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## LETTER OF INTENT; KEY MONEY ONLY

July 25, 2011

Mr. Christopher T. Verville  
Prime Lodging, LLC  
601 E. Sycamore Street  
Evansville, IN 47713

**Re: Proposed Hyatt Place Downtown Evansville, IN**

Dear Chris:

This letter ("Letter of Intent") sets forth the fundamental terms and conditions for Key Money (as defined herein) between Prime Lodging, LLC referred herein as "you" or "Owner") and Hyatt Place Franchising, L.L.C. (referred to herein as "we," "us" or "Hyatt") for the proposed development of the Hyatt Place Downtown Evansville, IN ("Hotel"). We are enthusiastic about the Hotel project and look forward to finalizing our negotiations with you. This letter and the attached term sheet ("Term Sheet") outlines the general terms under which we would be interested in providing Key Money to you 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."

We would like to underscore that, except as expressly set forth below, this Letter of Intent is not subject to acceptance, or contractually or legally binding on the parties and represents only an expression of our present desire to work together to negotiate definitive agreement(s) (collectively, "Definitive Agreements"), the terms of which would be mutually agreed upon between the parties generally in accordance with the terms and conditions set out in the Term Sheet. This Letter of Intent does not obligate any party to proceed with the Definitive Agreements, and no party may rely on this Letter of Intent as creating any legal obligation of any kind. This Letter 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 Manager or Hyatt with respect to the matters described herein. Execution of the Definitive Agreements by Hyatt is subject to conditions, including, but not limited to, approval by Hyatt's review committees. The proposed terms are summarized and do not reflect the language of the actual provisions that would be contained in a management agreement.

Please note that we are sending this Letter of Intent to you with the following additional understandings:

1. This Letter of Intent will remain in effect until the earliest of: (a) execution of Definitive Agreement; and (b) January 31, 2012.

2. The parties hereto hereby acknowledge and agree that this Letter of Intent is subject to the Confidentiality Agreement by and between Owner and Hyatt dated \_\_\_\_\_.

**Owner acknowledges and agrees that it received a copy of the current Hyatt Place Franchising, L.L.C. Franchise Disclosure Document on \_\_\_\_\_. This Letter of Intent is not a franchise agreement, nor an offer or a solicitation to enter into a franchise agreement or business opportunity with Hyatt Place Franchising, L.L.C.**

If this Letter of Intent accurately sets forth our understanding, please signify your agreement by signing this letter and returning it to me at your earliest convenience. Unless we receive the signed copy by August 31, 2011, 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 paragraphs 1 and 2 above.

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

Sincerely yours,

HYATT PLACE FRANCHISING, L.L.C.

By: \_\_\_\_\_



ACKNOWLEDGED, ACCEPTED AND AGREED:

[ \_\_\_\_\_ ]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**SUMMARY OF TERMS**  
**Hyatt Place Downtown Evansville, IN**

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This term sheet is a proposal only, not subject to acceptance and is not contractually or legally binding. It represents only an expression of Hyatt Place Franchising, LLC's ("Hyatt") desire to establish the terms of a Franchise Agreement with Prime Lodging, LLC ("Owner") for the Hyatt Place Downtown Evansville, IN ("Hotel"). Unless specifically set forth below, all other terms and conditions will be consistent with Hyatt's standard Franchise Agreement. Hyatt reserves the right to review and change the proposed terms herein at any time.

**Term:** 20 years, with two 5-year renewals at the sole option of Hyatt.

**Franchise Fees:** 5.0% of Gross Rooms Revenue

**Hyatt Key Money Investment:** \$478,000

Hyatt will pay the Key Money upon opening of the Hotel.

In the event that the Franchise Agreement is terminated for any reason prior to year 20, Hyatt will be paid the unamortized portion of the Hyatt Key Money Investment upon the termination. The Hyatt Key Money Investment will be amortized over 20 years.

**Approval Time Limit:** The Franchise Agreement must be executed on or before January 31, 2012, and Hotel must open prior to December 31, 2013 to receive the key money contribution.

**Approval Committees:** Transactions of this type must be approved by Hyatt's Select Development Committee ("SDC").

This Term Sheet is neither an offer of a franchise by Hyatt nor a contract for the acquisition of a franchise or any other rights to operate a Hyatt Place Hotel.