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 (Q1 2020)
With over 850 hotels worldwide and a pipeline of nearly 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>Units</th>
<th>Rooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open</td>
<td>833</td>
<td>103,088</td>
</tr>
<tr>
<td>Pipeline</td>
<td>213</td>
<td>26,314</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GLOBAL</th>
<th>Units</th>
<th>Rooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open</td>
<td>852</td>
<td>105,402</td>
</tr>
<tr>
<td>Pipeline</td>
<td>266</td>
<td>32,644</td>
</tr>
</tbody>
</table>

Key Competitors
- Homewood Suites
- Hyatt House

Recent Openings
- Residence Inn Lexington City Center, KY
- Residence Inn Toronto Mississauga Southwest, Ontario

2019 Franchise Hotel Performance

- AVERAGE OCCUPANCY RATE: 78.7%
- AVERAGE REVPAR: $115.30
- AVERAGE EXTENDED STAY OCCUPANCY: 38.8%
- LOYAL CUSTOMER BASE: Average Percentage of Loyalty Program Contribution to Occupancy at Residence Inn is 60.7%
- LOWER COST BOOKINGS: Marriott’s channels generate 67.4% of Residence Inn’s reservations

Note: These results reflect the performance of system hotels before the emergence of the COVID-19 outbreak, which has impacted consumer and business travel and caused declines in key operating metrics. See our news page (https://news.marriott.com/) for the latest information.

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

<table>
<thead>
<tr>
<th>Keys Per Key</th>
<th>(for Select Costs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>80 – 110 Keys</td>
<td>$132,000 – $220,000</td>
</tr>
<tr>
<td>120 – 150 Keys</td>
<td>$127,000 – $205,000</td>
</tr>
</tbody>
</table>

* 2020 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 2020 Residence Inn by Marriott Franchise Disclosure Document for complete details.
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 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.
- A signature desk, located by the window offers natural light and room to spread out.

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.
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