
Title: _____

LICENSOR:

**HARD ROCK HOTEL LICENSING,
INC.**

By: _____
Name: _____
Title: _____

JOINDER

The undersigned Owner hereby joins in the execution and delivery hereof for the purpose of binding itself to those provisions of Section 7 above which are, by their terms, binding on the Owner.

By: _____
Name: _____
Title: _____

EXHIBIT "F"
TO DISCLOSURE DOCUMENT
CONDOMINIUM/ HOTEL LICENSE RIDER

[See Attached]

Condominium/Hotel License Rider to Hotel License Agreement

In addition to other conforming revisions, the following definitions, terms and provisions shall be incorporated into the Hotel License Agreement for condominium hotel projects approved by us. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Hotel License Agreement.

1. Definitions

"**Condominium Documents**" means the documents under which the condominium project at the Licensed Location is organized and/or operated, including, without limitation, the Declaration of Condominium (as defined herein) and association by-laws;

"**Condominium Units**" means all those residential condominium units within the Hotel developed and sold or retained by Licensee as separate legal lots under applicable Law;

"**Condominium Unit Fee**" shall have the meaning set forth in Section D below;

"**Condominium Unit Gross Sales**" means the gross contract sales price paid by the purchaser of a Condominium Unit for the Condominium Unit and any parking spaces, storage spaces or other rights benefiting a Condominium Unit and any related personal property sold in connection therewith, to Licensee, including any sums financed by Licensee or its Affiliate whether by mortgage or under an agreement for deed;

"**Condominium Unit Owners**" means the owners of Condominium Units;

"**Hotel Condominium Units**" shall mean Condominium Units that participate in the Rental Management Program.

"**Non-Hotel Condominium Units**" shall mean Condominium Units that are not Hotel Condominium Units.

"**Rental Management Agreement**" means one or more written agreements reasonably approved by Licensor and Licensee and entered into by and among Licensee and Condominium Unit Owners governing the administration of rights and obligations of the parties thereto with respect to the Condominium Unit Owner's participation of its Condominium Unit's unused room rights into the Rental Management Program;

"**Rental Management Program**" means the voluntary program or programs that will be made available by Licensee to Condominium Unit Owners, with respect to the rental of Condominium Units, each such program being subject to approval by Licensee and Licensor;

"**Residential Amenity Services**" means those certain hotel-related services that Licensee shall provide to the Condominium Units in accordance with Section A hereof;

"**Shared Facilities Agreement**" shall have the meaning set forth in Section A hereof.

The definition of "**Total Hotel Revenue**" contained in the Hotel License Agreement shall be revised to also include all revenues derived from providing Residential Amenity Services and pursuant to the Hotel Services Agreement and Shared Facilities Agreement.

2. Terms and Provisions

2.1. Rental Program.

Licensor and Licensee have agreed that a Rental Management Program will be made available to Condominium Unit Owners with respect to the rental of their Condominium Units pursuant to the terms of a Residential Management Agreement. With respect to the Hotel Condominium Units, Licensee will coordinate and provide hotel management services in connection with any Rental Management Agreement approved by Licensor and Licensee. The Rental Management Program shall be operated exclusively by Licensee during the Term of this Agreement in accordance with the terms of the Rental Management Agreements. Before any Condominium Unit may be included as a Hotel Condominium Unit, (1) Licensee shall enter into a Rental Management Agreement with the Condominium Unit Owner of such Condominium Unit, pursuant to which the Condominium Unit Owner shall grant Licensee the exclusive authority to manage the Condominium Unit and to rent the Condominium Unit to the general public as part of the Hotel as a Hotel Condominium Unit and (2) the Condominium Unit Owner shall satisfy all conditions and requirements of the Rental Management Program. If the conditions set forth in the previous sentence are not met, Licensor may prohibit the relevant Condominium Unit Owner from participating in the Rental Management Program. Licensor shall have the right to approve the terms of Rental Management Agreements and any ancillary documents and to specify provisions that must be included in such agreements, provided, however, that the parties agree that such terms may be amended from time to time by mutual agreement of the parties. Any such Rental Management Agreement shall state specifically the disclaimers in form and substance acceptable to Licensor as set forth on Exhibit A.

Notwithstanding the foregoing, Licensee shall not be obligated or permitted to require any Condominium Unit Owner to participate in the Rental Management Program and, further shall not be obligated or permitted to prevent any Condominium Unit Owner from using a third party rental agent or from renting his or her Condominium Unit on his own. All aspects and agreements relating to the marketing, operation and management of the Rental Management Program will be the responsibility of Licensee and will be subject to the commercially reasonable approval of Licensor.

Licensee shall ensure that, with respect to any Condominium Unit that is to be included in the Hotel as a Hotel Condominium Unit, the Condominium Unit Owner of such Condominium Unit is permitted to occupy the Condominium Unit only upon prior notice to Licensee by reserving the Condominium Unit as a Hotel guest. A Condominium Unit Owner's right to occupy its Condominium Unit by making a reservation is subject to availability based on reservations made by other Hotel guests (including other Condominium Unit Owners), who made their reservations before such Condominium Unit Owner placed its reservation.

Each Rental Management Agreement shall provide that, upon termination of the Rental Management Agreement, the Condominium Unit Owner shall have a continuing obligation for a period of ninety (90) days following the effective date of such termination to make the

Condominium Unit available for rental by the Hotel if Licensee determines that, without including the Condominium Unit as part of the Hotel, the Hotel expects to be unable to provide any guest of the Hotel, who made a reservation before notice of the Condominium Unit's withdrawal from the Hotel as a Hotel Condominium Unit was received by Licensee, with a Hotel Condominium Unit within the Hotel for the type of accommodations reserved by such guest. Licensee shall be obligated to provide a copy of any such written notice to Licensor immediately upon Licensee's receipt thereof.

Any and all agreements that Licensee has with Condominium Unit Owners shall not conflict with any term or provision of this Agreement, and Licensee acknowledges and agrees that, should any conflict exist or arise, the terms of this Agreement shall prevail, without exception or reserve. Licensee shall have the Condominium Unit Owners acknowledge and agree in any Rental Management Agreement that, should any conflict exist or arise between any or all agreements that Licensee has with owners, the terms of this Agreement shall prevail, without exception or reserve.

Licensee shall have the Condominium Unit Owners of Hotel Condominium Units acknowledge and agree in the terms and conditions of any Rental Management Agreement that the Condominium Unit Owners have no interest in this Agreement, and the Condominium Unit Owners are not licensees or sub-licensees hereunder.

Licensee acknowledges and shall require Condominium Unit Owners of Hotel Condominium Units to acknowledge in any Rental Management Agreement that they shall have no right of any kind to the use of any of the Licensed Marks in conjunction with the sale, rental, or other use of their Condominium Unit or in connection with the marketing or advertising for sale, rental or other use of their Condominium Unit.

Licensee acknowledges and shall require Condominium Unit Owners of Hotel Condominium Units to acknowledge in any Rental Management Agreement the responsibilities of Licensee under this Agreement. The Rental Management Agreement shall contain such agreements of the Condominium Unit Owners to permit Licensee to comply with this Agreement. Licensee shall notify the Licensor immediately of notice or knowledge of any action by any Condominium Unit Owner that could materially impair the ability of Licensee to comply with the provisions of this Agreement.

Each Condominium Unit Owner, whether participating in the Rental Management Program or not, will have the right to receive certain Hotel services and be entitled to use certain of the Hotel amenities by entering into a separate hotel services agreement with the Licensee (the "**Hotel Services Agreement**") the form of which will be subject to the commercially reasonable approval of Licensor. The parties contemplate that the Hotel and Condominium Units will be governed by a shared facilities covenant to provide for certain access and maintenance agreements (the "**Shared Facilities Agreement**"), and that Licensee shall be responsible for providing maintenance and related services to certain common areas relating to the Condominium Units to be used by the Hotel in accordance therewith (which areas would be deemed to be a portion of the Hotel for purposes of this Agreement).

Licensee shall provide Residential Amenity Services to the Condominium Units. Residential Amenity Services shall include hotel related services, such as room service, laundry valet, valet parking, concierge services, and housecleaning, and such other services as are agreed upon by Licensor and Licensee, subject in all events to the following conditions: (i) the Hotel has the capability to provide such services, and (ii) the Condominium Units have the facilities and

improvements necessary to provide such services in accordance with the Management Standard. All revenues derived from providing Residential Amenity Services and pursuant to the Hotel Services Agreement and Shared Facilities Agreement shall be included in Total Revenues.

2.2. **Operations.**

No Condominium Unit (including any Condominium Unit previously withdrawn from the Hotel as a Hotel Condominium Unit as permitted under the Rental Management Agreement) shall become a Hotel Condominium Unit until such Condominium Unit is approved in writing by Licensor as meeting the Hotel System standards. Licensor reserves the right to inspect each Hotel Condominium Unit for compliance with the terms of this Agreement before granting such approval and may suspend or revoke the approval of any Condominium Unit that fails to meet such standards. Licensor may require Licensee to pay, or cause to be paid, Licensor's reasonable costs in connection with conducting such an inspection. Licensee shall, at its expense, maintain or cause to be maintained each Hotel Condominium Unit in good repair and in conformity with the Hotel System and the Management Standard. Licensee shall not rent or offer to rent any Condominium Unit as a Hotel Condominium Unit that (i) does not comply with the Hotel System or Management Standard, (ii) has been rejected by Licensor or (iii) has had its approval revoked and has not been reinstated.

Licensee shall require any Condominium Unit Owners who wish to include their Condominium Unit in the Hotel as a Hotel Condominium Unit to purchase and have installed in their Condominium Units the then-current Hard Rock Hotel FF&E package and to maintain their Condominium Units in accordance with the Hotel System and the Management Standard. Licensee further shall ensure that all common spaces in the condominium project that are or may be accessible to guests of the Hotel (including without limitation exterior grounds and walkways, interior corridors, elevators, etc.) also are maintained in accordance with the Hotel System and the Management Standard.

Licensee shall ensure that all Condominium Unit Owners and occupants are prohibited from using Condominium Units in the Hotel in any way that would interfere or be inconsistent with the use of one or more of the Condominium Units as part of the Hotel, including, but not limited to, a prohibition on conducting commercial activities of any kind from a Condominium Unit or exceeding maximum occupancy rates per Condominium Unit.

If Licensee shall be prevented from complying with the Hotel System or Management Standard or with any of Licensee's other obligations hereunder as a result of the inclusion of certain Condominium Units as Hotel Condominium Units of the Hotel, Licensor shall have the right in its sole discretion to require Licensee to exclude any such Hotel Condominium Units from the Hotel's inventory.

2.3. **Non-Hotel Condominium Units.**

The registration card folio signed by all guests using Non-Hotel Condominium Units shall be separate and distinct from any card or folio signed by guests using Hotel Condominium Units and shall include the following language: "This Unit is not affiliated in any manner with Hard Rock Hotel Licensing, Inc. and is not operated as part of this Hard Rock Hotel." All guests renting Non-Hotel Condominium Units shall be informed orally at the time of reservation and check-in that "This Unit is not affiliated in any manner with Hard Rock Hotel Licensing, Inc. and is not operated as part of this Hard Rock Hotel."

Licensee shall not use the words "Hard Rock" or any other Licensed Mark with respect to the Non-Hotel Condominium Units without the consent of Licensor. No Licensed Marks shall appear on any items or products in the Non-Hotel Condominium Units. No part of the Hotel System, including without limitation the Reservation System, may be used to sell or promote the Non-Hotel Condominium Units or otherwise used in connection with such Units.

Licensee shall ensure that all Condominium Unit Owners of Non-Hotel Condominium Units in the Hotel shall not in any event rent, lease or otherwise make available such Non-Hotel Condominium Units to the general public through the Reservation System or represent that Non-Hotel Condominium Units are part of the Hotel in a manner intended to state or imply that a Non-Hotel Condominium Units is a Hotel Condominium Unit. Licensee shall take such additional actions as are reasonably necessary (and as Licensor may require) to disassociate the Non-Hotel Condominium Units from the Hotel System and to minimize the risk of a claim being asserted against Licensor or any of its Affiliates relating to the Non-Hotel Condominium Units including, without limitation, requiring Condominium Unit Owners of Non-Hotel Condominium Units to follow Licensor's instructions in such matters. In the event that Licensor determines, in its sole discretion, that the marketing of the Condominium Units is adversely affecting the reputation, Hotel System and/or Licensed Marks of Licensor or any of its Affiliates, then Licensor may, in its discretion, upon notice to Licensee of Licensor's determination as to the related deficiencies in such marketing, terminate this Agreement. Any such termination shall be treated as due to Licensee's default.

3. Condominium Unit Fee.

Licensee shall pay to Licensor a fee equal to three percent (3%) of Licensee's Condominium Unit Gross Sale proceeds from each sale of a Condominium Unit (the "**Condominium Unit Fee**"). The Condominium Unit Fee shall be paid through the escrow for the sale of each Condominium Unit upon the closing thereof or immediately thereafter. In the event of any rescission of such sale, under circumstances in which Licensee is required to return any Condominium Unit Gross Sale proceeds to a purchaser, and receives a return of any Condominium Unit, (a) Licensee shall send written notice of such rescission to Licensor and (b) Licensee shall receive a credit against any Condominium Unit Fee due upon the resale of the returned Condominium Unit.

4. Sale of Securities.

If Licensee or any of its Affiliates shall, at any time or from time to time, "sell" or "offer to sell" any "securities" issued by it through the medium of any "prospectus" or otherwise, or if Licensee's or its Affiliates' sale and marketing of the Condominium Units could be deemed the sale or solicitation of securities (within the meaning of applicable federal and state securities and blue sky Law) including, without limitation, in connection with the development and sale of the Condominium Units, it shall do so only in compliance with all applicable federal or state securities Laws, and Licensee shall clearly disclose to all purchasers and offerees that (a) neither Licensor, nor any of its Affiliates, nor any of their respective shareholders, officers, directors, agents or employees, shall in any way be deemed an "issuer" or "underwriter" of said "securities," and shall not participate in such offering or issuance, and that (b) Licensor, its Affiliates and said shareholders, officers, directors, agents and employees have not assumed and shall not have any liability or responsibility for any financial statements, prospectuses or other financial information contained in any "prospectus" or similar written or oral communication.

Licensee shall deliver to Licensor three (3) draft copies of any "prospectus" or similar communication delivered in connection with the sale or offer by Licensee of any "securities" not

less than (30) days prior to the filing thereof with any Governmental Authority or the delivery thereof to any prospective purchaser and three (3) copies of such materials in substantially final form at least five (5) days prior to the filing thereof with any Governmental Authority or the delivery thereof to any prospective purchaser. Notwithstanding the above, Licensor shall have the right to approve the final description of this Agreement and Licensee's relationship with Licensor hereunder, and any use of the Licensed Marks contained in such materials. Licensor's approval of the description of this Agreement and Licensee's relationship with Licensor hereunder, and any use of the Licensed Marks contained in such materials shall not constitute any judgment or determination by Licensor that such description is in compliance with applicable disclosure requirements.

Licensee agrees to indemnify, defend and hold Licensor and its Affiliates and their respective shareholders, officers, directors, agents and employees harmless of and from any and all liabilities, costs, damages, claims or expenses arising out of or related to the "sale" or "offer" of any "securities" of Licensee, including, but not limited to, any claim by a person that Licensee's sale of Condominium Units constitute or constituted the sale or solicitation for sale of securities. All terms used in this Section (E) shall have the same meaning as in the Securities Act of 1933, as amended.

5. Sale of Condominium Units.

Subject to the terms and conditions of this Agreement, Licensee shall have the right to sell Condominium Units within the Hotel at any time and from time-to-time in accordance with the Condominium Documents. Licensee shall deliver to Licensor three (3) draft copies of any Condominium Unit sales materials, including but not limited to any property report, or similar documents, that are used by Licensee in connection with the sale of the Condominium Units not less than thirty (30) days prior to the filing thereof with any Government Authority or the delivery thereof to any prospective purchaser. Licensor shall review and approve or disapprove any sales materials within thirty (30) days after its receipt. Licensor's approval right shall be limited to the right to approve the final description of this Agreement, and Licensee's relationship with Licensor hereunder, and any use of the Licensed Marks contained on or in such materials, including, but not limited to, compliance with the provisions of this Agreement. Licensor's review and approval of the description of this Agreement, and Licensee's relationship with Licensor hereunder, and any use of the Licensed Marks contained on or in such materials, shall not constitute any judgment or determination by Licensor that such description is in compliance with applicable disclosure requirements, provided however that Licensor may withhold its approval if it notices any other legal deficiency in the course of its review. Licensee shall comply with all applicable Laws in connection with the offer and sale of Condominium Units. Licensee agrees to indemnify and hold Licensor and its Affiliates and their respective officers, directors, agents and employees harmless of and from any and all liabilities, costs, damages, claims or expenses arising out of or related to the "sale" or "offer" of any Condominium Units.

In connection with any such sale of a Condominium Unit, Licensee shall include in the purchase and sale agreement the disclaimers, waivers and other provisions set forth in **Exhibit A** attached hereto, whereby (a) Licensee represents to the purchaser thereunder that neither Licensor nor any of its Affiliates is/are participating in or in any way responsible for the marketing or sale of the Condominium Units, (b) each purchaser acknowledges the same and waives all Claims arising from the marketing and sale of the Condominium Units, including with respect to any rental program offered by Licensee or any of its Affiliates, and (c) each purchaser acknowledges that Licensor is involved in the Hotel only as a Licensor and its rights are defined and governed by this Agreement.

In connection with any such sale of a Commercial Unit, the deed from the Licensee to the purchaser of such Commercial Unit shall contain restrictions (i) obligating the owner of such Commercial Unit to comply with the physical standards required by the Manuals and the Hotel System and (ii) requiring the owner of such Commercial Unit to provide Licensee with such information, as may be required by Licensee, to allow Licensee to pay Licensor fees on the revenues of such Commercial Unit in accordance with this Agreement.

6. Condominium Documents.

The Condominium Documents will contain the disclaimers, waivers and other provisions set forth on **Exhibit A** attached hereto and will be subject to the prior review and approval by Licensor, it being understood and agreed, however, that Licensor will review the Condominium Documents solely for its own purposes, and that its approval will not be deemed an approval of the legal sufficiency, marketability or other effects or characteristics thereof. Licensor agrees to limit the foregoing review and approval right to matters that may affect the goodwill of the Licensed Marks, potential liability for Licensor and Licensors' rights under this Agreement. The Condominium Documents will provide that, to the maximum extent permitted by Law, during the Term of this Agreement, Licensee will not modify or amend such documents, with respect to those matters that are subject to Licensor's review and approval, without the prior written consent of Licensor. In connection with any Declaration of Condominium (or similar such registration document) to be filed in connection with the sale of Condominium Units (the "Declaration of Condominium"), Licensee shall:

- (a) Submit to Licensor for its review at least thirty (30) days before the earlier of the date on which the Declaration of Condominium is filed or used, a copy of the proposed Declaration of Condominium and all supporting and related materials. Licensor's review of the Declaration of Condominium shall be conducted solely for the benefit of Licensor for the purposes of determining whether it (i) meets the Minimum Criteria (as defined below) and (ii) fully and accurately describes Licensor's relationship with Licensee. Licensor's review of the Declaration of Condominium shall not be for the benefit or protection any other person; provided, however, that Licensor may withhold its approval if it notices any other legal deficiency in the course of its review;
- (b) Fully, unconditionally, and in writing, indemnify and hold harmless Licensor and its Affiliates in connection with the Declaration of Condominium and the condominium project;
- (c) Not use any Licensed Marks in the Declaration of Condominium or in any supporting or related materials unless approved by Licensor in writing; and
- (d) Comply with all relevant real property, lending, securities, fraud, and other applicable Laws.

For the purposes of this Section 6, the "Minimum Criteria" shall mean those minimum terms and conditions that must be contained in a Declaration of Condominium before Licensor will approve it as meeting its standards for use in connection with this Agreement. The Minimum Criteria include:

- (a) The disclaimers, waivers and other provisions set forth on **Exhibit A** attached hereto;
- (b) A provision requiring all Condominium Unit Owners (whether a Hotel Condominium Unit or a Non-Hotel Condominium Unit), to contribute to a reserve fund for FF&E on terms and conditions similar to those of the Reserve Fund set forth in this Agreement (the “**Condominium Reserve**”);
- (c) A provision requiring all Condominium Unit Owners (including Owners of Non-Hotel Condominium Units) to comply with the Hotel System and the Management Standard;
- (d) A provision prohibiting the marketing or use of a Condominium Unit in connection with a fractional interest or timeshare regime or offering, a destination or membership club (whether equity, non-equity or otherwise) or other similar arrangement, other than any such use provided by Licensor or its Affiliates using the Licensed Marks; and
- (e) A provision permitting Licensor or its representatives to enter into any Condominium Units for the purposes of conducting fire and life safety inspections.

7. Advertising Guidelines.

Licensee must submit any advertising or promotional materials that are not in strict conformance with Licensor's guidelines as prescribed in the Manuals, or otherwise in writing, to Licensor for Licensor's prior written consent. Licensee must submit all advertising and promotional materials for the sale of the Condominium Units to Licensor for its prior approval in its sole discretion. All advertising and promotional materials for the sale of the Condominium Units must contain the disclaimers, waivers and other provisions required by **Exhibit A**. Licensee and its Affiliates, agents and independent contractors involved in the sale and marketing of the Condominium Units shall strictly comply with all applicable federal, state or local requirements, regulatory policies, Laws and regulations. Licensor shall have the right to approve in its sole discretion any third parties engaged on behalf of Licensee regarding the sale and marketing of the Condominium Units. From time to time during the Term of this Agreement, Licensee shall submit in writing, or in sample form in the medium in which the materials or other communications will be produced if other than in writing, to Licensor for Licensor's approval any sales and marketing materials relating to the Condominium Units. Such materials must (i) be consistent in quality and presentation with other Hard Rock branded residential marketing materials, (ii) include a statement that the Hotel is “Licensed by Hard Rock Hotel Licensing, Inc.” and (iii) contain all of the disclaimers and disclosure information set forth on **Exhibit A** or such other disclosures as Licensor may require from time to time. No marketing materials shall be used or distributed or published, however, unless first approved in writing by Licensor, in its sole and absolute discretion.

8. Marketing Information.

During the Term of this Agreement, Licensee shall make available to Licensor information regarding prospective purchasers of the Condominium Units, including but not limited to names,

addresses and other information available to Licensee that would be of assistance to Licensor in promoting Hard Rock Hotels, subject to applicable privacy Laws.

9. Misrepresentation.

Licensee shall not, and Licensee shall ensure that its Affiliates, agents, employees, salespersons and other entities responsible for the marketing of the Condominium Units shall not implicitly or explicitly represent to any offeree or purchaser of any Condominium Unit that Licensor or any of its Affiliates is a partner, co-developer, co-seller, co-issuer, co-venturer, sponsor, promoter, or endorser of, or is otherwise related to, the condominium project, the Condominium Units or the Hotel.

10. Compliance with Law.

Licensee agrees that it shall be solely responsible for compliance with all applicable Laws, codes, regulations, ordinances and other requirements in connection with the Hotel and the condominium project and the marketing and sale of any Condominium Units, and Licensee hereby represents and warrants to Licensor that, at all times, it will comply with all such Laws, codes, regulations, ordinances and other requirements (including without limitation, applicable federal and state condominium and securities Laws) and is not relying on Licensor or any the provisions of this Agreement with respect thereto.

11. Reporting Requirements.

Licensee shall deliver, or cause to be delivered, to Licensor, the following statement:

on or prior to the tenth (10th) day of each month, a statement setting forth (a) the Condominium Units sold during the previous calendar month and (b) the Condominium Units Gross Sales attributable to each Condominium Unit sold.

12. Property Damage Insurance and Professional Liability Insurance.

At all times during the Term of this Agreement, Licensee shall cause owners of Hotel Condominium Units to carry "All Risk" (or its equivalent) property damage insurance for the FF&E in their Hotel Condominium Unit, and Licensee shall carry "All Risk" (or its equivalent) property damage for the FF&E of any Condominium Unit owned by Licensee or its Affiliates, protecting Licensor and Licensee, as their interests may appear, with replacement cost valuation in an amount not less than the replacement value thereof. Professional liability insurance in an amount not less than \$10,000,000 per occurrence; provided that in the event Licensee engage another agent to sell Condominium Units, Licensee agrees to cause its agent to name Licensee and Licensor as additional insureds under such person's professional liability insurance policy;.

13. Termination by Licensor.

Upon the occurrence of any Event of Default, Licensor may, at its option, and without waiving its rights hereunder or any other rights available at Law or in equity, including its rights to damages, terminate this Agreement and all of Licensee's rights hereunder effective immediately upon the date Licensor delivers written notice of termination, upon such other date as may be set forth in such notice of termination, or upon the occurrence of or the lapse of the specified cure period following, of the following "**Event of Default:**"

If Licensee fails to submit the Condominium Documents to Licensor for approval pursuant to this Agreement, or modifies any Condominium Documents without prior written approval of Licensor as required by this Agreement.

14. Indemnification by Licensee.

Licensee shall Indemnify Licensor and its Affiliates and all of their respective shareholders, directors, officers, employees, agents and representatives from and against all Claims incurred by any of them by reason of any failure by Licensee or its Affiliates to comply with the Laws in connection with the offer, marketing and sale of Condominium Units.

15. Sales and Transfers of Condominium Units.

Licensee shall not use or promote the value of Licensee's relationship with Licensor to any potential purchaser of Condominium Units in connection with any sale or transfer of Condominium Units.

No Condominium Unit Owner shall be permitted to include any references to or disclosure of the name "Hard Rock" or any other Licensed Marks in connection with any resale, rental or other use of a Condominium Unit.

Before any sale of Condominium Units in the condominium project, Licensee shall provide, or cause to be provided, to the potential offeree or purchaser of such Condominium Unit such disclosures, including the disclaimers and information set forth on **Exhibit A** hereto, as Licensor may require.

Licensee represents and warrants that it shall undertake an independent review of Licensee's offer and sale of Condominium Units in the condominium project for compliance with federal and state securities and condominium Laws and shall not rely on Licensor or any of the provisions of this Agreement with respect thereto. Licensee warrants, represents and covenants that all offers and sales of Condominium Units (including, without limitation, resales of Condominium Units effected with the assistance of Licensee) will comply with all applicable federal and state condominium and securities Law, including applicable administrative and judicial rulings, interpretations and court decisions affecting the sale of interests in real property under said Laws.

EXHIBIT A TO CONDOMINIUM/HOTEL LICENSE RIDER

DISCLAIMERS/WAIVERS

Disclaimer/Waiver Provisions

(a) Advertisements and Marketing Materials. Advertisements for the sale of Condominium Units and any marketing materials related thereto shall bear or contain a legend as follows (or statement to substantially the same effect that is reasonably acceptable to Licensor):

THE CONDOMINIUM UNITS ARE NOT OWNED, DEVELOPED OR SOLD BY, OR UNDER COMMON OWNERSHIP OR CONTROL WITH, HARD ROCK LIMITED, HARD ROCK HOTEL LICENSING, INC. OR HARD ROCK CAFE INTERNATIONAL (USA) INC., OR ANY OF THEIR AFFILIATES (COLLECTIVELY, "**HARD ROCK**"). _____ ("**LICENSEE**") USES THE HARD ROCK TRADEMARKS UNDER A LICENSE AGREEMENT, WHICH LICENSE AGREEMENT MAY BE TERMINATED IN ACCORDANCE WITH THE TERMS AND CONDITIONS THEREOF. THE LICENSE AGREEMENT IS LIMITED IN DURATION AND THERE IS NO GUARANTY OR OTHER ASSURANCE OF ANY KIND THAT THE HOTEL WILL CONTINUE TO BE ASSOCIATED WITH THE HARD ROCK SYSTEM FOR ANY PERIOD OF TIME. CONDOMINIUM UNIT OWNERS WILL NOT OWN ANY INTEREST IN THE LICENSE AGREEMENT, IN HARD ROCK OR IN ANY AGREEMENT BETWEEN HARD ROCK AND LICENSEE. THE CONDOMINIUM UNITS PURCHASED BUT NOT PARTICIPATING IN THE RENTAL MANAGEMENT PROGRAM WILL NOT BE PART OF, OR OPERATED AS PART OF THE HOTEL, ALTHOUGH SUCH UNITS WILL BE LOCATED WITHIN THE SAME BUILDINGS AS THE CONDOMINIUM UNITS THAT ARE PART OF THE HOTEL. THE CONDOMINIUM UNIT OWNERS AND PURCHASERS OF THE CONDOMINIUM UNITS WILL OBTAIN NO RIGHT TO ANY LICENSE AGREEMENT OR TO ANY HARD ROCK TRADEMARKS AND WILL NOT BE PERMITTED TO REFER TO OR UTILIZE ANY HARD ROCK TRADEMARKS IN CONNECTION WITH ANY RESALE, RENTAL OR OTHER USE OF THEIR CONDOMINIUM UNIT. HARD ROCK HAS NOT PARTICIPATED AND WILL NOT PARTICIPATE IN ANY MANNER IN THE SALE AND MARKETING OF THE CONDOMINIUM UNITS AND HAS NOT AND WILL NOT ACT AS A BROKER OR AGENT IN CONNECTION WITH ANY CLOSING. HARD ROCK HAS NOT IN ANY WAY PASSED ON THE MERITS OF, OR THE MATTERS SET FORTH IN, THIS ADVERTISEMENT OR ANY MARKETING MATERIALS.

In print advertisements or other visual displays, the above statement shall be prominently presented in manner that assures its visibility. In television or other video advertisements (including on internet sites) such statement shall be prominently displayed in a readable fashion in a manner that assures its visibility. Any radio or other aural advertisements shall provide the foregoing information in a clear and understandable fashion.

(b) Condominium Documents. The Condominium Declaration for the Property shall contain clear statements in form reasonably satisfactory to Licensor with respect to the following

matters:

- (1) License Relationship. THE CONDOMINIUM UNITS ARE NOT OWNED, DEVELOPED OR SOLD BY, OR UNDER COMMON OWNERSHIP OR CONTROL WITH, HARD ROCK LIMITED, HARD ROCK HOTEL LICENSING, INC. OR HARD ROCK CAFE INTERNATIONAL (USA) INC., OR ANY OF THEIR AFFILIATES (COLLECTIVELY, “**HARD ROCK**”). _____ (“**LICENSEE**”) USES THE HARD ROCK TRADEMARKS UNDER A LICENSE AGREEMENT, WHICH LICENSE AGREEMENT MAY BE TERMINATED IN ACCORDANCE WITH THE TERMS AND CONDITIONS THEREOF. THE LICENSE AGREEMENT IS LIMITED IN DURATION AND THERE IS NO GUARANTY OR OTHER ASSURANCE OF ANY KIND THAT THE HOTEL WILL CONTINUE TO BE ASSOCIATED WITH THE HARD ROCK SYSTEM FOR ANY PERIOD OF TIME. CONDOMINIUM UNIT OWNERS WILL NOT OWN ANY INTEREST IN THE LICENSE AGREEMENT, IN HARD ROCK OR ANY AGREEMENT BETWEEN HARD ROCK AND LICENSEE. THE CONDOMINIUM UNITS PURCHASED BUT NOT PARTICIPATING IN THE RENTAL MANAGEMENT PROGRAM WILL NOT BE PART OF, OR OPERATED AS PART OF THE HOTEL, ALTHOUGH SUCH UNITS WILL BE LOCATED WITHIN THE SAME BUILDINGS AS THE CONDOMINIUM UNITS THAT ARE PART OF THE HOTEL. THE CONDOMINIUM UNIT OWNERS AND PURCHASERS OF THE CONDOMINIUM UNITS WILL OBTAIN NO RIGHT TO ANY LICENSE AGREEMENT OR TO ANY HARD ROCK TRADEMARKS AND WILL NOT BE PERMITTED TO REFER TO OR UTILIZE ANY HARD ROCK TRADEMARKS IN CONNECTION WITH ANY RESALE, RENTAL OR OTHER USE OF THEIR CONDOMINIUM UNIT. HARD ROCK HAS NOT PARTICIPATED AND WILL NOT PARTICIPATE IN ANY MANNER IN THE SALE AND MARKETING OF THE CONDOMINIUM UNITS AND HAS NOT AND WILL NOT ACT AS A BROKER OR AGENT IN CONNECTION WITH ANY CLOSING.
- (2) Licensee. (a) The right to use the licensed Hard Rock Trademarks (“**Trademarks**”) in connection with the Hotel project is a right of Declarant and Licensee under and pursuant to a License Agreement (the “**License Agreement**”) and is limited strictly by such License Agreement, and no Condominium Unit Owner shall have any right, title or interest in the Trademarks or any other rights that are licensed to Declarant or the right to use such Trademarks or any licensed rights, and Declarant's and Licensee's rights to use such Trademarks shall be subject to the terms, provisions, limitations and obligations of the License Agreement.

(b) Licensor may, without notice or liability to any Condominium Unit Owner, terminate the License Agreement in accordance with the terms of such License Agreement, and such termination shall terminate any right, power, authority or ability of Licensee to utilize any Trademarks or rights licensed under the License Agreement. Licensor shall have no express or implied obligations to provide notice of any termination of the License Agreement, or provide any right to cure, to any Condominium Unit Owner or mortgagee of a Condominium Unit nor shall Licensor have any obligation of any kind to any such person under the License Agreement or otherwise.

- (c) The Trademarks, the rights licensed under the License Agreement and the terms and provisions of the License Agreement including, but not limited to, the nature and scope of the rights licensed may be amended and modified from time to time by Licensor and Licensee and Licensor may, as provided under the License Agreement, from time to time modify and amend the Hard Rock System.
- (3) Relationship and Authority. Neither Licensor, Hard Rock Cafe International (USA), Inc., nor any of their affiliates (collectively, “**Hard Rock**”) is making any representation, warranty or guaranty or providing any assurances with respect to the Hotel project, the Condominium Units, the Declarant or Licensee; and Licensor is not acting as a principal, guarantor or surety with respect to the design, development, construction, sales, maintenance or management of the Hotel project or any aspect thereof. Neither Declarant nor Licensee is acting or has any authority to act as an agent, representative or otherwise on behalf of Hard Rock in any way with respect to the project or the Trademarks, nor is Hard Rock a partner or joint venturer with Declarant or Licensee; and Declarant's and Licensee's rights to use the Trademarks derive exclusively from and are strictly subject to the terms of the License Agreement. Hard Rock has not assumed and shall not have any liability or responsibility for any financial statements, projections, or other financial information contained in this document. Nothing contained in this document shall modify the terms and conditions of the License Agreement, the Reservation Agreement, Memorabilia Lease or any other agreement between Licensee and Hard Rock.
- (4) Scope of License Agreement. Declarant's and Licensee's rights under and with respect to the Trademarks shall be strictly as provided under the License Agreement and Licensor shall not otherwise be limited or constrained with respect to Licensor's or its Affiliates' rights to use the Trademarks as the result of any use of the licensed Trademarks by Declarant or Licensee in connection with the Hotel or project. Licensor shall have no obligation of any sort to Condominium Unit Owners, including, but not limited to, any contractual or fiduciary duty or obligation express or implied, and Condominium Unit Owners agree to look solely and exclusively to Declarant with respect to any claims relating to the Hotel or project.
- (5) Third Party Rights. Licensor's rights of review, approval and consent under its License Agreement are solely and exclusively for the benefit of Licensor and its Affiliates and are not and shall not be deemed to create any right in or obligation on the part of Licensor to any other person, including, but not limited to, Licensee, any Condominium Unit Owner or any governmental authority, nor shall any approval or consent by Licensor pursuant to its rights constitute any assurance of any sort by Licensor that any actions of Declarant, Licensee or any other person under, pursuant to or in connection with the Hotel or project are in compliance with its legal or contractual obligations, except as expressly set forth in the License Agreement.
- (6) Condominium Unit Owners. All Condominium Unit Owners (including Condominium Unit Owners that do not participate in the Rental Management Program for the Hotel) must comply with the Hard Rock System. The marketing or use of a Condominium Unit in connection with a fractional interest or timeshare regime or offering, a destination or membership club (whether equity,

non-equity or otherwise) or other similar arrangement, other than any such use provided by Hard Rock using the Trademarks, is prohibited. Hard Rock or its representatives may enter into any Condominium Unit (including Condominium Units that are not participating in the Rental Management Program for the Hotel) for purposes of insuring compliance with the Hard Rock System and this Agreement and conducting fire and life safety inspections.

- (7) Sales Materials. The sales and marketing materials with respect to the Condominium Units shall clearly describe, and the contracts for sale of Condominium Units shall clearly reflect, the above facts with respect to the Trademarks and the relationship of Licensor and its Affiliates to the Hotel or project and the planning, design, construction, marketing and operation of the Hotel project.

EXHIBIT "G"

TO DISCLOSURE DOCUMENT

TABLE OF CONTENTS TO OPERATIONS MANUALS

“Project Planning and Design Manual – 339 pages [*See following pages for more detailed table of contents for this Manual*]

“Manuals for Universal Standards Execution” – online manual – approximately 400 pages [*See following pages for more detailed table of contents for this Manual*]

“Design & Development Process Manual” – 18 pages

“Storybook” - 31 pages

“Position Training Manuals” – Number of pages varies by position

“BRAND Manual” – 45 pages

“EATS Manual” – 34 pages

“IDENTITY Manual” – 14 pages

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“SLEEP Manual” – 39 pages

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EXHIBIT "H"
TO DISCLOSURE DOCUMENT
STATE ADDENDUM

None.

EXHIBIT "I"
TO DISCLOSURE DOCUMENT

APPLICATION

[See Attached]



Re: Application for a Hard Rock Hotel

Dear _____:

As you requested, enclosed is an application form for a Hard Rock Hotel. This application must be completed in full, and all referenced documents must be included, unless otherwise indicated, before your application will be considered by Hard Rock. If you have any questions regarding the forms or information required for your application, please contact Hard Rock Hotel Development at (407) 445-7625.

A completed application must include all of the following:

- 1) Application Fee. A nonrefundable Application fee of _____ ("the Application Fee") is due with the Application.
- 2) Application Letter. The application letter attached hereto must be executed and returned with your application. The term "Applicant" refers to the person or entity that is applying to develop a Hard Rock Hotel. If the exact name and form of that entity has not been determined, you may apply for the hotel in the name of a person or entity that will control the proposed hotelier. PLEASE NOTE THAT YOU MUST NOT USE THE NAME "HARD ROCK" OR ANY VARIATION (INCLUDING THE INITIALS) THEREOF IN THE NAME OF YOUR ENTITY.
- 3) Project Description. Please complete Section II describing the proposed project.
- 4) Land Control Document(s). You must provide a copy of the legal document(s) that indicate that the Applicant has or will have legal control of the proposed site and improvements. We are unable to process your application with only a Letter of Intent.
- 5) Proposed Development/Conversion Costs, Projections, Financing and Financial Information. Please complete Section III describing the proposed project and provide the requested financial information in Section IV.
- 6) Ownership Structure. Please complete the chart in Sections IV and V describing the ownership structure of the proposed hotelier. You will need to outline each level of ownership until you reach either (1) an individual or (2) a publicly held entity. If the

proposed hotelier is owned through several layers of entities, please provide an organization chart as well.

- 7) Organizational Documents. Please provide current organizational documents for the proposed hotelier and its controlling entities, corporate resolutions or other documents confirming the authority of the person that will be signing the hotel agreement and related documents.
- 8) Hotel Experience. Please complete Section VII.
- 9) Conversion Information. If the hotel is an existing hotel, please also complete all information required in Section III and submit a copy of the existing hotel agreement and a copy of any notice of termination of an existing contract for the hotel.
- 10) OFAC Compliance. Please provide a list of all significant related parties (i.e., consultants or brokers, parent entities, officers, directors, family associations or significant corporate affiliations).

PLEASE TYPE ALL APPLICATION FORMS AND RETURN THEM TO HARD ROCK HOTEL LICENSING, INC. ATTENTION: HOTEL DEVELOPMENT GROUP, 6100 OLD PARK LANE, ORLANDO, FLORIDA 32835.

Sincerely,

HARD ROCK HOTEL LICENSING, INC.

By: _____

Re: Application for a Hard Rock Hotel

Dear Hard Rock Hotel Development Group:

This application letter, along with our check in the amount of \$ _____, is furnished to Hard Rock Hotel Licensing, Inc. ("Hard Rock") so that Hard Rock will process the application of the undersigned for development of a Hard Rock hotel at the following site:

(street address and quadrant description)

(city, state/country and zip code)

In connection with the processing of the application and Hard Rock's evaluation, Hard Rock and its affiliates may rely on each of the following representations, warranties, acknowledgments and agreements and all information provided by us or on our behalf in connection with this application (collectively, the "Application").

1. The undersigned, jointly and severally, represent and warrant that:
 - a) All information contained in the Application is true, correct, complete and not misleading through omission of material information, as of the date hereof.
 - b) The undersigned has authority to submit the Application and enter into a management or license agreement with Hard Rock (the "Hotel Agreement"). Neither the Application nor the execution of the Hotel Agreement will conflict with any obligations of the undersigned to the other parties. Hard Rock has not induced the undersigned to terminate or breach any agreement with respect to the hotel specified above.
 - c) The undersigned has legal control over the site, as set forth in the Application, through fee ownership, leasehold, purchase contract, or management agreement.
 - d) Neither the undersigned, nor any entity of which the undersigned has held the position of general partner, managing member or beneficial owner, is or has been (i) a defendant in civil litigation alleging fraud, deceit or similar claims; (ii) convicted of a criminal offense or the subject of a pending criminal proceeding (other than minor traffic offenses); (iii) the subject of a petition for protection under any bankruptcy or similar insolvency laws; (iv) a defaulting party in a foreclosure proceeding; or (v) the subject of disciplinary action with respect to the suspension or revocation of a professional or gaming license.
 - e) Neither the undersigned nor any affiliate of the undersigned (i) has any claims against Hard Rock or any of Hard Rock's affiliates or (ii) is a Competitor or a Specially Designated National or Blocked Person (each as defined below).
 - i. "**Competitor**" shall mean: (a) a person that owns, or has an affiliate that owns, a material interest (e.g. 20% or more) in, operates or manages,

directly or indirectly, a facility operated as (i) a Planet Hollywood, (ii) a Motown Cafe, (iii) House of Blues, (iv) or other similar restaurant chain (A) operating under the same name in six or more Metropolitan Statistical Areas, (B) with music theme-related icons or memorabilia displayed throughout the premises in a museum or collection type manner (but excluding self promotional items of a single individual), and (C) which derives greater than ten percent (10%) of its gross revenues from the sales of merchandise; or (b) a person that is a/an owner, operator, licensor, franchisor or brand manager of a Starwood Hotels and Resorts Worldwide hotel, Wyndam hotel, Morgan Group's hotel, Marriott Corporation hotel, Hilton Corporation hotel, or Hyatt Corporation hotel.

- ii. **“Specially Designated National” or “Blocked Person”** shall mean (1) a person designated by the U.S. Department of Treasury's Office of Foreign Assets Control or other governmental entity from time as a "specially designated national or blocked person" or similar status, (2) a person described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001, or (3) a person otherwise identified by government or legal authority as a person with whom Hard Rock or any of their affiliates, are prohibited from transacting business. As of the date hereof, a list of such designations and the text of the Executive Order are published under the internet website address www.ustreas.gov/offices/enforcement/ofac.

2. The undersigned acknowledges and agrees that:

- a) Hard Rock reserves the right to approve or deny this Application, in its sole discretion. The undersigned will not acquire any rights by virtue of the submission of the application whether or not Hard Rock approves the Application. Any expenses incurred by or on behalf of the undersigned in connection with this application or any approval of this Application (including, without limitation any costs of constructing, renovating or operating the hotel) are at the undersigned's sole risk and are not being made in reliance on any action of Hard Rock.
- b) Hard Rock does not enter into oral agreements or understandings with respect to Hotel Agreements. Accordingly, there are no agreements or understandings whatsoever between the undersigned and Hard Rock with respect to any Hotel Agreement.
- c) An Application Fee of \$_____ has been paid to Hard Rock with the Application. The fee may be invested, commingled with other funds of Hard Rock or otherwise used by Hard Rock, as it deems appropriate in its discretion. Hard Rock will not process the Application until it receives full payment of the Application Fee.
- d) The Application Fee will not be refunded. Hard Rock shall have the right to withdraw its approval at any time. If Hard Rock disapproves the Application, it shall have no liability to the undersigned and will retain the Application Fee to cover Hard Rock's cost of processing the Application.

- e) If the Application is approved, such approval is conditioned on the undersigned retaining legal control over the specific site described in the Application. If at any time prior to execution of the Hotel Agreement, the undersigned loses legal control over such site, any approval of the Application shall not be effective. In such event, Hard Rock shall have no liability to the undersigned and the Application Fee will not be refunded. If the undersigned subsequently regains legal control over such site or over a different site, a new Application must be submitted.
- f) Whether or not Hard Rock approves the Application, the undersigned does not have any exclusive territorial rights. Hard Rock and its affiliates may operate or grant others the right to operate a Hard Rock Hotel or other lodging facilities and other businesses at any location including locations proximate, adjacent or adjoining the site specified above. Hard Rock may consider applications from other applicants for any sites without liability to the undersigned.
- g) If Hard Rock approves the Application, the undersigned will not have any right to use any of Hard Rock's trademarks, the Hard Rock System or any other proprietary marks or systems of Hard Rock unless and until Hard Rock and the undersigned execute a Hotel Agreement and Hard Rock gives written authorization to begin operating the hotel as a Hard Rock.
- h) Any financial information provided by the undersigned in connection with this Application (including the proposed financing and debt structure), will be prepared by the undersigned or their advisors. We acknowledge and agree that Hard Rock (i) has not participated in the preparation of that information, and (ii) is not ratifying or approving or making any representations as to the accuracy of that information, or the attainability of any projections.
- i) Hard Rock has the right to conduct its own feasibility study and due diligence investigation with respect to the proposed hotel or conversion, and the undersigned's and its affiliates' qualifications to operate such hotel. Such study and due diligence will include, but not be limited to, contacting persons at the hotel, or involved in the development of the hotel, operators of other hotels in the market, employees of other hotels operated by the undersigned and its affiliates, and other hotel companies of hotel brands who have agreements with the undersigned and its affiliates. Hard Rock shall have no liability to the undersigned or its affiliates with regard to such study and investigation.
- j) The undersigned hereby authorizes Hard Rock to make whatever credit and background inquiries it deems necessary in connection with the Application. The undersigned also authorizes credit bureaus, financial institutions, companies and individuals to disclose to Hard Rock, any and all information for the use of Hard Rock and its affiliates for the purpose of conducting any necessary credit and/or background investigations. The undersigned and all equity owners in the undersigned shall execute any additional documents legally necessary to allow Hard Rock to conduct the necessary credit and/or background investigations, including any necessary affidavits, request letters or powers of attorney.

The undersigned, jointly and severally, hereby indemnifies and agrees to defend Hard Rock and its affiliates and Hard Rock's shareholders, directors, officers, employees and agents and to hold

them harmless from all losses, liabilities, costs, damages and expenses consequently, directly or indirectly incurred (including legal and accounting fees and expenses) and arising from, as a result of or in connection with the Application, including the breach of any representation or warranty contained in the Application. Hard Rock shall have the right to take any action it may deem necessary in its sole discretion to protect and defend itself against any threatened action covered by this indemnification without regard to the expense, forum or other parties that may be involved. Hard Rock may, in its sole discretion, have sole and exclusive control over the defense of any such action (including the right to be represented by counsel of its choosing) and over the settlement, compromise or other disposition thereof.

The undersigned will immediately inform Hard Rock of any material change in any information contained in the Application or if the undersigned learns that any representation or warranty is untrue. If the undersigned is executing this application on behalf of a separate legal entity that has not yet been formed but will be controlled by the undersigned, the undersigned commits to provide all information and documentation related to such separate entity to Hard Rock or upon its formation and will immediately advise Hard Rock of any changes in any information provided in Sections IV and V of this Application. The terms of this application letter will survive approval or disapproval of the Application.

This application letter will be governed by the law of the State of Florida, USA without reference to the conflict of laws principles thereof.

This application letter may be executed in several counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument.

(Printed name of proposed hotelier)

By: _____
(Signature)

Name: _____

Title: _____



Application for a

HARD ROCK HOTEL

Location: _____

I. APPLICANT

1. Name of Applicant: _____

(your name may not include any Hard Rock marks or any variations/initials thereof)

Type: () Corporation () Limited Partnership () General Partnership
 () Individual () Trust () Limited Liability Co.
 () Other (specify) _____

Jurisdiction: _____

II. PROJECT DESCRIPTION

Number of Floors: _____

Number of Rooms Planned: _____
 Suites _____
 Standard Rooms _____

Description of Site:
 Total Sq. Footage _____
 Acreage _____

Site is controlled by Applicant as follows:

() Owned by Applicant () Leased by Applicant
 () Purchase Contract () Other: _____

Other Facilities included in or adjacent to the Hotel :

Description	Operator	Brand
Conference Facilities		
Restaurant Facilities		
Bar or Lounge		
Description	Operator	Brand

Gift Shops		
Gaming Facilities (excluding government sponsored lotteries)		
Other		

If the site is owned by an entity other than the Applicant, please provide the following information:

Fee Owner: _____

Street Address: _____

_____ (City, State/Country, Zip Code)

Phone No.: _____

Relationship to Applicant, if any: _____

Other information about the site:

Are there currently any existing moratoriums? () Yes* () No

Can billboard and directional signage be obtained? () Yes () No*

Are there any restrictions on the site that would necessitate special local variances (e.g., parking, signage, liquor licenses, etc.)? () Yes* () No

*Explain the situation(s) and your plans to resolve these issues (attach a supplemental sheet if necessary).

III. PROPOSED DEVELOPMENT/CONVERSION COSTS, PROJECTIONS, AND FINANCING

A. NEW DEVELOPMENT

Proposed Development Costs:

HOTEL PERFORMANCE (Last 5 years, for conversions only) You may provide us with profit and loss statements for the hotel but we must receive Occupancy and Average Rate information for the last five (5) years.

Year _____
Occupancy _____
Average Rate _____
Total Revenues _____
Total Expenses Gross _____
Operating Profit _____

C. PROPOSED FINANCING

Equity: Indicate proposed source of equity and the percentage of total development costs the equity represents:

Debt: Indicate proposed sources of construction and permanent financing.

If secured by the hotel, please indicate:

SOURCE:

MORTGAGE AMOUNT: \$

TERM:

INTEREST RATE:

ANNUAL PAYMENT: \$

If any additional financing (e.g., second lien mortgage, mezzanine financing, etc.), please indicate:

SOURCE:

LOAN TERM: \$

SECURITY:

TERM

INTEREST RATE:

ANNUAL PAYMENT: \$

Please attach a copy of the financing commitment(s) for the proposed hotel.

IV. OWNERSHIP STRUCTURE

Please provide the information requested in this Section for the proposed hotelier and owner (if different).

If the proposed hotelier is an individual, please provide that individual's address, telephone numbers, fax number and email address.

VI. DUE DILIGENCE

Please provide the following information for the Applicant and, unless otherwise noted, for each direct or indirect equity or beneficial owner of the Applicant, depending on the type of entity. If an Applicant has not been formed, please submit the following information immediately upon its formation. If the type of entity is not listed below, please provide information similar to that listed below for the other entities:

Corporation

- 1) Articles of Certificate of Incorporation, Bylaws, including all amendments (Applicant only)
- 2) Certificate of Good Standing dated within the last 6 months (Applicant only; not required if Applicant was formed within the last 6 months)
- 3) A resolution authorizing the Applicant to execute the Hotel Agreement and related documents and directing the authorized signatory to execute

- and deliver such documents (Applicant only)
- 4) Evidence that the entity is owned as indicated in the chart above (e.g., copies of stock certificates and stock ledger)

Limited Liability Company

- 1) Articles of Organization or Certificate of Formation, including all amendments
- 2) Operating Agreement or Limited Liability Company Agreement, including all amendments
- 3) Certificate of Good Standing dated within the last 6 months (Applicant only; not required if Applicant was formed within the last 6 months)
- 4) A resolution authorizing the Applicant to execute the Hotel Agreement and related documents and directing the authorized signatory to execute and deliver such documents (Applicant only)
- 5) Evidence that the entity is owned as indicated in the chart on Page 6

Partnership/Joint Venture

- 1) If a limited partnership, Certificate of Limited Partnership, including all amendments
- 2) Partnership Agreement, including all amendments
- 3) Certificate of Good Standing, or equivalent, dated within the last 6 months (Applicant only; not required if Applicant was formed within the last 6 months)
- 4) A resolution authorizing the Applicant to execute the Hotel Agreement and related documents and directing the authorized signatory to execute and deliver such documents (Applicant only)
- 5) Evidence that the entity is owned as indicated in the chart on Page 6

Trust

- 1) An executed copy of the trust agreement, including all amendments
- 2) A resolution authorizing the Applicant to execute the Hotel Management Agreement and related documents and directing the authorized signatory to execute and deliver such documents (Applicant only)
- 3) The complete names and addresses of all Trustees and Beneficiaries

Estate

- 1) Letters testamentary or letters of administration (as applicable)

VII. HOTEL EXPERIENCE

Does any Applicant, any direct or indirect equity or beneficial owner of the Applicant, or the Management Company operate or have an ownership interest in any other Lodging Facility?

Yes No

If yes, please list below (attach supplemental sheets if needed):

Name of Entity	Hotel Name/Location	# of Rooms	Description of Interest, Including Length of Time	% of Ownership, if any

If the Applicant, direct or indirect equity or beneficial owner of the Applicant, or Management Company is current operating other properties for Hard Rock, you need only list the date of such entity’s last application submitted to Hard Rock, the name of the applicable property that was the subject of such application and any updates to the information in this Section VII that have occurred since the date of such application.

VIII. GAMING LICENSES

If the Applicant, or any other person or entity listed in Sections V and VII has ever applied for a gaming license, please provide the following information.

List each jurisdiction:

Which jurisdiction(s) granted a license and to which entity or person?

IX. FINANCIAL/BANKING INFORMATION

Please submit current financial statements, including the most recent audited financial statement and the most recent quarterly financial statement for the proposed hotelier and its general partner(s), managing member(s) or principal shareholder(s). If the hotelier has more than one level or ownership in its ownership structure, please also provide the most recent quarterly financial statement for the ultimate owners of the general partner(s), managing member(s) or principal shareholder(s) of hotelier.

We require the hotelier’s principals to guaranty the hotelier’s obligations under the Hotel

EXHIBIT "J"
TO DISCLOSURE DOCUMENT

RECEIPTS

[See Attached]

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language.

Read this Disclosure Document and all agreements carefully. If Hard Rock Hotel Licensing, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

If Hard Rock Hotel Licensing, Inc. does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in EXHIBIT "A" to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise is/are (to be completed by franchise seller involved in sales process):

Name _____; Address _____; Phone _____
Name _____; Address _____; Phone _____
Name _____; Address _____; Phone _____

Issuance Date: March 6, 2018

Hard Rock Hotel Licensing, Inc.'s agent to receive service of process is listed in EXHIBIT "A" to this Disclosure Document.

I have received a Franchise Disclosure Document that included the following Exhibits:

- EXHIBIT "A" State Administrators/Agents for Service of Process
EXHIBIT "B" Financial Statements
EXHIBIT "C" List of Hard Rock Hotels and Licensees
EXHIBIT "D" Hotel License Agreement
EXHIBIT "E" Non-Disturbance Agreement
EXHIBIT "F" Condominium/Hotel License Rider
EXHIBIT "G" Table of Contents to Manuals
EXHIBIT "H" State Addenda and Riders
EXHIBIT "I" Application
EXHIBIT "J" Receipts

Name of Prospective Licensee

The address of the Prospective Licensee is:

(Print corporate, partnership or limited liability company name, if any; otherwise, print name of individual(s))

By: _____
(Signature)

Date: _____
(Please print)

(Print name of signatory)

Title: _____
(Print title, if any)

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Name _____; Address _____; Phone _____
Name _____; Address _____; Phone _____
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EXHIBIT "I" Application
EXHIBIT "J" Receipts

Name of Prospective Licensee

The address of the Prospective Licensee is:

(Print corporate, partnership or limited liability company name, if any; otherwise, print name of individual(s))

By: _____
(Signature)

Date: _____
(Please print)

(Print name of signatory)

Title: _____
(Print title, if any)