



AN UPDATE FOR FRANCHISEES FROM CHAIRWOMAN JAGRUTI PANWALA AND PRESIDENT & CEO CECIL P. STATON

AAHOA Members:

We are deeply saddened and concerned by the continued spread of COVID-19 in our country and our world and its impact on our industry and your businesses. We want to let you know we hear you, and we are advocating for you with your brands. As an industry, we are all in this together, and in these challenging times, unity is needed more than ever.

Over the last few weeks, we have been in constant communication with senior leadership representing all brands. During that time, we have also solicited feedback from your AAHOA Board, volunteers, and members throughout the country on how we can weather these challenging times, and we have shared this feedback with brand leadership.

Brands are issuing communications directly to you, their franchisees, which have taken our feedback into consideration. We suggest you review these communications carefully as they include important brand standards updates and other operational changes. Brands are also revising their updates continually. We assure you that AAHOA continues to have engagement with brand senior leadership to address all franchisee concerns during this dynamic situation.

While each brand is handling the situation differently, we have seen some common themes (reflected only generally):

- PIPs (ranging from 90-day to 12-month extensions and waiver of penalties)
- Guest satisfaction (waiver of penalties and pause on guest surveys/reviews)
- Loyalty enrollments (reducing/pausing standard and waiver of penalties)
- Food service (in accordance with local health departments, reducing/eliminating breakfast and other food service standards adjustments)
- Training (waiver/pausing of requirements or moving to digital)
- Inspections (suspending requirements and waiver of penalties)
- Brand standards (adjusting many standards, deadlines for compliance, and delaying launches of new standards)
- Conference and meeting fees (refunding pre-paid/waiving mandatory attendance)
- PMS (waiver of penalties and relaxing suspensions of access due to defaults)

We know royalty fee reductions and/or deferments continue to be of importance to members, and we continue to emphasize this point with brand leadership. Some have indicated this will only be considered on a case by case basis. Therefore, we encourage you to contact your brand regarding your specific property and accommodations which might fit your specific



situation. We are hosting an exclusive AAHOA webinar next week on exactly how to approach your brand with this request during this crisis.

We are doing everything we can to shine a light on the exact impact this crisis has on our members and opportunities where brands can offer immediate and impactful assistance. We are encouraged by the many concessions already announced by most brands and these continue to be updated daily as this situation changes rapidly. We are pleased with the significant progress that we have made, but know this is a work in progress and there is much more to be done.

Lastly, in the coming days we may begin communicating on specific brand-related matters with those members who have identified owning that specific brand in our database. We encourage you to login to myaahoa.com and update your email, cell phone, and property ownership data so you don't miss any of these important communications from AAHOA. AAHOA continues to be committed to addressing the needs of our members and to addressing your needs and concerns during this crisis. We will get through this together.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jm' with a long, sweeping underline.

Jagruti Panwala
AAHOA Chairwoman

A handwritten signature in black ink, appearing to read 'Cecil P. Staton' with a long, sweeping underline.

Cecil P. Staton
AAHOA President & CEO