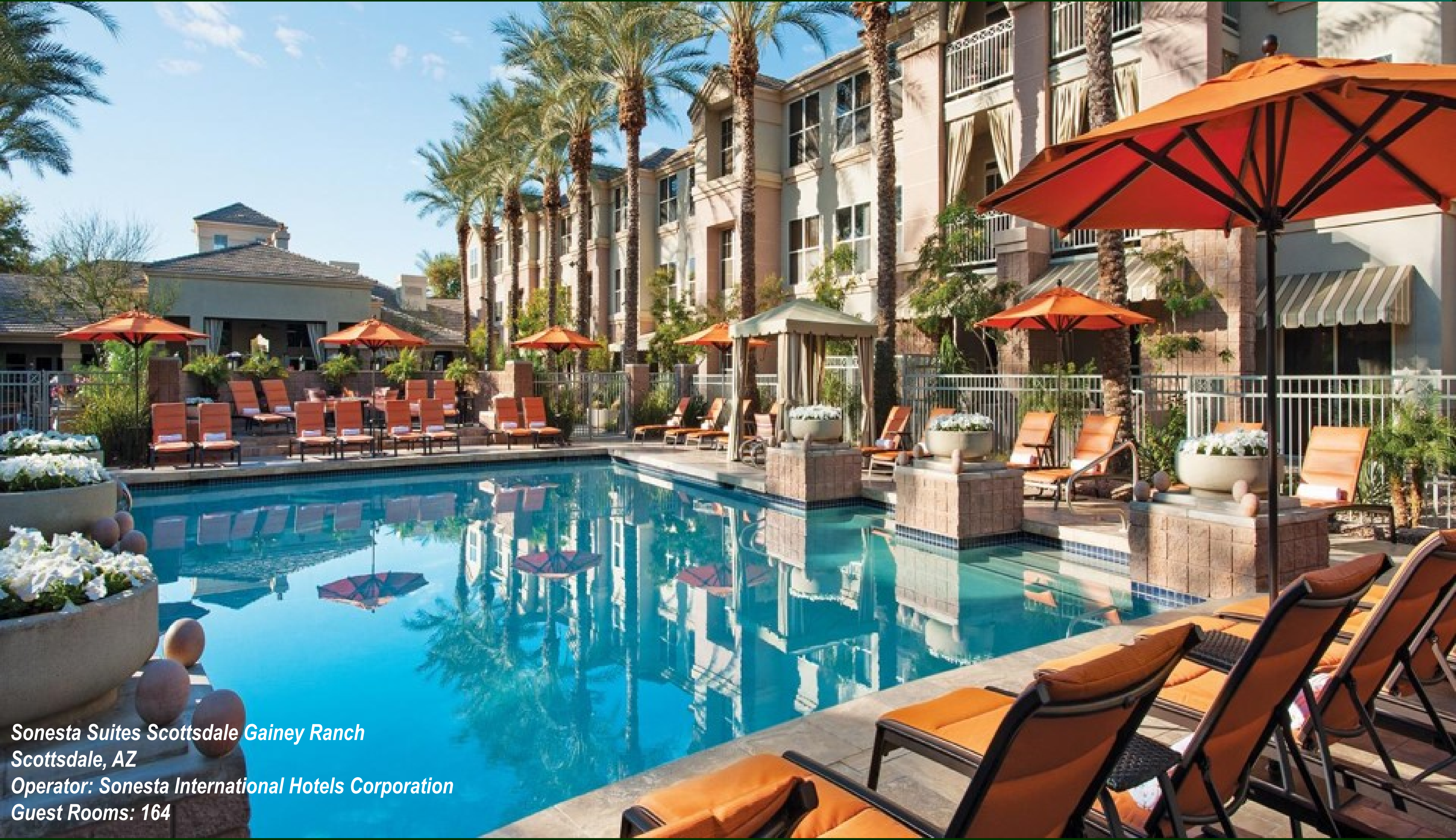
HPT
Nasdaq Listed

Hospitality Properties Trust
Second Quarter 2019
Supplemental Operating and Financial Data

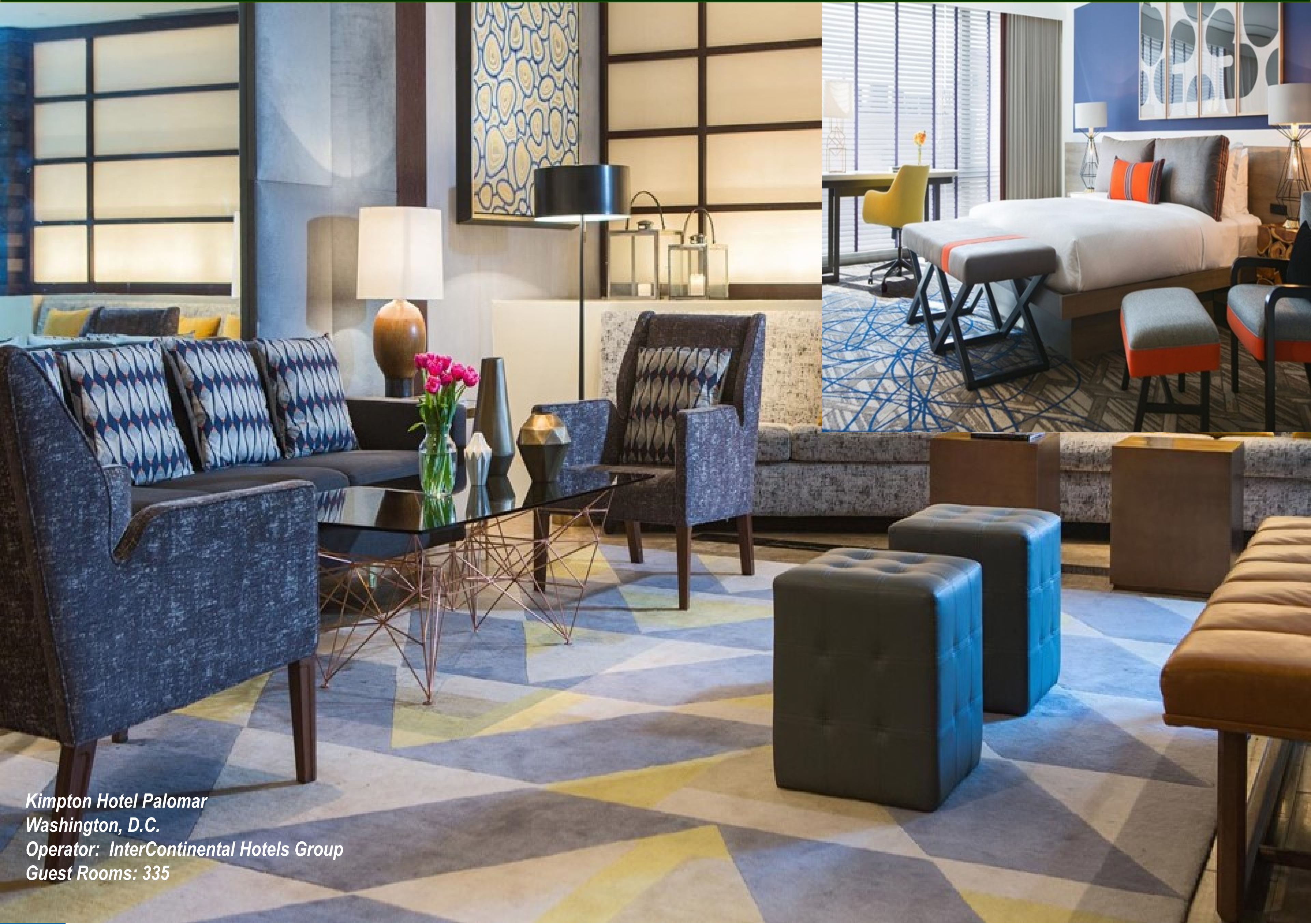


Sonesta Suites Scottsdale Gainey Ranch
Scottsdale, AZ
Operator: Sonesta International Hotels Corporation
Guest Rooms: 164

All amounts in this report are unaudited.

TABLE OF CONTENTS

CORPORATE INFORMATION



Kimpton Hotel Palomar
Washington, D.C.
Operator: InterContinental Hotels Group
Guest Rooms: 335

COMPANY PROFILE

The Company:

Hospitality Properties Trust, or HPT, we, our, or us, is a real estate investment trust, or REIT. As of June 30, 2019, we owned 328 hotels and 179 travel centers located in 45 states, the District of Columbia, Puerto Rico and Canada. Our properties are operated by other companies under long term management or lease agreements. We have been investment grade rated since 1998 and we are currently included in a number of financial indices. HPT is a component of 98 market indices and it comprises more than 1% of the following indices as of June 30, 2019: Bloomberg REIT Hotels Index (BBREHOTL), Invesco KBW Premium Yield Equity REIT ETF INAV Index (KBWYIV), Hartford Risk-Optimized Multifactor REIT TR Index (LROREX) and the Invesco S&P MidCap Low Volatility ETF INAV Index (KMLVIV).

Management:

HPT is managed by The RMR Group LLC, or RMR LLC, the operating subsidiary of The RMR Group Inc. (Nasdaq: RMR), or RMR Inc. RMR is an alternative asset management company that was founded in 1986 to manage real estate companies and related businesses. RMR primarily provides management services to four publicly traded equity REITs and three real estate related operating businesses. In addition to managing HPT, RMR manages Industrial Logistics Properties Trust, a REIT that owns industrial and logistics properties, Office Properties Income Trust, a REIT that owns buildings primarily leased to single tenants and those with high credit quality characteristics such as government entities, and Senior Housing Properties Trust, a REIT that primarily owns healthcare, senior living and medical office buildings. RMR also provides management services to Five Star Senior Living Inc., a publicly traded operator of senior living communities, Sonesta International Hotels Corporation, or Sonesta, a privately owned operator and franchisor of hotels (including some of the hotels that HPT owns) and cruise ships, and TravelCenters of America Inc., or TA, a publicly traded operator and franchisor of travel centers along the U.S. Interstate Highway System (including all the travel centers that HPT owns) and restaurants. RMR also advises the RMR Real Estate Income Fund, a publicly traded closed end fund that invests in publicly traded securities of real estate companies, and Tremont Mortgage Trust, a publicly traded mortgage REIT, through wholly owned SEC registered investment advisory subsidiaries, as well as manages the RMR Office Property Fund, a private, open end core plus fund focused on the acquisition, ownership and leasing of a diverse portfolio of multi-tenant office properties throughout the U.S. As of June 30, 2019, RMR had $30.6 billion of real estate assets under management and the combined RMR managed companies had approximately $12 billion of annual revenues, over 1,500 properties and more than 50,000 employees. We believe that being managed by RMR is a competitive advantage for HPT because of RMR's depth of management and experience in the real estate industry. We also believe RMR provides management services to us at costs that are lower than we would have to pay for similar quality services.

Corporate Headquarters:

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Stock Exchange Listing:

Nasdaq

Trading Symbol:

Common Shares: HPT

Senior Unsecured Debt Ratings:

Standard & Poor's: BBB-
Moody's: Baa2

Key Data (as of June 30, 2019):

(dollars in 000s)

Total properties:	507
Hotels	328
Travel centers	179
Number of hotel rooms/suites	51,080
Q2 2019 total revenues	$ 610,562
Q2 2019 net income	$ 8,782
Q2 2019 Normalized FFO (1)	$ 168,766

(1) See page 20 for the calculation of FFO and Normalized FFO and a reconciliation of net income, determined in accordance with U.S. generally accepted accounting principles, or GAAP, to these amounts.

COMPANY PROFILE

Operating Statistics by Operating Agreement (as of 6/30/19) (dollars in thousands):

Operating Agreement [1]	Number of Properties	Number of Rooms or Suites (Hotels) / Land Acreage (Travel Centers)	Annualized Minimum Return / Rent [2]	Percent of Total Annualized Minimum Return / Rent	Coverage [3] Q2	Coverage [3] LTM	RevPAR Change [4] Q2	RevPAR Change [4] LTM
Marriott (No. 1)	53	7,609	$ 71,589	8%	1.44x	1.18x	(0.6%)	(0.7%)
Marriott (No. 234)	68	9,120	109,024	13%	1.22x	1.06x	(2.3%)	(0.8%)
Marriott (No. 5)	1	356	10,518	1%	0.96x	0.97x	(4.7%)	2.9%
Subtotal / Average Marriott	122	17,085	191,131	22%	1.29x	1.10x	(1.7%)	(0.6%)
IHG	102	16,887	207,411	25%	1.09x	0.97x	(6.1%)	(4.0%)
Sonesta	51	8,862	129,017	14%	0.87x	0.62x	2.3%	0.2%
Wyndham	22	3,583	29,466	4%	0.90x	0.59x	(2.1%)	(7.1%)
Hyatt	22	2,724	22,037	3%	1.20x	0.95x	(5.7%)	(4.6%)
Radisson	9	1,939	20,292	3%	1.13x	0.93x	2.8%	(3.7%)
Subtotal / Average Hotels	328	51,080	599,354	71%	1.10x	0.92x	(2.4%)	(2.2%)
TA (No. 1)	36	747	49,018	6%	1.99x	1.88x	N/A	N/A
TA (No. 2)	36	879	44,663	5%	1.91x	1.84x	N/A	N/A
TA (No. 3)	35	885	42,404	5%	1.90x	1.82x	N/A	N/A
TA (No. 4)	37	930	48,381	6%	1.98x	1.90x	N/A	N/A
TA (No. 5)	35	1,039	61,617	7%	1.80x	1.75x	N/A	N/A
Subtotal / Average Travel Centers	179	4,480	246,083	29%	1.91x	1.84x	N/A	N/A
Total / Average	507	51,080 / 4,480	$ 845,437	100%	1.34x	1.19x	(2.4%)	(2.2%)

(1) See pages 25 through 27 for additional information regarding each of our operating agreements.

(2) Annualized minimum rent amounts represent cash rent amounts due to us and exclude adjustments, if any, necessary to recognize rental income on a straight line basis in accordance with GAAP and payments by TA of previously deferred rent.

(3) We define coverage as total property level revenues minus all property level expenses and reserves for future renovations or refurbishments, or FF&E reserve escrows, that are not subordinated to minimum returns or rents due to us divided by the minimum returns or rents due to us (which data is provided to us by our managers or tenants). Coverage amounts for our agreement with InterContinental Hotels Group, plc, or IHG, and our agreement with Sonesta include data for certain hotels for periods prior to when we acquired ownership of them. Coverage amounts for our TA leases exclude data for periods prior to our sale of certain travel centers and exclude payments of previously deferred rent.

(4) RevPAR change is the RevPAR percentage change in the period ended June 30, 2019 over the comparable year earlier period. RevPAR amounts for our IHG and Sonesta agreements include data for periods prior to our ownership of certain hotels.

INVESTOR INFORMATION

Board of Trustees

Senior Management

John G. Murray
President and Chief Executive Officer

Brian E. Donley
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Ethan S. Bornstein
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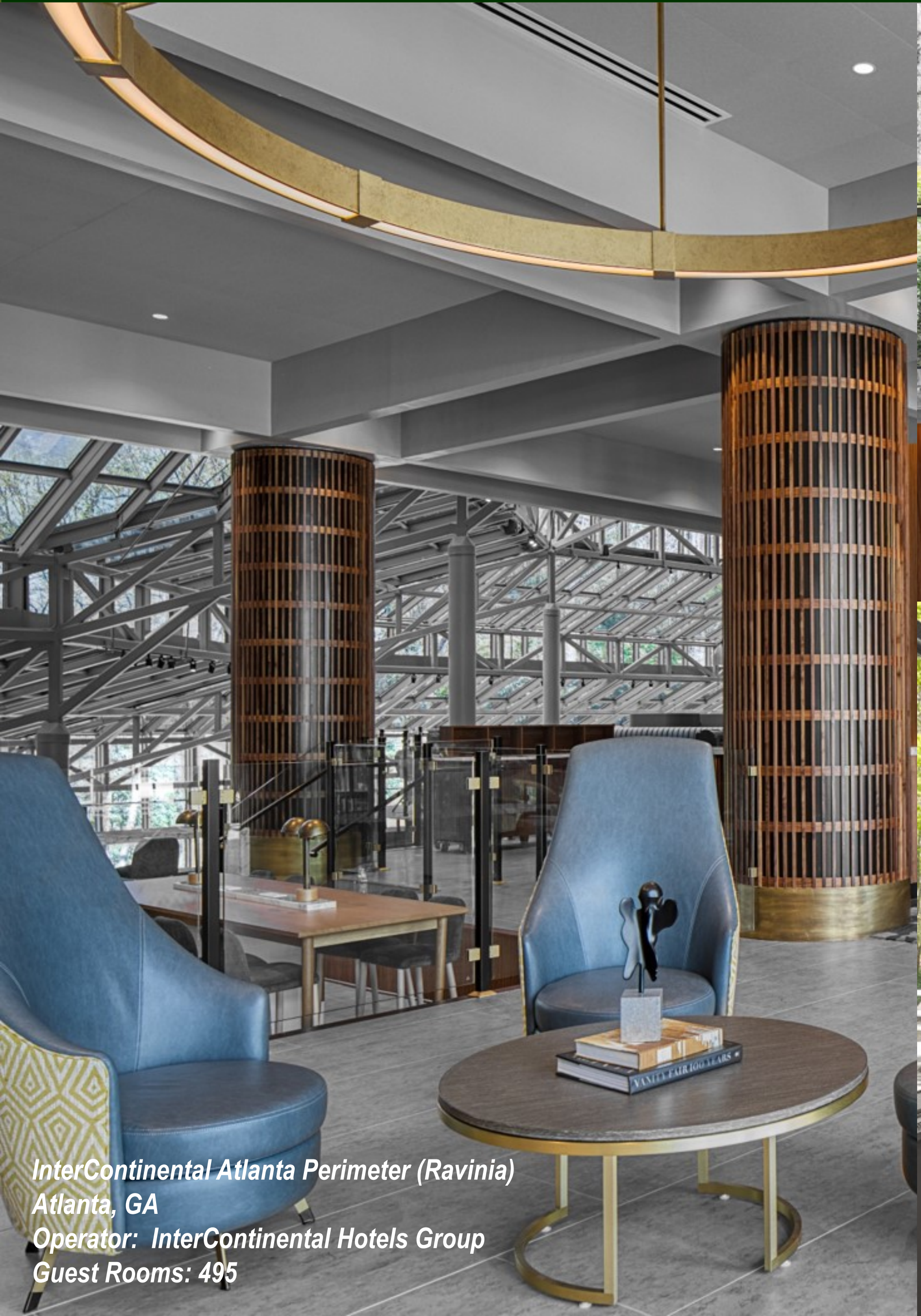
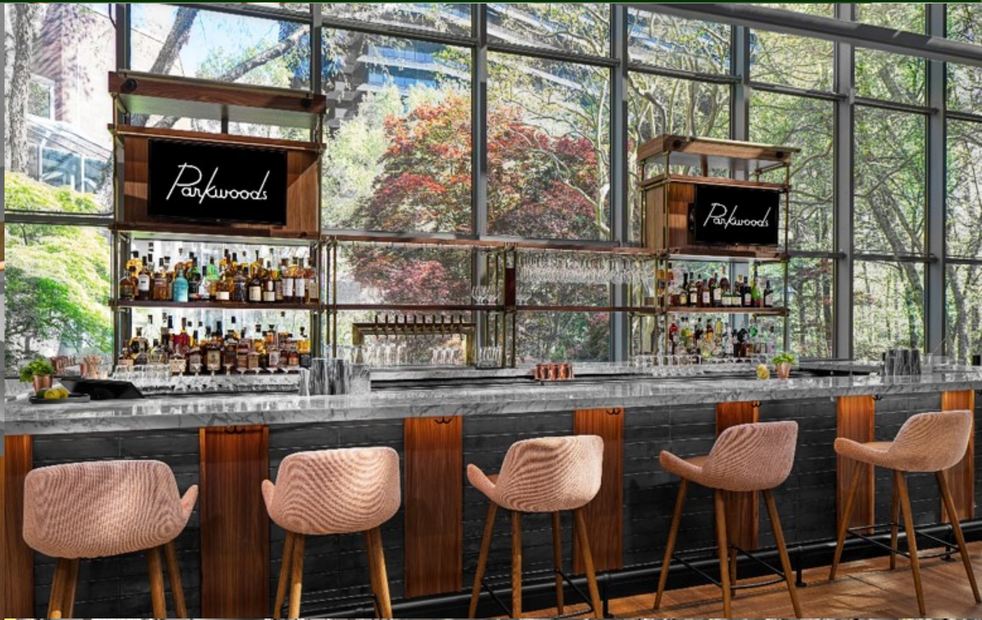
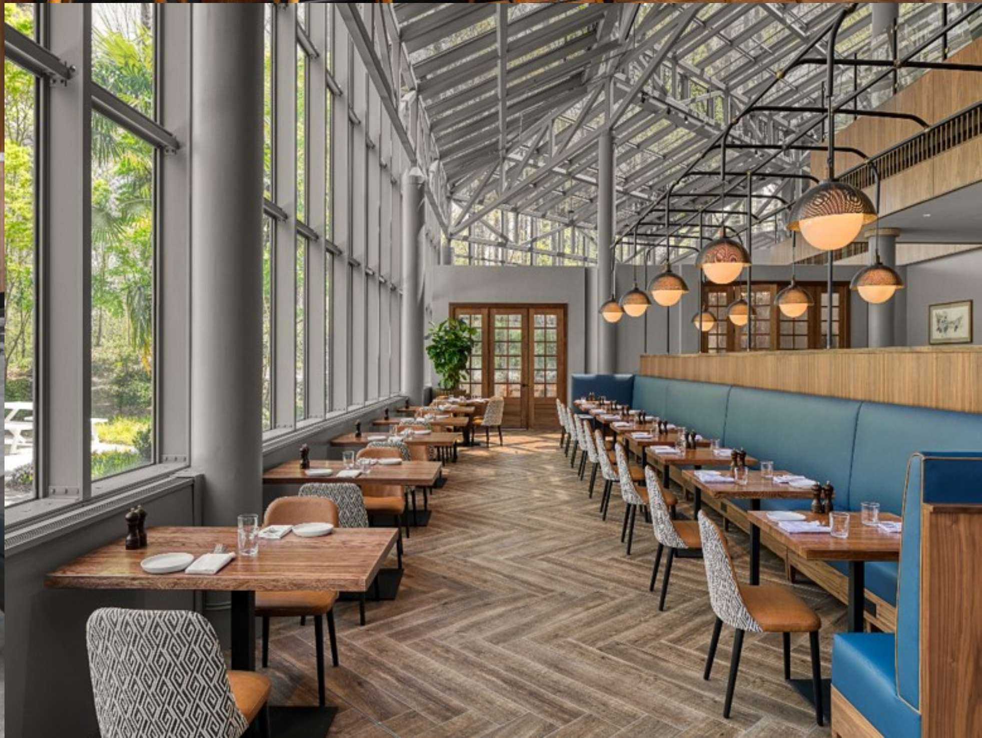
HPT is followed by the analysts and its publicly held debt is rated by the rating agencies listed above. Please note that any opinions, estimates or forecasts regarding HPT's performance made by these analysts or agencies do not represent opinions, forecasts or predictions of HPT or its management. HPT does not by its reference above imply its endorsement of or concurrence with any information, conclusions or recommendations provided by any of these analysts or agencies.

FINANCIALS



InterContinental Atlanta Perimeter (Ravinia)
Atlanta, GA
Operator: InterContinental Hotels Group
Guest Rooms: 495





KEY FINANCIAL DATA

(dollars in thousands, except per share data)

	As of and For the Three Months Ended				
	6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018
Selected Balance Sheet Data:					
Total gross assets [1]	$ 10,204,219	$ 10,235,599	$ 10,150,463	$ 10,250,294	$ 10,134,850
Total assets	$ 7,177,746	$ 7,255,804	$ 7,177,079	$ 7,251,553	$ 7,225,362
Total liabilities	$ 4,520,304	$ 4,519,238	$ 4,579,648	$ 4,458,982	$ 4,464,693
Total shareholders' equity	$ 2,657,442	$ 2,736,566	$ 2,597,431	$ 2,792,571	$ 2,760,669
Selected Income Statement Data:					
Total revenues	$ 610,562	$ 524,908	$ 550,799	$ 603,153	$ 611,951
Net income (loss)	$ 8,782	$ 225,787	$ (108,860)	$ 117,099	$ 97,289
Adjusted EBITDA*re* [2] [3]	$ 218,972	$ 195,901	$ 149,773	$ 225,676	$ 226,898
FFO [4]	$ 168,766	$ 144,640	$ 99,994	$ 174,653	$ 176,033
Normalized FFO [3] [4]	$ 168,766	$ 144,640	$ 99,994	$ 174,653	$ 176,193
Per Common Share Data (basic and diluted):					
Net income (loss)	$ 0.05	$ 1.37	$ (0.66)	$ 0.71	$ 0.59
FFO and Normalized FFO [3] [4]	$ 1.03	$ 0.88	$ 0.61	$ 1.06	$ 1.07
Dividend Data:					
Annualized dividends paid per share during the period	$ 2.16	$ 2.12	$ 2.12	$ 2.12	$ 2.12
Annualized dividend yield (at end of period) [5]	8.6%	8.1%	8.9%	7.4%	7.4%
Normalized FFO payout ratio [3] [4]	52.4%	60.2%	86.9%	50.0%	49.5%

(1) Total gross assets is total assets plus accumulated depreciation.

(2) See page 19 for the calculation of EBITDA, EBITDA*re* and Adjusted EBITDA*re* and a reconciliation of net income (loss) determined in accordance with GAAP to these amounts.

(3) Adjusted EBITDA*re* and Normalized FFO for the three months ended December 31, 2018 include $53,635, or $0.33 per common share, of business management incentive fee expense.

(4) See page 20 for the calculation of FFO and Normalized FFO and a reconciliation of net income (loss) determined in accordance with GAAP to these amounts.

(5) Annualized dividend yield is the annualized dividend paid during the period divided by the closing price of our common shares at the end of the period.

CONDENSED CONSOLIDATED BALANCE SHEETS

(dollar amounts in thousands, except share data)

	As of June 30, 2019	As of December 31, 2018
ASSETS		
Real estate properties:		
Land	$ 1,674,653	$ 1,626,239
Buildings, improvements and equipment	8,002,833	7,896,734
Total real estate properties, gross	9,677,486	9,522,973
Accumulated depreciation	(3,026,473)	(2,973,384)
Total real estate properties, net	6,651,013	6,549,589
Cash and cash equivalents	15,688	25,966
Restricted cash	37,792	50,037
Due from related persons	75,939	91,212
Other assets, net	397,314	460,275
Total assets	$ 7,177,746	$ 7,177,079
LIABILITIES AND SHAREHOLDERS' EQUITY		
Unsecured revolving credit facility	$ 90,000	$ 177,000
Unsecured term loan, net	397,591	397,292
Senior unsecured notes, net	3,602,333	3,598,295
Security deposits	123,637	132,816
Accounts payable and other liabilities	298,625	211,332
Due to related persons	8,118	62,913
Total liabilities	4,520,304	4,579,648
Commitments and contingencies		
Shareholders' equity:		
Common shares of beneficial interest, $.01 par value; 200,000,000 shares authorized; 164,454,537 and 164,441,709 shares issued and outstanding	1,645	1,644
Additional paid in capital	4,546,737	4,545,481
Cumulative other comprehensive loss	(129)	(266)
Cumulative net income available for common shareholders	3,466,464	3,231,895
Cumulative common distributions	(5,357,275)	(5,181,323)
Total shareholders' equity	2,657,442	2,597,431
Total liabilities and shareholders' equity	$ 7,177,746	$ 7,177,079

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(amounts in thousands, except share data)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues:				
Hotel operating revenues [1]	$ 541,668	$ 529,599	$ 997,053	$ 974,875
Rental income [2]	67,764	81,018	135,915	163,011
FF&E reserve income [3]	1,130	1,334	2,502	2,698
Total revenues	610,562	611,951	1,135,470	1,140,584
Expenses:				
Hotel operating expenses [1]	381,703	374,081	700,828	689,063
Depreciation and amortization	99,196	99,684	198,561	199,301
General and administrative [4]	12,207	13,121	24,442	24,855
Total expenses	493,106	486,886	923,831	913,219
Gain on sale of real estate [5]	—	—	159,535	—
Dividend income	876	626	1,752	1,252
Unrealized gains and (losses) on equity securities, net [6]	(60,788)	20,940	(39,811)	45,895
Interest income	449	323	1,086	615
Interest expense (including amortization of debt issuance costs and debt discounts and premiums of $2,570, $2,559, $5,140 and $5,037, respectively)	(49,601)	(48,741)	(99,367)	(96,281)
Loss on early extinguishment of debt [7]	—	(160)	—	(160)
Income before income taxes and equity in earnings of an investee	8,392	98,053	234,834	178,686
Income tax benefit (expense)	260	(771)	(799)	(1,242)
Equity in earnings of an investee	130	7	534	51
Net income	$ 8,782	$ 97,289	234,569	177,495
Weighted average common shares outstanding (basic)	164,284	164,205	$ 164,281	$ 164,202
Weighted average common shares outstanding (diluted)	164,326	164,243	$ 164,324	$ 164,226
Net income per common share (basic and diluted)	$ 0.05	$ 0.59	$ 1.43	$ 1.08

See Notes to Condensed Consolidated Statements of Income on page 12.

NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(dollar amounts in thousands, except share data)

(1) As of June 30, 2019, we owned 328 hotels; 326 of these hotels were managed by hotel operating companies and two hotels were leased to hotel operating companies. As of June 30, 2019, we also owned 179 travel centers; all 179 of these travel centers were leased to TA under five lease agreements. Our condensed consolidated statements of income include hotel operating revenues and expenses of managed hotels and rental income from our leased hotels and travel centers. Certain of our managed hotels had net operating results that were, in the aggregate, $4,853 and $1,434 less than the minimum returns due to us for the three months ended June 30, 2019 and 2018, respectively, and $37,085 and $22,113 less than the minimum returns due to us for the six months ended June 30, 2019 and 2018, respectively. When managers of these hotels are required to fund the shortfalls under the terms of our management agreements or their guarantees, we reflect such fundings (including security deposit applications) in our condensed consolidated statements of income as a reduction of hotel operating expenses. There was no reduction of hotel operating expenses for the three months ended June 30, 2019 or 2018 and there were reductions of $16,679 and $3,278 for the six months ended June 30, 2019 and 2018, respectively. When we reduce the amounts of the security deposit we hold for any of our operating agreements for payment deficiencies, it does not result in additional cash flows to us of the deficiency amounts, but reduces the refunds due to the respective tenants or managers who have provided us with these deposits upon expiration of the applicable operating agreement. The security deposits are non-interest bearing and are not held in escrow. We had shortfalls at certain of our managed hotel portfolios not funded by the managers of these hotels under the term of its management agreements of $5,090 and $2,284 for the three months ended June 30, 2019 and 2018, respectively, and $23,797 and $18,835 for the six months ended June 30, 2019 and 2018, respectively, which represent the unguaranteed portions of our minimum returns from our Sonesta and Wyndham agreements. Certain of our managed hotel portfolios had net operating results that were, in the aggregate, $21,102 and $32,512 more than the minimum returns due to us for the three months ended June 30, 2019 and 2018, respectively and $10,494 and $26,879 more than the minimum returns due to us for the six months ended June 30, 2019 and 2018, respectively. Certain of our guarantees and our security deposits may be replenished by a share of future cash flows from the applicable hotel operations in excess of the minimum returns due to us pursuant to the terms of the applicable agreements. When our guarantees and security deposits are replenished by cash flows from hotel operations, we reflect such replenishments in our condensed consolidated statements of income as an increase to hotel operating expenses. We had $9,208 and $16,593 of guaranty and security deposit replenishments for the three months ended June 30, 2019 and 2018, respectively, and $3,422 and $10,295 of guaranty and security deposit replenishments for the six months ended June 30, 2019 and 2018, respectively.

(2) We reduced rental income by $3,190 and $4,322 for the three and six months ended June 30, 2019, respectively, and increased rental income by $3,144 and $6,223 for the three and six months ended June 30, 2018, respectively, to record scheduled rent changes under certain of our leases, the deferred rent obligations under our travel center leases and the estimated future payments to us under our travel center leases for the cost of removing underground storage tanks on a straight line basis.

(3) Various percentages of total sales at certain of our hotels are escrowed as FF&E reserve escrows. We own all the FF&E reserve escrows for our hotels. We report deposits by our tenants into the escrow accounts under our hotel leases as FF&E reserve income. We do not report the amounts which are escrowed as FF&E reserves for our managed hotels as FF&E reserve income.

(4) Incentive fees under our business management agreement with RMR LLC are payable after the end of each calendar year, are calculated based on common share total return, as defined, and are included in general and administrative expense in our condensed consolidated statements of income. In calculating net income in accordance with GAAP, we recognize estimated business management incentive fee expense, if any, in the first, second and third quarters. Although we recognize this expense, if any, in the first, second and third quarters for purposes of calculating net income, we do not include these amounts in the calculation of Normalized FFO or Adjusted EBITDA*re* until the fourth quarter, which is when the business management incentive fee expense amount for the year, if any, is determined. No estimated business management incentive fee expense was recorded for the three and six months ended June 30, 2019 or 2018.

(5) We recorded a $159,535 gain on sale of real estate during the three months ended March 31, 2019 in connection with the sales of 20 travel centers.

(6) Unrealized gains and losses on equity securities, net represent the adjustment required to adjust the carrying value of our investments in RMR Inc. and TA common shares to their fair value as of June 30, 2019 and 2018.

(7) We recorded a loss of $160 on early extinguishment of debt in the three months ended June 30, 2018 in connection with amending our revolving credit facility and term loan.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (in thousands)

	For the Six Months Ended June 30, 2019	For the Six Months Ended June 30, 2018
Cash flows from operating activities:		
Net income	$ 234,569	$ 177,495
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	198,561	199,301
Amortization of debt issuance costs and debt discounts and premiums as interest	5,140	5,037
Straight line rental income	4,322	(6,223)
Security deposits replenished (utilized)	(9,179)	4,986
Loss on early extinguishment of debt	—	160
Unrealized (gains) and losses on equity securities, net	39,811	(45,895)
Equity in earnings of an investee	(534)	(51)
Gain on sale of real estate	(159,535)	—
Other non-cash (income) expense, net	(207)	(1,700)
Changes in assets and liabilities:		
Due from related persons	3,389	(243)
Other assets	(21,158)	(4,689)
Accounts payable and other liabilities	(388)	10,196
Due to related persons	(54,893)	(74,997)
Net cash provided by operating activities	239,898	263,377
Cash flows from investing activities:		
Real estate acquisitions and deposits	(175,146)	(91,221)
Real estate improvements	(37,189)	(67,069)
Hotel managers' purchases with restricted cash	(88,150)	(59,823)
Hotel managers' deposit (withdrawal) of insurance proceeds into restricted cash	(7,184)	18,000
Net proceeds from sale of real estate	308,200	—
Net cash provided by (used in) investing activities	531	(200,113)
Cash flows from financing activities:		
Proceeds from issuance of senior unsecured notes, after discounts and premiums	—	389,976
Borrowings under unsecured revolving credit facility	121,000	301,000
Repayments of unsecured revolving credit facility	(208,000)	(577,000)
Deferred financing costs	—	(12,242)
Repurchase of common shares	—	(101)
Distributions to common shareholders	(175,952)	(172,565)
Net cash used in financing activities	(262,952)	(70,932)
Decrease in cash and cash equivalents and restricted cash	(22,523)	(7,668)
Cash and cash equivalents and restricted cash at beginning of period	76,003	97,496
Cash and cash equivalents and restricted cash at end of period	$ 53,480	$ 89,828

Supplemental disclosure of cash and cash equivalents and restricted cash:

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the condensed consolidated balance sheets to the amount shown in the condensed consolidated statements of cash flows:

	2019	2018
Cash and cash equivalents	$ 15,688	$ 16,549
Restricted cash	37,792	73,279
Total cash and cash equivalents and restricted cash	$ 53,480	$ 89,828

Supplemental cash flow information:

	2019	2018
Cash paid for interest	$ 94,296	$ 76,509
Cash paid for income taxes	2,289	2,589

DEBT SUMMARY

As of June 30, 2019
(dollars in thousands)

	Interest Rate	Principal Balance	Maturity Date	Due at Maturity	Years to Maturity
Unsecured Floating Rate Debt:					
$1,000,000 unsecured revolving credit facility (1) (2)	3.370%	$ 90,000	7/15/22	$ 90,000	3.0
$400,000 unsecured term loan (2) (3)	3.540%	400,000	7/15/23	400,000	4.0
Subtotal / weighted average	3.509%	$ 490,000		$ 490,000	3.9
Unsecured Fixed Rate Debt:					
Senior unsecured notes due 2021	4.250%	$ 400,000	2/15/21	$ 400,000	1.6
Senior unsecured notes due 2022	5.000%	500,000	8/15/22	500,000	3.1
Senior unsecured notes due 2023	4.500%	500,000	6/15/23	500,000	4.0
Senior unsecured notes due 2024	4.650%	350,000	3/15/24	350,000	4.7
Senior unsecured notes due 2025	4.500%	350,000	3/15/25	350,000	5.7
Senior unsecured notes due 2026	5.250%	350,000	2/15/26	350,000	6.6
Senior unsecured notes due 2027	4.950%	400,000	2/15/27	400,000	7.6
Senior unsecured notes due 2028	3.950%	400,000	1/15/28	400,000	8.6
Senior unsecured notes due 2030	4.375%	400,000	2/15/30	400,000	10.6
Subtotal / weighted average	4.603%	$ 3,650,000		$ 3,650,000	5.7
Total / weighted average (4)	4.473%	$ 4,140,000		$ 4,140,000	5.5

(1) We are required to pay interest on borrowings under our revolving credit facility at a rate of LIBOR plus a premium of 100 basis points per annum. We also pay a facility fee of 20 basis points per annum on the total amount of lending commitments under our revolving credit facility. Both the interest rate premium and facility fee are subject to adjustment based upon changes to our credit ratings. The interest rate listed above is as of June 30, 2019. Subject to the payment of an extension fee and meeting certain other conditions, we may extend the maturity date of our credit facility for two additional six month periods.

(2) The maximum borrowing availability under our revolving credit facility and term loan combined may be increased to up to $2,300,000 subject to certain terms and conditions.

(3) We are required to pay interest on the amount outstanding under our term loan at a rate of LIBOR plus a premium of 110 basis points per annum, subject to adjustment based on changes to our credit ratings. The interest rate listed above is as of June 30, 2019. Our term loan is prepayable without penalty at any time.

(4) The carrying value of our total debt of $4,089,924 as of June 30, 2019 is net of unamortized discounts and premiums and certain issuance costs totaling $50,076.

DEBT MATURITY SCHEDULE

As of June 30, 2019
(dollars in thousands)

Year	Unsecured Floating Rate Debt		Unsecured Fixed Rate Debt	Total [3]
2021	$ —		$ 400,000	$ 400,000
2022	90,000	(1)	500,000	590,000
2023	400,000	(2)	500,000	900,000
2024	—		350,000	350,000
2025	—		350,000	350,000
2026	—		350,000	350,000
2027	—		400,000	400,000
2028	—		400,000	400,000
2030	—		400,000	400,000
	$ 490,000		$ 3,650,000	$ 4,140,000
Percent of total debt	11.8%		88.2%	100%

(1) Represents amounts outstanding under our $1,000,000 revolving credit facility at June 30, 2019. Subject to the payment of an extension fee and meeting certain other conditions, we may extend the maturity date for two additional six month periods.

(2) Represents amounts outstanding on our term loan at June 30, 2019. Our term loan is prepayable without penalty at any time.

(3) The carrying value of our total debt of $4,089,924 as of June 30, 2019 is net of unamortized discounts and premiums and certain issuance costs totaling $50,076.

LEVERAGE RATIOS, COVERAGE RATIOS AND PUBLIC DEBT COVENANTS

	As of and For the Three Months Ended				
	6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018
Leverage Ratios:					
Net debt [1] / total gross assets [2]	40.4%	40.7%	41.4%	40.7%	41.0%
Net debt [1] / gross book value of real estate assets [3]	42.5%	43.1%	44.0%	43.1%	43.3%
Net debt [1] / total market capitalization [4]	50.0%	48.9%	51.5%	46.7%	46.8%
Secured debt [1] / total assets	0.0%	0.0%	0.0%	0.0%	0.0%
Variable rate debt [1] / Net debt [1]	11.9%	13.0%	13.7%	13.0%	12.6%
Coverage Ratios:					
Adjusted EBITDA*re* [5] [6] / interest expense	4.4x	3.9x	3.0x	4.6x	4.7x
Net debt [1] / annualized Adjusted EBITDA*re* [5] [6]	4.7x	5.3x	7.0x	4.6x	4.6x
Public Debt Covenants:					
Total debt [1] / adjusted total assets [7] - allowable maximum 60.0%	40.4%	40.8%	40.9%	41.1%	41.4%
Secured debt [1] / adjusted total assets [7] - allowable maximum 40.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consolidated income available for debt service [8] / debt service - required minimum 1.50x	4.22x	3.77x	2.79x	4.39x	4.45x
Total unencumbered assets [7] / unsecured debt [1] - required minimum 150%	247.6%	245.3%	244.3%	243.1%	241.8%

(1) Debt amounts reflect the principal balance as of the date reported. Net debt means total debt less cash and cash equivalents as of the date reported.

(2) Total gross assets is total assets plus accumulated depreciation.

(3) Gross book value of real estate assets is real estate properties at cost, before purchase price allocations, less impairment write-downs, if any.

(4) Total market capitalization is total debt plus the market value of our common shares at the end of each period.

(5) See page 19 for the calculation of EBITDA, EBITDA*re* and Adjusted EBITDA*re*, and a reconciliation of net income (loss) determined in accordance with GAAP to these amounts.

(6) Adjusted EBITDA*re* for the three months ended December 31, 2018 includes $53,635 of business management incentive fee expense. Excluding business management incentive fee expense, Adjusted EBITDA*re* / interest expense and Net debt / annualized Adjusted EBITDA*re* would have been 4.1x and 5.2x, respectively, for the three months ended December 31, 2018.

(7) Adjusted total assets and total unencumbered assets include original cost of real estate assets calculated in accordance with GAAP before impairment writedowns, if any, and exclude depreciation and amortization, accounts receivable and intangible assets.

(8) Consolidated income available for debt service is earnings from operations excluding interest expense, unrealized gains and losses on equity securities, depreciation and amortization, loss on asset impairment, unrealized appreciation on assets held for sale, gains and losses on early extinguishment of debt, gains and losses on sales of property and amortization of deferred charges. Consolidated income available for debt service for the three months ended December 31, 2018 includes $53,635 of business management incentive fee expense. No business management incentive fee expense was recorded for the three months ended June 30, 2019, March 31, 2019, September 30, 2018 or June 30, 2018.

RESTRICTED CASH ACTIVITY (1)

(dollars in thousands)

	As of and For the Three Months Ended				
	6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018
Total restricted cash (beginning of period)	$ 75,129	$ 50,037	$ 65,644	$ 73,279	$ 59,533
Manager deposits	21,484	11,335	20,213	18,353	40,290
HPT fundings (2):					
Marriott No. 1	934	13,593	7,281	915	677
Marriott No. 234	9,600	9,000	2,675	2,675	—
Radisson	6,532	10,611	—	—	—
Hotel improvements	(48,973)	(46,361)	(45,776)	(29,578)	(27,221)
FF&E reserves (end of period)	64,706	48,215	50,037	65,644	73,279
HPT sale proceeds (3)	(26,914)	26,914	—	—	—
Total restricted cash (end of period)	$ 37,792	$ 75,129	$ 50,037	$ 65,644	$ 73,279

(1) Most of our hotel operating agreements require the deposit of a percentage of gross hotel revenues into escrows to fund FF&E reserves. Our management agreement with Wyndham requires FF&E reserve deposits subject to available cash flows, as defined in our Wyndham agreement. Our Sonesta agreement does not require FF&E reserve deposits. We own all the FF&E reserve escrows for our hotels. Our TA leases do not require FF&E escrow deposits; however, TA may request that we fund capital improvements in return for increases in TA's annual minimum rent. TA is not obligated to request and we are not obligated to fund any such improvements.

(2) Represents FF&E reserve deposits not funded by hotel operations, but separately funded by us. The operating agreements for our hotels generally provide that, if necessary, we will provide FF&E funding in excess of escrowed reserves. To the extent we make such fundings, our contractual annual minimum returns or rents generally increase by a percentage of the amounts we fund.

(3) Represents a portion of the proceeds from our sales of 20 travel centers in January 2019 restricted for the purpose of facilitating a tax deferred like-kind exchange pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended, which was completed in the second quarter of 2019.

PROPERTY ACQUISITION INFORMATION SINCE JANUARY 1, 2019

(dollars in thousands)

ACQUISITIONS:

Date Acquired	Properties	Brand	Location	Number of Rooms or Suites	Operating Agreement	Purchase Price (1)	Average Purchase Price per Room or Suite
2/22/2019	1	Kimpton Hotel Palomar	Washington, D.C.	335	IHG	$ 141,450	$ 422
5/7/2019	1	Crowne Plaza	Milwaukee, WI	198	IHG	$ 30,000	$ 152
Total / Weighted Average	2			533		$ 171,450	$ 322

(1) Represents cash purchase price and excludes acquisition related costs.

DISPOSITIONS:

Date Disposed	Properties	Brand	Location	Land Acreage	Former Operating Agreement	Sales Price (1)	Average Sales Price per Room or Suite
1/17/2019	1	TravelCenters of America	Corning, CA	24	TA No. 3	$ 21,420	N/A
1/17/2019	1	TravelCenters of America	San Antonio, TX	31	TA No. 2	$ 20,550	N/A
1/17/2019	1	TravelCenters of America	Gary, IN	22	TA No. 3	$ 18,910	N/A
1/17/2019	1	TravelCenters of America	Paulsboro, NJ	25	TA No. 3	$ 17,870	N/A
1/17/2019	1	TravelCenters of America	Lake Station, IN	23	TA No. 1	$ 15,120	N/A
1/17/2019	1	TravelCenters of America	Fultonville, NY	15	TA No. 2	$ 13,500	N/A
1/17/2019	1	TravelCenters of America	Hudson, WI	15	TA No. 1	$ 13,340	N/A
1/17/2019	1	TravelCenters of America	Concordia, MO	20	TA No. 1	$ 10,980	N/A
1/17/2019	1	TravelCenters of America	Saginaw, MI	11	TA No. 3	$ 8,820	N/A
1/23/2019	1	TravelCenters of America	Porter, IN	74	TA No. 4	$ 27,340	N/A
1/23/2019	1	Petro Stopping Centers	Oklahoma City, OK	30	TA No. 5	$ 21,690	N/A
1/23/2019	1	Petro Stopping Centers	N. Baltimore, OH	17	TA No. 5	$ 19,920	N/A
1/23/2019	1	Petro Stopping Centers	Beaumont, TX	20	TA No. 5	$ 18,180	N/A
1/23/2019	1	TravelCenters of America	Franklin, TN	13	TA No. 3	$ 14,340	N/A
1/23/2019	1	Petro Stopping Centers	Medford, OR	15	TA No. 5	$ 14,110	N/A
1/23/2019	1	TravelCenters of America	Ganado, TX	11	TA No. 1	$ 11,960	N/A
1/23/2019	1	Petro Stopping Centers	Egan, LA	27	TA No. 5	$ 10,270	N/A
1/29/2019	1	TravelCenters of America	Hurricane, WV	21	TA No. 1	$ 11,420	N/A
1/29/2019	1	TravelCenters of America	Rogers, MN	12	TA No. 2	$ 9,590	N/A
1/29/2019	1	TravelCenters of America	Knoxville, TN	24	TA No. 2	$ 8,870	N/A
Total / Weighted Average	20			450		$ 308,200	N/A

(1) Represents cash sales price and excludes closing costs.

CALCULATION OF EBITDA, EBITDA*re* AND ADJUSTED EBITDA*re* [1]

(in thousands)

		For the Three Months Ended					For the Six Months Ended June 30,	
		6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018	2019	2018
Net income (loss)		$ 8,782	$ 225,787	$ (108,860)	$ 117,099	$ 97,289	$ 234,569	$ 177,495
Add (Less):	Interest expense	49,601	49,766	49,624	49,308	48,741	99,367	96,281
	Income tax expense (benefit)	(260)	1,059	(754)	707	771	799	1,242
	Depreciation and amortization	99,196	99,365	102,769	101,007	99,684	198,561	199,301
EBITDA		157,319	375,977	42,779	268,121	246,485	533,296	474,319
Less:	Gain on sale of real estate [2]	—	(159,535)	—	—	—	(159,535)	—
EBITDA*re*		157,319	216,442	42,779	268,121	246,485	373,761 1	474,319
Add (Less):	General and administrative expense paid in common shares [3]	865	436	909	1,008	1,193	1,301	1,270
	Loss on early extinguishment of debt [4]	—	—	—	—	160	—	160
	Unrealized gains and losses on equity securities, net [5]	60,788	(20,977)	106,085	(43,453)	(20,940)	39,811	(45,895)
Adjusted EBITDA*re*		$ 218,972	$ 195,901	$ 149,773	$ 225,676	$ 226,898	$ 414,873	$ 429,854

(1) Please see page 21 for definitions of EBITDA, EBITDA*re* and Adjusted EBITDA*re* and a description of why we believe the presentation of these measures provide useful information to investors.

(2) We recorded a $159,535 gain on sale of real estate in the three months ended March 31, 2019, in connection with the sales of 20 travel centers.

(3) Amounts represent the equity compensation awarded to our trustees, our officers and certain other employees of RMR LLC.

(4) We recorded a $160 loss on early extinguishment of debt in the three months ended June 30, 2018 in connection with the amendment of our revolving credit facility and term loan.

(5) Unrealized gains and losses on equity securities, net represent the adjustment required to adjust the carrying value of our investments in RMR Inc. and TA common shares to their fair value as of the end of the period.

CALCULATION OF FFO AND NORMALIZED FFO (1)

(amounts in thousands, except share data)

	For the Three Months Ended					For the Six Months Ended June 30,	
	6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018	2019	2018
Net income (loss)	$ 8,782	$ 225,787	$ (108,860)	$ 117,099	$ 97,289	$ 234,569	$ 177,495
Add (Less): Depreciation and amortization	99,196	99,365	102,769	101,007	99,684	198,561	199,301
Gain on sale of real estate (2)	—	(159,535)	—	—	—	(159,535)	—
Unrealized gains and losses on equity securities, net (3)	60,788	(20,977)	106,085	(43,453)	(20,940)	39,811	(45,895)
FFO	168,766	144,640	99,994	174,653	176,033	313,406	330,901
Add: Loss on early extinguishment of debt (4)	—	—	—	—	160	—	160
Normalized FFO	$ 168,766	$ 144,640	$ 99,994	$ 174,653	$ 176,193	$ 313,406	$ 331,061
Weighted average shares outstanding (basic)	164,284	164,278	164,278	164,232	164,205	164,281	164,202
Weighted average shares outstanding (diluted)	164,326	164,322	164,278	164,274	164,243	164,324	164,226
Basic and diluted per share common share amounts:							
Net income (loss)	$ 0.05	$ 1.37	$ (0.66)	$ 0.71	$ 0.59	$ 1.43	$ 1.08
FFO and Normalized FFO	$ 1.03	$ 0.88	$ 0.61	$ 1.06	$ 1.07	$ 1.91	$ 2.02

(1) Please see page 21 for definitions of FFO and Normalized FFO, a description of why we believe the presentation of these measures provides useful information to investors regarding our financial condition and results of operations and a description of how we use these measures.

(2) We recorded a $159,535 gain on sale of real estate in the three months ended March 31, 2019 in connection with the sales of 20 travel centers.

(3) Unrealized gains and losses on equity securities, net represent the adjustment required to adjust the carrying value of our investments in RMR Inc. and TA common shares to their fair value as of the end of the period.

(4) We recorded a $160 loss on early extinguishment of debt in the three months ended June 30, 2018 in connection with the amendment of our revolving credit facility and term loan.

DEFINITIONS OF CERTAIN NON-GAAP FINANCIAL MEASURES

Non-GAAP Financial Measures

We present certain “non-GAAP financial measures” within the meaning of applicable Securities and Exchange Commission, or SEC, rules, including EBITDA, EBITDA*re*, Adjusted EBITDA*re*, FFO and Normalized FFO. These measures do not represent cash generated by operating activities in accordance with GAAP and should not be considered alternatives to net income (loss) as indicators of our operating performance or as measures of our liquidity. These measures should be considered in conjunction with net income (loss) as presented in our condensed consolidated statements of income. We consider these non-GAAP measures to be appropriate supplemental measures of operating performance for a REIT, along with net income (loss). We believe these measures provide useful information to investors because by excluding the effects of certain historical amounts, such as depreciation and amortization expense, they may facilitate a comparison of our operating performance between periods and with other REITs.

EBITDA, EBITDA*re* and Adjusted EBITDA*re*

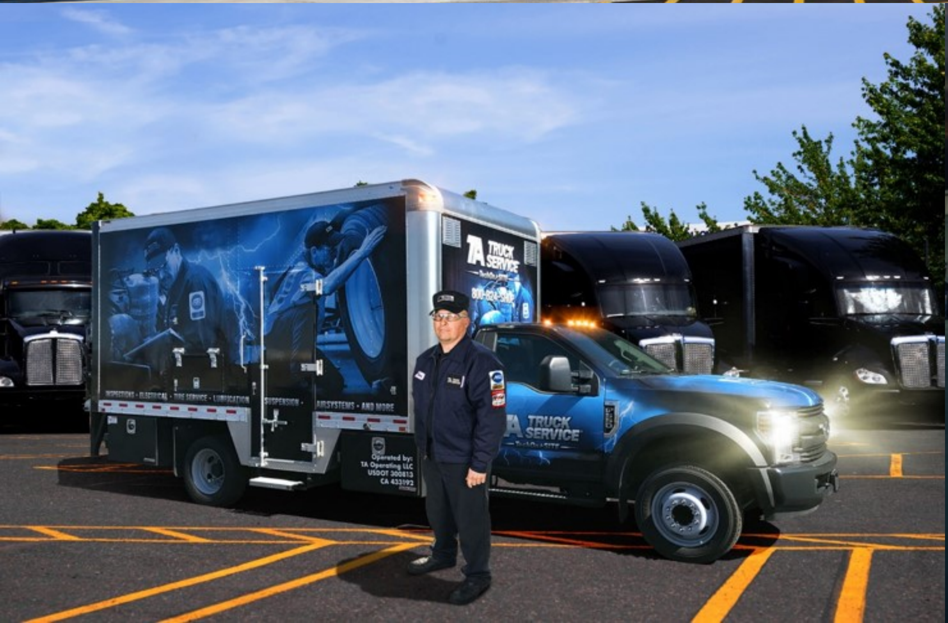
We calculate earnings before interest, taxes, depreciation and amortization, or EBITDA, EBITDA for real estate, or EBITDA*re,* and Adjusted EBITDA*re* as shown on page 19. EBITDA*re* is calculated on the basis defined by The National Association of Real Estate Investment Trusts, or Nareit, which is EBITDA, excluding gains and losses on the sale of real estate, loss on impairment of real estate assets, if any, as well as certain other adjustments currently not applicable to us. In calculating Adjusted EBITDA*re*, we adjust for the items shown on page 19 and include business management incentive fees only in the fourth quarter versus the quarter when they are recognized as expense in accordance with GAAP due to their quarterly volatility not necessarily being indicative of our core operating performance and the uncertainty as to whether any such business management incentive fees will be payable when all contingencies for determining such fees are known at the end of the calendar year. Other real estate companies and REITs may calculate EBITDA, EBITDA*re* and Adjusted EBITDA*re* differently than we do.

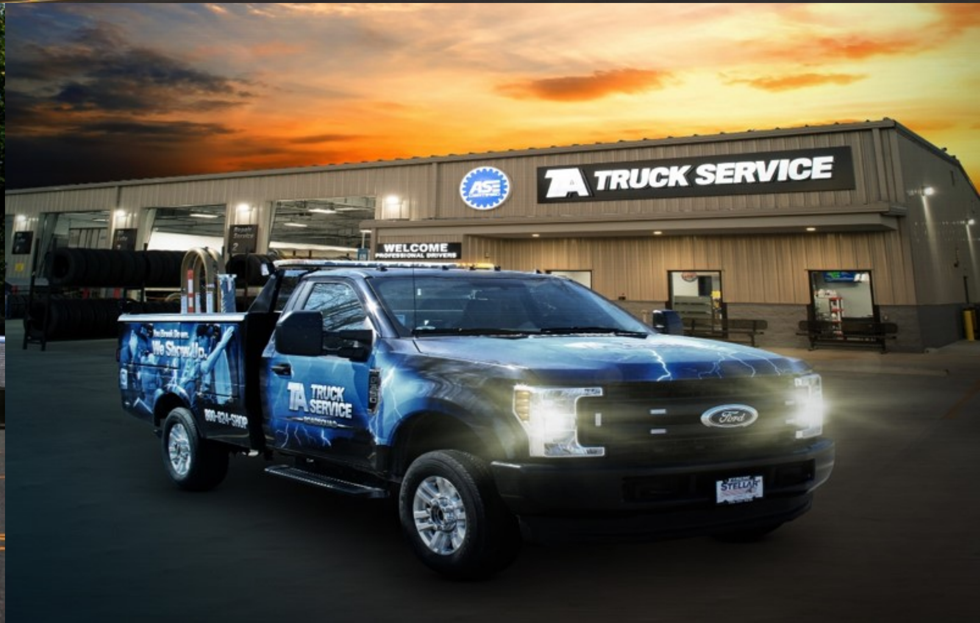
FFO and Normalized FFO

We calculate funds from operations, or FFO, and Normalized FFO as shown on page 20. FFO is calculated on the basis defined by Nareit, which is net income (loss), calculated in accordance with GAAP, excluding any gain or loss on sale of properties and loss on impairment of real estate assets, if any, plus real estate depreciation and amortization, less any unrealized gains and losses on equity securities, as well as certain other adjustments currently not applicable to us. In calculating Normalized FFO, we adjust for the item shown on page 20 and include business management incentive fees, if any, only in the fourth quarter versus the quarter when they are recognized as expense in accordance with GAAP due to their quarterly volatility not necessarily being indicative of our core operating performance and the uncertainty as to whether any such business management incentive fees will be payable when all contingencies for determining such fees are known at the end of the calendar year. FFO and Normalized FFO are among the factors considered by our Board of Trustees when determining the amount of distributions to our shareholders. Other factors include, but are not limited to, requirements to maintain our qualification for taxation as a REIT, limitations in our credit agreement and public debt covenants, the availability to us of debt and equity capital, our distribution rate as a percentage of the trading price of our common shares, or dividend yield, and the dividend yield of other REITs, our expectation of our future capital requirements and operating performance and our expected needs for and availability of cash to pay our obligations. Other real estate companies and REITs may calculate FFO and Normalized FFO differently than we do.

OPERATING AGREEMENTS AND PORTFOLIO INFORMATION

Petro Travel Center, 2154 S. Beltline Boulevard
I-77, Exit 5
Columbia, SC
Operator: TravelCenters of America





PORTFOLIO BY OPERATING AGREEMENT AND MANAGER

As of June 30, 2019

(dollars in thousands)

By Operating Agreement [(1)]:	Number of Properties	Percent of Total Number of Properties	Number of Rooms or Suites (Hotels) / Land Acreage (Travel Centers)	Percent of Total Number of Rooms or Suites (Hotels) / Acres (Travel Centers)	Investment [(2)]	Percent of Total Investment	Investment Per Room or Suite	Annual Minimum Return / Rent [(3)]	Percent of Total Annual Minimum Return / Rent
Marriott (no. 1)	53	10%	7,609	15%	$ 720,834	7%	$ 95	$ 71,589	8%
Marriott (no. 234)	68	13%	9,120	18%	1,030,994	10%	113	109,024	13%
Marriott (no. 5)	1	0%	356	1%	90,078	1%	253	10,518	1%
Subtotal / Average Marriott	122	23%	17,085	34%	1,841,906	18%	108	191,131	22%
IHG	102	21%	16,887	34%	2,267,462	22%	134	207,411	25%
Sonesta	51	10%	8,862	17%	1,730,121	17%	195	129,017	14%
Wyndham	22	4%	3,583	7%	398,960	4%	111	29,466	4%
Hyatt	22	4%	2,724	4%	301,942	3%	111	22,037	3%
Radisson	9	2%	1,939	4%	287,249	3%	148	20,292	3%
Subtotal / Average Hotels	328	64%	51,080	100%	6,827,640	67%	134	599,354	71%
TA (No. 1)	36	7%	747	16%	668,375	7%	N/A	49,018	6%
TA (No. 2)	36	7%	879	20%	626,390	6%	N/A	44,663	5%
TA (No. 3)	35	7%	885	20%	578,630	6%	N/A	42,404	5%
TA (No. 4)	37	8%	930	21%	594,794	6%	N/A	48,381	6%
TA (No. 5)	35	7%	1,039	23%	834,559	8%	N/A	61,617	7%
Subtotal / Average Travel Centers	179	36%	4,480	100%	3,302,748	33%	N/A	246,083	29%
Total / Average	507	100%	51,080 / 4,480	100% / 100%	$ 10,130,388	100%	$ 134	$ 845,437	100%

(1) See pages 25 through 27 for additional information regarding each of our operating agreements.

(2) Represents historical cost of our properties plus capital improvements funded by us less impairment write-downs, if any, and excludes capital improvements made from FF&E reserves funded from hotel operations that do not result in increases in minimum returns or rents.

(3) Each of our management agreements or leases provides for payment to us of an annual minimum return or minimum rent, respectively. Certain of these minimum payment amounts are secured by full or limited guarantees or security deposits as more fully described on pages 25 through 27. In addition, certain of our hotel management agreements provide for payment to us of additional amounts to the extent of available cash flows as defined in the management agreement. Payments of these additional amounts are not guaranteed or secured by deposits. Annualized minimum rent amounts represent cash rent amounts due to us and exclude adjustments, if any, necessary to recognize rental income on a straight line basis in accordance with GAAP and payments by TA of previously deferred rent.

PORTFOLIO BY BRAND

As of June 30, 2019
(dollars in thousands)

Brand	Manager	Number of Properties	Percent of Total Number of Properties	Number of Rooms or Suites (Hotels) / Land Acreage (Travel Centers)	Percent of Total Number of Rooms or Suites (Hotels) / Acres (Travel Centers)	Investment [(1)]	Percent of Total Investment	Investment Per Room or Suite
Courtyard by Marriott®	Marriott	71	14%	10,264	20%	$ 1,014,005	11%	$ 99
Royal Sonesta Hotels®	Sonesta	6	1%	2,332	4%	719,526	7%	309
Sonesta ES Suites®	Sonesta	39	8%	4,730	9%	646,289	6%	137
Crowne Plaza®	IHG	11	2%	4,139	9%	617,488	6%	149
Candlewood Suites®	IHG	61	12%	7,553	16%	586,546	6%	78
Residence Inn by Marriott®	Marriott	35	7%	4,488	9%	554,602	5%	124
Kimpton® Hotels & Restaurants	IHG	4	1%	1,160	2%	424,036	4%	366
Sonesta Hotels & Resorts®	Sonesta	6	1%	1,800	4%	364,306	4%	202
Staybridge Suites®	IHG	20	4%	2,481	4%	347,592	3%	140
Hyatt Place®	Hyatt	22	4%	2,724	4%	301,942	3%	111
Wyndham Hotels and Resorts® and Wyndham Grand®	Wyndham	6	1%	1,827	4%	296,709	3%	162
InterContinental Hotels and Resorts®	IHG	3	1%	800	2%	218,469	2%	273
Radisson® Hotels & Resorts and Radisson Blu®	Radisson	5	1%	1,329	3%	206,228	2%	155
Marriott Hotels and Resorts®	Marriott	2	0%	748	1%	131,576	1%	176
TownePlace Suites by Marriott®	Marriott	12	2%	1,321	3%	116,262	1%	88
Hawthorn Suites®	Wyndham	16	3%	1,756	3%	102,251	1%	58
Country Inns & Suites® by Radisson	Radisson	4	1%	610	1%	81,021	1%	133
Holiday Inn®	IHG	3	1%	754	1%	73,331	1%	97
SpringHill Suites by Marriott®	Marriott	2	0%	264	1%	25,461	0%	96
Subtotal / Average Hotels		328	64%	51,080	100%	6,827,640	67%	134
TravelCenters of America®	TA	134	27%	3,203	71%	2,281,522	22%	N/A
Petro Stopping Centers®	TA	45	9%	1,277	29%	1,021,226	11%	N/A
Subtotal / Average Travel Centers		179	36%	4,480	100%	3,302,748	33%	N/A
Total / Average		507	100%	51,080 / 4,480	100%	$ 10,130,388	100%	$ 134

(1) Represents historical cost of properties plus capital improvements funded by us less impairment writedowns, if any, and excludes capital improvements made from FF&E reserves funded from hotel operations that do not result in increases in minimum returns or rents.

OPERATING AGREEMENT INFORMATION

As of June 30, 2019

(dollars in thousands)

Marriott No. 1 - We lease 53 Courtyard by Marriott® branded hotels in 24 states to one of our taxable REIT subsidiaries, or TRSs. The hotels are managed by a subsidiary of Marriott under a combination management agreement which expires in 2024; Marriott has two renewal options for 12 years each for all, but not less than all, of the hotels.

We have no security deposit or guarantee from Marriott for these 53 hotels. Accordingly, payment by Marriott of the minimum return due to us under this management agreement is limited to the hotels' available cash flows after payment of operating expenses and funding of the FF&E reserve. In addition to our minimum return, this agreement provides for payment to us of 50% of the hotels' available cash flows after payment of hotel operating expenses, funding of the required FF&E reserve, payment of our minimum return and payment of certain management fees.

Marriott No. 234 - We lease 68 of our Marriott® branded hotels (one full service Marriott®, 35 Residence Inn by Marriott®, 18 Courtyard by Marriott®, 12 TownePlace Suites by Marriott® and two SpringHill Suites by Marriott® hotels) in 22 states to one of our TRSs. The hotels are managed by subsidiaries of Marriott under a combination management agreement which expires in 2025; Marriott has two renewal options for 10 years each for all, but not less than all, of the hotels.

We originally held a security deposit of $64,700 under this agreement to cover payment shortfalls of our minimum return. As of June 30, 2019, the available balance of this security deposit was $35,434. This security deposit may be replenished from a share of the hotels' available cash flows in excess of our minimum return and certain management fees. Marriott has also provided us with a $40,000 limited guaranty to cover payment shortfalls up to 90% of our minimum return after the available security deposit balance has been depleted. This limited guaranty expires on December 31, 2019. As of June 30, 2019, the available Marriott guaranty was $30,672.

In addition to our minimum return, this agreement provides for payment to us of 62.5% of the hotels' available cash flows after payment of hotel operating expenses, funding of the required FF&E reserve, payment of our minimum return, payment of certain management fees and replenishment of the security deposit. This additional return amount is not guaranteed or secured by the security deposit.

Marriott No. 5 - We lease one Marriott® branded hotel in Kauai, HI to a subsidiary of Marriott under a lease that expires in 2019. Marriott has four renewal options for 15 years each. On August 31, 2016, Marriott notified us that it will not exercise its renewal option at the expiration of the current lease term ending on December 31, 2019. This lease is guaranteed by Marriott and provides for increases in the annual minimum rent payable to us based on changes in the consumer price index.

IHG - We lease 101 IHG branded hotels (20 Staybridge Suites®, 61 Candlewood Suites®, two InterContinental®, 11 Crowne Plaza®, four Kimpton® Hotels & Restaurants and three Holiday Inn®) in 30 states in the U.S., the District of Columbia and Ontario, Canada to one of our TRSs. These 101 hotels are managed by subsidiaries of IHG under a combination management agreement. We lease one additional InterContinental® branded hotel in Puerto Rico to a subsidiary of IHG. The annual minimum return amount presented in the table on page 23 includes $7,908 of minimum rent related to the leased Puerto Rico hotel. The management agreement and the lease expire in 2036; IHG has two renewal options for 15 years each for all, but not less than all, of the hotels.

As of June 30, 2019, we held a security deposit of $88,103 under this agreement to cover payment shortfalls of our minimum return. This security deposit, if utilized, may be replenished and increased up to $100,000 from the hotels' available cash flows in excess of our minimum return and certain management fees. Under this agreement, IHG is required to maintain a minimum security deposit of $37,000.

In addition to our minimum return, this management agreement provides for an annual additional return payment to us of $12,067 from the hotels' available cash flows after payment of hotel operating expenses, funding of the required FF&E reserve, if any, payment of our minimum return, payment of certain management fees and replenishment and expansion of the security deposit. In addition, the agreement provides for payment to us of 50% of the hotels' available cash flows after payment to us of the annual additional return amount. These additional return amounts are not guaranteed or secured by the security deposit we hold.

OPERATING AGREEMENT INFORMATION

As of June 30, 2019

(dollars in thousands)

Sonesta - We lease our 51 Sonesta branded hotels (six Royal Sonesta® Hotels, six Sonesta Hotels & Resorts® and 39 Sonesta ES Suites® hotels) in 26 states to one of our TRSs. The hotels are managed by Sonesta under a combination management agreement which expires in 2037; Sonesta has two renewal options for 15 years each for all, but not less than all, of the hotels.

We have no security deposit or guaranty from Sonesta. Accordingly, payment by Sonesta of the minimum return due to us under this management agreement is limited to the hotels' available cash flows after the payment of operating expenses, including certain management fees, and we are financially responsible for operating cash flows deficits, if any.

In addition to our minimum return, this management agreement provides for payment to us of 80% of the hotels' available cash flows after payment of hotel operating expenses, management fees to Sonesta, our minimum return, an imputed FF&E reserve to us and reimbursement of operating loss or working capital advances, if any.

Wyndham - We lease our 22 Wyndham branded hotels (six Wyndham Hotels and Resorts® and 16 Hawthorn Suites® hotels) in 14 states to one of our TRSs. The hotels are managed by subsidiaries of Wyndham under a combination management agreement which expires in 2038; Wyndham has two renewal options for 15 years each for all, but not less than all, of the hotels.

We have a limited guaranty of $35,656 under the management agreement to cover payment shortfalls of our minimum return, subject to an annual payment limit of $17,828. This guaranty expires in 2020. As of June 30, 2019, the Wyndham guaranty was depleted. This guaranty may be replenished from the hotels' available cash flows in excess of our minimum return. This agreement provides that if the hotel cash flows available after payment of hotel operating expenses are less than the minimum returns due to us and if the guaranty is depleted, to avoid a default, Wyndham is required to pay us the greater of the available hotel cash flows after payment of hotel operating expenses and 85% of our minimum return.

In addition to our minimum return, this management agreement provides for payment to us of 50% of the hotels' available cash flows after payment of hotel operating expenses, payment of our minimum return, funding of the FF&E reserve, if any, payment of certain management fees and reimbursement of any Wyndham guaranty advances. This additional return amount is not guaranteed.

We lease 48 vacation units in one of the hotels to a subsidiary of Wyndham Destinations, Inc. (NYSE: WYND), or Destinations, under a lease that expires in 2037; Destinations has two renewal options for 15 years each for all, but not less than all, of the vacation units. The lease is guaranteed by Destinations and provides for rent increases of 3% per annum. The annual minimum return amount presented in the table on page 23 includes $1,493 of minimum rent related to the Destinations lease.

Hyatt - We lease our 22 Hyatt Place® branded hotels in 14 states to one of our TRSs. The hotels are managed by a subsidiary of Hyatt Hotels Corporation, or Hyatt, under a combination management agreement that expires in 2030; Hyatt has two renewal options for 15 years each for all, but not less than all, of the hotels.

We have a limited guaranty of $50,000 under this agreement to cover payment shortfalls of our minimum return. As of June 30, 2019, the available Hyatt guaranty was $22,614. The guaranty is limited in amount but does not expire in time and may be replenished from a share of the hotels' available cash flows in excess of our minimum return.

In addition to our minimum return, this management agreement provides for payment to us of 50% of the hotels' available cash flows after payment of operating expenses, funding the required FF&E reserve, payment of our minimum return and reimbursement to Hyatt of working capital and guaranty advances, if any. This additional return is not guaranteed.

Radisson - We lease our nine Radisson branded hotels (four Radisson® Hotels & Resorts, four Country Inns & Suites® by Radisson and one Radisson Blu® hotel) in six states to one of our TRSs and these hotels are managed by a subsidiary of Radisson under a combination management agreement which expires in 2035 and Radisson has two 15 year renewal options for all, but not less than all, of the hotels.

We have a limited guaranty of $47,371 under this agreement to cover payment shortfalls of our minimum return. As of June 30, 2019, the available Radisson guaranty was $40,561. The guaranty is limited in amount but does not expire in time and may be replenished from a share of the hotels' available cash flows in excess of our minimum return. Also, this guaranty cap may be increased if we fund excess renovation costs under our agreement with Radisson.

In addition to our minimum return, this management agreement provides for payment to us of 50% of the hotels' available cash flows after payment of operating expenses, funding the required FF&E reserve, payment of our minimum return and reimbursement to Radisson of working capital and guaranty advances, if any. This additional return is not guaranteed.

OPERATING AGREEMENT INFORMATION

As of June 30, 2019

(dollars in thousands)

TA No. 1 - We lease 36 travel centers (32 TravelCenters of America® branded travel centers and four Petro Stopping Centers® branded travel centers) in 26 states to a subsidiary of TA under a lease that expires in 2032. TA has two renewal options for 15 years each for all, but not less than all, of these travel centers. In addition to the payment of our minimum rent, this lease provides for payment to us of percentage rent based on increases in total non-fuel revenues over base year levels (3% of non-fuel revenues above 2015 non-fuel revenues). Commencing in 2020, this lease provides for payment of an additional half percent (0.5%) of non-fuel revenues above 2019 non-fuel base year revenues. TA's remaining deferred rent obligation of $13,289 is being paid in quarterly installments of $886 through January 31, 2023.

TA No. 2 - We lease 36 travel centers (34 TravelCenters of America® branded travel centers and two Petro Stopping Centers® branded travel centers) in 24 states to a subsidiary of TA under a lease that expires in 2031. TA has two renewal options for 15 years each for all, but not less than all, of these travel centers. In addition to the payment of our minimum rent, this lease provides for payment to us of percentage rent based on increases in total non-fuel revenues over base year levels (3% of non-fuel revenues above 2015 non-fuel revenues). Commencing in 2020, this lease provides for payment of an additional half percent (0.5%) of non-fuel revenues above 2019 non-fuel base year revenues. TA's remaining deferred rent obligation of $12,044 is being paid in quarterly installments of $803 through January 31, 2023.

TA No. 3 - We lease 35 travel centers (33 TravelCenters of America® branded travel centers and two Petro Stopping Centers® branded travel centers) in 26 states to a subsidiary of TA under a lease that expires in 2029. TA has two renewal options for 15 years each for all, but not less than all, of these travel centers. In addition to the payment of our minimum rent, this lease provides for payment to us of percentage rent based on increases in total non-fuel revenues over base year levels (3% of non-fuel revenues above 2015 non-fuel revenues). Commencing in 2020, this lease provides for payment of an additional half percent (0.5%) of non-fuel revenues above 2019 non-fuel base year revenues. TA's remaining deferred rent obligation of $11,815 is being paid in quarterly installments of $788 through January 31, 2023.

TA No. 4 - We lease 37 travel centers (35 TravelCenters of America® branded travel centers and two Petro Stopping Centers® branded travel centers) in 27 states to a subsidiary of TA under a lease that expires in 2033. TA has two renewal options for 15 years each for all, but not less than all, of these travel centers. In addition to the payment of our minimum rent, this lease provides for payment to us of percentage rent based on increases in total non-fuel revenues over base year levels (3% of non-fuel revenues above 2015 non-fuel revenues). Commencing in 2020, this lease provides for payment of an additional half percent (0.5%) of non-fuel revenues above 2019 non-fuel base year revenues. TA's remaining deferred rent obligation of $12,151 is being paid in quarterly installments of $810 through January 31, 2023.

TA No. 5 - We lease 35 Petro Stopping Centers® branded travel centers in 23 states to a subsidiary of TA under a lease that expires in 2035. TA has two renewal options for 15 years each for all, but not less than all, of these travel centers. In addition to the payment of our minimum rent, this lease provides for payment to us of percentage rent based on increases in total non-fuel revenues over base year levels (3% of non-fuel revenues above 2012 non-fuel revenues). Commencing in 2020, this lease provides for payment of an additional half percent (0.5%) of non-fuel revenues above 2019 non-fuel base year revenues. TA's remaining deferred rent obligation of $16,755 is being paid in quarterly installments of $1,117 through January 31, 2023.

OPERATING STATISTICS BY HOTEL OPERATING AGREEMENT AND MANAGER

	No. of Hotels	No. of Rooms or Suites	For the Three Months Ended June 30, 2019	2018	Change	For the Six Months Ended June 30, 2019	2018	Change
ADR								
Marriott (no. 1)	53	7,609	$ 135.73	$ 132.85	2.2%	$ 135.14	$ 131.93	2.4%
Marriott (no. 234)	68	9,120	135.22	135.26	—%	135.53	133.69	1.4%
Marriott (no. 5)	1	356	295.59	290.83	1.6%	303.31	285.60	6.2%
Subtotal / Average Marriott	122	17,085	139.22	138.04	0.9%	139.68	137.02	1.9%
IHG (1)	102	16,887	123.27	128.21	(3.9%)	122.88	126.12	(2.6%)
Sonesta (1) (2)	51	8,862	154.21	154.75	(0.3%)	151.33	150.77	0.4%
Wyndham	22	3,583	101.19	104.93	(3.6%)	96.00	99.64	(3.7%)
Hyatt	22	2,724	110.52	115.16	(4.0%)	111.68	114.31	(2.3%)
Radisson (1)	9	1,939	137.14	134.70	1.8%	133.74	130.70	2.3%
All Hotels Total / Average	328	51,080	$ 131.94	$ 133.68	(1.3%)	$ 131.03	$ 131.40	(0.3%)
OCCUPANCY								
Marriott (no. 1)	53	7,609	73.0%	75.0%	-2.0 pts	66.6%	68.9%	-2.3 pts
Marriott (no. 234)	68	9,120	78.3%	80.1%	-1.8 pts	73.6%	75.9%	-2.3 pts
Marriott (no. 5)	1	356	86.1%	91.8%	-5.7 pts	87.2%	94.1%	-6.9 pts
Subtotal / Average Marriott	122	17,085	76.1%	78.1%	-2.0 pts	70.8%	73.2%	-2.4 pts
IHG (1)	102	16,887	80.6%	82.5%	-1.9 pts	76.6%	79.0%	-2.4 pts
Sonesta (1) (2)	51	8,862	73.1%	71.2%	1.9 pts	68.1%	67.6%	0.5 pts
Wyndham	22	3,583	72.8%	71.7%	1.1 pts	66.8%	68.2%	-1.4 pts
Hyatt	22	2,724	82.8%	84.3%	-1.5 pts	78.7%	80.8%	-2.1 pts
Radisson (1)	9	1,939	75.2%	74.5%	0.7 pts	69.3%	74.2%	-4.9 pts
All Hotels Total / Average	328	51,080	77.2%	78.1%	-0.9 pts	72.3%	74.2%	-1.9 pts
RevPAR								
Marriott (no. 1)	53	7,609	$ 99.08	$ 99.64	(0.6%)	$ 90.00	$ 90.90	(1.0%)
Marriott (no. 234)	68	9,120	105.88	108.34	(2.3%)	99.75	101.47	(1.7%)
Marriott (no. 5)	1	356	254.50	266.98	(4.7%)	264.49	268.75	(1.6%)
Subtotal / Average Marriott	122	17,085	105.95	107.81	(1.7%)	98.89	100.30	(1.4%)
IHG (1)	102	16,887	99.36	105.77	(6.1%)	94.13	99.63	(5.5%)
Sonesta (1) (2)	51	8,862	112.73	110.18	2.3%	103.06	101.92	1.1%
Wyndham	22	3,583	73.67	75.23	(2.1%)	64.13	67.95	(5.6%)
Hyatt	22	2,724	91.51	97.08	(5.7%)	87.89	92.36	(4.8%)
Radisson (1)	9	1,939	103.13	100.35	2.8%	92.68	96.98	(4.4%)
All Hotels Total / Average	328	51,080	$ 101.86	$ 104.40	(2.4%)	$ 94.73	$ 97.50	(2.8%)

(1) Operating data includes data for certain hotels for periods prior to when we acquired them.

(2) Operating data includes data for one hotel for periods prior to when it was managed by Sonesta.

"ADR" is average daily rate; "RevPAR" is room revenue per available room. All operating data presented are based upon the operating results provided by our managers and tenants for the indicated periods. We have not independently verified our managers' or tenants' operating data.

COVERAGE BY OPERATING AGREEMENT AND MANAGER (1)

Operating Agreement	Number of Properties	For the Twelve Months Ended 6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018
Marriott (no. 1)	53	1.18x	1.19x	1.20x	1.20x	1.23x
Marriott (no. 234)	68	1.06x	1.08x	1.09x	1.10x	1.11x
Marriott (no. 5)	1	0.97x	1.03x	1.05x	1.07x	1.07x
Subtotal Marriott	122	1.10x	1.12x	1.13x	1.13x	1.16x
IHG	102	0.97x	1.02x	1.06x	1.12x	1.13x
Sonesta	51	0.62x	0.64x	0.66x	0.68x	0.71x
Wyndham	22	0.59x	0.61x	0.67x	0.75x	0.79x
Hyatt	22	0.95x	1.00x	1.04x	1.08x	1.13x
Radisson	9	0.93x	0.97x	1.11x	1.10x	1.15x
Subtotal Hotels	328	0.92x	0.95x	0.98x	1.01x	1.03x
TA (No. 1)	36	1.88x	1.86x	1.85x	1.80x	1.81x
TA (No. 2)	36	1.84x	1.83x	1.84x	1.78x	1.77x
TA (No. 3)	35	1.82x	1.82x	1.82x	1.78x	1.77x
TA (No. 4)	37	1.90x	1.89x	1.89x	1.81x	1.82x
TA (No. 5)	35	1.75x	1.79x	1.81x	1.79x	1.79x
Subtotal TA	179	1.84x	1.83x	1.84x	1.79x	1.79x
Total	507	1.19x	1.21x	1.23x	1.24x	1.26x

Operating Agreement	Number of Properties	For the Three Months Ended 6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018
Marriott (no. 1)	53	1.44x	0.89x	0.99x	1.38x	1.52x
Marriott (no. 234)	68	1.22x	0.92x	0.95x	1.14x	1.30x
Marriott (no. 5)	1	0.96x	1.04x	0.86x	1.04x	1.19x
Subtotal Marriott	122	1.29x	0.91x	0.96x	1.22x	1.37x
IHG	102	1.09x	0.79x	0.83x	1.18x	1.29x
Sonesta	51	0.87x	0.44x	0.50x	0.68x	0.93x
Wyndham	22	0.90x	0.07x	0.42x	0.99x	0.98x
Hyatt	22	1.20x	0.92x	0.71x	0.95x	1.43x
Radisson	9	1.13x	0.45x	0.79x	1.34x	1.32x
Subtotal Hotels	328	1.10x	0.71x	0.77x	1.07x	1.23x
TA (No. 1)	36	1.99x	1.75x	1.87x	1.92x	1.88x
TA (No. 2)	36	1.91x	1.68x	1.86x	1.91x	1.88x
TA (No. 3)	35	1.90x	1.65x	1.77x	1.99x	1.88x
TA (No. 4)	37	1.98x	1.80x	1.95x	1.88x	1.93x
TA (No. 5)	35	1.80x	1.67x	1.70x	1.84x	1.92x
Subtotal TA	179	1.91x	1.71x	1.83x	1.90x	1.90x
Total	507	1.34x	1.00x	1.08x	1.32x	1.43x

(1) We define coverage as combined total property level revenues minus all property level expenses and FF&E reserve escrows that are not subordinated to minimum returns or rents due to us, divided by the minimum returns or rents due to us (which data is provided to us by our managers or tenants). Coverage amounts for our IHG, Sonesta and Radisson agreements include data for certain hotels for periods prior to when we acquired ownership of them. Coverage amounts for our Sonesta agreement include data for one hotel prior to when it was managed by Sonesta. Coverage amounts for our Radisson agreement and TA leases exclude data for certain properties we sold during the periods presented. Coverage amounts for our TA leases exclude payments of previously deferred rent.

All operating data presented are based upon the operating results provided by our managers and tenants for the indicated periods. We have not independently verified our managers' or tenants' operating data.

Warning Concerning Forward-Looking Statements

This supplemental operating and financial data may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. Whenever we use words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate”, “will”, “may” and negatives or derivatives of these or similar expressions, we are making forward-looking statements. These forward-looking statements are based upon our present intent, beliefs or expectations, but forward-looking statements are not guaranteed to occur and may not occur. Actual results may differ materially from those contained in or implied by our forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control.

The information contained in our filings with the SEC, including under “Risk Factors” in our periodic reports, or incorporated therein, identifies important factors that could cause our actual results to differ materially from those stated in or implied by our forward-looking statements. Our filings with the SEC are available on the SEC's website at www.sec.gov. You should not place undue reliance upon our forward-looking statements. Except as required by law, we do not intend to update or change any forward-looking statements as a result of new information, future events or otherwise.