



HAZ Hotels International LLC
PO Box 26381
Federal Way, WA
98093
253.606.3836
www.hazhotels.com

INSTRUCTION

HAZ Hotels International LLC (HAZ Hotels) is pleased to consider your application for a franchise. HAZ Hotels franchises Hotel Monarchy brand hotels. Please read these instructions carefully and answer all items completely and accurately. If an item does not apply, please mark not applicable (NA).

Please supply all requested attachments for your entity and property.

When this Franchise Application is complete, please send with the attachments and full application fee by regular mail or overnight carrier, to your HAZ Hotels representative or to the Director, Application Administration, HAZ Hotels., PO Box 26381, Federal Way, WA, 98093.

HAZ Hotels reserves the right to approve or deny this Franchise Application. You have not yet been granted a franchise to operate any of the above-referenced Franchises and there is no binding obligation on either party unless and until both HAZ Hotels and you have signed a Franchise Agreement. Any expenses you incur in constructing, renovating or operating the hotel are at your sole risk.

If for any reason HAZ Hotels does not grant a franchise to you, or you withdraw the Application and a Franchise Agreement is not signed by both parties, HAZ Hotels agrees to refund any full affiliation fee you paid HAZ Hotels less a non-refundable fee of \$2,500.00.

ITEMS TO BE SUBMITTED WITH THIS APPLICATION

Please submit the following items with this application. This will ensure a quick turnaround time, and will provide HAZ Hotels the information needed to evaluate this transaction.

- Check for affiliation fee (Only if you are submitting this application at least 10 business days following your receipt of the UFOC.)
- Current financial statement(s) (*see page 6*)
- Entity documents (*see page 3*)
- Proof of Ownership (*sales contract, deed, option or lease*)
- AAA Authorization (*form attached*)
- UFOC Acknowledgment of Receipt Form

FRANCHISE APPLICATION

For a Franchise in

City: _____

State: _____

A. APPLICATION

Proposed Construction
Conversion of Existing Hotel
Re-Licensing (HAZ HOTELS _____)
Code: Re-Positioning (HAZ _____)
HOTELS Code: _____

Brand: Hotel Monarchy

Current Hotel Name: _____

Street Address: _____

City: _____ State/Province: _____ Zip/Postal Code: _____

County : _____ Country: _____

Phone: _____ Fax: _____

B. APPLICANT'S REPRESENTATIVE

You authorize the following individual to be your Designated Representative for this Application and for the Franchise Agreement, if granted.

Name (Mr./Mrs./Ms.) _____

First: _____ Middle: _____ Last: _____

Title: _____

Company Name: _____

Street Address: _____

City: _____ State/Province: _____ Zip/Postal Code: _____

Business Phone: _____ Fax: _____

Home Address: _____

City: _____ State/Province: _____ Zip/Postal Code: _____

Home Phone: _____ Social Security Number: _____ Birth Date: _____

Email Address: _____ @ _____

What is your current occupation? _____

How did you hear about HAZ Hotels? (Check one.)

I am an existing HAZ HOTELS franchisee. _____

A friend or business associate referred me. _____

I saw your advertisement in _____

I was contacted by HAZ Hotels _____. Other (specify) _____

PROPOSED FRANCHISEE *(Please select one)*

- | | |
|--|--|
| <input type="checkbox"/> C. Corporation | <i>Please complete subsections 1, 2 and 3 below.</i> |
| <input type="checkbox"/> General Partnership | <i>Please complete subsections 1, 2 and 3 below.</i> |
| <input type="checkbox"/> Limited Partnership | <i>Please complete subsections 1, 2 and 3 below.</i> |
| <input type="checkbox"/> Limited Liability Partnership | <i>Please complete subsections 1, 2 and 3 below.</i> |
| <input type="checkbox"/> Joint Venture | <i>Please complete subsections 1, 2 and 3 below.</i> |
| <input type="checkbox"/> Limited Liability Company | <i>Please complete subsections 1, 2 and 3 below.</i> |
| <input type="checkbox"/> Sole Proprietor | <i>Please complete subsection 3 below.</i> |
| <input type="checkbox"/> Multiple Individuals | <i>Please complete subsection 3 below.</i> |
| <input type="checkbox"/> Other – Please Specify: | <i>Please complete subsections 1, 2 and 3 below.</i> |
| <input type="checkbox"/> _____ | |

E. Entity

(You may not use the name Hotel Monarchy or HAZ Hotels or any variation thereof in the entity's name.)

Name of Entity: _____

Formed in State of: _____

Date Formed: _____

Business Address: _____

City: _____ State/Province: _____ Zip/Postal Code: _____

Business Phone: _____ Fax: _____

Please submit a copy of the following documents with your application:

- Formation Document (Examples include: Articles of Incorporation, Certificate of Incorporation, Certificate of Partnership, Articles of Organization, etc. This is the document that you filed with the state.)
- Governing Document(s) (Examples include: Bylaws, Shareholders Agreement, Partnership Agreement, Operating Agreement, etc.)

E. Entity Management Structure

Please list all Officers (President, Treasurer, Secretary), General Partners, Managing Partners or Managing Members. Attach additional pages if necessary. If a general partner, managing partner or managing member is a corporation or other entity, the name and title of the individual signing for the corporation or entity also must be listed.

a. Name (Mr./Mrs./Ms.) First: _____ Last: _____
Title: _____ Phone: _____
Mailing Address: _____
City: _____ State/Province: _____ Zip/Postal Code: _____
Social Security Number: _____ Birth Date: _____

b. Name (Mr./Mrs./Ms.) First: _____ Last: _____
Title: _____ Phone: _____
Mailing Address: _____
City: _____ State/Province: _____ Zip/Postal Code: _____
Social Security Number: _____ Birth Date: _____

c. Name (Mr./Mrs./Ms.) First: _____ Last: _____
Title: _____ Phone: _____
Mailing Address: _____
City: _____ State/Province: _____ Zip/Postal Code: _____
Social Security Number: _____ Birth Date: _____

d. Name (Mr./Mrs./Ms.) First: _____ Last: _____
Title: _____ Phone: _____
Mailing Address: _____
City: _____ State/Province: _____ Zip/Postal Code: _____
Social Security Number: _____ Birth Date: _____

d. Name: (Mr./Mrs./Ms.) First: _____ Last: _____
Ethnicity: (optional) _____ % Owned: _____
Mailing Address: _____
City: _____ State/Province: _____ Zip/Postal Code: _____
Business Phone: _____ Home Phone: _____
Social Security Number: _____ Birth Date: _____
Email Address: _____ @ _____

e. Name: (Mr./Mrs./Ms.) First: _____ Last: _____
Ethnicity: (optional) _____ % Owned: _____
Mailing Address: _____
City: _____ State/Province: _____ Zip/Postal Code: _____
Business Phone: _____ Home Phone: _____
Social Security Number: _____ Birth Date: _____
Email Address: _____ @ _____

From time to time, large corporations and other HAZ Hotels corporate clients request minority ownership information on hotels to participate in their negotiated rate travel programs. By checking "YES" below, you authorize HAZ Hotels to provide minority-owned status information to HAZ Hotels -approved third parties who inquire. Only general information as to whether the hotel is minority-owned will be revealed; specific minority categories will not be revealed.

____ Yes, HAZ Hotels is authorized to release minority-ownership status.

____ No, HAZ Hotels is not authorized.

D. FINANCIAL INFORMATION

1. Financial Statement

Please submit a current financial statement (tax returns not acceptable) for the ownership entity in accordance with the following:

E. General Partnership / Limited Partnership / Limited Liability Partnership / Joint Venture / Limited Liability Company / Corporation:

1. Entity Balance Sheet (most recent year)
2. Personal Financial Statements for all general partners, joint ventures, members or shareholders

b. Sole Proprietor:

1. Personal Financial Statement

c. Individual Owners:

1. Personal Financial Statements for all individuals

d. (If Applicable) **Hotel Profit and Loss Statement** (most recent year)

2. Business References:

a. Company Name: _____
Contact: _____
Address: _____
City: _____ State/Province: _____ Zip/Postal Code: _____
Phone: _____
Account Name: _____ Account #: _____

b. Company Name: _____
Contact: _____
Address: _____
City: _____ State/Province: _____ Zip/Postal Code: _____
Phone: _____
Account Name: _____ Account #: _____

E. Bank References:

a. Name of Bank: _____
Contact: _____
Address: _____
City: _____ State/Province: _____ Zip/Postal Code: _____
Phone: _____
Account in Name of _____
Account : _____
Type of Account: Checking Savings Loan

b. Name of Bank: _____
Contact: _____
Address: _____
City: _____ State/Province: _____ Zip/Postal Code: _____
Phone: _____
Account in Name of: _____
Account : _____
Type of Account: Checking Savings Loan

E. Insurance Agent:

Company Name: _____
Contact: _____
Address: _____
City: _____ State/Province: _____ Zip/Postal Code: _____
Phone: _____

E. FRANCHISING AND HOTEL EXPERIENCE

1. Do any of the individuals/entities listed under ownership **currently** own any HAZ Hotels **or non-HAZ Hotels** motel(s), hotel(s) and/or resort(s)?

Yes No

*If "yes" please complete the section below.
Attach additional pages if necessary.*

Individual/ Entity	Property Name	HAZ HOTELS Property Code (if applicable)	City/State	% Owned
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2. Have any of the individuals/entities listed under ownership **previously (but no longer)** owned any motel(s), hotel(s) or resort(s) (HAZ Hotels **or non-** HAZ Hotels)?

Yes No

*If "yes" please complete the section below.
Attach additional pages if necessary.*

Individual/ Entity	Property Name	HAZ HOTELS Property	City/State	% Owned
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3. For any of the individuals/entities listed under ownership, please identify the **total number of years** of **hotel ownership and/or hotel management experience.**

Individual/ Entity	# of Years of Hotel <i>Ownership</i> Experience	Current Number of Hotels Under <i>Ownership</i>	# of Years of Hotel <i>Management</i> Experience	Current Number of Hotels Under <i>Management</i>

4. Do any of individuals/entities listed under ownership own other **non-hotel franchises?**

Yes No If "yes" please complete the section below.
Attach additional pages if necessary.

(Types of non-hotel franchises may include: Fast food, restaurant, convenience store, real estate, gas station, services, etc.)

Individual/ Entity	Type of Non- Hotel Franchise	Brand Name	City/State	% Owned
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5. Do any of the individuals/entities listed under ownership own and/or hold an officer position at a **non-hotel business(es)?**

Yes No If "yes" please complete the section below.
Attach additional pages if necessary.

(Types of businesses may include: Automobile sales, convenience stores, construction, energy, entertainment, finance, home décor, law, medical, pharmaceutical, real estate, restaurants, retail, shopping centers/malls, technology, travel and transportation, etc.)
(Title/Office may include President, Vice President, Chief Executive Officer, Chief Financial Officer, Director, Chairman, Partner, etc.)

Individual/ Entity	Type of Business	Business Name	City/State	% Owned	Title/Office
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F. BACKGROUND INFORMATION

For purposes of this section,
 "Applicant" includes anyone owning a
 direct or indirect interest in the proposed franchise.

1. Is any Applicant now, or has any Applicant ever been a defendant in any lawsuit?
 Yes No

2. Has any Applicant ever
 filed for bankruptcy?

 Yes No

3. Has any Applicant ever been convicted of a crime other than minor traffic violations?
 Yes No

4. Is any Applicant a "Specially Designated National" or a "Blocked Person" (as defined below)?
 Yes No

If "yes" has been indicated for any of questions 1-4, please identify the person, court, case number and outcome below.

Person	Court	Case Number	Outcome
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"Specially Designated National" or "Blocked Person" means (i) a person designated by the U.S. Department of Treasury's Office of Foreign Assets Control from time to time as such status, (ii) a person described in Section 1 of U.S. Executive Order 13224, issued September 23, 2001, or (iii) a person otherwise identified by government or legal authority as a person with whom HAZ HOTELS or its affiliates are prohibited from transacting business. A list of such designations and the text of the Executive Order are published under the Internet web site address www.ustreas.gov/office/enforcement/ofac.

G. OPERATIONAL DATA *(For operating hotels only)*
 Please list by month the Occupancy, Average Daily Rate (ADR) and Gross Room Receipts for each calendar month during the previous year.

Month/Year	Occupancy	ADR	Gross Room Receipts
/			
/			
/			

/			
/			
/			
/			
/			
/			
/			
/			
/			
Totals			

H. FACILITY DESCRIPTION

1. Expected Date to Open as HAZ Hotels: _____

2. Year(s) Built: _____ 3. Number of Guest Rooms: _____

4. Number of Floors: _____ 5. Number of Parking Spaces: _____

6. Number of Meeting Rooms: _____ Seating Capacity of Each: _____

7. Is continental breakfast served on hotel premises? Yes No

8. Food and Beverage Outlets:

a. Name: _____

On Premises or Distance from hotel : _____

Meals of Operation: Breakfast Lunch Dinner 24 Hr.

Number of Seats: _____

b. Name: _____

On Premises or Distance from hotel : _____

Meals of Operation: Breakfast Lunch Dinner 24 Hr.

Number of Seats: _____

9. Recreational Facilities (indoor/outdoor pool, hot tub, spa, exercise rooms, etc.):

10. Is hotel building leased or to be leased by you? Yes No

11. Is ground leased or to be leased by you? Yes No

(If "yes" has been indicated for question 10 or 11, please complete the following.) Landlord Name: _____ Phone: _____

Address: _____

City: _____ State/Province: _____ Zip/Postal Code: _____

12. Is hotel owned or to be owned by you? Yes No

If "yes", please list the ownership name as it appears or will appear on the deed or purchase agreement:_____

13. Is ground owned or to be owned by you? Yes No

14. When did you obtain possession of the hotel, whether by lease or purchase?

15. Do you have financing secured for this location? Yes No If No, HAZ
Hotels has several endorsed financing companies who may be able to assist you.
Would you like these companies to contact you? Yes No

Do you anticipate that your financing will include a Small Business Administration ("SBA") guarantee? Yes
No

Note: If this is a relicensing application, the Franchise Agreement will be dated as of the date of possession.

I certify that, to the best of my knowledge, the information I provided in this application is complete and accurate.

Furthermore, I agree that in order to complete an adequate background/credit investigation, I authorize the referenced companies and/or individuals named in this application and credit reporting agencies to disclose to HAZ Hotels International, Inc., all information required for the processing of this application. This disclosed information will be used for the exclusive and confidential use of HAZ Hotels International, Inc. and its affiliated companies. I also release HAZ Hotels, its affiliates and their employees and agents and all other entities and their employees providing information or reports about me from all liabilities arising out of the release of any informational reports.

I understand that by submitting this application I agree to the terms and statements made in this application. (Please have ALL OWNERS AND/OR APPLICANTS sign below)

Signature	Print or Type Name	Date
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Signature	Print or Type Name	Date
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Signature	Print or Type Name	Date
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Signature	Print or Type Name	Date
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I. AAA AUTHORIZATION – This page must be submitted documentation identified on page 1.

The undersigned authorizes the release of AAA Ratings HAZ Hotels.

Property Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Applicant Representative: _____ Date: _____

(Signature)

(Printed)



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March 2006