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Rika Lisslo
Vice President –
Development
Americas
152 West 57th street
New York, NY 10019

(917)273-4341

Rika.lisslo@hyatt.com

VIA ELECTRONIC MAIL

March 15th, 2022

Robert Lebensfeld, Abraham Leifer, and David Gefner

Hello Livingston Extended LLC
1110 42nd St
Brooklyn, NY 11219

Re: Proposal to affiliate a hotel under construction at 291 Livingstn Street, Brooklyn, NY with the JDV Collection

Gentlemen,

Hello Livingston Extended LLC. or its affiliate (“Owner” or “you”) desires to evaluate the possibility of entering into agreements with Hyatt Franchising, L.L.C. (“Hyatt”) or one of its affiliates related to the branding of a hotel currently under development at 291 Livingston Street in Brooklyn, NY (the “Hotel” or “Hotels”). This letter and the attached term sheet (the “Term Sheet”) outline the general terms under which Hyatt and/or its affiliates and nominees would be interested in entering into a franchise agreement for the Hotel. This letter and the Term Sheet, which is incorporated herein by this reference, are sometimes referred to collectively as this “Letter of Intent.” Owner represents that it does not have any pre-existing agreements or contractual arrangements that would conflict with, or prevent the completion of, the transactions contemplated in this Letter of Intent.

This Letter of Intent is not intended to, and does not, constitute a complete statement of, or a legally binding and enforceable agreement or commitment on the part of Hyatt or the Owner with respect to the matters described herein. Execution of a franchise agreement and any related agreements in connection with the franchising of the Hotel (the “Definitive Agreements”) is subject to conditions, including, but not limited to, (i) approval by Hyatt’s Development Committee; (ii) Owner and the franchisee entity meeting Hyatt’s then-current approval criteria for new franchisees; (iii) Owner maintaining the same general financial condition and ownership structure as represented in the franchise application; and (iv) the Definitive Agreements containing all essential terms of the transaction. The proposed terms contained in the Term Sheet are in summary form, are not exhaustive, and do not reflect the language of the actual provisions that

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would be contained in the Definitive Agreements. Except as set forth in paragraphs 1 through 6 below, nothing in this Letter of Intent is intended to, nor shall be deemed to, create any binding or enforceable duty or obligation whatsoever with respect to the Hotel or any other matter and each party reserves the right to terminate discussions and negotiations at any time, for any or no reason. Efforts by either party to complete due diligence or to negotiate or prepare any agreement shall not be considered to be evidence of intent by either party to be bound by the terms of the Term Sheet

This Letter of Intent is not legally binding on the parties except for the following paragraphs, which are binding.

1. Owner represents and warrants to Hyatt that (i) nothing contained in this Letter of Intent or the business arrangement(s) contemplated under this Letter of Intent, the Term Sheet or the Definitive Agreements (collectively, the “Transaction”) conflicts with any existing commitments or agreements binding on Owner or its affiliates, nor would they be a breach of any of Owner’s or its affiliates’ existing obligations, and (ii) no such existing commitments or agreements of Owner or its affiliates would prevent the completion of the transactions contemplated in this Letter of Intent. In addition and in particular, Owner acknowledges and agrees that it presented the Transaction to Hyatt and initiated all discussions with Hyatt surrounding the Transaction. Owner agrees to indemnify, defend and hold harmless Hyatt and each other Hyatt Indemnified Party for, from and against any and all Claims (including, without limitation, all legal fees and other expenses that Hyatt or any other Hyatt Indemnified Party incurs). For the purposes of this Letter of Intent, “Claims” shall include any and all claims, demands, actions, penalties, suits and liabilities, in connection with, arising from, or for any reason related to (i) negotiations relating to the Transaction which may be asserted to be in violation of any existing franchise, management or similar agreement relating to the branding, operation or use of the [Hotel] [Project] (the “Existing Agreements”) and/or (ii) the termination of the Existing Agreements, as a result of any such negotiations. For the purposes of this Letter of Intent, “Hyatt Indemnified Parties” means Hyatt, its affiliates, and Hyatt’s and its affiliates’ respective directors, trustees, officers, employees, partners and members. This provision shall survive the termination or expiration of this Letter of Intent.
2. This Letter of Intent will remain in effect until the earliest of: (a) execution of Definitive Agreements; and (b) April 1st, 2022
3. Any public announcement indicating the association of Hyatt or its affiliates with the Hotel, and the timing of such announcements, must be discussed and agreed to in advance by Owner and Hyatt.
4. Each of Owner and Hyatt undertake to, and to cause their respective affiliates to, respect and preserve the confidentiality of all “Confidential Information” received from the other. “Confidential Information” means (a) the existence and contents of this Letter of Intent, and (b) any information of a proprietary or confidential nature relating to the business or the assets of Owner or Hyatt or any of their respective affiliates or related companies that is not public information known by either of the parties prior to the date of this Letter of Intent. Neither party will disclose, or permit any of its affiliates to disclose, Confidential Information of the other party except as may be required by applicable law or by court order.
5. This Letter of Intent and the terms herein are exclusive to each party hereto for the term of this Letter of Intent, neither Owner nor Hyatt or any of their respective agents, affiliates or related companies will negotiate, work or consult with any other company with respect to the

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development, management, franchise or operation of the Hotel nor engage in any activity deemed to circumvent the other party in relation to the Hotel while this Letter of Intent remains in effect.

6. The governing law of this Letter of Intent shall be the laws of the State of Illinois, without regard to its principles governing conflicts of law, and the parties hereto agree to the sole jurisdiction of the State of Illinois courts. This Letter of Intent constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements between the parties with respect to the subject matter hereof. This Letter of Intent may not be modified except by a writing signed by an authorized signatory of each party. This Letter of Intent may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement. Documents executed, scanned, and transmitted electronically in PDF format and/or electronic signatures shall be deemed original signatures for purposes of this Letter of Intent and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures.

If this Letter of Intent accurately sets forth our understanding, please signify your agreement by signing this Letter of Intent and returning it to me at your earliest convenience. Unless we receive the signed copy by March 1st, 2022, this Letter of Intent will expire on that date and have no further force or effect, with the exception of the obligations of the parties set forth in paragraph 4 above.

We look forward to working with you on this exciting project.

[Signature Page Follows]

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ACKNOWLEDGED, ACCEPTED AND AGREED
AS OF THE 15th DAY OF March, 2022

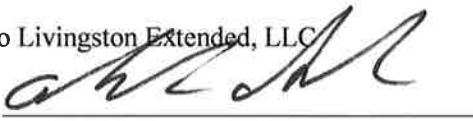
HYATT FRANCHISING, L.L.C.

By: 

Name: Rika Lisslo

Title: Vice President – Development Americas

Hello Livingston Extended, LLC

By: 

Name: Abraham Leyer

Title: authorized signatory

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TERM SHEET

Grove House – a JDV by Hyatt affiliated hotel

This Term Sheet is part of, and subject in all respects to, the Letter of Intent to which this Term Sheet is attached. This Term Sheet is a proposal only, not subject to acceptance and is not contractually or legally binding. Owner and Hyatt each reserve the right to review and change the proposed terms herein at any time. Efforts by either party to complete due diligence or to negotiate or prepare any agreement shall not be considered to be evidence of intent by either party to be bound by the terms of the Term Sheet. All terms and conditions are subject to final review and approval by Hyatt's Development Committee.

PROJECT DEVELOPMENT TERMS

Owner	An entity to be controlled by Owner or an affiliate, subject to Hyatt's review of the entity documents ("Franchisee").
Application Fee:	\$35,000 If Owner withdraws the franchise application before Hyatt approves it, or if Hyatt does not approve the Franchise Application for any reason, then the Application Fee will be refunded, less \$10,000. After Hyatt approves the Franchise Application, the Application Fee is not refundable, even if Hyatt and Franchisee do not sign Definitive Agreements.
Development Plan	Franchisee has constructed a 104 room full-service, hotel to be branded under the "JDV" brand (the "Brand") 291 Livingston Street, Brooklyn, NY The Hotel will be built according to Hyatt's standards and guidelines relating to the design, construction, finishes, furnishings, fixtures, and equipment for the Brand. All plans and specifications with respect to the Hotel shall be subject to the approval of Hyatt. Hotel to Open on or before January 1 st , 2023
Information Technology:	The Hotel will be required to use Hyatt's mandatory computer systems. Hyatt will provide information technology project management implementation services relating to the required computing environment and other technology for Hyatt-affiliated hotels. These services include a comprehensive site survey, coordination with your general contractors for systems installation and scheduling, and installation of Hyatt's standard systems. Franchisee will pay Hyatt \$69,900 for these implementation services, plus travel and other reasonable expenses for Hyatt personnel. This fee shall not be due prior to Hyatt's development committee approval.
Design Services:	Waived -
Term:	Initial term commencing on the franchise agreement's effective date and continuing until the 20 th anniversary on the date that the Hotel opens (the "Opening Date").
Royalty Fee:	Year 1: 3.0% of GRR

Year 2: 4.0 of GRR

Year 3: 5.0% of GRR for the remainder of the Term

Key Money Investment:

In consideration for its right to franchise the Hotel, Hyatt shall contribute “Key Money” in an amount of Seven Hundred and Fifty Thousand Dollars (US\$750,000.00) which will be funded upon opening of the Hotel as a Brand hotel, subject to Hyatt’s customary funding conditions. The Key Money will be amortized over a period of 20 years, beginning on the Opening Date. Any unamortized Key Money would be repayable to Hyatt immediately upon an early termination of the franchise agreement for any reason. At the conclusion of the amortization period, the Key Money shall be considered fully amortized and Hyatt shall have no further claim for repayment.

Beginning in 2021, Hyatt is offering an optional marketing program for Hyatt branded hotels. The proposed Hotel would be required to opt in to this marketing program for a period of the partial year in which the Hotel opens and the two full years thereafter. The charge for this optional marketing program will be \$25,000 per annum (subject to change), pro-rated for the partial opening year. The marketing program provides an expert in field marketing that will be shared with a small number of like hotels, grouped by brand and location. The field marketing resource will work in concert with the approved Hotel manager to direct and maximize the impact of the digital marketing budget for the Hotel

Hyatt System Services:

The Hotel will pay fees for the base reservation services, group sales support, PMS charges, technology services, revenue management services, sales and catering systems, and other mandatory and non-mandatory services offered to Hyatt-affiliated hotels on a group or shared basis, in accordance with the terms stated in Hyatt’s standard form of Franchise Agreement for the Brand. JdV by Hyatt, 3.5% of Gross Rooms Revenue and (b) a Digital Acquisition Fee equal to 1.35% of eligible “Digital Direct Revenue” (a subset of Gross Rooms Revenue generated through Hyatt’s online direct booking channels).

Management:

Marshall Hotels. The management company will execute a rider to its hotel management agreement with Franchisee, in the form approved by Hyatt, under which it agrees to be bound by certain provisions of the franchise agreement. If the Hotel’s general manager fails to ensure that the Hotel satisfies Hyatt’s quality assurance requirements or other brand standards (after notice and cure periods stated in the franchise agreement), then, without limiting Hyatt’s other remedies, Hyatt may require Franchisee or the management company to appoint a new general manager for the Hotel.

Territorial Restriction

During the AOP Term, neither Hyatt nor any of its affiliates would open, operate or license any other hotel operating under the Brand located within the area of protection (the “AOP”) as identified in Exhibit A, except for if Hyatt or its affiliates acquire the right to operate or manage or acquire (whether by purchase, sale, merger, consolidation, or other

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transaction) a hotel within the AOP as part of another chain franchise system, group or portfolio of at least four (4) hotels. The “AOP Term”, begins on the franchise agreement’s effective date and ends the earlier of December 31st, 2028 and five (5) years after the Hotel’s Opening Date.

Hyatt and its affiliates also may open and operate, and authorize others to open and operate any type of lodging facility located within or outside the AOP during or after the AOP Term under any brand besides the one that will define the Hotel, including but not limited to Park Hyatt, Grand Hyatt, Hyatt Regency, Hyatt Centric, Caption by Hyatt, Hyatt Place, Hyatt House, Hyatt Residence Club, Miraval, Andaz, Thompson, Alila, Destination by Hyatt, Hyatt Ziva, Hyatt Zilara, or any other branded concept developed or acquired by Hyatt.

Required FF&E Replacement Reserve:

The amount of the reserve will have no bearing on Franchisee’s contractual obligation to comply with Hyatt product and design standards for the duration of the agreement term. The required reserve will equal of:

Months 1 – 12 Owner would maintain 2% of Gross Revenues

Months 13 – 24 Owner would maintain 3% of Gross Revenue

Months 25 – 36 Owner would maintain 3% of Gross Revenue

Months 37 and there after, until the end of the Term, Owner would maintain 4% of Gross Revenue. The reserve would be funded monthly.

The FF&E reserve will not apply to leased out space in the building.

World of Hyatt Program:

The Hotel will participate in and pay the fees associated with Hyatt’s loyalty program. Currently, when a World of Hyatt member chooses to receive points for his or her spending at the Hotel, then the Hotel must pay 4.5% of all eligible revenue (including F&B and other amenities and services) generated at the Hotel from that member (excluding applicable taxes).

Guaranty:

Owner must provide one or more Guarantors that meet Hyatt’s approval, at least one of which must have and maintain a documented net worth of at least \$10,000,000 (subject to CPI adjustment), excluding assets and liabilities relating solely to the Hotel or the land on which it is situated and net liquidity of at least \$6,000,000 (subject to CPI adjustment). The Guarantor(s) will sign a guaranty and assumption agreement, in the form approved by Hyatt, under which the Guarantor(s) agree to perform and be bound by all of the Franchisee’s obligations under the franchise agreement.

Comfort Letters:

At Hyatt’s option, any lender providing financing for the Hotel and any ground lessor for the Hotel premises must execute a comfort letter in the form set forth in the Franchise Disclosure Document for the Brand (if

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applicable) or otherwise acceptable to Hyatt, which must include Hyatt's customary non-disturbance protection.

Insurance:

Franchisee must purchase and maintain insurance coverages in the amounts and of the types meeting Hyatt's then-applicable requirements for Brand hotels, except to the extent Hyatt's requires greater coverage amounts based on the particular circumstances of the Hotel.

Form of Agreement:

All other terms and conditions will be as stipulated in Hyatt's standard form franchise agreement and any conditions set forth as a result of the franchise operations review.

Costs & Expenses:

Each party shall bear its own costs and expenses in connection with the negotiation implementation of the Definitive Agreements as set forth in this term sheet.

Subject to approvals:

The terms contained in this non-binding term sheet are subject to final approval from Hyatt's Development Committee, which reserves the right to approve or deny any or all of the terms and conditions proposed in this Letter of Intent.

EXHIBIT A
Area of Protection

Descriptor

Norther boundary: Fulton Street from Bond Street to S Portland Street

Eastern boundary: S. Portland street from Fulton Street to Atlantic Avenue where it changes name to 6th Avenue, to Dean Street

Southern boundary: Dean Street, from 6th Avenue to Bond Street

Western boundary: Bond Street from Dean Street to Fulton Street

- For the avoidance of doubt all borders are measured from the center line/ midline of each street

Map

