Residence Inn by Marriott invented and continues to define the Extended Stay lodging category in North America. With over 850 locations worldwide and twice the footprint of its next largest competitor, Residence Inn’s high awareness brings huge occupancy premiums and legendary RevPAR Index compared to the category.

Approximately one third of all business travel room nights are part of an ‘extended stay’. With its unique culture and service model that recognizes the different needs of long-stay guests, Residence Inn® is optimally positioned to serve this large market segment. The latest prototype evolves the guest suite by expanding the bathroom and re-orienting the living, working, cooking and dining spaces. A fresh décor package provides contemporary appeal, while the bar creates additional revenue opportunities.

Building on its solid performance record and powered by Marriott’s peerless sales, marketing and operations engine, Residence Inn is primed to extend its leadership throughout Central America, Europe and the Middle East.

**Distribution (YE 2019)**

With over 850 hotels worldwide and a pipeline of 270 properties, the brand’s growth continues in the U.S. and internationally throughout Central America, Europe, Africa and the Middle East.

<table>
<thead>
<tr>
<th>U.S. &amp; CANADA</th>
<th>GLOBAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Open</strong></td>
<td></td>
</tr>
<tr>
<td>Units</td>
<td>833</td>
</tr>
<tr>
<td>Rooms</td>
<td>103,038</td>
</tr>
<tr>
<td><strong>Pipeline</strong></td>
<td></td>
</tr>
<tr>
<td>Units</td>
<td>216</td>
</tr>
<tr>
<td>Rooms</td>
<td>26,820</td>
</tr>
</tbody>
</table>

**Key Competitors**

- Homewood Suites
- Hyatt House

**Recent Openings**

- Residence Inn Santa Barbara Goleta, CA
- Residence Inn St. Petersburg Tierra Verde, FL
- Residence Inn Lexington City Center, KY

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*2019 Residence Inn 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 Residence Inn by Marriott Franchise Disclosure Document for complete details.

**Franchise Hotel Performance**

<table>
<thead>
<tr>
<th></th>
<th>AVERAGE</th>
<th>AVERAGE DAILY ROOM RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCCUPANCY RATE</td>
<td>79.4%</td>
<td>$145.36</td>
</tr>
<tr>
<td>REVPAR</td>
<td>$84.32</td>
<td>119.1</td>
</tr>
<tr>
<td>EXTENDED STAY OCCUPANCY</td>
<td>40.1%</td>
<td>119.1</td>
</tr>
</tbody>
</table>

**Loyal Customer Base**

Average Percentage of Loyalty Program Contribution to Occupancy at Residence Inn is 59.2%

**Lower Cost Bookings**

Marriott’s channels generate 70.9% of Residence Inn’s reservations

**Competitive Fee Structure**

**APPLICATION FEE**

$90,000 plus $500 per suite in excess of 150 suites

**ROYALTY FEE**

6% of Gross Room Sales

**PROGRAM SERVICES CONTRIBUTION**

2.56% of gross room sales (which includes a contribution to the Marketing Fund of 2.5% of gross room sales); plus $6,000 per year; plus $65 per suite per year.

**Optimized Cost Plan**

(for select costs)**

- 80 – 110 Keys
  - ESTIMATED COST PER KEY
  - $126,000 – $203,000
- 120 – 150 Keys
  - ESTIMATED COST PER KEY
  - $120,000 – $190,000
**RESIDENCE INN**
**PROTO MODEL ATTRIBUTES**

**Guest Suite**
- Spacious suites offer zones for working, relaxing, eating and sleeping.
- Every suite features a fully equipped kitchen with full-sized refrigerator, stove, microwave, dishwasher and coffeemaker for preparing meals.
- A signature desk, located by the window offers natural light and room to spread out.
- A separate dressing area offers an innovative luggage landing zone.
- A large, one-compartment bathroom with a six-foot walk-in shower creates a spacious upscale feel.
- Neuhaus, the décor package, features 4 different options of furnish and finish combinations.

**Public Areas**
- Flexible seating options offer the choice to connect or just hang out.
- Complimentary hot breakfast with healthy and indulgent options.
- The outdoor living spaces with a fire pit and high-end grill offer shared social spaces.
- The bar offers guests a place to unwind in the evenings. Programming is available to help maximize profitability.
- The 24/7 Market offers “grab and go” items and creates additional revenue opportunities for the property.

**Other Amenities**
- The Residence Inn Mix™ evening events offer guests an engaging environment to relax with a complimentary offering of premium beer and wine while connecting with others over small bites and local area flavors.
- A fitness center and a pool allow guests to keep fit while away from home. Residence Inn Runs, a partnership with Under Armour’s Map My Fitness app, maps local routes to allow guests to run like a local during their stay.
- Scalable meeting space options to meet the demands of your market.
- On-site laundry offers an added convenience to extended stay guests.

**BRANDS, LOYALTY, PARTNERSHIPS, RESULTS, MADE HERE.**
Visit MarriottDevelopment.com or call 301.380.3200

Residence Inn Franchise Disclosure: As of December 31, 2018, there were 789 Residence Inn by Marriott hotels open and operating in North America (U.S. and Canada); of these, 678 were franchised. The data reflects the performance of the 589 franchised Residence Inn by Marriott hotels open and operating in North America for 24 months as of December 31, 2018, for which Smith Travel Research, Inc. had data and which did not undergo material renovations or expansions during the 24 months preceding December 31, 2018. Of the 589 Residence Inn hotels, 300 (50.9%) achieved an average occupancy rate equal to or greater than 79.4%; 172 (29.2%) achieved an average daily room rate equal to or greater than $145.36; 189 (32.1%) achieved or exceeded the average RevPAR of $115.44; and 306 (52.0%) achieved an average RevPAR Index equal to or greater than 119.1. For the 590 included franchised hotels that represent the one-year period ended December 31, 2018, 291 (49.3%) achieved or exceeded the average ESOcc of 40.1% and 233 (39.5%) achieved or exceeded the average ESRevPAR of $56.61. Of the 590 Fairfield Hotels, 291 (49.3%) had 70.9% or more of their total gross room nights booked at their hotel from all Reservation Channels and 334 (56.6%) achieved or exceeded the average percentage of loyalty program contribution to occupancy of 59.2%. 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.