THE PERFECTLY PRECISE HOTEL™

AC Hotels by Marriott celebrates the importance of purposeful design with its unwavering attention to the small but impactful details of a guest’s stay. Founded in 1999 in Madrid, Spain by renowned hotelier Antonio Catalan, the brand has both Spanish roots and a European soul. In 2011, AC Hotels and Marriott International formed a joint venture with AC Hotels by Marriott, leveraging the unique style and design of these upscale urban-inspired hotels with the portfolio and distribution power of Marriott International.

With nearly 160 hotels globally, AC Hotels is designed for a frictionless hotel experience that anticipates and supports a guests true needs, and enables them live life on the road by design, not by default. With flexible open spaces, purposeful design, signature moments and no unwanted extras, guests maximize their stay with style and intention.

The brand offers turn-key customization of the guest room and concept-driven public space design. A kit-of-parts approach ensures the delivery of AC’s differentiated experience that keeps guests coming back for more, while also making it easy for owners and franchisees to flexibly address the needs of their specific market, financial model and site plan. The special tools and support the owners and franchisees receive around talent recruiting and training, service standards, and local marketing and PR positions them to take advantage of this brand’s unique chemistry and seamlessly grow their hotel business around the world.

FRANCHISE HOTEL PERFORMANCE*

- Average Occupancy Rate: 74.8%
- Average RevPAR: $132.31
- Loyal Customer Base: Average Percentage of Loyalty Program Contribution to Occupancy at AC Hotels is 56.2%
- Lower Cost Bookings: Marriott’s channels generate 79.9% of AC Hotel reservations

COMPETITIVE FEE STRUCTURE*

- Application Fee: $90,000 plus $500 per guestroom in excess of 150 guestrooms
- Royalty Fee: 5.5% of Gross Room Sales
- Program Services Contribution: 3.85% of gross room sales (which includes a contribution to the Marketing Fund of 2.5% of gross room sales); plus $10,000 per year; plus $220 per guestroom per year.

OPTIMIZED COST PLAN (for select costs)**

- 100 – 150 keys
  - Estimated Cost Per Key: $114,000 – $192,000
- 151 – 200 keys
  - Estimated Cost Per Key: $113,000 – $177,000

DISTRIBUTION (YE 2019)

| U.S. & CANADA | Open | 63 | 10,720 |
| Pipeline | 111 | 17,722 |
| GLOBAL | Open | 159 | 23,461 |
| Pipeline | 147 | 25,757 |

KEY COMPETITORS

- Hotel Indigo, Canopy by Hilton, Kimpton, Public, Joie de Vivre, independent boutique hotels

RECENT OPENINGS

- AC Hotel Little Rock Downtown, AR
- AC Hotel Austin-University, TX

*2019 AC Hotels by Marriott Franchise Disclosure Document. Additional details included on the back. For all other costs and fees, refer to the FDD.

** The “Estimated Cost Per Key” includes select building construction, kitchen and laundry equipment, FF&E, start-up costs, and certain additional funds. You will incur additional costs. Please refer to our 2019 AC Hotels by Marriott Franchise Disclosure Document for complete details.
AC HOTELS DESIGN ATTRIBUTES

PUBLIC SPACE

• The public spaces are never prototypical; each space is considered and designed holistically. A cohesive design language is created with a combination of modern, premium materials and textures with the use of wood, metal, ceramic, fabric, steel and glass.

• The AC Lounge®, an area for guests to relax in a comfortable yet modern space while enjoying elegant design, offers signature cocktails, premium wines and beers, and a thoughtfully curated menu of small bites and shareable plates.

• The AC Kitchen, a multi-functional space with the look of a high-end residential kitchen, offers a European-Style breakfast with signature croissant, artisan cured meat from our Berkel® slicer and fresh coffee. The space is designed to facilitate the breakfast service and transform to a multi-functional table to accommodate coffee service, wine & cheese tastings and other special culinary events.

• The AC Library is incorporated within the public space, and provides a location for guests to work and collaborate. An integrated computer station and printer provides guests with standard business center amenities that have a more upscale feel.

• The AC Media Salon features Haworth Workware digital collaboration technology, combined with modern furniture and ample amounts of workspace that can be acquired in short-order by the guest for impromptu meetings.

• The AC Meeting Room offers modern materials and customizable lighting giving the feel of a corporate boardroom.

• The AC Fitness room combines rich materials, unique artwork and purposeful lighting to give the feel of a high-end health club.

• The AC Store offers an upscale product assortment with retail-inspired shelving and features unique local products.

GUEST ROOM AND BATHROOM

• The guest room layout is purposefully designed; materials and color schemes are carefully chosen to create a harmonious space.

• The guest room concepts range from a more traditional layout to a more intriguing open bathroom layout.

• Elevated furniture and hard-surface flooring provide a clean and expansive feel throughout the guest room.

• A functional open wardrobe and luggage bench offer ease for guests to unpack and access clothing.

• The bathroom feature a glass-enclosed walk-in shower and signature bath amenities.

BRANDS. LOYALTY. PARTNERSHIPS. RESULTS. MADE HERE.
VISIT MARRIOTTDEVELOPMENT.COM OR CALL 301.380.3200

AC Hotel franchise disclosure: As of December 31, 2018, there were 49 AC Hotels by Marriott open and operating in North America (U.S. and Canada); of these, 46 were franchised. The data reflects the performance of the 28 franchised AC Hotels by Marriott open and operating in North America for 12 months as of December 31, 2018, for which Smith Travel Research, Inc. has data and which did not undergo material renovations or expansions during the 12 months preceding December 31, 2018. Of the 28 AC Hotels by Marriott, 15 (53.6%) achieved an average occupancy rate equal to or greater than 74.8%; 12 (42.8%) achieved an average daily room rate equal to or greater than $176.79; 9 (32.1%) achieved or exceeded the average RevPAR of $132.31; and 15 (53.6%) achieved an average RevPAR Index equal to or greater than 104.8. Of the 28 AC Hotels by Marriott, 15 (53.6%) had 79.9% or more of their total gross room nights booked at their hotel come from all Reservation Channels and 20 (71.4%) achieved or exceeded the average percentage of loyalty program contribution to occupancy of 50.2%. There is no assurance that you will do as well. OFFER AND SALE BY PROSPECTUS ONLY. See Item 19 of our Franchise Disclosure Document dated March 31, 2019, for additional details.