

## HOTEL MANAGEMENT AGREEMENT SIDE AGREEMENT

THIS HOTEL MANAGEMENT AGREEMENT SIDE AGREEMENT (this “Agreement”) is made and entered into as of this \_\_\_ day of April, 2020 (the “Effective Date”) by and between \_\_\_\_\_ (“Owner”), and \_\_\_\_\_ (“Manager”). Owner and Manager are sometimes collectively referred to herein as the “Parties”.

### Statements of Background

The Parties entered into that certain Hotel Management Agreement, dated as of \_\_\_\_\_ (as the same may have been amended and extended, the “Management Agreement”).

Pursuant to the Management Agreement, the Manager performs, as the agent of and for the account of Owner, its duties as the operator of the Hotel, including, but not limited to, at the Owner’s expense, employing all Hotel employees and personnel necessary for the operation of the Hotel (the “Hotel Employees”).

On March 27, 2020, the President signed the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act” or the “Act”) (P.L. 116-136) to provide emergency assistance and health care response for individuals, families, and businesses affected by the coronavirus pandemic. The Small Business Administration (the “SBA”) received funding and authority through the Act to modify existing loan programs and establish a new loan program to assist small businesses nationwide adversely impacted by the COVID-19 emergency.

Section 1102 of the Act temporarily permits SBA to guarantee 100 percent of 7(a) loans under a new program titled the “Paycheck Protection Program” (the “PPP”). Section 1106 of the Act provides for forgiveness of up to the full principal amount of qualifying loans guaranteed under the Paycheck Protection Program. On April 2, 2020, SBA issued an interim final rule (the “Initial Rule”) announcing the implementation of sections 1102 and 1106 of the Act.

The Initial Rule clarifies that, in most cases, a borrower will be considered together with its affiliates for purposes of determining eligibility for the PPP. Under SBA rules, entities may be considered affiliates based on factors including stock ownership, overlapping management and identity of interest.

The Parties wish to clarify that, for the purposes of applying for PPP loans under the CARES Act (and not otherwise), the Hotel Employees shall be deemed to be Owner’s employees.

### Statements of Agreement

**NOW, THEREFORE**, in consideration of Ten and No/100ths Dollars (\$10.00) in hand paid by the Parties to each other, and the mutual covenants contained in this

Agreement, the receipt and sufficiency of all of which are hereby acknowledged, Manager and Owner hereby agree as follows:

1. Statements of Background. The above statements of background are true and correct and are hereby incorporated into the statements of agreement.
2. Defined Terms. Unless otherwise defined herein, capitalized terms used in this Agreement shall have the meanings given such terms in the Management Agreement.
3. Hotel Employees. For purposes of applying for PPP loans under the CARES Act (and not otherwise), the Hotel Employees shall be deemed to be Owner's employees. As such, documentation verifying the number of full-time equivalent Hotel Employees on payroll as well as the dollar amounts of payroll costs associated therewith will be presented as if such Hotel Employees are employees of Owner on any PPP loan application provided by Owner to the SBA (and/or any lender acting on its behalf).
4. Manager Consent and Waiver. Manager consents to Owner's application for a PPP loan claiming employer status for all Hotel Employees and Manager hereby waives all rights to make similar application with the SBA for its own account.
5. Authority. Each of the parties represents and warrants that they have the full right and authority to enter into this Agreement.
6. No Third Party Beneficiaries. No person or entity (other than the Parties to this Agreement) shall have or be construed to have any legal or equitable right, remedy or claim under, in respect or by virtue of this Agreement or any provisions herein.
7. Entire Agreement. This Agreement constitutes the final, complete, and exclusive agreement between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous communications or agreements, written or oral. This Agreement may be modified only in writing and signed by the authorized representatives of the parties.
8. Effect of this Agreement. Except as specifically provided in this Agreement, the Management Agreement continues to govern the rights and obligations of the parties hereto and the Management Agreement remains in full force and effect. If there is any conflict or inconsistency between this Agreement and the Management Agreement, this Agreement shall control.
9. Counterparts and Electronic Execution. This Agreement may be executed in multiple counterparts and all such counterparts when taken together shall constitute one and the same instrument. This Agreement and counterparts thereof may be executed and delivered by e-mail or other electronic transmission, with the same effect as an original executed Agreement or counterpart.

[SIGNATURES CONTINUE ON FOLLOWING PAGES]

**IN WITNESS WHEREOF**, Manager and Owner have executed this Agreement effective as of the Effective Date.

**MANAGER:**

\_\_\_\_\_,  
a \_\_\_\_\_ limited liability company

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

[SIGNATURE CONTINUES ON FOLLOWING PAGE]

**Owner:**

\_\_\_\_\_,  
a \_\_\_\_\_ limited liability company

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_